

ReVista

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Venezuela The Chávez Effect

EDITOR'S LETTER

Long, long ago before I ever saw the skyscrapers of Caracas, long before I ever fished for *cachama* in Barinas with Pedro and Aida, long before I ever dreamed of *ReVista*, let alone an issue on Venezuela, I heard a song.

"*Qué triste vive mi gente en sus casas de cartón,*" my Dominican friends played over and over again on their phonographs in our New York barrio. "How sadly live my people in their cardboard houses."

I soon learned the song was by Venezuelan singer-composer Ali Primera, and the words stuck in my head as I traveled Central America, the Caribbean and Colombia as a budding journalist in the mid-70s. The song became a wrenching soundtrack as I witnessed poverty and inequality throughout the region.

When I went to Caracas for the first time in 1979, I was startled. I was living at the time in Colombia, where new cars and televisions were a luxury—even among the middle-class, where children slept on the streets with dogs and rags to keep them warm. In Caracas, the new cars whizzed by me; imported goods of all types were sold in the stores and hawked in the streets; bookstores and cultural centers burst with energy derived from the Venezuelan oil boom.

Since then, I've visited Venezuela three times, the latest earlier this year in preparation for this issue of *ReVista*. Each time, I saw the skyscrapers, only later noticing the ring of cardboard houses on the hillsides, the houses Ali Primera so eloquently sang about. And each time, hearing about the immense wealth generated by oil, I hoped the inequality would disappear. "Hoy es lo mismo que ayer," wrote Ali Primera. "Es un mundo sin mañana." ("Today is the same as yesterday. It is a world without a tomorrow.")

On this last trip, I saw Venezuela through an editor's lens. What was the effect of Hugo Chávez's government and what difference was it making in the lives of those who lived in those cardboard boxes? Was there indeed a world "with tomorrow"? I came away with more questions than answers. Despite the tremendous hospitality of my many and diverse hosts, despite the endless conversations—or perhaps because of them—I began to feel like the blind man touching the elephant in the famous parable in which each man touches a different part of the elephant's body and comes to a different conclusion about what an elephant really looks like.

The language of hope, the language of despair, shortages and conspicuous consumption, empowerment and inequality, democracy and disenfranchisement, all mix together in a heady and dangerous brew of polarization.

I never could have done this issue by myself. Today's Venezuela is extremely complicated and conflicted; to achieve a multi-voiced forum, I needed a team. Four wise and talented experts on Venezuela have guided me through this process from beginning to end: Fernando Coronil, Jeffrey Cedeño, Jonathan Eastwood and Vicente Lecuna.

Former DRCLAS Visiting Scholar Fernando Coronil is Presidential Professor at CUNY's Graduate Center and author of *The Magical State: Nature, Money, and Modernity in Venezuela*; Jeffrey Cedeño is Professor in the Department of Languages and Literatures at the Universidad Simón Bolívar in Caracas; Jonathan Eastwood, a former Lecturer for Harvard's Committee on Social Studies, is Assistant Professor of Sociology at Washington and Lee University in Virginia and author of *The Rise of Nationalism in Venezuela*; Vicente Lecuna is Chair of the Department of Literature at the Universidad Central de Venezuela.

In this issue, we hear many voices interpreting what's going on in Venezuela in anticipation of next month's elections. We've covered a variety of themes, ranging from oil and revolution to international relations, and also remember that Venezuela is more than just the Chávez effect; it's orchids and architecture and music and art.

As I write these words at my comfortable desk in Cambridge, rereading Arachu Castro's powerful piece on her experience in the missions, I pause to reflect that it's really not about us and our words, after all. Again, the lyrics and melody of Ali Primera's song float through my brain, and I remember only a few months ago looking up on a dark Caracas night at the twinkling of the cardboard houses that are still on the hillsides. The question perhaps is, for the poor in Venezuela and for us all, is today the same as yesterday? And is there now a tomorrow?

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Chávez's Venezuela

A New Magical State?

BY FERNANDO CORONIL

What do you think of Hugo Chávez? Are you for or against him? Venezuelans inevitably confront these questions when we travel or meet people unfamiliar with our ideas. Unless one stands at one of the two opposite poles dominating political life in Venezuela during this last decade, it is hard to answer them. A generalized Manichean mind-set tends to push and flatten every position towards the extreme ends and nuanced views are often dismissed or cast aside as camouflaged versions of either pole. Can this issue of *ReVista* escape from this tendentious debate? Can it help readers explore these questions?

Historical ruptures often divide people and polarize political discourse. Ever since Chávez was elected in 1998 by 56% of the vote, an already polarized society has become even more painfully divided as Chávez has not only talked revolution but has unleashed it from the commanding heights of an increasingly oil-rich petro-state. A product of a fractured nation, Chávez has built on the growing chasm between rich and poor and given it historical and moral significance.

From his initial appearance as a rebel officer until now, Chávez has proclaimed the need to regenerate Venezuelan society, but guided by different principles and through different means. As president, Chávez initially focused on changing the political system's formal institutions; his major accomplishment at the outset was the formulation of a new constitution, approved by general elections in December 1999. Since then, we have seen a rather rapid replacement of ruling sectors and of the parties that represent them, an expansion of social programs, a progressive move towards instituting what he called in 2005 "socialism of the 21st century," and uneven steps towards expanding the role of the state in the economy and society—some taken even after the defeat of his constitutional reform in 2007, his first electoral loss. The impetus to create a more ethical society, however, has not changed. During his rule, "the people" (*el pueblo*) have become widely recognized as the sovereign—*el soberano*.

Even if much would have to happen to turn this principle into reality, in my view this is a formidable accomplishment. Now it is impossible to participate in politics in Venezuela without recognizing the centrality of common people. Even conservative leaders whose familiarity with ordinary Venezuelans is restricted to their servants, now proclaim—have to claim—that they struggle for *el pueblo*. The cover of *ReVista* captures the sense of pride, dignity and defiance that Chávez has generated among the popular sectors in Venezuela.

Ironically, this democratic ideal does not break from, but reactivates, a founding principle of the IV Republic, the previous political system that Chávez now so vehemently rejects. In Venezuelan politics, *el pueblo* came to occupy center stage when the party Acción Democrática (AD)—"*el partido del pueblo*"—fought for power and conquered the state, first through a successful coup d'état in 1945 against the liberalizing regime of General Isaías Medina Angarita, and later through universal elections in 1947 (the first in Venezuelan history), which legitimated the party's rule, helping to erase its violent origins. But as time passed and new and old elites colluded and shared the spoils of power, this main actor, personified as *Juan Bimba*, an emblematic figure of the common man that has also slowly vanished from the public imaginary, slowly became a rhetorical ornament rather than the main protagonist of democracy.

Indeed, after almost half a century of democratic rule in its name, *el pueblo*—as the impoverished majority—was pushed to the margins or even violently discarded. Declining economic conditions, particularly in the 1980s and 1990s, made it difficult to continue to use oil money to lubricate social tensions and cushion class conflict. The "*Caracazo*," the massacre of four hundred Venezuelans in 1989 during protests against the imposition of International Monetary Fund (IMF) measures at a time of increasing economic

hardship but rising political expectations, is an emblematic moment of this political betrayal.

Treating it as a popular rebellion, Chávez has transformed the Caracazo into a founding threshold of the Bolivarian revolution. As if following the script of the great social revolutions of the modern period, Chávez is re-writing the nation's history through his prolific verbal production—as far as I know, he speaks publicly more than any national leader ever anywhere. Yet his words, perhaps because of their exuberant proliferation, serve not to just to reconstruct past history or to guide its new construction, but to substitute for it. As they conjure up a world of their own, at times it is not clear whether one is living through a real or a rhetorical revolution, perceiving the initial flowering of human capacities in a freer society or the manicuring of a bonsai revolution, having a dream or a nightmare, or awakening to recognize history as both.

To his credit, through words that are also acts and guide actions, Chávez has brought the *pueblo* to center stage again, first through his failed coup in 1992 that turned him overnight into their avenging champion, and then through several elections (particularly in 1998, when he became president, and in 2006, when he was reelected), which legitimated his leadership as the chosen commander of the *revolución*. While he is in fact its absolute leader, his self-fashioning as its humble soldier and his celebration of "participatory democracy" has opened significant spaces for popular mobilizations in the name of the *revolución*. Revolution now rules.

Since AD's October 1945 coup—which it hyperbolically baptized as "la Revolución de Octubre"—successive regimes have legitimated their rule by claiming to be enacting a revolution on behalf of the people. After 1945, when a displacement of ruling sectors took place, the entrenched elites arrogantly sought to contain AD leaders and their "barbarous" masses. Once again, after Chávez was elected in 1998, after he proved not to be a malleable pawn, the established elite has sought to maintain power through a variety of means, from coups, to alliances, to elections. The Chávez revolution is being defined as it is made; it certainly has not been the chronicle of a death foretold. Is history now repeating itself—whether as tragedy or farce—or, is it unfolding as a true revolution?

It has been said that when asked what he thought of the French revolution, Chou En Lai answered: "It's too early to tell." Perhaps we should take his answer not just as diplomatic or witty, but as a reminder that it takes time to discern the significance of historical events. While from either extreme the answer will seem evidently obvious, in this case I think it is too early to tell. Uncertainty about Venezuela's future is magnified by the fractures of the present. The shared rules of Venezuela's long-standing democracy are no longer in play. Unmoored from them, the proliferation of formulaic scripts, inflated hopes, political fears, and moral panics has subjected politics to what I call, for lack of a better term, "the rule of the stereotype."

Under the rule of the stereotype, the mutual demonization and erosion of shared sociality has saturated not just the public sphere but the private domains of family and friendships. It is as if a storm of clashing slogans had suddenly fallen upon Venezuela and split it into two. Divided by verbal fences, Chavistas and anti-Chavistas inhabit mutually hostile social worlds. Enclosed by barbed words, each world treats its reasons as Reason itself and adversaries become enemies. The ground of reasonable discussion vanishes. It is telling that the exacerbation of disputes among relatives and of divorces among couples has brought into being a code of conduct common during social crises but unfamiliar in the olden Venezuela charmed by the illusion of harmony: *No politics allowed at home*. Ironically, while the country has been heavily politicized, in many social gatherings of kin and friends politics has become a taboo subject.

Rather than evading it, this special issue of *ReVista* faces politics head on. By presenting a plural set of informative reflections on Chávez's Venezuela, we seek not only to illuminate the nation's changing political and cultural landscape, but to stimulate a sensible dialogue among those interested in Venezuela—hopefully with Venezuela's interests in mind. Needless to say, we have no intention of settling questions, but of exploring them. Any of the issues discussed here could be further examined from other perspectives.

On Venezuela's revolutionary stage, principles and interests have been performing their usual play, leading to the common marriage of conviction and convenience, but with unusual versatility and unexpected offspring. In the daily unfolding of this drama, one may be impressed by the emergence of principled political activism—as when barrio dwellers get organized on their own despite political differences or students speak up on behalf of the nation with a renewed sense of dignity. Or, one may be shocked by rather uncommon instances of common political opportunism—as when once independent leaders obediently repeat slogans and smile on cue or iconic archenemies negotiate in secret the spoils of power. Just as one becomes hopeful when one sees high ideals widely proclaimed, one loses faith when one sees them pervasively subverted.

No matter where one stands or how one views Chávez's Venezuela, few would dispute that under Chávez the nation is different. But as soon we try to specify how different is this Bolivarian Venezuela, we run into sharp disagreements. Depending on your perspective, this historical drama may appear as a revolution or as a masquerade—or if you include the backstage, as a murky mixture of both. Some see Venezuela's future as bright; others see only blight. Let's take a quick look at Venezuela from its extremes.

From one pole we would see: a democratic state at the service of a people that is participating in ever new ways in national and local politics, a healthier, more educated and better fed population, an oil industry under national control, oil money invested into both the people and a diversified economy, as well as a sovereign international policy.

From the other pole: a militaristic autocratic state, a new corrupt elite, a state increasingly in control of the economy, education and culture, growing scarcity of basic goods and declining public services, a port economy ever more dependent on oil rents, and an international policy at the service of partisan interests.

Clearly, these are mirror images of each other. By outlining them as caricatures, my intent is not to dismiss compelling views that may well be sighted from either end, and even less to find an antiseptic or wishy-washy middle-ground, but to counter flat distortions that block understanding and stand in the way of efforts, from both sides, to deepen democracy.

While it is true that in order to understand Venezuela it is necessary to understand Chávez, it is even truer that in order to understand Chávez we must understand Venezuela. Clearly, this reciprocal understanding could be pursued through multiple approaches. I am not alone in believing that the concept of the magical state provides a useful frame for this purpose. As is often the case with brilliant insights, this idea, originally suggested by Venezuelan playwright José Ignacio Cabrujas, is rather simple: oil wealth is the key to understand the specific character of the state in Venezuela, including the appearance of presidents who embody collective powers as their own and act as magnanimous sorcerers who can bring out fantastic realities out of a hat.

Through historical analysis and theoretical elaboration, I have developed in other writings the notion of the magical state as a frame to examine multiple aspects of Venezuelan historical formation and political culture—not just the emergence of powerful leaders, but the formation of a society dependent on the state and enchanted by its spectacular performances. Since this concept has gained wide acceptance, it is not surprising that many analysts, including several authors of this issue of *ReVista*, have used it to discuss the Chávez state.

Yet in the polarized Venezuelan context, neither pole is fond of this framework, perhaps not because it doesn't work, but because it works too well. For those bent on blaming Chavez in the name of Venezuela's democratic traditions, this model makes it difficult to forget that previous presidents also

concentrated power in the state and used it to promote partisan ideologies, group privileges, and personal interests. For those bent on inaugurating a new epoch, the concept suggests not just historical continuities, but the repetition of vices denounced by Chávez, including presidentialism, corruption, and grandiose promises.

While I agree it is a useful model, I think the Chávez state is a different type of magical state. To make this frame more useful, just as for previous regimes, it must be historicized carefully. At the risk of blurring continuities or exaggerating ruptures, I will draw with broad strokes three of its contrasting features.

From the goal of development to the ideal of welfare. As if playing variations of the same theme, from the outset of Juan Vicente Gómez's rule in 1908 to the end of Rafael Caldera's presidency in 1998, the state sought to achieve the elusive goal of modernity by promoting economic development through the expansion of agricultural and industrial production. As if listening to a different drummer and playing a different melody, the Chávez regime has sought a different modernity by rejecting capitalism within a class-divided society and promoting collective welfare through social solidarity within a yet to be defined socialist society of the 21st century,

From the illusion of unity to the ideal of justice. Previous regimes proclaimed as their ideal the creation of an inclusive national community, minimizing internal differences and emphasizing common values. An offspring of internal fractures, the Chávez regime has built on them in order to create an exclusive national community, maximizing its difference from internal and external enemies identified by their privileged status and flawed morality, and emphasizing its values of solidarity and altruism in contrast to their greed and selfishness.

From political devotion to devotion as politics. The leaders of magical states appear as powerful individuals by incarnating as their own powers that actually belong to the collectivity. Their extraordinary performances—although different in form and content—demand the political devotion of their subjects. Chávez offers not just modernity, but another history, and presents himself as both its prophet and its maker. Given his exalted state as the nation's savior, his rule mandates that his subjects be not just devoted to his politics, but make devotion into a form of politics.

These three features add to a particular modality of the magical state: a charismatic state. As Max Weber argued, charismatic forms of authority arise in response to social crises that typically produce messianic leaders who promise salvation to populations wounded by history and undergoing economic and moral hardship. Unlike states formed in Venezuela during periods of economic growth, the Chávez state is the product of an economic and social crisis, even if it has been sustained by expanding oil revenues. In my view, this combination of crisis and abundant resources has sustained Chávez's messianic relationship to history.

Two phrases capture this relationship: "*Por ahora*" (for now), pronounced when he recognized his defeat as leader of the February coup of 1992, and "*Hasta siempre*" (forever), written when he was jailed and feared for his life during the 2002 coup against him. Even in defeat, in both occasions Chávez acted as the prophet of his eventual return as the redeemer of a wounded nation.

Historians will debate forever the role of exceptional individuals in history. In Latin America, their legacy is at best ambiguous, as they have often contributed to the expansion of democracy, but also to the establishment of entrenched hierarchies. Those of us interested in deepening democracy demand that leaders promote conditions that make their leadership unnecessary. For me, the greatest success of the Chávez regime has been to establish the principle that the *pueblo* is *soberano*. Let's hope that the *proceso* (the process), as many activists in Venezuela plainly call the current struggle to deepen democracy, will unfold in such ways that the people will make themselves into the *soberano*, in reality, *hasta siempre*.

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DEMOCRACY AND 21ST CENTURY SOCIALISM

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After the Referendum

Reading the Defeat

BY MARGARITA LÓPEZ MAYA

ON DECEMBER 2, 2007, VENEZUELA VOTERS REJECTED PRESIDENT Hugo Chávez's proposed constitutional reform. That reform, broadened by the National Assembly to encompass a total of 69 articles, would have led Venezuelan society at an accelerated pace towards "socialism of the 21st century." With 94% of the results reported, the National Electoral Council's second bulletin announced that slightly more than half the voters had chosen "NO" in opposition to the Chávez proposal. The specific vote was against "Bloque A," a proposal that combined the Chávez proposal with a number of the National Assembly measures. The vote against Bloque A came to 4,521,494 votes, 50.65% of the total, as opposed to 4,404,626 votes (49.34%) in favor of "SI." The difference between the "NO" and "SI" votes was 1.31 %. In Bloque B, an option that included all the National Assembly reform proposals, the difference was slightly higher.

To put the situation in perspective, the vote in support of the Bolivarian revolution had declined 14%, almost three million votes, from

the 2006 presidential elections. The opposition increased its share of the vote by only 211,000 votes. More than a triumph for the opposition forces, the vote was a defeat for the forces of Bolivarianism, opening a political game with uncertainties and contradictions.

HOW TO READ THE DEFEAT

In their first reactions, Chávez's close supporters reflected uneasy concern and unbridled emotions. However, the president and his allies are now reading the election in a way that has begun to express itself through concrete actions. These measures increasingly point to the idea of recovering lost support through a strategy which, while not essentially altering the goal of advancing towards the model of

A schoolgirl waits for the bus in El Vigía, Venezuela, on Thursday, Jan. 10, 2008. Municipalities across Venezuela, from Caracas to the smallest rural areas, remain covered in opposing graffiti messages from the referendum proposal to the Venezuelan constitution that was voted upon and defeated in December.

socialism proposed last year, in tactical terms, includes some actions and words of moderation and political aperture.

For example, on December 31, Chávez granted pardons and signed a broad amnesty law that ceased to press charges against the majority of those involved in the 2002 and 2003 insurreccional activities. Changes were also made to the cabinet in the areas of security, food administration, housing, communications and liaisons with popular organizations, areas that had been weakened and had thus affected electoral results. These changes appeared to respond to a quest for more efficiency rather than signify a modification of government policies.

On January 6, Chávez introduced what he called “the three R’s policy”: revision, rectification and re-impetus. He called upon his grassroots supporters to prepare themselves for the governors’ and mayors’ elections next month (November) and declared that the candidacies “should arise from the decisions of the grassroots base and not as a product of meetings in clandestine smoke-filled rooms, agreements of one party with another, to be finally stamped with the Chávez seal of approval” (*El Nacional*, June 6, 2008).

That same day, Chávez also announced the relaunching of the United Socialist Party of Venezuela (Partido Socialista Unido de Venezuela/PSUV) through preparation of its foundational congress. He also proposed reviving the Polo Patriótico, the coalition formed in 1998 for his first presidential election, as a signal that he was resigned to the permanence of other parties in his political platform, a measure to which he had been aggressively opposed throughout 2007, when he pressured his allies to dissolve their membership in other political parties or risk exclusion from the government. He now explained that he wanted to encourage “a grand alliance, not only of revolutionaries” in order to “attract the business sectors, the middle class, who are the essence of this project.” He said that all sectors had to be welcomed into the alliance and that sectarianism and extremism had to be fought “because the revolution has to open itself up.”

On January 11, the president gave his 2007 State of the Union address to the National Assembly, in which he presented the most significant statistics of what he considered his outstanding achievements in his nine years in power (statistics published on the website www.aporrea.org and in the newspapers *El Nacional* and *Últimas Noticias*). Towards the end of his speech, Chávez alluded to the three roles that he had played since coming to power, and formulated a self-evaluation of each of those roles. These reflections seem to reveal his own reading of his defeat and how he plans to make a comeback.

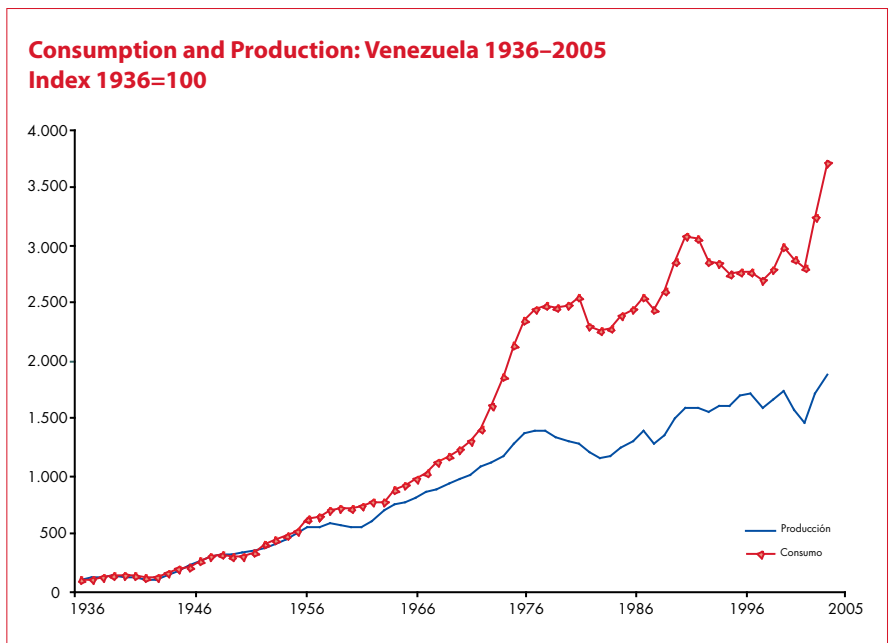
He considered his performance as chief of state as positive. From his perspective, this dimension encompasses actions to situate Venezuela firmly on the international stage. In this context, he enumerated initiatives such as ALBA, Petrocaribe and other efforts to strengthen Caribbean and Latin American integration. He also expressed satisfaction with his role as leader of the revolution. He considered that socialism had been sown in

Venezuela and nothing would hold it back. He declared that the revolution had been made peacefully, respecting human rights and cultural diversity, with a predilection for dialogue and appreciation for participatory democracy. Where he said he displayed weakness was in his role as head of government.

Chávez talked frankly about what he considered the multiple defects of his government. He mentioned insecurity, food shortages, lack of planning, the bad situation in the jails, impunity, corruption and the sluggish bureaucracy of public administration. All of these defects—he recognized—were making people lose confidence in the government. But Chávez did not talk about the perverse political polarization that has persisted throughout these years, with its heavy burden of intolerance towards his political adversaries and domestic dissidents that was readily fomented by his confrontational discourse.

He also failed to indicate a recognition of opposition sectors that have come to accept the rules of the political game, asking for a dialogue with the government. This opposition, which has made efforts towards unification and, at the same time, to separate itself from the anti-democratic actors of the past, includes middle-class professionals who could help to contribute to the elevation of political quality of the present democracy, as well as to the improvement of the debilitated and inefficient public sector. But pluralism has not been a value for the president, and polarization has paid off. It seems that he still is not prepared to abandon his policy of polarization.

In general, then, the speech, delivered a month after his defeat, reveals the conclusions that the leader had reached during that period. He seeks to recuperate his losses in 2008 through more efficient administration, but without changing his basic goal of socialism. One example of this is his promise to call for a revocatory referendum in 2010 against himself, if the opposition does not do so, with only two questions: 1) Are you in agreement that Hugo Chávez should keep on being president of Venezuela? 2) Are you in agreement with a small amendment to the constitution to permit indefinite reelection? (linking the two questions), as described in *Últimas Noticias* on January 13, 2008.





The bus moves towards "Paradise" in a hectic urban street scene.

SOME ACTIONS

The ideas that Chávez formulated after his defeat in the constitutional referendum allow us to understand some of his recent actions. In foreign affairs, for example, they explain his ongoing conflictive stance toward the United States and Colombia. During his presentation of his annual report to the National Assembly, he publicly asked Colombian President Álvaro Uribe's government to grant belligerent status to the Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN), a recommendation that provoked strong tensions in the following days with the neighboring country.

This request had the effect of canceling out the positive international impact that Chávez had obtained the previous day when, for the first time in years, the FARC agreed to liberate a group of hostages. The clumsiness with which Chávez made the request to the National Assembly contributed to an increase in Uribe's popularity in Colombia in the following weeks. Chávez's demand did not receive the backing of any Latin American country, not even Cuba. In March, after the Colombian Army attacked a FARC camp in Ecuadorian territory, Chávez also made a series of declarations that could have been interpreted as favorable to the guerilla group. Following conversations with other Latin American governments, the president softened his tone and his antagonism, permitting the Group of Rio and the Organization of American States to register a victory over the forces in the region that seek to torpedo Latin American integration and enhance bellicose tendencies.

In regards to the PSUV, the latest decisions suggest only weak modifications to strengthen the collective and democratic dynamic. Congressman Luis Tascón, considered a member of the extreme wing of Bolivarianism, was expelled first from the Bloc for the Change of the Assembly (Bloque por el Cambio de la Asamblea) and later from the organization that evolved into PSUV. His expulsion came about as a result of complaints he had made to the Assembly's Oversight Commission about irregularities in David Cabello's performance in the Ministry of Infrastructure. Cabello, along with some family members, is part of the group that is closest to Chávez and is considered by the leftist currents within Bolivarianism to

head up the "endogenous right." Assembly President Cilia Flores criticized the fact that Tascón made his complaints in a public space and to the media.

At the same time that it tried to silence Tascón's accusations, the Foundational Congress of the PSUV, meeting in Caracas in February, approved a mechanism based on an election for delegates to select the party's national leadership. In addition, another slate was introduced in which presidential preference significantly reduced the list of candidates before the delegates' election. Even so, the election of the PSUV National Directorate gave Bolivarianism a relatively legitimate and grassroots collective channel based on party militancy.

SOME FINAL WORDS

November's regional and local elections will be an important barometer to determine whether the strategy of the president and his allies has worked to recover his strength or, conversely, has led to the continuation of the decline of his force. Meanwhile, the government is increasing its efforts to achieve a steady food supply, above all in the area of staples such as milk, bread and rice, which had experienced shortages in the marketplace because of a combination of factors, including lack of planning and inefficiency and insufficiency of the agricultural development policy. Venezuela continues to import close to 70% of everything that is needed to feed and clothe its population. At the same time, polls in recent years indicate that the popular sectors have increased their consumption as a result of a more effective distribution of the petroleum-derived income through missions and other public policies. However, today as yesterday, this is only sustainable through oil income, the highest per capita that Venezuela has received in its entire history, according to Asdrúbal Baptista in *Bases cuantitativas de la economía venezolana* (Caracas, Fundación Empresas Polar, 2007).

In this sense, the Bolivarian revolution revives once more the "magical state" which for much of the 20th century maintained illusions about a modernization that was sustained only through the surplus that the oil industry extracted from the international energy market, without any domestic counterpart (Fernando Coronil, *The Magical State*, University of Chicago Press, 1997). Now it finances a vague "socialism." When this income drops for some reason, or is thought to be insufficient, Venezuela returns to its real situation: a country with resources but without capacity to create wealth. Thus the fantasies collapse. As the graph on the previous page eloquently illustrates, in structural terms, almost ten years of Bolivarianism have not been able to build an economic structure that avoids repeating the same vices of the past: from the mid-1950s, production and consumption do not have any relationship with each other. The gap between the two is satisfied by the oil income.

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Graph provided by Asdrúbal Baptista (2008).

SI SE OPONE LA NATURALEZA LUCHAREMOS
CONTRA ELLA Y LA HAREMOS QUE NOS OBEDEZCA

SIMON BOLIVAR

AFIRMACION DE FE EN EL FUTURO POR
EL LIBERTADOR PRENTE A ESTE SITIO
SOBRE ESCOMBROS DEL CONVENTO DE
SAN JACINTO AL CESAR EL TERREMOTO
DEL 20 DE MARZO DE 1812



The Politics of Identity

Bolívar and Beyond

BY COLETTE CAPRILES

EASTER SUNDAY, THE LAST DAY OF HOLY WEEK, FILLS VENEZUELA'S Catholic churches with religious fervor, and the beaches and recreation spots with exuberant Dionysian paganism. On the Day of Resurrection, Venezuela, like the rest of Latin America, celebrates the holiday as a day of rejoicing in which the central act is the "burning" of the effigy of Judas. Residents of poor working-class communities, the "barrios," create life-size grotesque puppets that are burnt at sunset to punish the traitor. The rag puppet takes on the semblance of the year's most widely repudiated public figure. From very early in the day, neighborhood youths take to the streets to show off their improvised mannequins, stopping passers-by to solicit contributions to feed the bonfire and finance the accompanying celebration.

This year, a skinny youth from Caracas' El Pedregal barrio held out a receptacle in which I should drop my donation. It was a box that at one time had been used for a bottle of Buchanan's Whisky. I asked, as one always asks on these occasions, who was going to be burnt on this occasion. "Juan Barreto," he replied. Barreto is the Mayor of Caracas, a radical member of the Chávez government,

now out of favor. He would be the target of the bonfire because he had failed to deliver on his promises to those who had elected him four years previously—as a candidate on the Chávez platform—to govern one of the most difficult Latin American cities. His fall came in spite of his reputation as a full-fledged intellectual of postmodern and revolutionary eloquence who quoted Negri, Lenin, Gramsci, Guevara and Bourdieu. His narrative spinning of the "Bolivarian revolution" unravelled in the face of the disappointment of the masses.

How can we understand what is going on in Venezuela, which appears to be drowning in a sea of oil and whisky with its inhabitants swimming in a sea of empty abundance? Economists have spoken of the "resource curse" in which societies become overly dependent on the revenue produced by their natural resources. This dependency often converts social and political development into patrimonial and populist models that in turn foster unequal-

This Caracas wall displays a slogan by Simón Bolívar, "If nature opposes us, we'll fight against it and make it obey us."

ity and poverty. Venezuela has become a very vivid illustration of this thesis, but at the same time in the last ten years has done so in the context of the relentless marketing of a new political brand: “socialism of the 21st century.”

The confluence of an economy that has lived off natural resource revenues for almost a hundred years, on the one hand, and on the other, the rehabilitation of the bleak world of real socialism, provides the observer with a complicated maze in which everyday events—of politics, of life and death, of social co-existence—are transformed into enigmas that have to be deciphered. The hermeneutic key depends entirely on which side of the mirror the confused observer is standing. It feels like a postmodern nightmare in which the person who wants to understand the scene has no factual evidence but only narratives, tales, versions, stories that depend entirely on their framers’ positive or negative views on the self-proclaimed “Bolivarian revolution” and “socialism of the 21st century.”

As a result, the principal obstacle to understanding the Venezuelan political process comes from the diffuse political identities this process has generated. The Latin American neighborhood, with its many countries in the social-democratic camp and with some high-ranking government officials often former members of the old ultra-radical left, has served as an excellent camouflage to hide the specific nature—or perhaps better said, the exceptional nature—of the Venezuelan regime. While several members of the Chávez cabinet belonged to radical leftist parties in their youth, the political culture of the president and of his close associates does not originate in leftist ideology. On the contrary, the president’s intellectual formation and his life history come out of traditional Venezuelan political culture. “The cult to Bolívar” (as the historian Carrera Damas aptly calls it), a central fixture of his political philosophy, presupposes the predominance of the military above civilian culture, with the accompanying lack of confidence in politics as a means to organize society. The president’s own military background and personal social sensibility are added to the mix, much more traditional than ground-breaking. Chávez’s type of social sensibility is quite frequent in Venezuela, guided by egalitarianism and anarchic individualism (a form of insurgency against universalist ethics that implies putting more value on family and corporate ties than on abstract norms).

The political trajectory of *chavismo* or of Hugo Chávez himself did not come from the Venezuelan left, but after the 2002 political crisis the government discourse adopted the traditional vocabulary of out-of-fashion socialist revolutions. Only in November 2004, almost six years after being elected, did President Chávez begin to officially use the term “socialist” to refer to his government. At that time, he also substituted the term “revolutionary” to describe the project he formerly described as essentially “Bolivarian” and “patriotic.”

An explanation for this new phraseology, which implies an unexpected change in political identity, may lie in the lack of specificity in the Bolivarian identity, which is not sufficiently distinctive as a revolutionary concept precisely because it is a traditional element in Venezuelan culture. Several previous governments have used

the figure of Bolívar as a form of legitimation, including those of Antonio Guzmán Blanco, Cipriano Castro, Juan Vicente Gómez, Eleazar López Contreras and Marcos Pérez Jiménez. Since the 19th century, strongmen and military dictators have used their own individual interpretations of the Bolivarian doctrine to sustain their own personalist regimes.

The first years of the Chávez government showed no innovations in public policies. Given the then relatively low oil price, the economy had to undergo a process of orthodox macroeconomic adjustment, while the president, then very popular, repeated in his speeches his usual offerings: new order and progress, as if paraphrasing the theme of classic positivism while flirting with an unclear “third way” that would be different from capitalism or communism. But presidential popularity polls in the third trimester of 2002 (33% in agreement and 58% against, according to Keller Consultants) demonstrated how the Venezuelan people felt about this adjustment program.

The April 2002 crisis, which took place in a charged atmosphere, generated an unprecedented political polarization in the country. The crisis marked the beginning of the construction of a new political identity for *chavismo*, based on the socialist idea in its Cuban

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version. The relationship between Fidel Castro and Chávez had been a close one ever since 1994 when two years after the aborted coup in Venezuela, Castro received the recently-pardoned Chávez in Havana as a guest of state. Now, the relationship was consolidated on political, economic, commercial and strategic levels.

The previous romantic relationship of the president with the “poor” and the “excluded,” with little capacity to mobilize enthusiasm in the terms of the Bolivarian discourse, could now be transformed into a relationship historically categorized as “revolutionary,” recreating the categories of exploitation, the imperial enemy and the structural transformation of the economy.

Moreover, the inclusion of the dictionary of Cuban socialism had a crucial effect in the universalization of *chavismo* and the propagation of the figure of President Chávez as the heir to the ancestral struggles on the continent. This allows him to escape from the national localism of the small Bolivarian universe and to capture a very important niche of the international market of progressive indulgences. And above all, it allows the government to count on a strategic basis for self-identification and organization of its political action, public policies and above all, its discursive techniques.

Faced with the impending 2004 Revocatory Referendum, the government concentrated on programs focused on the poorest sector of society and its most urgent concerns of health and unemployment. These programs were baptized with the military-sounding name of “missions” and were designed as an informal bureaucratic apparatus, a kind of parallel state, controlled exclusively by the



Left and center: In a marginal working-class barrio in Caracas, it is easier to get *DirectTV* than potable water. Right: The banner advertises an event for racial and ethnic self-recognition. The government has sought to make political use of ethnic differences and identities.

executive branch and independent of conventional supervision or control by the public administration. These “missions” provided “content” beyond the abstract concept of “socialism.” Thus, the concept of socialism became associated with the strategy of redistribution, which had been a common policy for the social-democratic governments in the decades of the ‘70s and ‘80s, during the expansive cycles of petroleum prices. And, in the same manner as previous governments, the Chávez government stabilized politically and comfortably won the 2006 elections.

Thus, the powerful Venezuelan nostalgia for a populist government that would, as in the past, redistribute petroleum income to the poorest sector of society, was utilized as an essential ingredient for a regime that called itself “socialism of the 21st century” and used a new political vocabulary that consolidated the dividing line of identity politics between Chavistas and anti-Chavistas.

But regardless of their policy agenda, the financial capacity of the previous populist governments was far below the gigantic oil revenue that the present government has received. That nostalgia has thus become converted into a memory of scarcity. The discursive basis of “socialism of the 21st century” is the deformation of the values of the past: before Chávez, nothing; after Chávez, everything. Accompanying ideological operations with a tremendous public expenditure directed toward redistribution, and increasingly forcing state domination of the means of production, the government has distorted the economy to stimulate the consumption of imported goods. Economic paradoxes are surprising: in a marginal working-class barrio in Caracas, it is easier to get *DirectTV* than to obtain potable water, and it is cheaper to have a cellphone than to buy medicine for intestinal parasites. While banks achieve record-breaking profits, the number of cases of tropical diseases that had been eradicated before 1998 is now also breaking records: malaria, dengue, tuberculosis, Chagas’ disease and leishmaniasis.

Other paradoxes show up in the formation of identity in *chavismo*. Several instances of “branding” have succeeded one another in constructing this identity, one that is not solely political (on the contrary, it tends to dissolve the political and substitute processes of “ethnic identification” and other social categories). It is extremely important to take into account the financial and bureaucratic effort that the Chávez government has invested in taking over political space through a progressive construction of what has been called “communications hegemony,” expressed through direct and indirect control of the media, particularly the electronic media.

An early example of such “branding” has to do with defining the president’s electoral pool through lists or databases that effectively distinguish the Chavistas from anti-Chavistas. The most notori-

ous of these was the “Tascón list,” which was replaced by more sophisticated databases which contained the voting history of every citizen in the electoral registry, distinguishing among Chávez supporters, dissidents and non-voters.

In other areas of communication, the government has chosen a corporate image with an aesthetic whose central color is red: ministers and high government officials appear in public dressed accordingly, and government websites and publicity campaigns use the color red as an identifying factor. Likewise, the government has sought to make political use of ethnic differences and identities, creating racial tensions through the formation of ethnically “ideal Venezuelan types” that contrast with the former ideal of racial democracy or mestizo blending that predominated in Venezuelan popular culture. Marking the differences among indigenous peoples, “Afro-descendants,” and immigrants while devaluing the European contribution as “colonialist,” the Chávez government is managing to dissolve the illusion of harmony that sustains the self-perception of Venezuelans as equals.

But in these operations of identity politics, as in many other aspects of his management, the Chávez regime is simply creating parallel realities through an enormous show. The discursive elaboration of new social segmentation that aims to consolidate his government appears in fact to hide the reality of the very nature of *chavismo* itself. Although these new identities circulate and have a certain effectiveness in the consolidation of personalist ties between the strongman and the poorest of the poor, the true strong nucleus of identification for Venezuelans resides in their having access to modernity through consumption: the expansion of consumption, not only for basic necessities but also luxury goods, has been a fundamental anchor for the stability of the government, whose popularity fluctuates in direct proportion to the people’s sense of their ability to acquire consumer goods. To some degree, through consumerism, we are all identified as Venezuelans, while the segmentations the government seeks to foment hardly affect this basic identity.

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Elections and Political Power

Challenges for the Opposition

BY TEODORO PETKOFF

NEXT MONTH'S ELECTIONS WILL BE AN IMPORTANT BENCHMARK in Venezuelan politics. On November 23, voters will go to the polls to elect 22 state governors and 355 mayors in as many municipalities, as well as choose the mayor of Caracas. The elections are taking place in a political environment influenced by the abrupt proclamation of 26 laws on July 31, the last day of President Chávez's 18-month powers to issue emergency decrees that have the force of binding laws on any aspect of "national life."

In this article, we analyze what's happening right now in Venezuela, but at the same time we also seek to illuminate the ever more visible structures that have come to define the Chávez regime. The article focuses on the coming elections for governors and mayors in Venezuela, as well as on the decision of the Comptroller General to disqualify several hundred candidates for these elections, and on the passage of 26 laws by presidential decree under special powers granted by the "ley habilitante." We will examine these changes in detail, arguing that unless the opposition manages to counter them, these state initiatives may result in the consolidation of a regime that is ever more centralized, authoritarian, and unresponsive to democratic demands.

Rather than focus on campaign activity, the electoral process up until now has been defined by a debate over the so-called "disqualifications" of almost 300 candidates. The Comptroller General's office declared that candidates "disqualified" by some sort of legal impediment could not run for office, basing its powers on article 105 of the Organic Law 105. By a strange "coincidence," the day prior to candidate registration with the National Electoral Council, the Venezuelan Supreme Court upheld the Comptroller's measures. The practical result of this decision was that four candidates with good chances of winning in their respective states and in the Metropolitan Mayor's Office of Caracas were eliminated "administratively" from the process.

The Supreme Court decision in Venezuela contrasts with a recent one by Brazil's Federal Tribunal. The Brazilian Lawyers' Guild, supported by the Attorney General's office, had asked the court to approve a measure that would have disqualified candidates facing corruption charges. In a 9–5 vote, the tribunal ruled that if these citizens had not been convicted of the corruption charges, such disqualification would violate the presumption of innocence and that only a conviction could carry with it the suppression of political rights. The court added that in the absence of a conviction, the voters would be the ones who decided if these people deserved to be elected or not.

In Venezuela, no one was disputing the jurisdiction of the Comptroller's office to dictate such measures, but people questioned whether it is legally possible for a government official to deprive citizens of political rights without due process and without the right to defend themselves from the charges simply because of alleged participation in "administrative irregularities." Administrative disqualifications are intended to be a kind of precautionary

measure that suspends an official from his or her post while the corresponding trial is taking place to establish innocence or guilt through a binding legal conviction, that is, one that has been upheld in the appeal process. If the official is found guilty of the crime of which he or she is accused, that person's political rights are lost for the term of the sentence. Mere disqualification, without a subsequent trial, annuls the constitutional and legal principle of the presumption of innocence. In this sense, section 2 of article 49 of the Constitution states: "Every person is presumed innocent until the contrary is proved." The same article makes clear that, "Due process will be applied to all judicial and administrative actions...." Thus, the mere administrative decision applied by the Comptroller's Office must be followed, inexorably, by a trial that determines if the charges have a basis. It is a legal aberration that the Comptroller's Office can suspend the legal rights of a citizen through an administrative decision and without a trial.

Articles 42 and 65 of the Constitution are clearly restrictive. Article 42 says: "The exercise of citizenship or of some political rights can only be suspended by a firm judicial sentence in those cases stipulated by law." Article 65, concurring with this stance, states, "Those who have been convicted for crimes committed during the exercise of their offices and other crimes that affect the public patrimony cannot run for any elected office, during the period stipulated by law, from the time of the fulfillment of the sentence and in accordance with the severity of the crime." Both articles of the Constitution are very clear and do not lend themselves to misinterpretation. The political right to run for office is only lost when a candidate has received a judicial sentence that has been upheld in a higher court. The recent sentence by the Venezuelan Supreme Court, upholding the disqualifications, as well as the constitutionality of Article 105, constitute a defrauding of the Constitution and the way in which the decision was handed down was an obvious accommodation to the president's desire to eliminate four significant opposition candidates from the electoral field.

The political bias of the Comptroller's decision and the Supreme Court's ruling is demonstrated by the fact that 80% of the disqualifications are individuals linked to the opposition, while only 20% have ties to the government. The opposition controls only two out of 23 governorships and 30 out of 335 mayor's posts, putting the rest of the state and government apparatus in the hands of *chavismo*. It is also important to point out that the disqualifications correspond to alleged "administrative irregularities" and not to cases of embezzlement or theft of public funds, and that some of these alleged irregularities took place as long ago as 1997 and 1998.

The subject, although it has a juridical subtext, is essentially political. The authoritarian and autocratic government of Hugo Chávez has clearly shown its true colors in this episode. Chávez controls all the political powers. More than 90% of the

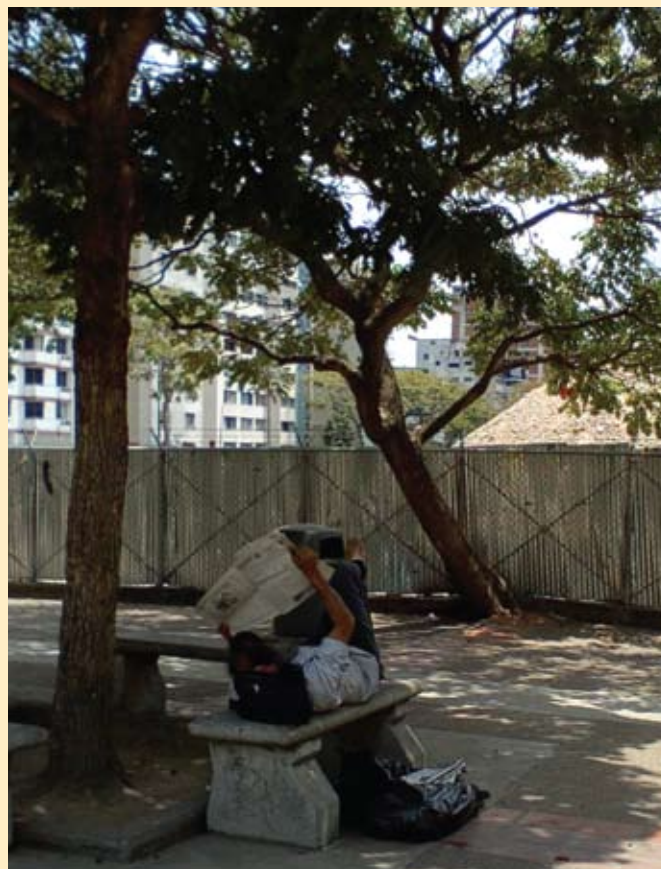
VENEZUELA

Parliament obey his commands; the Venezuelan Supreme Court, whose numbers were raised from 20 to 32 by the Parliament to ensure an overwhelming officialist majority, has become an extension of the legal office of the Presidency with this judicial ruling. The Attorney General's Office, the Comptroller's Office and the Public Defender are all offices held by "yes persons," absolutely obedient to the orders of the autocrat. In the National Electoral Council, four out of five members are identified with the government. The Venezuelan Armed Forces are tightly controlled by Chávez. Therefore, from a conceptual point of view, the Venezuelan political regime is autocratic. All political power is concentrated in the hands of the president. There is no real separation of powers. This enormous power is not exercised "for now" in a brutally dictatorial fashion in the style of Fidel Castro or Pérez Jiménez; there is no State of Terror, and this is not a police state in the Cuban or Soviet sense. But this simply means that the regime is much more oppressive than repressive. It can count on mechanisms to oppress and asphyxiate society, without being obliged for now to fill up the jails with political prisoners or maintain torture chambers or disappear or assassinate political adversaries.

But, official intolerance in the face of any critical stance, including the systematic non-recognition of the "other" and the deliberate rejection of the creation of a government-opposition dialectic, has deepened division and political polarization within the society to such an extreme that there is not the least bit of communication of one side with the other, without which a democratic society cannot adequately function. Given the organic weakness of the opposition forces, together with the absence of a separation of powers and of any "checks and balances" mechanisms, half of the country is literally drowning, without any institutional support for the exercise of its rights.

The political situation is exemplified by the recent enactment of a package of 26 laws just before the expiration of the *Ley Habilitante* that gave the president power to legislate. In absolute contradiction to the results of the December 2, 2007, referendum in which voters rejected constitutional reforms, in several of the laws promulgated the president presents several of the aspects of the rejected reforms almost in the same terms. The proposition of changing the name of the Venezuelan Armed Forces to create the Bolivarian National Militia was contained in the proposed reform; the power given to the president to appoint national government officials over governors and mayors to, obviously, weaken those offices and to eliminate the last vestiges of counterweight to the executive in general and the presidency in particular, was also contained in the rejected reform; the redefinitions of property were contained in the reform; the recentralization in the national executive branch of powers that today belong to the states and decentralized autonomous institutes was part of the reform; the enlargement of government powers to intervene in economic affairs was contained in the reform.

To ignore the popular decision about the 2007 proposal to reform the constitution in conformity with the will and designs of an autocrat, without heed to legal or constitutional norms, is, *stricto sensu*, a tyrannic act. A tyrannic act that demonstrates, once again, as did the proposal to reform the Constitution, a neo-totalitarian intention that cannot be hidden, that is to say, not only control of the public powers but also of society itself. Processes of this type,



Above: A young man reads the newspaper in a Caracas park; Opposite page: (above): Election campaigning; (below) pro-Chávez street protests.

such as the expansion of statism in the economy, will, within the context of a deficient democratic framework, become transformed into an instrument of social control. Examples are the state control of sports; the creation of a type of official, supposedly "socialist" culture, the affirmation of hegemony in the area of communications; the same for the attempts, which up until now have failed, for establishing an ideologized "socialist" education and enacting an Intelligence Law that appears copied from the U.S. Patriot Act; all of these will depend on a new legal framework that the government will try to put into effect.

Nevertheless, are these acts of force real or apparent? There are reasons to doubt their reality. They seem to be more like provocations intended to convulse the political scene, to give new strength to the climate of extreme polarization (that had been extending slowly but visibly) and, above all, to try to provoke reactions of desperation, all situations in which the president has obtained profitable results in the past. Chávez does not lose his electoral objectives from sight. He needs to reconstitute an electorate that is increasingly willing to follow him unconditionally, an electorate that now sees him in a more critical fashion. He feels that his own party has been producing unthinkable rebellions in the last few years. In three states, party leaders have launched themselves as candidates independent of his party, including in his home state, where Chávez dissidents have been confronting the Chávez clan, who have taken over the state in a feudal manner. The interesting thing is that up until now polls actually favor this dissident option.



In two other states, Chávez has been obliged to recognize leaders who did not count with his blessing as official candidates of his party. This is of very serious significance for Chávez: his charismatic leadership is weakening slowly but progressively. When this happens, in conditions in which power is exercised without resorting to terror, a charismatic leader, whose power rests above all on his affective and emotional bonds with the people, is beginning to run into trouble. Chávez has perceived this, perhaps more clearly than those around him. He understands perfectly that when the “charismatic community”—as the sociologist Weber terms it—begins to lose its illusions about the “magical” abilities attributed to a leader, this leader is on the way to downfall.

Moreover, popular protest, almost all of it animated by sectors that still are the president’s supporters, strongly demands government efficiency in the daily administration of social life. Annual inflation (July 2007–June 2008) reached 33% in the traditional Price Index of Caracas. In the National Index, which is too recent to permit comparisons with the previous year, accumulated inflation to July 2008 reached 17%. One can easily understand that this is not a motive for Venezuelans to rejoice.

This national panorama, as well as the international one, which is more hostile than ever before, can explain the recent moves to take control of the situation.

Will the opposition fall into the trap? There are sectors that still envisage a coup. They are in the minority. The democratic opposition, which is the axis of the opposition in general, seems to have decided to avoid the provocation to engage in violence, maintaining a democratic and electoral strategy. The campaign season started in full force in mid-August. If the democratic opposition manages to present united candidacies for mayoral and gubernatorial seats, it has the possibility of winning between six and nine of the governor’s offices and about one hundred mayoral posts, some of which include the most important city halls in the country. If this happens, it would mark the return of opposition parties within the realm of the state, from which they are almost entirely absent today, a fact that would strengthen their capacity for action and political initiative. The country’s political situation would become significantly more balanced and the opposition would take a huge step towards overcoming its current inadequacies and deficiencies. The necessary condition is, of course, unity.

However, one cannot ignore the fact that the election campaign is taking place in the context of a government that completely controls the National Electoral Council; that it will use, as it has in every prior election, its financial and logistic resources in an obscene manner, and, without a doubt, will apply all available mechanisms to intimidate public employees (who now number more than two million people, in a state that had hypertrophied in the last few years). That intimidation could also extend to the beneficiaries of social programs (“missions”), without ruling out selective use of violence against the opposition by armed gangs. The political climate, perhaps, would not be that of Zimbabwe, but, in its essence, it would not be so different.

However, the only viable strategy in the face of an authoritarian, autocratic and militaristic regime, with a neo-totalitarian vocation, is the democratic path. If the “physiology” of the regime is doubtfully democratic, its “anatomy” is formally democratic and this leaves considerable margin for political action and, in this case, electoral action, within which such a democratic strategy can be developed.

As this analysis has shown, unless the opposition, following the democratic path, manages to achieve significant gains in the coming elections, there is the risk that the increasingly autocratic physiology of the regime—its actual mode of functioning—will end up transforming its anatomy, turning its formally democratic anatomy into the ever more transparent façade of an autocratic and militaristic regime.

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A “Revolutionary Process” Unfolds

In the Absence of A Well Defined Plan

BY STEVE ELLNER

HUGO CHÁVEZ’S EMBRACE OF SOCIALISM in January 2005 recalls Fidel Castro’s famous speech on December 2, 2001 in which he declared himself a Marxist-Leninist. In both cases, socialism became overnight the official creed as government supporters zealously defended the new banner. In addition, the adversaries of both leaders used the declarations as proof that they had deceived the people by coming to power with the stated aim of promoting democracy while hiding their true intentions of carrying out leftist-style revolutions.

Nevertheless, fundamental differences related to timing and the world context set apart the two historical experiences. In the case of Cuba, the identification with Marxism-Leninism occurred just three years after Castro came to power. Furthermore, Castro’s December 1961 speech initiated the immediate implantation of socialism based on the Communist model of a state-owned economy, a one-party political system, the avoidance of open debate over major national issues, and the sharp reduction in material differences between social groups.

Chávez, on the other hand, was in power for six years when he openly identified himself with socialism, and although the pronouncement was followed by the adoption of various radical policies, it did not signal a complete rupture with the past. Not only did Venezuela continue to be a capitalist nation with an electoral democracy, but the January 2005 speech failed to speed up the process of ideological clarification in spite of the leftist backgrounds of most non-military *Chavista* leaders at all levels. Most important, in contrast to Castro’s nationalization of industries during the early years of his rule, the role of large private capital remains undefined in Venezuela and the issue pits a hard-line against a soft-line current within the *Chavista* movement (See my “The Defensive Strategy on the Left in Latin America: Objective and Subjective Conditions in the Age of Globalization,” *Science & Society* 70, no. 3, July 2005, 185).

The steady strengthening of Chávez’s hold on power, as a result of the opposition’s string of defeats in the years following his election as president in December 1998, provided the *Chavistas* options within a democratic context that the Cubans under Castro lacked. In the case of Cuba, the imperatives of the Cold War and proximity to the United States forced Castro to align himself with the socialist bloc, thus accelerating the process of socialist transformation.

In contrast, the Venezuelan leaders have had greater leeway due to the absence of ideological polarization set off by the Cold War, as well as windfall oil income which has relieved them of eco-



A citizen gets her photograph taken for her Bolivarian ID card for subsidies.

omic pressure as a result of the contraction of private investments outside of the petroleum industry. The continuous weakening of the Venezuelan business sector over the previous two decades and the loss of prestige of the United States following the invasion of Iraq also bolstered Chávez’s position both at home and abroad. (See Nelson Ortiz in “Entrepreneurs: Profits Without Power?” in Jennifer McCoy and David J. Myers, eds., *The Unraveling of Venezuelan Democracy in Venezuela*, Johns Hopkins University Press, 2004, 91–92).

The *Chavistas* have carefully chosen targets on the basis of political criteria in order to facilitate the government’s consolidation of power and to deliver the enemy heavy blows. As part of this Gramscian “war of positions,” Chávez has attached paramount importance to timing. Thus, for example, in an interview with the Chilean Marxist Marta Harnecker published in *Understanding the Venezuelan Revolution: Hugo Chávez Talks to Marta Harnecker* (Monthly Review Press, 2005), Chávez ruled out the suspension of payment of the foreign debt during the current period due to the risks involved, and added that politics “is about figuring out what is possible in the moment.”

Until the defeat of Chávez’s proposed constitutional reform in a referendum held in December 2007, steady radicalization and political successes convinced the *Chavistas* that ideological introspection was not a priority and that events themselves, rather than ideological formulations, would determine the direction of the “revolutionary process.” During this period the *Chavistas* took careful

note that the government and the governing party, the Movimiento Quinta República (MVR), had defeated the opposition each time it posed new challenges. In the process, unreliable members of the *Chavista* movement as well as those who were unwilling to accept far-reaching change abandoned the ranks of *chavismo* and in some cases joined the opposition. At the same time, the “enemies of the revolution” such as the traditional business sector grouped in FEDECAMARAS, the communications media, the hierarchy of the Catholic Church, and the United States government began to openly take sides, thus intensifying struggles, clarifying identities, and raising the stakes.

The deepening of change and the radicalization of discourse were particularly well received by the *Chavista* hardliners, who favored a radical course, as opposed to the softliners who were reluctant to shake up the existing structure. All *Chavistas* including more moderate ones who prioritized consolidation over additional thoroughgoing change were infused with a sense of optimism as a result of the defeats of the opposition in the political battles that played out both at the polls and on the streets. Along these lines, Chávez in his January 2005 speech quoted Leon Trotsky as saying “each revolution needs the whip of the counterrevolution to advance.”

In short, the *Chavistas* considered formal ideological discussion unnecessary due to the favorable outcome of ongoing confrontation with an aggressive but politically vulnerable opposition. The situation can be summarized by the phrase “success speaks for itself”: repeated triumphs seemingly obviated the need for evaluation, self-criticism and formal debate over strategy.

The process of change and political success under Chávez began with a moderate stage, which focused on the political reforms incorporated into the Constitution in 1999. Next came a more radical period, when the government reversed the neoliberal economic formulas of the previous decade, including the gradual privatization of the oil industry.

After 2005, the *Chavistas* promoted structural policies and measures that pointed in the direction of an alternative model. Most important, the government respects private property under normal circumstances, but also stresses the obligations of owners, such as the utilization of agricultural land (to at least 80 percent of capacity). In addition, the government nationalized cement, electricity, telecommunications and steel companies in 2007 and 2008. President Chávez also promoted the proliferation of small neighborhood councils representing no more than 200 residents, and committed the government to providing each one with 60,000 dollars to undertake social projects. Finally, in 2007 Chávez replaced the electorally oriented MVR with the mass-based United Socialist Party of Venezuela (PSUV), which was to hold internal elections to choose its candidates and authorities. Some of these moves, such as the decision to hold primaries to choose the PSUV’s candidates for the municipal-state elections in November 2008, helped invigorate the rank and file of the *Chavista* movement and overcome the demoralization that had set in following the defeat in December 2007.

VENEZUELA’S TENUOUS IDEOLOGICAL EVOLUTION

Hugo Chávez’s declaration of his socialist convictions to 100,000 people at the Polihedro Stadium in Porto Alegre, Brazil during the Sixth World Social Forum in January 2005 culminated with the slogan “socialism or death.” Undoubtedly his speech was the most

important defense of socialism anywhere in the world since the collapse of the Soviet Union in 1991. The leaders of the Venezuelan opposition, who since the 1998 presidential campaign had warned of Chávez’s dictatorial designs and his intentions of copying the Cuban model, felt vindicated. For them, Chávez at long last had “showed his true colors.”

However, both the opposition and many of Chávez’s followers overlooked the essence of the Venezuelan president’s statement regarding the search for definitions. In his Porto Alegre speech, Chávez affirmed that socialism had to be “reinvented” in order to adapt to the conditions of the twenty-first century. Immediately thereafter, socialism became an official *Chavista* banner that was fervently defended by all *Chavistas*. Embrace of the system defined *chavismo* as a movement opposed to capitalism, but it did little to spell out long-term goals. The *Chavistas* failed to publish periodicals or organize study groups and forums in order to systematically debate and reach a definition of what they call “socialism of the 21st century.” Furthermore, the common acceptance of socialism did not sharpen the differences existing within *chavismo* that could have served as a point of departure for formal ideological debate.

Since its founding in April 1997, Chávez’s MVR consistently put off the task of engaging in ideological debate including the holding of an ideological congress. Chávez and other MVR leaders, who always placed a premium on timing, pointed to urgent political tasks and challenges as ruling out the feasibility of ideological introspection for the time being. The first emergency situation for the MVR was the congressional and presidential elections slated for November and December of 1998, followed by three electoral contests related to the nation’s constitution promulgated in 1999 and then two more in 2000. This electoral period was followed by opposition-promoted insurgency consisting of a military coup in April 2002, a two-month general strike beginning at the end of that year and then the call by sectors of the opposition for veritable street warfare known as the “Plan Guarimba” in early 2004.

The argument regarding the need to place ideological debate aside in order to face pressing tasks appeared valid prior to the August 2004 presidential recall elections when the opposition was determined to oust Chávez by any means possible and seemed to have the means to do so. Nevertheless, following Chávez’s impressive victory in the recall of August 2004 and the state and municipal elections three months later, the *Chavistas* found themselves in a comfortable position with an opposition highly discredited and demoralized, and thus continued fixation on electoral battles seemed unfounded. By announcing the goal of ten million votes for the December 2006 presidential elections, for which the congressional election of 2005 was to serve as a springboard, Chávez again shifted attention to the electoral arena.

Ideological debate over polemical issues would bring to the forefront opinions and proposals that would run the risk of alarming privileged sectors of the population. Specifically, the debate over the role of big capitalist groups in a “socialist Venezuela,” and the strategy of prioritizing parallel structures (such as schools and hospitals), and their eventual displacement of traditional ones, would invite protests from members of both the upper and middle classes who feared the loss of privileges.

The hard-line current in *chavismo* envisions the eventual elimination of large-scale private capital and opposes alliances with

local capital that involves preferential treatment in the granting of contracts. The issue, however, has not been openly discussed, nor formally debated within the *Chavista* movement. Furthermore, the airing of plans to purge the state sector of “unreliable” employees tied to opposition parties would set in motion protests by trade unionists grouped in the anti-government Workers Confederation of Venezuela (CTV) and accusations of discriminatory hiring practices. In short, the absence of mechanisms of ideological discussion kept thorny issues, which were discussed informally among the *Chavistas*, out of the public arena.

THE “REVOLUTIONARY PROCESS” IN VENEZUELA

The major features of the process of change under the Chávez presidency can be summarized as follows:

1. The main targets of *Chavista* attack have varied throughout Chávez’s nearly ten years in office. During the first two years, Chávez singled out Venezuela’s political parties as responsible for the nation’s pressing problems. During the coup of April 2002 and the general strike of 2002–2003, the business organization FEDECAMARAS, the labor organization the CTV, the private media and to a certain extent the Catholic Church eclipsed political parties of the opposition as the main actors. In 2003, Chávez began to direct his rhetoric against the United States and denied that the opposition parties represented a significant threat.

2. Many of the government’s policies have been reactive in that they were at first designed to deal with problems created by political adversaries who refused to recognize the legitimacy of the Chávez presidency. In the long run these same policies have defined the direction of the *Chavista* government and movement. An example of this dynamic is the decision of *Chavista* labor leaders to found the Unión Nacional de Trabajadores (UNT) in order to challenge the efforts of the AD-controlled CTV to destabilize the government. Another example is the government’s decision to create the food distribution chain MERCAL in order to counter shortages induced for political reasons beginning with the general strike of 2002–2003.

3. The Chávez government adopted many of the positions and policies that represented a dramatic leap forward in the “revolutionary process,” with little or no previous discussion within the *Chavista* movement or the nation as a whole. Thus, for instance, enabling laws (“Leyes Habilitantes”), which avoided lengthy congressional debate, facilitated major far-reaching socio-economic reform on several occasions. The legislation was enacted in November 2001 in the form of 49 laws and again shortly after Chávez’s presidential reelection in December 2006 with the nationalization of several important industries. The *Chavistas* often justified the abruptness of these enactments by pointing to the crucial importance of timing. Any drawn out process would provide the enemy the opportunity to regroup and reorganize.

4. The process of change under Chávez in the absence of well-defined long-term goals has taken many observers by surprise. Nevertheless, the *Chavista* strategy during these years has hardly been inconsistent. Policies and legislation, far from consisting of flip flops, were part of a steady radicalization in which certain positions and objectives assumed at the outset led into developments later on, and threads could be traced over a larger period of time. Thus, for instance, the state takeover of electricity and telephone companies following Chávez’s reelection in December 2006 was the first time that

his government raised the banner of nationalization. Nevertheless, as far back as the mid-1960s a leftist current in the pro-establishment party AD, which subsequently formed the People’s Electoral Movement (MEP) that years later entered the *Chavista* ruling coalition, advocated the nationalization of the electricity company Electricidad de Caracas. Furthermore, by the mid-1990s the *Chavista* program known as the “Alternative Bolivarian Agenda” called for state control of “strategic” sectors of the economy, a proposal that was incorporated in the 1999 Constitution (Article 302).

An important feature of the “revolutionary process” in Venezuela is Chávez’s status as supreme and undisputed leader of the *Chavista* movement, which discourages internal dissent and contributes to the failure of the *Chavistas* to debate openly strategy and ideology. Some political analysts defend Chávez’s overriding, dominant role by pointing to a dialectical relationship and a “bond” of “extraordinary intensity” between the leader and his followers and “the ideological evolution and maturity” of the former (See D.L. Raby, *Democracy and Revolution: Latin America and Socialism Today*. Pluto Press, 2006).

It is true that in the early stages of periods of profound change the power assumed by a radical movement’s top leader typically eclipses institutions and organizations, which are left rudimentary. Nevertheless, a leader who is in touch with the people and articulates their aspirations is no substitute for mechanisms of direct popular input in decision making at all levels.

Open discussion over the larger issues is essential to guarantee that novel experiences such as cooperatives and Community Councils will be subject to ongoing evaluation that in turn will influence long-term goals and strategy. Specifically, debate and analysis are needed to arrive at the right mix between idealistic formulations, which focus on the promotion of new values, and institutionalization designed to ensure the viability of new structures.

The creation of the PSUV based on rank and file cells (known as *bataillonnes*) in 2007 to replace the electorally oriented and vertically structured MVR has opened a window of opportunity to overcome internal shortcomings. The development also has a potential risk. By dissolving or shunting aside the smaller parties of the ruling coalition, the PSUV runs the risk of eliminating the limited degree of formal pluralism that has existed until now within the *Chavista* movement.

In a best-case scenario, however, diverse mechanisms of debate will allow the soft- and hard-line currents that had informally existed in the MVR to formulate propositions for consideration by the entire party. Furthermore, polemical issues such as the role of private property would be addressed. The currents identified with specific positions, while not necessarily solidifying into organized factions, would help ensure that differences in the movement would be predominately ideological and subject to a constructive dialogue rather than being exclusively based on personalities. The rich informal debate among *Chavistas* up until now suggests that venues of discussion within the PSUV such as party publications will facilitate ideological clarification.

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OIL AND REVOLUTION

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To understand the role of oil in oil-producing nations, one must examine the relationship between oil and society. In this section, five oil experts take a hard look at what oil means to Venezuelan society from their individual perspectives.

It's the Oil, Stupid!!!

An Overview

BY FERNANDO CORONIL

THIS APPARENT TRUISM OF “IT’S THE oil, stupid!” makes sense without being really true. Certainly, as the embodiment of immense wealth and energy, oil appears to be a force capable of defining the destiny of modern nations. Yet this appearance is deceptive. Oil conditions but does not determine the social life of these nations. To understand this, it is enough to observe that oil has radically different effects in different oil producing societies—for instance, the United States and Canada, on the one hand, and Nigeria and Venezuela, on the other. Given its exceptional power, it is necessary to remind ourselves of a true truism: oil does not do anything by itself, but as it is transformed and used by people under given cultural frameworks, specific historical situations and global economic contexts. For this reason, it would be truer to say, “It’s the society, stupid!”

A street mural depicts Venezuelan strongman Juan Vicente Gómez who ruled from 1908–1935 and how 20th century (siglo xx) oil wealth allowed him to dominate the nation.

If one focuses on the relation between oil and society rather than on oil as an independent factor, one can acknowledge the centrality of oil in the making of the modern world and understand why it seems to act as an independent force. As an extraordinarily valuable commodity, it is hard for people to control it, particularly when it undergoes its most dramatic metamorphosis: when it becomes money. As money, oil tends to have similar effects in societies where it is in fact the main source of money. In effect, as the major source of foreign exchange of many oil exporting countries, oil money typically brings about an erosion of their industrial and agricultural production, the generalization of various forms of “corruption,” and the concentration of political power in their states.

The erosion of productive activities as a result of the massive inflow of energy money has been commonly called the “Dutch disease,” a syndrome baptized as such to refer to the negative effects of windfall profits coming from North Sea gas

exploitation on manufacturing activities in the Netherlands. I have preferred to call it the “neocolonial disease” not only because these consequences are far more pervasive and pernicious in the narrowly diversified economies of postcolonial nations, but because they include the reproduction of relations of colonial dependence between these formally independent nations and metropolitan centers (as I argued in *The Magical State: Nature, Money and Modernity in Venezuela*, p. 7). In these nations, these effects also involve the proliferation of different forms of corruption, ranging from the imaginative creation of myriad paths for privately appropriating public wealth, to the less visible and more pernicious consolidation of political and economic relations that trap these nations as mono-exporters; despite projects that claim to diversify their economies, these countries typically remain, as in colonial times, primary commodity producers for the international market. In Venezuela, this has happened under very different political administrations.

VENEZUELA

Clearly, maintaining this skewed international division of labor requires the collusion of politics and business, and thus the formation of a social system and political culture deeply implicated in legitimating and consolidating the vast set of formal and informal mechanisms through which oil is produced and oil money is appropriated. If in capitalist nations based on the generation of value through human labor the business of politics is business, in oil exporting societies based on the extraction of rents through the capture of natural riches, the business of business is politics. This explains why in Venezuelan public life politics occupies such a central space. Of course, politics everywhere entangles vital collective issues with private interests, but in Venezuela the state has become a particularly privileged path to status, power, and riches.

The effects of oil money on the polity of these nations have been less studied. Yet, as I have tried to show in detail for Venezuela, the states of petro-nations tend to be formed by the fusion of the power of political office with that of money. Business comes to depend on state connections and support. State leaders often incarnate state powers in their own personas. This personification of social and natural powers makes these leaders appear as superior beings capable of extraordinary deeds—as charismatic leaders or, as playwright Jose Ignacio Cabrujas suggested for Venezuela, as magicians. But as a

close analysis of these situations reveal, the state of grace uniting leader and people—what Max Weber called “charisma”—can be better understood if one takes into account the cultural and material conditions that enable and sustain this mystical union and the suspension of disbelief that makes magical acts believable.

Oil fortune has unfortunately helped make Venezuela a typical exemplar—or patient—of this “neocolonial disease.” This fortune has also turned its state into an incarnation of charismatic powers that appear to be providential—a “magical state.” These processes have affected Venezuela continuously albeit in different form since the times of Juan Vicente Gómez (1908–1935), when Venezuela became the world’s major oil exporting nation, to the current epoch of Hugo Chávez, when massive oil income has become the foundation of an evolving project of domestic and international change whose most radical form was identified by Chávez since 2005 as the construction of “socialism of the 21st century.”

As this issue of *ReVista* seeks to show, Venezuela produces more than oil—or its other major export product, beauty queens (this year Venezuela won its fifth Miss Universe). In fact, as I have argued elsewhere, in Venezuela oil has fueled various dreams of progress; Venezuela produces “politics.” Yet, it would be impossible to understand the

Chávez effect—his coming to power and the project he is advancing—without understanding the political economy and culture of oil in Venezuela. Without oil, there would be no Chávez and no “socialism of the 21st century,” at least as they have appeared so far. To make sense of Chávez’s Venezuela, we must thus seek to understand the exchange between the people who inhabit Venezuelan soil and the oil that lies in its subsoil. But since oil always has connected markets, peoples and states worldwide, this exchange must be seen in a global context. It would be impossible, for instance, to understand the April 11 coup against Chávez or the two month managerial lock-out of the oil industry that started in December 2002 as strictly domestic affairs.

For this reason, we have given central importance to oil in this issue of *ReVista*. In order to provide readers with an opportunity to explore oil policies under Chávez, I’ve asked seven experts to answer 12 key questions. Hopefully, their answers will help you understand not just what has happened to oil in Venezuela under his rule, but to Venezuela under this new oil bonanza. And as one reads these answers, one can also begin to become familiar with the cultural categories in terms of which oil has been understood in Venezuela.

I won’t comment on the responses to these questions, except to note how exceptional it is to have in one place answers to the same questions by a group of Venezuelans who hold different ideas about oil. Jorge Luis Borges famously remarked that the authenticity of the Qu’ran was proven by the fact that camels are not mentioned in this sacred book that codifies Islamic culture: their existence was assumed as a matter of fact among Muslims. Unfortunately, in the case of Venezuela, where politics is the major national spectacle, the absence of oil from public debate results not from the internalization of the habitual, but from the repression of the conflictual. This exchange in *ReVista* seeks to bring oil from the dark background where it has been kept to center stage, where it can visibly take the place it should have always occupied as a fundamental factor of public debate and main actor of our national drama.

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Nightly traffic jams in Caracas are fueled by inexpensive oil.



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Luis Giusti is a senior advisor for the Center for Strategic and International Studies (CSIS), principally in energy and Latin American affairs. A petroleum engineer, he was a member of the task force that issued Strategic Energy Policy Challenges for the 21st Century (Council on Foreign Relations and Institute of Energy of Rice University, 2001). Giusti began his career at Shell Corporation in Venezuela before joining Maraven, S.A., and becoming PDVSA president under Rafael Caldera.



Alberto Quirós-Corradi is a career oil executive and former chief executive of Shell Oil de Venezuela. He was also former

president and chief executive of Lagoven and Maraven, PDVSA subsidiaries, as well as director and president of Allied Consulting de Venezuela. He was a director of El Nacional (1985–1987) and El Diario de Caracas (1988). He received his Master's from Cornell University in Industrial and Labor Relations.



Victor Poleo is the leader of the group Soberanía (Sovereignty) and a professor in the graduate program in petroleum economics at the Universidad Central de Venezuela. He was General Director of the Ministry of Energy and Mines from 1999 to 2001. He was also a member of the board of Edelca.



Elie Habalián Dumat is the former Governor for Venezuela to the Organization of Oil-Exporting Countries (OPEC). He is professor emeritus of the Universidad de Carabobo, Venezuela, where he graduated as a mechanical engineer. He has also been an advisor to the Ministry of Energy and Petroleum and to the president of PDVSA.



Ricardo Hausmann is Professor of the Practice of Economic Development at the Harvard Kennedy School of Government and Director of the Center for International Development at Harvard University. Previously, he served as the first Chief Economist of the Inter-American Development Bank (1994–2000), where he created the Research Department. Under Carlos Andrés Pérez, he served as Minister of Planning of Venezuela (1992–1993) and member of the Board of the Central Bank of Venezuela.



Bernardo Álvarez is the Venezuelan Ambassador to the United States. He served as Vice-Minister of Hydrocarbons (2000–2003) and Director General of the Hydrocarbon Section (1999–2000), both posts in Venezuela's Ministry of Energy and Mines. He is author of *La política y el proceso de formación de las leyes en Venezuela* (Caracas, 1997), *Venezuela: deuda externa y crisis del modelo de desarrollo* (Lima, 1989) and *Empresas estatales y desarrollo capitalista* (Sussex, 1982).

From the outset, Chávez was critical of PDVSA's oil policy. Instead of maximizing production, he sought to increase prices and to strengthen OPEC. What's your evaluation of this aspect of his energy policy?

Ali Rodríguez Araque: The oil policy prevalent in Venezuela during the 1990s, better known as the “aperture” (i.e. aperture-opening), called for maximizing the country's production capacity in-country by attracting foreign oil companies to participate in the development of Venezuela's oil infrastructure and, ultimately, to maximize production. Unfortunately, the involvement of foreign oil companies came at a steep cost since the “incentives” offered led to a collapse in the country's fiscal income which, in turn, caused considerable damage to our economy and, of course, increased Venezuela's poverty level. This “free for all” production also affected other oil exporting countries that were devastated by the abrupt collapse in oil prices. To counter this trend, President Chávez reversed the “aperture” and, most importantly, strengthened the role of OPEC in the world oil market. The implementa-

tion of this new strategy resulted in a gradual improvement of oil prices, reestablished a more reasonable equilibrium between the income due the state and the participation of the oil companies and, most importantly, ensured a progressive distribution of the country's income in order to increase the GNP and reduce poverty levels.

Luis Giusti: The oil price collapse in January 1998 was a direct result of the economic crisis in Southeast Asia, which had taken the world by surprise and had global spill-over effects. Many blamed OPEC's meeting in Jakarta in November 1997 for the ensuing oil market crisis although in fact in that meeting OPEC simply acknowledged publicly its true production level. During the course of 1998 it became evident that the real reason had been the collapse of oil demand. During four years, oil demand had increased steadily at 1.6 million B/D per



year, including more than 2 million B/D in 1997, but in 1998 demand was unexpectedly flat. Saudi Arabia, Venezuela and Mexico engaged in a huge effort to stabilize the market, but production cutting was trial and error. By early 1999, the efforts had paid off and prices began a comeback. Chávez took office in February 1999, and the populist speech blaming Caldera's administration for low prices was very effective. It is true that Arab OPEC members welcomed the new administration because of a few years of difficult discussions about quotas with the previous administration.

Alberto Quirós-Corradi: When Hugo Chávez was elected president (1998) oil prices had reached rock bottom. All oil producing countries agreed on the need to reduce production in order to strengthen prices. In March 1998, Venezuela, Mexico and Saudi Arabia met in Riyadh to discuss production cuts, avoiding references to oil quotas. This was the beginning of a policy of reducing real production levels, favored by most OPEC countries, and inherited by Chávez, who campaigned enthusiastically abroad guaranteeing that Venezuela would honor oil production commitments to OPEC. There is no question that Venezuela's firm stand at that moment contributed greatly to restore some order in OPEC as a whole. However, whilst in a very severe over supply situation, cutting back production to improve prices is the right practice, maximizing production should be the preferred policy of every oil producing country. This generates employment, increases demand for goods and services and has a multiplier effect on the Gross National Product. Moreover, very high prices in recent years have not been a result of production cuts. Chávez has made a serious mistake in reducing investment in the oil industry, minimizing maintenance expenditures in a rapidly decaying infrastructure and allowing large production losses at a time when the market (especially the United States) could have absorbed a considerable increase in Venezuela's production levels, without seriously affecting world oil prices.

PDVSA achieved its goal of becoming an International Oil Company (IOC), rather than conforming to its status as a National Oil Company (NOC), through the partisan vision of a political class lacking a robust understanding of worldwide oil markets and optimal allocation of the oil rent. The PDVSA meta-state model is one we have typified as sowing the oil into the oil (industry) rather than in the country.

In the 1980s and 90s, PDVSA corporate thinking rejected OPEC as a decision-maker. Producing more than the stipulated quotas in the mid-90s, PDVSA played the dangerous game of challenging the Gulf Alliance's ability to dictate the worldwide level of oil pricing. Both PDVSA and purportedly the Gulf Alliance, mostly Saudi Arabia, oversupplied the markets. At century's end, oil prices plunged to \$10/b. Icons of such corporate thought were former SHELL director Alberto Quirós-Corradi and former (1994–1999) PDVSA president Luis Giusti. For oil prices to recover, the newly elected government in December 1999 only had to declare its adherence to OPEC, ready to comply with its quota. Saudis and other Gulf OPEC members were satisfied with such a declaration: business as usual for the time being.

The so-called Bolivarian Revolution conveys the message that Venezuela dictates the level of worldwide oil prices. Venezuela has not the ability nor capability for disrupting the supply-demand equation at short notice and for a long time, nor has it the

opened is a huge increase in the gap between plan and reality. In fact, PDVSA has been grossly overstating the actual level of production. So, it is hard to argue that the current oil production outcome is the result of deliberate policies rather than inability to achieve desired goals.

With regards to the international price of oil, Venezuela's oil output collapse has certainly been a small contributing factor, but commodity prices have been rising across the board, including mining and agriculture. Should Chávez be credited with those price increases as well? In any counterfactual scenario, oil prices would have been much higher now than in 1999.

Bernardo Álvarez: In the Bolivarian Republic of Venezuela, when we talk about energy, we are not only talking about ourselves, but about a broader issue that we believe affects the entire world. President Chávez's position "is to rescue and keep the fundamental principle of defending fair and reasonable prices for our natural resources, reaffirming that OPEC is a public and legal institution acting in favor of its members and seeking to strengthen sovereignty over the oil resources."

Early in his presidency, Chávez took the initiative to restore OPEC's discipline and coherence. His objective was to co-ordinate and unify petroleum policies among Member Countries, in order to secure a steady income to the producing countries; an efficient, economic and regular supply of petroleum to consumer nations; and a fair return on capital to those investing in the petroleum industry.

Nowadays, more than ever, the oil-producing countries of OPEC are often blamed for the current high prices of oil, but many other factors are at work, including market speculation and the high financial and technological costs of energy projects. Less attention has been given to factors such as politically and economically motivated armed international conflicts, the high taxes imposed on consumers in countries that are net consumers of energy, the current financial crisis, and the depreciating value of the U.S. dollar.

The policy of full petroleum sovereignty has been an essential part of President Chávez's approach and its success can be seen globally since many other countries have been closely analyzing and considering the implementation of similar policies.

“President Chávez has strengthened the role of OPEC in the world oil market. He has ensured a progressive distribution of the country's income to increase the Gross National Product (GNP) and reduce poverty levels.”

—ALÍ RODRÍGUEZ ARAQUE, VENEZUELAN MINISTER OF ECONOMICS AND FINANCE

Victor Poleo and Elie Habalián: In 1976 EXXON/Shell's assets in Venezuela provided the foundation of *Petróleos de Venezuela* (PDVSA); its professionals became PDVSA core management.

A decade and a half later, PDVSA progressively began to build a meta-state (a state beyond the state) to dictate international oil policies and shape the economy according to its corporate interests. PDVSA's financial scope overpowered that of the state itself.

lower production costs and significant oil reserves of conventional crudes. Venezuela is a price-taker.

Ricardo Hausmann: It is a fact that Venezuelan oil production is way below where it was supposed to be according to the strategic plans Chávez inherited. Today we should have been producing close to 6 million barrels a day, instead of the current 2.4 million. But under Chávez, the published strategic plans remained very similar. What has hap-

“Sowing the oil” has been the goal of the Venezuelan state since the 1940s. Oil has been treated as a source of foreign exchange to be invested in other areas of the economy. The energy sector itself has also been seen as a field of industrial diversification. Has Chávez managed to “sembrar el petróleo?”



The essence of the problem Venezuela has, and has had since the 40s, is the optimal allocation of oil revenues. The PDVSA meta-state is not the optimal model for allocating the oil rent nor is the PDVSA para-state.

Far from being a scientific approach to the optimal allocation of oil revenues, the long-time hidden debate on oil revenues flourished. It was first the issue of maximizing oil revenues either by increasing production (vs. decreasing prices) or by increasing prices (vs. decreasing production).

But it was as well the false debate on increasing the royalties and taxes. In 2001 the oil royalty was set up in 30% (16.6% since the 40s). Why not 31%? Why not 29%?

A ridiculous trial and error exercise. However, the higher the oil revenues, the more the boasting about nationalism and anti-imperialism. Much ado about nothing.

Ricardo Hausmann: Definitely not. While pre-Chávez policies lead to the creation of steel, aluminium and petrochemical industries, export concentration in oil is at a historic peak. Chávez has even made the export of products other than oil almost a crime. He used the fact that steel and cement companies exported part of their output to justify their recent nationalization. The exchange rate regime coupled with a highly protective trade policy is also anti-other exports. There are no plans to create or promote other export industries. Non-oil production is geared to the domestic market and thus is completely dependent on oil as a source of foreign exchange. If the price of oil were to falter, Venezuela would have no alternative industries that could expand to take its role in generating foreign exchange.

Bernardo Álvarez: Venezuela has a legacy of misery, poverty and environmental damage mainly in the areas surrounding the

Ali Rodríguez Araque: Hugo Chávez has oriented his policy of “Siembra del Petróleo” (i.e. “sowing the oil income”) not only to improve essential sectors of the national economy but also to end social injustice. Hugo Chávez changed the orientation of the oil industry to embrace a more lofty objective than just maximizing production: Petróleos de Venezuela now spearheads the war against poverty and has become “la PDVSA de todos”—PDVSA is now of and for all Venezuelans. PDVSA had formerly been an enclave catering to specific individuals and concentrated on its own agenda. This is over with and, of course, such changes displeased special interest groups and individuals that had enjoyed great privileges over the years.

Luis Giusti: “Sowing the oil” had a very positive, well-intended purpose. However, for many years it was a simple statement, meaning that governments should be rational, effective and honest in directing oil revenues to programs and projects that would upgrade the quality of life for Venezuelan society and reduce poverty, improving education, health, housing and infrastructure. Because Venezuela lacked necessary institutional structures, inefficiency and corruption set in; expectations became progressively frustrated. A few positive pre-Chávez expressions of sowing the oil include petrochemical developments, continued support for health and housing programs, agricultural cooperation, infrastructure developments coupled with industrial plants such as José and El Tablazo, and the creation of “Sofip” to open the oil industry to public participation, now extinct. Chávez has most certainly not “sowed the oil.” His government has created dozens of social programs called “misiones,” which receive millions of dollars that despite reaching the poor in several ways, have become sources of squandering and corruption and are not sustainable in time.

Alberto Quirós-Corradi: “Sowing the oil” was a goal developed when it was thought that oil reserves had a limited life. Therefore, in an agricultural society you have to “sow” the income from oil in order to reap other riches from the land of a more permanent nature. Years later when it was realized that

Venezuelan oil reserves would last for the foreseeable future, “sowing the oil” became a metaphor for economic and industrial diversification. Chávez has failed to meet both strategies. Agricultural development has suffered under a criminal policy of land expropriation by the state, most of the time breaking down efficient production units into small backward agricultural lots lacking technology and financial support, without giving the new tenants the benefit of ownership of the land. Imports of processed food and agricultural products have increased five times under Chávez and production of traditional crops has severely diminished. On the industrial front more than 5000 companies have shut down, buried under government policies designed to do away with the private sector of the economy. Major industries (electricity, telephones, cement and steelworks) have been nationalized thus investing in transferring profitable companies from the private to the government sector, instead of utilizing these financial resources in developing new industries to reduce imports. In short, the Chávez regime has mismanaged over \$700 billion during its 10 years’ tenure, without developing a social security system, a pension fund, a housing policy, unemployment insurance, transportation systems, job creation or reducing poverty. An almost unbelievable negative record.

Victor Poleo and Elie Habalián: During the threshold years post-2002 leading from the PDVSA meta-state to the current PDVSA status quo, the Venezuelan Revolutionary Government blindly adopted a script already well known in the ex-Soviets states. PDVSA emerged as the corner stone of a para-state (a parallel state), replacing the social and economic institutions. It was viable just because the oil price tripled from 2003–2007. The higher the oil price, the higher the disarrays in conducting Venezuela to a better-off equilibrium point.

As in the past, but even worse than ever, the sowing of oil became a dictum with no real content. Worse than ever, Venezuela is witnessing inflation, devaluation, production capacity eroded, unemployment, a two-tier exchange rate, poverty, dilapidation and corruption.

oil fields that have been exploited for years. Numerous questions arise as to where the social value of owner of the natural resources is left, where the Venezuelan industrial parks are, or how many goods and services Venezuela produces for the supply chain of its petroleum and gas industry.

Under President Chávez's guidance, Venezuela currently has placed a high priority to solve and catchup on its social passive and is using its purchasing power to prioritize national services and products, developing other related industries, i.e. petrochemical, oil services, etc., creating strong diversified international cooperation alliances using its vast oil resources, which are beneficial for the country as a whole in the long run.

The facts show how successful this approach has been. Since recovering from the oil industry sabotage of 2002–2003, PDVSA has played an extremely important role in helping fund necessary social programs in Venezuela. In 2007, the company invested over \$13 billion into such programs, which have helped lower poverty and address longstanding social needs. From 2003 to 2007, the poverty rate in Venezuela decreased from 55.1 percent to 27.5 percent, according to the National Institute of Statistics. Furthermore, these programs also helped nearly a million children from the poorest villages obtain free access to education. Secondary education has been made

available to 250,000 children whose economic situation previously excluded them from enjoying this right. Adult literacy programs have taught 1.2 million adults how to read and write. These are just a few examples of the many successes we have experienced in Venezuela.

On the other hand, Venezuela is a country with almost 100 years of oil production experience; paradoxically, we do not have a national industrial park to provide the goods and services demanded by the current production levels and even less for Venezuela's oil and gas business plan, "Sowing the oil."

That is why we are creating new affiliates to take care of the supply chain for the oil and gas business and boost the employment and development on domestic service companies. By "sowing the oil," we are reducing intermediaries and promoting the power transfer to the People.

New affiliates have been created, such as PDVSA Services to be responsible for oil and gas services, i.e. seismic well maintenance, construction of drilling rigs, etc. In this sense, PDVSA, in partnership with Belarus, has assembled, for the first time, a team that conducts seismic studies in an area of over 3,000 square kilometers.

In addition, PDVSA Engineering, Procurement and Construction is accountable for all the project phase developments

and their appropriated execution capacity; PDVSA Navy (to build tankers); PDVSA Urban development for urbanization and services in the new areas where PDVSA is undertaking operations; Gas Communal for gas distribution to the communities; PDVSA Industrial whose purpose is to cover the needs of the people in household appliances and other goods of mass consumption. In the specific case of PDVSA Industrial, negotiations are currently under way with the Republic of Vietnam to build an energy saving light bulb factory in the state of Carabobo, with an average annual production of 24 million light bulbs.

Furthermore, PDVSA Agriculture will complement government activities to provide assistance to farmers and consequently food to the people. PDVSA Agriculture has already started sowing soy on land owned by the company and will soon start sowing sugar cane. This is done with the help of Argentine machinery.

PDVSA's new core business is the People of Venezuela and its new business model reflects this priority. With this new model, we have successfully challenged the existing paradigm of inefficient state owned companies, by demonstrating that while maintaining the status as one of the world's largest integrated oil companies, PDVSA is also effectively contributing to the development of the Nation.

When he became president, Chávez claimed that PDVSA had become "a state within the state"—an enterprise disconnected from the nation pursuing its own interests. Now critics claim that PDVSA has become a "meta-state": a powerful instrument of the state unaccountable to society. What do you think?

Luis Giusti: PDVSA before Chávez was an absolutely transparent company. It was closely supervised day-to-day by the Ministry of Energy and Mines, it held two ordinary shareholder meetings with the government, one for budget approval and one for rendering results, its dollar revenues and expenses were directly supervised by the Central Bank; within PDVSA there was an office of the Comptroller General, it submitted public audited reports every year and it was supervised by the SEC in the United States in connection with its debt obligations, among many other routine controls. It fulfilled its obligations according to the laws and it complied with its obligations as a good neighbor in its areas of operations

and activities. Under Chávez, PDVSA has become an appendix of the "revolution" with the sole purpose, explicitly stated by the authorities, of serving the president and his political agenda, nationally and internationally. It is a true "black box" not properly audited which publishes manipulated unreliable numbers in line with political objectives. The collapse of PDVSA is best expressed by the relentless fall in oil production. After reaching 3,500,000 B/D in 1999, Venezuela's production has fallen to 2,300,000 B/D. But when considering that there is 1,000,000 B/D of new oil from joint-ventures, it becomes evident that PDVSA proper has lost more than 2,000,000 B/D.



Alberto Quirós-Corradi: The old PDVSA was undoubtedly a very professionally-run corporation. Its management probably had more decision making power than it would normally have had it been a private company. The Minister of Oil who acted as the shareholder's representative had very little control over decisions such as investment abroad, annual budgets, selling and acquiring assets. The reason was that PDVSA had a very professional human resource base, whereas the

Ministry did not. The “normal” conflict of interests between a shareholder who demands dividends and management who wishes to reinvest profits was a “no contest” in favor of PDVSA that had ways of hiding cash in its system, through creative accounting. The rationale was that if the government was given all the excess cash it could waste it, whereas PDVSA would invest it wisely.

The claim that PDVSA was a “state within the state” preceded the current regime. Chávez, however, placed the state within PDVSA, transforming the company into a “cash cow” to finance government plans not included in the annual national budget, such as import and distribution of foods, manufacture of consumer goods and government “misiones” (social plans). PDVSA also provides cash for acquiring private companies (Electricidad de Caracas, etc). The few audits of these new activities, more in the nature of a conglomerate than of a company, show inefficiency, mismanagement and financial malpractice.

Victor Poleo and Elie Habalián: Meta-state is the PDVSA corporate model of the 90s, a state beyond the state, unaccountable to society but coexisting with the institutional bodies of the Nation. The para-state is the PDVSA corporate model since 2003, a parallel state, unaccountable to society and destructive of the institutional bodies of the nation. As a parallel state, PDVSA became Chavez’s political and geopolitical instrument.

The PDVSA para-state model, devoid of knowledge and ethics, is a Havana-like inspiration for oppression of the people, a new tropical experiment attempting to trigger ad infinitum the short-lived real socialism. We have already characterized the PDVSA “meta-state” model as one that involves “sowing the oil into oil,” that is, rather than investing oil money in other

areas in order to diversify the economy, investing it into the oil industry itself.

Ricardo Hausmann: Most democracies create organizations that are assigned goals and are empowered with managerial autonomy to achieve those goals and systems of accountability to keep them honest and focused. This is the case of central banks and state-owned enterprises. PDVSA had a governance structure that tried to achieve these goals. The state was the sole shareholder and it appointed the president, the board and the strategic plan. Beyond that, there was significant managerial autonomy in achieving the agreed goals.

The totalitarian view of the world sees in any organization—public or private—that has some autonomy vis à vis the government as inconvenient. Chávez has destroyed any sense of managerial autonomy, while employees are required to be loyal to the party. So, PDVSA is not autonomous in any sense of the word. However, it has been made responsible of many tasks other than producing oil: distributing food, funding social programs, etc. This means that public spending is now done directly through PDVSA instead of through the budget. This is done to avoid legislative control and the constitutional requirement of sharing budgetary resources with state and local governments. So, PDVSA is used to avoid democratic accountability and decentralization of public spending.

Bernardo Álvarez: In Venezuela we are leading the way in implementing a new dynamic. In the 1990s, and until the election of President Chávez, our national oil company, *Petróleos de Venezuela, S.A.* (PDVSA), was ready to hand over our energy resources to transnational capital and become an instrument for International Oil Companies (IOC) to control these resources. PDVSA, just like a private corporation, was committed to what its executives called the

“maximization of shareholder value.” That is, the value of the company after payment of taxes, royalties and the like. In the case of today’s PDVSA, the shareholder is the State, which also receives general taxes and generated royalties. In other words, as PDVSA strove to minimize its tax and royalty obligations, it ignored the essence of why the Venezuelan oil industry was purposefully nationalized in 1976—the maximization of the value of natural resources, i.e. crude oil, to the Venezuelan people. The consequences were startling—the government of Venezuela received double the value of its crude oil through rents and royalties in 1975, the year prior to nationalization, than it did in the year 2000.

The prices used for calculating royalties were solely in PDVSA’s hands. Royalty rates were artificially low. Substantial discounts costing our country billions of dollars in the price of crude oil were provided to PDVSA’s wholly-owned subsidiaries abroad, including CITGO here in the United States. In the mid-1990s, the Venezuelan oil industry, although having long been nationalized by law, was, in fact, being given away to the IOCs. Meanwhile, more than 60 percent of our population remained mired in poverty.

As his first order of business, President Chávez brought the oil industry under the control of the Venezuelan people for the benefit of the people. While appreciating the role of private investment in the oil sector, President Chávez restored the rightful balance between private and state ownership and the privileges and obligations attendant to the exploration and production of our non-renewable natural resources.

The New PDVSA is aligned with the country’s objectives in the frame of our sovereign National Oil Policy and its priority is to continue to be competitive in the oil industry while contributing to the social and economic development of Venezuela.

According to some analysts, April 11–14, 2002, marked a shift in Chávez’s oil policy. After being overthrown, it is claimed that Chávez “negotiated” the oil industry: decided to take a more conservative course so as not to alienate foreign powers. What’s your evaluation?

Ali Rodríguez Araque: The 2002 “coup d’état” was followed by the oil strike which occurred in spite of President Chávez’s attempts at a national reconciliation right after his return to power on April 13, 2002.

The failure of both destabilizing attempts allowed for the final and definite harmonization-synchronization of Venezuelan oil policy with national interests. This does not negate or ignore, in any way, the participa-



tion of the private sector—both national and international—which, nowadays, has diversified and increased its involvement.

Luis Giusti: April 11–14, 2002, certainly marked a shift in Chávez’s attitude towards the existing establishment of the oil industry. But it was a merely a shift of gears to accelerate his aim of subordinating the oil industry, and more specifically PDVSA, to fit his political objectives. He had already begun following that path at a low pace, but April 11–14 gave him the pretext to assault PDVSA and begin firing people, eventually more than 20,000 employees. He also became more open against U.S. companies and in favor of China, Iran, Iraq, Vietnam, with negligible progress. Can this be called a policy? A more adequate term would be a random walk.

Alberto Quirós-Corradi: Chávez did not “negotiate the oil industry.” What happened during April 11 to 14, 2002, was that the regime let it be known to the United States that if Chávez were to be removed permanently from office, there would be chaos in Venezuela, affecting the capacity of the oil industry to produce and export normally. This would result in higher oil prices and a serious reduction in important volumes of much needed oil imports into the United States. Nevertheless, Chávez claims that the U.S. government assisted the military coup that removed him from office for a few days. Others think that the U.S. government was indeed concerned with “the day after Chávez” and was quite happy to see him back in the presidential chair.

Victor Poleo and Elie Habalián: Judging from the revolutionary set of decisions post-

2002, the Venezuelan oil industry is now more alienated than ever from global energy capital. The genuine capital of a nation is knowledge, and one hundred years of accumulated national knowledge about the oil industry was deleted following the upsurge of PDVSA in December 2002. Since that knowledge is irreplaceable, the future of the Venezuelan oil industry is in the hands of global energy capital.

Ricardo Hausmann: In my view, April 11–14 did not represent a major break in the relations between PDVSA and the government. Chávez temporarily backed down from his public firing of oil managers, which put more fuel to the fire of the political crisis of the moment. The major break in relations came after the oil strike of December 2002–January 2003, in which Chávez opted in favor of destroying the managerial capacity of the industry rather than negotiate. This has been the principal cause of the collapse of oil output and the inability to expand production.

Bernardo Álvarez: Formerly, in the Fourth Republic, it was accepted that the company and the state could have different interests. We have rejected this view; the national oil company must accompany the Venezuelan state in its geo-strategic positioning; it therefore has to guarantee the placing of our incremental production volume in the South-American, European and Asian economies, which are currently in full expansion. This is why we enter agreements that involve the expansions of existing refineries, adapting them to our types of crude, as well as integrated proj-

ects, from product to refining, and placing crude and products in strategic markets that are new to us.

Our commitment to establish complementary relations based on solidarity and a mutual benefit does not discriminate against any country. Based on the same principle, we now look to the South, and we do it with the same eagerness we felt formerly, when we only looked to the North.

Currently, the openness of our oil market to private companies from the United States or any other foreign country remains extensive. A 2006 U.S. Department of Energy report explained that whereas in Venezuela a U.S. company can purchase a local oil company and obtain equity interest in oil production, that same U.S. company has no such opportunity in Kuwait, Mexico or Saudi Arabia, three ostensible “partners” of the United States in its energy world view.

Furthermore, in 2006, the U.S. General Accountability Office (GAO) concluded in a report on Venezuela’s oil industry requested by Senator Lugar (R-IN), that by ignoring Venezuela’s attempts to resume a technical energy cooperation agreement between the countries, the United States effectively refused to give it continuity.

Currently, 18 countries are working with the Venezuelan Petroleum and Energy Ministry and PDVSA to develop the Orinoco Belt. It is well known that Venezuela has 130 billion barrels of proven reserves in this region and, after finishing the certification process through the Orinoco Magna Reserve Project, our country will have the largest reserves worldwide.

Chávez has presented as a nationalist triumph his policy of repudiating old service contracts and forcing oil companies to become joint ventures. Some of his critics (from the left as well as from the corporate oil sector) claim that this policy, far from being nationalist, has entailed the privatization and de-nationalization of the oil industry. What’s your evaluation of this controversial issue?

Ali Rodríguez Araque: The “operating agreements” and, in general, all the contracts signed as part of the *apertura petrolera* resulted in concessions with terms and conditions that were much worse than those established in the old Hydrocarbon Law of 1943. The new legal framework requires a majority participation of the State in any oil venture and ensures a more balanced fiscal regime that has translated into significant

benefits for the Venezuelan population and reasonable profits for private companies while promoting a transparent relationship between the private sector and the State. Results speak louder than words.

Luis Giusti: I will start by saying that the term “nationalization” can be deceiving. It frequently goes hand in hand with words like “patriotism” and “sovereignty” within populist political speech. For example, many



Mexicans use those words to prevent private capital participation in their oil industry, while Mexico’s oil production is falling fast, infrastructure is deteriorating, refineries cannot deliver the needed products and the new

potential areas cannot be explored for lack of technology and money. The Orinoco integrated projects required large investments and technologies that Venezuela didn't have and thus were addressed through strategic associations; the profit sharing agreements for exploration entailed high risks that PDVSA could not assume and thus were addressed by leaving the risk to the partners and agreeing on a favorable sharing of eventual benefits. Finally, old oilfields had no investment provisions within PDVSA's plans and thus were addressed through operational agreements that ensured a benefit to the partners with PDVSA retaining the property of the oil. Some of the actions of this government concerning those projects have gone in the right direction, such as speeding up the return to normal royalties or seeking changes in the share of the benefits as a result of the very high prices. However, none of them have been addressed properly and all of them have damaged the Venezuelan oil industry, although this has been masked by the high revenues stemming from those high prices.

Alberto Quirós-Corradi: Service contracts were agreements between PDVSA and oil companies whereby the latter would invest, develop and produce some oil fields only marginally attractive to PDVSA. The oil companies recovered their investments and made a profit for their troubles through a pricing formula. The oil produced was the property of PDVSA, which was solely responsible for its export sales. Joint ventures, on the other hand, made the oil companies partners in the exploitation of those fields with property rights over their share of the oil produced. Thus, PDVSA transformed a contractor into a full fledged

partner and opened a door for future, more mature partnerships between the state and the private oil companies. Although somewhat battered by being forced unceremoniously out of previous agreements, the oil companies should be delighted with the outcome, which gives them reasonable expectations of a more permanent presence in the Venezuelan oil industry.

Victor Poleo and Elie Habalián: The state has two models to consider in its interactions with global energy capital: either a relation of service or a relation of sharing property. In March 2006, the revolutionary government forced established service contracts (32) to migrate to sharing property, so-called "empresas mixtas," with a government-capital ratio of 60:40 in exploration and production, a de facto de-nationalization of oil reserves and profits. In January 2008, the Venezuelan High Court admitted a claim to delegitimize "empresas mixtas."

Ricardo Hausmann: The destruction of the managerial capacity of the oil industry and the renegotiation of the contracts with foreign companies (with the departure of those that did not agree with the changes) has diminished the capacity of PDVSA to achieve any desired goal. Contrast this outcome with Petrobras, a company that is now expanding its production internationally, and deploying its proprietary technology abroad. In the meantime, Venezuelan experts are in exile, working for other countries and companies. You would need a very peculiar definition of nationalism to count this as an example of it.

Bernardo Álvarez: The old PDVSA's internationalization policy was designed to guarantee the United States a massive supply of cheap oil. Also, the strategy aimed at

removing some of PDVSA's assets from fiscal control, because many purchases were in response to the need to guarantee the placement of our crude. These purchases were simply not processed.

During the 1990s, the policy of *apertura petrolera* represented a veritable assault on Venezuelan natural resources by some international institutions together with international oil companies. Such agreement involved the complicity of the oil elite, the ruling oligarchy and its political representatives. From the very onset of oil nationalization, the strategy aimed to control PDVSA through transnational interests, minimizing the value of Venezuelan hydrocarbon resources.

With the so-called *apertura*, foreign capital attempted to expropriate the Venezuelan people from sovereign management and use of their main resource: oil.

In relation to income tax, for instance, the *apertura* was structured in a way so contractors would pay no royalties, enjoying a very low tax rate that would have been fine if the private companies involved were bakeries or drugstores and not oil companies.

Here, one can discern a massive and deliberate evasion of oil taxes. At the same time, PDVSA management made sure that the State had no direct access to the accounts of petroleum activities. This made it impossible for the State to exercise its sovereignty over its natural resources and thus comply with our National Oil Policy.

Access to private investment was awarded to avoid prior errors because we realize the importance of private/public cooperation for a sustainable long term efficient oil industry.

Some critics argue that the project of orimulsion was the perfect opportunity for Chávez to use Venezuela's resources to promote an ecological and socially responsible energy plan—one favoring electricity for people rather than gas for cars. What's your evaluation of Chávez's policy towards orimulsion? Do you think orimulsion was a viable alternative project?

Ali Rodríguez Araque: The Orimulsion projects were part of a technological quest to make the best use of the extra heavy crudes. Associating the price of these products with that of carbon resulted in enormous losses for Venezuela. Mixing lighter crudes to obtain, for example, Merex 16—as ExxonMobil did—allowed for great com-

petitive advantages compared to mixing heavy crudes with water. The introduction of new technologies to improve and transform the extra heavy crudes resulted in a commercial breakthrough that has made these products quite competitive. In conclusion, Orimulsion has turned out to be no more than a good technology to transport

heavy crudes as was originally conceived.

Luis Giusti: The Orinoco belt, more than 700 kilometers long from east to west and



between 50 and 80 kilometers wide from north to south, contains 1.2 trillion barrels of oil with an estimated 270 billion barrels of recoverable oil. But there are significant variations along that huge accumulation. Large portions of the belt have oil between 7 and 9 degrees API, which clearly fall in the category of bitumen. Light, medium, heavy and extra-heavy oil, as well as bitumen, are clearly defined by the World Petroleum Congress and not subject to interpretation. It is important to keep this in mind, because it too has been used as part of the political discourse to slander previous administrations. In researching better ways of transporting extra-heavy oil, serendipity resulted in developing Orimulsion, a stable emulsion with some 25% water and special additives that allowed it to be burnt in boilers for power generation, more efficiently than coal. Ecological considerations were no different than those for coal, although Orimulsion is less contaminating. On the grounds of allegedly squandering the value of bitumen, the Chávez administration cancelled the whole expansion project and the contracts, except for the Chinese project.

Alberto Quirós-Corradi: Orimulsion is a mixture of extra heavy oil with water and a chemical compound to create a stable emulsion that can be burned directly in power plants to generate electricity. It was designed to compete with coal.

The Minister of Petroleum said the reasons for cancelling the Orimulsion projects were basically economic. The argument was that the extra heavy oil could be mixed with lighter oil resulting in a more profitable product. It was also argued that transforming extra heavy oil, in high conversion units, into lighter synthetic oil was also more profitable than the Orimulsion alternative. However, given the magnitude of the extra

heavy oil reserves, the limited availability of lighter oils and the long lead time required to recover investment in sophisticated refineries, some argue that Venezuela could use its extra heavy crudes to develop all alternatives for its use, including Orimulsion. I agree. At today's coal prices, Orimulsion would be a very profitable product.

Victor Poleo and Elie Habalián: Orimulsion is a thermoelectric fuel competing with coal and natural gas. At first in 1983, it was an inverted emulsion of water in bitumen of the Orinoco Oil Belt in the ratio 70:30 devised to abate viscosity. In the 90s, it was commercialized in Canada, Denmark and some Southeast Asian power utilities. Because Orimulsion allegedly did not yield high oil rent, the revolutionary government unilaterally cancelled the ongoing supply agreements (100,000 BD) and future contracts in August 2003.

The size of proven Orinoco Oil Belt reserves is around 270,000 million barrels of extra-heavy oil and bitumens (30%).

If hypothetically these entire reserves were transformed into Orimulsion, it would provide 50% of the worldwide supply markets of thermo-fuels during the horizon 2005–2025. Otherwise, as it is the case now, the synthetic oils (28API to 34API) made out of extra-heavy oil (8API to 12API) in the Orinoco Oil Belt amount to enough motor gasolines to supply 12 years of world consumption or, equivalently, 25 years of U.S. consumption.

A self-promoted socialist government opted then for feeding the worldwide motor gasoline markets, the essence of global energy capital, rather than providing electricity for Latin American countries in need of cheap thermoelectric fuels for their development.

Ricardo Hausmann: Orimulsion is a substitute for coal in electricity production. It was developed as a way to use the extra-heavy crudes of the Orinoco, when the technological alternatives were few. It is not particularly environmentally friendly, but is slightly better than coal. Newer technologies transform heavy crudes into the equivalent of lighter ones. I do not know which technology is more profitable and I doubt there are significant environmental differences between them. But I wonder what was the real reason behind Chávez's opposition to orimulsion.

Bernardo Álvarez: In order to sell Orimulsion, the extra-heavy crude oil of the Orinoco Oil Belt was simply labeled as Tar, in this way creating a lie, which was the only way to commercialize Orimulsion. The truth was that the resource used to make Orimulsion was extra-heavy crude oil. Orimulsion was presented as an unequalled business opportunity, using a specified formula, based on coal, and using metric tons as a measuring unit, to distance it as much as possible from what it really was, oil.

Venezuela is an exporter of heavy crude oil; therefore, Orimulsion was affecting not only oil prices in general, but also Venezuela's oil exports. Venezuela has sovereign rights over its natural resources and is constantly striving to achieve fair prices. Orimulsion systematically reduced this possibility. Venezuela's decision to deactivate the production of Orimulsion was therefore justified. We did, however, as we have always done, respect previously signed contracts and complied with them until they expired. A question of conscience that should be posed is if burning coal, or in this case Orimulsion, is an environmentally friendly approach to the greenhouse issue.

What do you think of Chávez's use of oil as an instrument of foreign policy?

Ali Rodríguez Araque: Every country resorts to the options it has available to carry on its international politics. The great military and economic powers use their financial, technological and nuclear might as a means to their ends. Why should Venezuela not have recourse to its "energy might" in order to develop and promote its international policies?

Luis Giusti: Oil as an instrument of foreign policy is not a bad thing in itself.

But when it is used to threaten and boycott selected nations things become unacceptable, and eventually will damage the owner of the oil. However, it is important to note that Chávez' threats are noisy but hollow. He threatens to suspend exports to the United States and send them to China instead. But he has been threatening that for more than nine years now, and exports to the United States continue uninterrupted. The United States is simply the most prof-



itable market and China is not ready to receive Venezuelan oil.

Alberto Quirós-Corradi: It is perfectly reasonable that countries use their resources (human, natural, industrial) as instruments of foreign policy, basically to improve their international economic leverage. Although oil has been utilized as an instrument of political power and its ready availability can make the difference in the outcome of a conventional war, a country like Venezuela has no business trying to become what it cannot be: a major player among countries that complement their economic strength with “firing” power. Chávez has used oil to foster Venezuela’s political influence in Central and South America buying fragile ideological alliances with the poorest countries of the hemisphere. In a more ambitious move, Chávez has structured expensive alliances with countries such as Iran, Syria and North Vietnam whose major attributes are their hate of everything from the United States.

Leveraging oil wealth, Chávez could have acquired technical assistance and training from developed countries and trading agreements to improve Venezuela’s unbalanced economy. Instead he has purchased arms, military equipment and even submarines. Rather than delighting in developing highly productive agricultural units or very sophisticated industries, Chávez dreams about a military force that would carry the Venezuelan flag across the continent, like his hero Simón Bolívar, liberating countries from real or imaginary “imperial” forces. Sadly, it has become a very expensive dream.

Víctor Poleo and Elie Habalián: The use of oil as a mechanism of foreign policy has to be evaluated in five years time with reference to Central America and Caribbean countries. Predictably enough, however, most of current mechanisms are quite volatile and lack sturdy design.

Ricardo Hausmann: I do not share Chávez’s foreign policy goals, so as a Venezuelan I think the costs clearly exceed the benefits. Latin American governments have shown a willingness to accept Chávez’s gifts in exchange for lip service. His real agenda is to help like-minded governments get to power and orbit around Venezuela, such as Bolivia, Ecuador and Nicaragua. To a lesser extent you can count Argentina in that group, with President Cristina Fernández aligning its foreign policy to the likings of Chávez, at least with regards to the United States and Colombia-FARC policy in exchange for financial support to the gov-

ernment and to her electoral campaign. The oil subsidy to the Caribbean islands assures these countries’ votes at the OAS and the UN. Subsidized oil in Boston allows Joseph Kennedy to pay himself \$500,000 as his salary for running the foundation that delivers Chávez’s subsidy. In exchange, Chávez gets an amount of press coverage that would have been hard to achieve any other way. Now, the “poor” who get the subsidized oil in Boston and the Bronx have incomes per capita well above the Venezuelan median. It would be hard to imagine that Venezuelans would find that this subsidy makes much sense.

Bernardo Álvarez: Countries can no longer “go it alone,” not even the United States. Rather, energy integration, which is the route to energy security, must be based on the notions of solidarity, inclusion, common and complementary interests, and the recognition of the sovereign rights of each country.

Based on these underlying principles, energy integration will assure the accessibility of resources, guaranteeing the right of each nation to manage its natural resources and to have access to energy with which to promote development and social justice. It will also ensure the affordability of resources, so that each country can cope with the cost of energy through financing terms and other means. Energy integration will give governments the ability to foster sustainable development and reduce asymmetrical consumption.

In the rapidly evolving political terrain of this hemisphere, we find a number of progressive governments leading their countries down a new path. No longer are free trade and private capital the only terms in which social and economic development may be discussed; the discussion now includes serious considerations of poverty, social exclusion, regional integration, sovereignty, South-South cooperation and, more recently, the food crisis. These governments have begun to re-define the role of the state in development and to empower citizens by allowing them to make their own decisions and participate in re-defining the role of their countries in regional and global contexts. Unless this new reality is truly understood and accepted, we are in danger of failing to achieve energy security and to bring about the better world we seek.

These changes in the hemisphere are not an accident. The rise of leaders like Presidents Evo Morales in Bolivia, Rafael Correa in Ecuador, Hugo Chávez in Ven-

ezuela and, most recently, Fernando Lugo in Paraguay, among others, show that the People of Latin America are looking for a new direction, away from the typical neoliberal model imposed by the now defunct “Washington Consensus.”

Venezuela is promoting regional multilateral initiatives such as PetroSur, PetroCaribe, the Bolivarian Alternative for the Americas (ALBA), and the Bank of the South to demonstrate our commitment to strengthening Latin America as a whole and creating productive unity. These initiatives, raising citizen and civic awareness, form part of Venezuela’s ideal of empowering the People, which is in our point of view the only way to solve the problems of poverty. By letting people make the political decisions that will affect them directly, the communities will be directly responsible for achieving the much needed solutions to their plights.

One of the initiatives that Venezuela has been promoting for peace and prosperity is international energy integration, on the basis of fair commerce, solidarity and complementary strengths. As the recent Declaration of Margarita says (in the framework of the first South American Energy Summit on April last year): “We (Venezuela) are fully committed to solving the current energy crisis, especially within our region (...) The chiefs of State of the participating countries agreed on the importance that energy integration has as a first step to achieving social and economic integration (...).”

Other main points discussed included:

1. Energy integration should reduce existing asymmetries in the region.
2. The process of energy integration should involve the States, the communities and the oil companies as principal actors.
3. The energy integration infrastructure should be developed and expanded through joint investments.
4. All countries should cooperate to maximize energy savings (...)
5. Countries should work to harmonize regulations, rules and technical standards in their energy sectors.

Oil is not being used as an instrument of foreign policy; it is being offered as our contribution to achieve these common goals. In the same way the European Union was born initially using coal and steel to then develop to a fully integrated bloc, Venezuela is offering to use oil and gas to achieve a similar integrated regional bloc in South America.

VENEZUELA

What's the most remarkable achievement of Chávez's energy policy?

Ali Rodríguez Araque: There are many successes, as recent history has shown. However, the most important accomplishment has been to establish full sovereign control over our natural resources, in general, and oil, in particular, so as to exercise a fundamental and universally accepted right aptly covered by several UN resolutions.

Luis Giusti: An immense gap exists between “the talk and the walk” in Venezuela. Despite trumpeting dozens of projects and signing literally hundreds of memoranda of understanding and letters of intent, practically nothing significant has been done in 9 ½ years. The list of achievements is very short: two blocks assigned off-shore in Plataforma Deltana, a few assigned in the Gulf of Venezuela, the assignment of a small gas field inland, and a process of certification of reserves in Orinoco of dubious justification. The situation is better illustrated by the list of frustrated big projects, including four refineries in Venezuela, one in Ecuador, one in Nicaragua, nine new petrochemical complexes and the wild chimera of a 10,000 kilometer gas pipeline to take gas as far south as Argentina, which can be defined as “a project never to be built, to take non-existent gas reserves to non-existent markets.” There is no remarkable achievement in the list, except for the efficient marketing of oil at discounted prices and with soft financing to Caribbean and other nations, if that can be called remarkable.

Alberto Quirós-Corradi: One achievement is that although Chávez has gone about it the wrong way, he has tried to develop a comprehensive Latin American

energy policy, utilizing Venezuelan oil as the guiding force for this effort. A sub-continental energy common market could be the stepping stone for a continental energy policy that would include the United States and Canada.

The other “achievement” is that his highly criticized direct utilization of PDVSA funds on non-oil programs, mainly of a social nature, could be a blessing in disguise for the future as it does away with the firmly established principle of having all oil revenue placed in the Public Treasury. This breakthrough may allow the development of an aggressive new oil policy under which Venezuelan citizens could have direct access to the riches generated by the oil industry, through a special fund as in Alaska. Or establishing the principle of the citizens' collective ownership of the oil reserves which would allow that payment of royalties be made direct to the now-owners, and not to the State. Or the establishment of a major fund in which all taxes, royalties and dividends paid by the oil industry are deposited, with only a given percentage allocated to the national budget. The balance would be distributed partially among citizens and partially saved for future generations.

Victor Poleo and Elie Habalián: Dismantling the irreplaceable machinery of a professional body of more than 10,000 geologists, petrophysicists, production and refinery engineers, researchers and planners. If assessed in the context of a zero-sum game, the loss for Venezuela is a gain for the world, quite a remarkable achievement.

Factotum of such an energy policy is



Ali Rodríguez Araque, PDVSA president at the time (2003) and later Ambassador to Havana, an irregular trade center for the transshipment of the Venezuelan oil rent.

Ricardo Hausmann: I will have to think much longer to see if I can find one.

Bernardo Álvarez: To deliver oil benefits of the owners of the resource, the People of Venezuela, directly through education, health, basic services, and other social areas, investing in productive assets to achieve sustainable development, while maintaining a vibrant oil industry.

To rethink the country and its national oil industry as a whole to deliver social value.

To reestablish the discipline and coherence of OPEC, and abort the old outrageous PDVSA strategy of challenging the organization to production volumes that could lower oil prices to unimaginable levels.

To give voice and practice to the political will for Latin American integration, offering Venezuela's energy surplus in solidarity as the backbone of this integration, as well as serving a leadership role against unilateralism and the irrational consumption of energy that is destroying our planet.

What's the most significant shortcoming of Chávez's energy policy?

Ali Rodríguez Araque: What could be referred to as a “shortcoming” in President Chávez's energy policies is, in reality, a byproduct of other developments. Nowadays, for example, our expansion plans require an important increase in drilling rigs which, unfortunately, are in small supply. Also, PDVSA needs to expedite the training of its HHRR. Both problems are being addressed by our state oil industry.

Luis Giusti: The list of shortcomings is long, but perhaps the most significant one is the destruction of the whole insti-

tutional framework of the Venezuelan oil industry, most notably of PDVSA. The consequences have been the loss of qualified people, of interlocution capacity, of production capacity and of the execution capacity needed to take advantage of future opportunities.

Alberto Quirós-Corradi: The lack of accountability regarding oil activities. Chávez disregarded the technical knowledge and professional expertise required to efficiently run an oil company. His belief that PDVSA is an inexhaustible cash cow.



His lack of definition as to whether he really wishes to have a healthy oil industry that maximizes production or whether he wants to keep production at a low level sufficient

to make a “controlled contribution” to the country’s welfare in order to rule forever over an ignorant and impoverished society.

Victor Poleo and Elie Habalián: Chávez’s energy policy has no shortcoming at all; it is nearly perfect in a totalitarian regime. That explains why a Council for Energy Policy would never be in place under Chávez, but necessarily will be after Chávez.

Ricardo Hausmann: I guess that destroying PDVSA’s managerial capacity is certainly up there, including our own R&D capability at INTEVEP.

Can the state in a dependent country like Venezuela define an independent energy policy, or is the state already constrained by structures and rules established by dominant actors?

Ali Rodríguez Araque: Under the leadership and guidance of President Chávez, Venezuela has demonstrated that it is possible to establish an independent and sovereign oil policy. In the past, OPEC member countries have nationalized their oil industries as part of their own transformation into independent and sovereign states. What is essential is that these policies count with the support of the general population...as has happened in Venezuela.

Luis Giusti: It is not difficult to define an effective and solid institutional framework for the oil industry in a country with large energy resources, like Venezuela. It is simply a matter of separating three things, and paying respect to that separation. Place policy in the hands of the government, administration/regulation in the hands of a special entity that should be given continuity and professional status (normally called agency, as in Norway, Brazil, Peru and Colombia), and leave the operations and the business in the hands of the national oil company and any other companies that participate within the country. This model has been highly successful in all the countries mentioned above.

Alberto Quirós-Corradi: Important factors establish some constraints such as the perceived notion of the political unacceptability of not having the state as owner of the oil reserves and a state oil company. However, although this inheritance derives from colonial days, it is not as firmly embedded in the Venezuelan culture as it is, for instance, in Mexico.

The so-called *apertura*, allowing private oil companies to operate in Venezuela many

Bernardo Álvarez: Reliable and affordable access to energy is essential for the attainment of sustainable economic and social development in all nations. Meanwhile, extreme asymmetries characterize use and access to energy in the Hemisphere. These asymmetries must be addressed so that the world can achieve access to energy that is characterized by rational use and equilibrium, and thereby attain true security.

Collaboration between producer and consumer countries is a key part of the solution, framed by changing the develop-

ing model of the so called industrialized countries. It challenges the paradigm of what “development” means for developing countries, offering an alternative way to generate social value.

years after nationalization is still an accepted practice, even under the new rules imposed by the Chávez regime. Therefore, there are no insurmountable constraints that work against the development of a new, more flexible energy policy in Venezuela.

Victor Poleo and Elie Habalián: Venezuela does not have the ability to define an “independent” energy policy as such. Venezuela can only maximize options for the future, a future already experiencing structural changes leading to the emergence of a new energy order and the fading out of oil as the energy form.

Ricardo Hausmann: I don’t really understand the question as I do not know what you mean by a dependent country or by an independent energy policy. I think that Brazil has a pretty impressive state-owned company and a pretty original biofuels policy. I don’t see why Venezuela could not have done much better, given it started much earlier and had a bigger industry with deeper technical capabilities in 1999.

Bernardo Álvarez: As then-Venezuelan Minister for Energy and Petroleum Rafael Ramírez accurately declared some years ago, “The old PDVSA was a Trojan horse that transformed itself into a hostage of transnational oil companies because there is no way to understand how a dispute with a company can bring a state to the expropriation or confiscation of its assets. These companies needed a hostage, something with which they could act in case there was a dispute with our sovereign decisions.”

On March 17, 2008, a London Court dismissed ExxonMobil’s attempts to

freeze part of PDVSA’s global assets and undermine an ongoing arbitration case. This ruling proved that PDVSA and Venezuela have respected international law and have followed all steps to arrive at an amicable solution in its dispute with ExxonMobil.

It is difficult for some in the United States—and certainly the current administration comes to mind—to recognize the legitimate aspirations of developing countries to control their own destiny. It is our sovereign right to develop and manage our non-renewable energy resources in ways we deem most appropriate. For too long, the benefits associated with natural resources in the developing world have flowed in only one direction: to the North. Venezuela is changing that dynamic. The model can no longer be based on feeding the insatiable appetite for energy of the developed world and the coffers of the international oil companies. There is an urgent need to establish equilibrium between producer and consumer countries and to adequately take into account the needs and sovereign rights of each.

Venezuela’s oil policy was dominated by strong actors that led to the internationalization of the oil policy. They were leading the



ing model of the so called industrialized countries. It challenges the paradigm of what “development” means for developing countries, offering an alternative way to generate social value.

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country towards a fully privatized oil industry that would have been controlled solely by these dominant actors. President Chávez

managed to break this dominance, but he nearly lost his life in the 2002 coup attempt. Furthermore, the Chávez oil policy has led

to a battle with the corporate media which still continue to undermine his administration with constant defamation campaigns.

There is common agreement that oil is the foundation of Venezuela as a modern nation. Do you think that oil policies have been given central place in public discussions in Venezuela, at any time or particularly now, as part of this participative democracy? Do you think that the political system in Venezuela has made it possible for ordinary Venezuelans to understand what happens to their common patrimony?

Luis Giusti: After the blowout of Los Barrosos-2 in 1922, oil companies began flocking to Venezuela, marking the beginning of Venezuela's contemporary oil industry. Oil production increased rapidly and by 1929 the country had become the world's second producer. Oil rent allowed Venezuela to make the transition from a primitive society with an economy based on rudimentary agriculture, and a population with poor health and a low level of education into a modern country with a healthy, educated society and a strong middle class as the core of economic development. The model was based on the government's discretionary spending of the rent, but for many decades the oil industry was an enclave and the link between oil and society was purely fiscal.

As the country grew, it became progressively integrated into the global economic community. Along the way came the awakening of the political class to the significance of oil. As the country diversified its economy, the notion of the need for a deeper integration between oil and society became part of the national discussion. The expression "sowing the oil" reflected this notion, although for a long time there was little progress. Oil policies very seldom took central place in public discussions, the exception being the national discussion that led to the approval of a hydrocarbon law in 1943. During the period 1989–1999 many initiatives finally expressed the sowing of oil. During the period 1994–1999, the opening of the oil industry (*apertura petrolera*) was the subject of an open national discussion similar to the one in 1943.

But unlike in the case of such topics like education and health, the understanding of the oil industry and the ways to benefit from that oil patrimony have seldom been consensual. There has been a secular debate between oil simply as a source of rent or as an integrated part of economic activity,

between opening or autarchy, between direct subsidies or a healthy tax-paying industry with subsidies separated, between exporting oil and products or owning refining and distribution chains abroad.

Alberto Quirós-Corradi: In 1943, Venezuela passed a hydrocarbon law allowing the state to receive an important share of the oil income through royalties and taxes. In 1946, the principle of a 50-50 distribution of oil revenues between the state and the oil companies was established. In 1976, Venezuela nationalized the oil industry and decreed a state monopoly over all of the oil activities. In 1992, this monopoly was relaxed (*apertura*), allowing private oil companies to participate again in oil exploitation. Chávez modified this participation without changing the basic policy that allowed the companies to be present in Venezuela.

Thus, the discussion about oil matters in Venezuela has only covered the limited scope of the relations between the oil companies and the state (how much each takes of the total oil revenues). The citizens have never been a party to this debate.

Furthermore, how oil revenues can best be managed to improve the welfare of the Venezuelan citizens, either by creating a special fund for distribution among Venezuelans or for a "rainy day" or through payment of royalties to the citizens (the true owners of the oil reserves) has never been discussed.

Victor Poleo and Elie Habalián: No, the Venezuelan political class has not enforced a public debate on the oil rent allocation, the essence of oil policy.

Ricardo Haussman: I think that oil was given a quite central position in public discussion for a very long time in Venezuela. It was central during the 1940s when concessions were extended for 40 years and new hydrocarbon and taxation laws were past. It became a central aspect of the



debate between President Medina Angarita's government and the Acción Democrática opposition, which eventually took power in 1945–48. President Rómulo Betancourt's influential book, written during his exile in the 1950s was called *Venezuela: Política y Petróleo*. Oil policy became central also during the reforms of the 1960s and to the formation of OPEC. The decision to nationalize in the 1970s and to build a state-owned oil company with a governance structure that allowed both government control, operational efficiency and a major increase in investment required a very stable and deep political agreement that was amply debated.

In Venezuela today there is no oil policy. We do not even know how much oil we are pumping and what is happening to the productive capacity of the country. Financial disclosure has been suspended. The government has destroyed the operational capacity of the national oil company, making it dependent on foreign oil companies, but at the same time has reneged repeated times on the contracts it has signed with them making Venezuela a dangerous place to invest. We are on a perilous road to nowhere. The opposition is quite clear as to what is happening, but there are no instances for public engagement. I do not recall any discussion about oil policy in the National Assembly during the past four years. Venezuela is a one man show where debate is actively discouraged.

Bernardo Álvarez: Yes, there are now opportunities for every Venezuelan to participate in the oil industry by becoming suppliers of PDVSA. Furthermore, PDVSA

promotes the creation of Social Production Companies, which are intended to bring the most benefit to the most people.

The new PDVSA offers support to almost all social programs with extraordinary funds from the oil revenue. The ultimate goal is to achieve the inclusion of all citizens in social and economic development.

Ask yourself a question and answer it.

Luis Giusti: I ask myself the question: What will happen with the Venezuelan oil industry if oil prices fall to levels of \$70–75/barrel and stay there for a few years? The answer is that the country will fall into a severe economic crisis that will become unmanageable, unless oil production can be increased significantly. This would require accelerated effective investments of at least \$10 billion per year. In order for this to become feasible, a large opening to international oil companies would be required. It will not be a small task to convince them to get back into the country, after their predicament under the Chávez government.

Alberto Quirós-Corradi: “Will Chávez ever cut Venezuelan oil supplies to the U.S. market? Contrary to some popular belief, it is not the possibility of U.S. military retaliation that holds Chávez back. The deterrent is his understanding of the short, medium and long term negative impact this action would have on Venezuelan economic welfare. Although Chávez’s flair for the dramatic may push him in that direction, this would be the one decision that could mark the beginning of the end of his regime. Weak as they appear to be, Venezuelan political and civic institutions would not put up with this decision. The feeling of impending doom would be too strong.

Victor Poleo and Elie Habalián: What next? Post rentism. It is for social scientists to explain and predict the Venezuelan future.

Ricardo Haussman: What will happen to Venezuela if the price of oil falls? The price of oil does not need to fall for Venezuela to get into a serious mess. Oil production is falling, production costs are skyrocketing and the share of the oil going to the highly subsidized domestic market is rising very fast. All this means that if the price of oil stops rising the profit margin of PDVSA with which the government funds itself would collapse very quickly. Accelerating this dynamic is the fact that the exchange rate is fixed while inflation is

As a state-owned oil company, PDVSA is accountable to the people of Venezuela, its only shareholders. Due to the company’s commitment to poverty reduction and to social development, PDVSA distributed its 2007 operational profits of \$25.3 billion as evenly as possible. It returned \$14.1 billion in the form of

running in the twenties. Since PDVSA’s costs are affected by inflation but the exchange rate at which it sells its export dollars is fixed (as is the price of gasoline in the domestic market) the erosion of PDVSA’s capacity to finance the government would be quite rapid, even at 120 dollars a barrel. This will be a testament to the irresponsibility with which Chávez has managed Venezuela’s fat cow years.

Bernardo Álvarez: It must be recognized that the actual model imposed by capitalism is exhausted and no longer viable and that poverty, exclusion, and famine are key issues that need to be addressed immediately before they become global crises.

If this is the case, why doesn’t anybody accept that the Bolivarian Model has been successful and it is an option to be tested and adopted, and instead prefer to blame, manipulate and try to undermine the legitimacy of a democratic government, popularly elected and ratified at the polls eleven times over the past decade?

We believe that personal interest and old mindsets are part of the problem. We need strategies based on a new vision of the world able to deal with today’s realities. We cannot expect to meet today’s challenges with old conceptions of how national societies are organized, or how the international system of nations should operate. This has precisely been the problem. Old paradigms, such as the neoliberal paradigm and the concept of elite-based democracy, failed to promote growth and development with equity in Venezuela, as well as political participation and the inclusion of the historically excluded. The “end of history,” called upon after the collapse of the so-called iron-curtain led to a monolithic view of the world, led by attempts to impose a liberal conception of society on the rest of the world. This brought disastrous consequences for Venezuela, and South America. The unilateral actions taken by the United States and other European

social value directly to its shareholders and \$6.3 billion as dividends and retained earnings to the state and other minority shareholders. This also reflects the company’s alignment with the national development plan with the clear objective of achieving economic and social development of the nation.



powers in Iraq should give us pause about the unfeasibility of unilateral actions against other countries and the violation of the principles of self-determination and sovereignty found in the UN Charter. Unless the leaders of this country decide to challenge what is taken for granted, and challenge the traditional paradigm of the free market, they will not understand the Venezuelan process of change. They will not understand President Chávez’s recognition that human beings should be the main agents and objective of growth and development.

This section was conceived and edited by Fernando Coronil Imber and Jeffrey Cedeño.

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A Venezuelan preschool student shows off her dress in the colors of the flag as students perform traditional Venezuelan dances for their parents during a school presentation in the local gymnasium.



Oil products are cheap and abundant in Venezuela.



Elementary school students dressed in traditional villager costumes take part in a religious procession in Mérida. Honoring "Baby Jesus walks" on January 22, 2008, they go house to house to serenade residents with traditional songs.



Commuters driving Hummers and SUVs help to clog Caracas' main thoroughfare in afternoon traffic. The Venezuelan government subsidizes the oil industry, keeping gas prices very low, approximately seven cents per gallon. The fuel tank of a Hummer SUV may be filled for a few dollars.



Venezuela currently imports approximately 70 percent of the food products consumed in the country. The government created a state-owned food production and distribution company in Jan. 2008, administered by the state oil company, PDVSA in an effort to decrease the country's dependency on food imports, primarily from the United States.

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Poverty Reduction in Venezuela

A Reality-Based View

BY MARK WEISBROT

VENEZUELA HAS SEEN A REMARKABLE REDUCTION IN POVERTY since the first quarter of 2003. In the ensuing four years, from 2003 to 2007, the poverty rate was cut in half, from 54 percent of households to 27.5 percent. This is measured from the first half of 2003 to the first half of 2007. As can be seen in the table on p. 38, the poverty rate rose very slightly by one percentage point in the second half of 2007, most likely due to rising food prices. Extreme poverty fell even more, by 70 percent—from 25.1 percent of households to 7.6 percent.

These poverty rates measure only cash income; they do not include non-cash benefits to the poor such as access to health care or education.

If Venezuela were almost any other country, such a large reduction of poverty in a relatively short time would be noticed as a significant achievement. However, since the Venezuelan government, and especially its president, Hugo Chávez Frías, are consistently disparaged in major media, government, and most policy and intellectual circles, this has not happened. Instead, the reduction in poverty was for quite some time denied. Until the Center for Economic and Policy Research published a paper correcting the record in May 2006 (“Poverty Rates in Venezuela: Getting the Numbers Right”), publications such as *Foreign Affairs*, *Foreign Policy*, the *Washington Post*, the *New York Times*, the *Financial Times*, the *Miami Herald*, and many others all published articles falsely asserting that poverty had increased under the Chavez government. A few of these publications eventually ran corrections. While poverty did in fact rise sharply in 2002–2003 (see p. 38), the publications cited above all printed false statements about the poverty rate after it had dropped back down and the new data were publicly available.

When the reduction in poverty could no longer be denied, the government's opponents—who have a near-monopoly of the debate about Venezuela outside the country—then tried to put a negative spin on it. An article in the March/April issue of *Foreign Affairs* by

Francisco Rodríguez (2008) attempts to argue that “a close look at the evidence reveals just how much Chávez's ‘revolution’ has hurt Venezuela's economy—and that the poor are hurting most of all.” I have dealt with these assertions in detail elsewhere and will only treat some of them briefly here.

As seen in the table, the poverty rate fell from 1999–2001, and then rose sharply in 2002–2003. This is to be expected, since the economy was devastated in 2002–2003 by an oil strike (joined by business owners), losing 24 percent of GDP from the third quarter of 2002 to the first quarter of 2003. In terms of lost income, this is comparable to the U.S. economy in some of the worst years of the Great Depression.

It would not seem logical to hold the government responsible for the economic impact of the oil strike and business lockout, since that was carried out by its opponents. Indeed, a strong case can be made that the government could not do much at all about poverty for its first four years (1999–2003). During this time it did not have control over the national oil company—Petroleos de Venezuela (PDVSA), and there was considerable instability, including a military coup (April 2002) and the strike. For example, Teodoro Petkoff, currently one of the most prominent and respected leaders of the Venezuelan opposition, describes the opposition as having a “strategy that overtly sought a military takeover” from 1999–2003, and having used its control of the oil industry during that period for purposes of overthrowing the government.

Once the government got control over the oil industry and the major opposition groups agreed to pursue their goal of removing Chavez through a referendum (May 2003), the economy began to grow rapidly and poverty was sharply reduced. In the five years from the bottom of the recession in the first quarter of 2003, to

Billboards and tall buildings dominate the Caracas skyline.

In a revolution that has taken as its declared mandate a preferential option for the poor, the question remains to be answered about how much difference the Chávez government has made in their lives. Here, several experts give their perspectives on poverty reduction and equity.



the first quarter of 2008, the economy grew by a remarkable 88.3 percent.

Rodriguez asserts that this halving of the household poverty rate in four years is not very good:

The real question is thus not whether poverty has fallen but whether the Chávez government has been particularly effective at converting this period of economic growth into poverty reduction. One way to evaluate this is by calculating the reduction in poverty for every percentage point increase in per capita income—in economists’ lingo, the income elasticity of poverty reduction. This calculation shows an average reduction of one percentage point in poverty for every percentage point in per capita GDP growth during this recovery, a ratio that compares unfavorably with those of many other developing countries, for which studies tend to put the figure at around two percentage points.

This implies that other countries have had twice as much poverty reduction per unit of economic growth as Venezuela. This is not true, and Rodriguez subsequently acknowledged this, listing Venezuela’s income elasticity of poverty reduction at 1.67, which is closer to two than one. But an elasticity of two is not the relevant comparison. Country and regional data from the World Bank for 34 growth spells of more than 40 percent in per capita GDP over the last two decades.

And even this comparison understates Venezuela’s success. The World Bank data (see Chart 2 on the web) is for a \$2 per day (Purchasing Power Parity dollars) poverty line, whereas Venezuela’s poverty line is about 50 percent higher than this. The income

elasticity of poverty reduction is much less elastic—that is, there is much less poverty reduction for a given amount of growth—for higher poverty lines. The three countries that show more elasticity than Venezuela—Poland, Latvia, and Chile—have very low levels of poverty by the end of the period, measured at \$2 per day; countries with very low levels of absolute poverty tend to have much higher income elasticities of poverty reduction.)

So it is not possible to assert that Venezuela’s income elasticity of poverty reduction is lacking by any reasonable international comparison. On the other hand, it is not clear how relevant this measure is. In four years, poverty has been cut in half and extreme poverty by 70 percent. This is a major achievement. The United Nations’ Millennium Development Goals call for a reduction in extreme poverty by half over the period 2000–2015. Should anyone, including the poor, care if Venezuela’s very rapid reduction in poverty is high or low or medium relative to the amount of economic growth that has taken place? In other words, if Venezuela’s income elasticity of poverty reduction were not so high, but poverty were cut sharply because of rapid economic growth—including rising employment and real wages—what would be wrong with that? In any case, the question is moot, since Venezuela has had a rapid reduction in poverty even for the amount of growth that it has had.

The poverty and extreme poverty rates in Venezuela are based only on cash income, so they do not include the increased access to health care and education that the poor have gained since the government has gotten control over the oil industry. From 1999 to 2007, the number of primary care physicians in the public sector increased more than twelve times, from 1,628 to 19,571, providing health care to millions of poor Venezuelans who previously did not have access to health care.

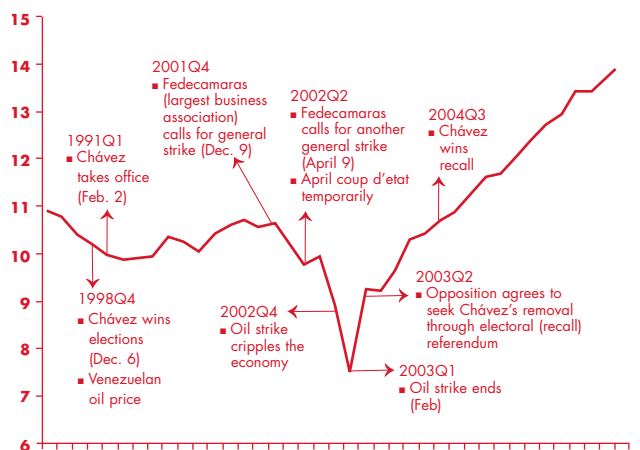
Access to education has also been greatly expanded. This is especially true at the level of higher education: from the 1999–2000 school year to 2006–2007, enrollment increased by 86 percent; estimates for the 2007–2008 school year put the increase at 138 percent from the 1999–2000 base. For secondary education, the increase from the 1999–2000 school year to 2006–2007 is 54 percent. For basic education (grades 1 through 9) the increase over this

Table 1: Venezuela: Poverty Rates 1997–2007

Year	Time Period	Households (% of total declared)		Population (% of total declared)	
		Poverty	Extreme Poverty	Poverty	Extreme Poverty
1997	1st Half	55.6	25.5	60.9	29.5
	2nd Half	48.1	19.3	54.5	23.4
1998	1st Half	49.0	21.0	55.4	24.7
	2nd Half	43.9	17.1	50.4	20.3
1999	1st Half	42.8	16.6	50.0	19.9
	2nd Half	42.0	16.9	48.7	20.1
2000	1st Half	41.6	16.7	48.3	19.5
	2nd Half	40.4	14.9	46.3	18.0
2001	1st Half	39.1	14.2	45.5	17.4
	2nd Half	39.0	14.0	45.4	16.9
2002	1st Half	41.5	16.6	48.1	20.1
	2nd Half	48.6	21.0	55.4	25.0
2003	1st Half	54.0	25.1	61.0	30.2
	2nd Half	55.1	25.0	62.1	29.8
2004	1st Half	53.1	23.5	60.2	28.1
	2nd Half	47.0	18.6	53.9	22.5
2005	1st Half	42.4	17.0	48.8	20.3
	2nd Half	37.9	15.3	43.7	17.8
2006	1st Half	33.9	10.6	39.7	12.9
	2nd Half	30.6	9.1	36.3	11.1
2007	1st Half	27.5	7.6	33.1	9.4
	2nd Half	28.5	7.9	33.6	9.6

Source: Instituto Nacional de Estadística (INE), República Bolivariana de Venezuela.

Figure 1: Venezuela Real GDP (seasonally adjusted)



Source: Banco Central de Venezuela (BCV) and author’s analysis.

period was 10 percent; but this was already at a 91 percent gross enrollment level in 1999–2000.

Some 3.9 million school children—about half of the population between three and seventeen years of age—now receive lunches in school.

In addition, more than 15,000 government (Mercal) food stores distribute basic food items at discounts from 27 to 39 percent; and there are some 894,300 people served by soup kitchens. Some of the impact of the discounted food from the Mercal stores—but not the soup kitchens or school lunches—should show up in Venezuela's cash-income based poverty rate through lower prices, although it is difficult to say exactly how much.

It is therefore clear that the sharp reduction in poverty in Venezuela, as measured by the official poverty rate, captures only a part of the improvement in living standards for the poor.

There is no doubt that substantial improvements in the labor market, especially in the private sector, during the present economic expansion, contributed greatly to the sharp reduction of poverty.

Measured unemployment has dropped sharply, from 19.7 percent in the first quarter of 2003 to 8.2 percent in the first quarter of 2008. If we compare to the beginning of the Chávez administration, unemployment stood at 15.6 percent in the first quarter of 1999. By any comparison, the official unemployment rate has dropped sharply. Of course, an unemployment rate of 8.2 percent in Venezuela, as in developing economies generally, is not comparable to the same rate in the United States or Europe. Many of the people counted as employed are very much underemployed. But the measure is consistent over time, and therefore shows an enormous improvement in the labor market. This can be seen in other labor market indicators. For example, employment in the formal sector has increased to 6.35 million (2008 first quarter), from 4.40 million in the first quarter of 1998 and 4.50 million in the first quarter of 2003. As a percentage of the labor force, formal employment has increased significantly since 1998, from 52.0 to 56.2 percent (2008).

There has been an increase of about 2 million jobs in the private sector and 633 thousand jobs in the public sector since the first quarter of 1999. Perhaps most importantly, employment as a percentage of the labor force has increased by 7 percentage points since the first quarter of 1999, which is quite substantial. Since 2003, it has increased by almost 11.5 percentage points.

Inequality also shows a substantial decline as measured by the Gini coefficient—from 48.7 in 1998, or alternatively from 48.1 in 2003, to 42 in 2007. Rodríguez tries to show an increase in inequality, first by selecting the years 2000–2005; he then tries to challenge the official data; but, his challenge is unfounded. For a rough idea of the size of this reduction in inequality, compare this to a similar movement in the other direction: from 1980–2005, the Gini coefficient for the United States went from 40.3 to 46.9, a period in which there was an enormous (upward) redistribution of income.

The extra scrutiny that the government of Venezuela and its statistics receive, as compared to other countries in the hemisphere, has produced some very modest positive results. For example, Rodríguez (2008) showed that some of the spending listed as “social spending” by PDVSA was inappropriately categorized. This was significant but did not change the overall picture, since eliminating this spending resulted in a measured increase of 218 percent in real social spend-



A Venezuelan teacher chats with young people in her kitchen.

ing per capita, as opposed to a previously measured 314 percent. Ortega and Rodríguez (2006) also raised some serious doubts about the official data on the number of people who participated in the Venezuelan government's national literacy campaign, although the data that their research was based on did not allow for any firm conclusions (See Weisbrot and Rosnick 2008).

It may turn out that some of the official data that we are using today will be revised or replaced by better data, as happens in many countries. But overall, there is no evidence that the accuracy of government data in Venezuela has deteriorated in recent years or compares unfavorably to that of similar middle-income countries. Most of the controversy over social and economic progress under the Chávez administration is simply a result of misinformation, political prejudice, an overwhelming reliance on opposition sources, and an overall political and media climate of hostility toward a government that finds itself in conflict with Washington.

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Social Policy in Chávez's Venezuela

A Radical Alternative or More of the Same?

BY SUJATHA FERNANDES

THE BARRIO CARRETERA NEGRA ON THE WESTERN EDGE OF CARACAS consists of a row of houses along a stretch of highway road, as indicated by its name, “Black Highway,” and along three smaller lanes, Oriente, 24 de Julio and Justicia. It is a Wednesday morning in the Carretera, and police officer Osvaldo Mendoza is unloading foodstuffs from the back of a government truck for the local soup kitchen, located in the front room of his house. “I was never a *vecino* (neighbor) who was very involved with the community because of my work,” Osvaldo told me. “But seeing the necessities of our communities, what I’ve seen as a police officer, the necessities you see in the streets, I offered my house when this opportunity came.”

By midday, five local volunteers have prepared the meal of potato salad, hot dogs, and beans and rice that feed 150 children daily. School children in white and blue uniforms wait in a long line outside bearing plastic containers, and the food is packed into their containers by volunteers and then stored in school bags.

The soup kitchens function through the organization and labor of the *vecinos*, but they are an initiative of President Hugo Chávez. Since Chávez was elected to office in 1998 in Venezuela, he has sparked both acclaim and controversy for his interventions on behalf of the poor.

For nine months between January 2004 and January 2007, I lived in one of the popular barrios of Caracas, carrying out field research for a project on urban social movements. I witnessed health clinics in the highest reaches of the shantytowns where previously people had died from preventable diseases; nutritious daily meals available for children from poor families; and high-school dropouts continuing their schooling during evenings in the work-study program. But from my own observations, it seemed that these programs faced some challenges in their implementation, including the siphoning off of stipends that sometimes didn’t reach intended beneficiaries; hoarding and pilfering of goods; and under-employment, where people were employed in the various missions, but at times remained without a livable wage.

But in order to put what I witnessed into context, one must first understand the evolution of social policy in Venezuela and, in particular, during the Chávez government. To what extent has Chávez managed to reverse the free market economic reforms of the 1990s and usher in a new era? Is his government simply reframing older policies in the cloak of a nationalist and populist discourse? What are the continuities and ruptures with his predecessors? What difference has his government made for the residents of marginalized barrios like the Carretera Negra? This article will examine these questions through a discussion of social policy in the Chávez era.

SOCIAL POLICY PRIOR TO CHÁVEZ

After the collapse of the military dictatorship in 1958 and the transition to democracy, the new *Acción Democrática* (AD) government pursued strategies of Import Substitution Industrialization (ISI)

and prioritized social welfare. But the debt crisis of 1983 brought a decade of growing poverty, unemployment and inflation. Venezuelan leaders began courting foreign investors and borrowing to maintain social spending.

During the 1990s, under the second term of President Carlos Andres Pérez, neoliberal reforms were introduced. In his February 2, 1989, inauguration speech, the newly elected Pérez railed against the International Monetary Fund (IMF) and other international lending organizations, but just a few weeks later he announced a neoliberal policy packet known as *El Gran Viraje*—the great turnaround. Under pressure from foreign creditors to implement an IMF-style austerity program, he dismantled protections, deregulated prices, and reduced social spending.

Social policy under Pérez’s neoliberal framework was reoriented from its emphasis on providing equity, universal access to social welfare and redistribution towards the privatization of social services and compensatory programs designed to mediate the effects of the neoliberal reforms. Pérez’s social policy was encapsulated in the program Plan de Enfrentamiento de Pobreza (PEP), which included a Mother-Infant Nourishment program, School Nutrition Programs, Youth Training and Employment, Day Care Centers, Programs of Assistance in Popular Economy, a Project of Urban Improvement in the Barrios, and a Program of Local Social Investment, among others.

Under a second phase of social policy, in 1992, Pérez implemented the Mega Proyecto Social. The Mega Proyecto Social complemented the PEP, providing investment in areas such as water infrastructure, education, health, housing, social security and environment. But funding for the program was markedly reduced and social services were outsourced to non-governmental organizations (NGOs). In a time of limited public resources, the burden for subsistence and welfare was shifted onto social sectors.

Under the next president, Rafael Caldera (1994–1998), the PEP was replaced by a new social program, the Plan de Solidaridad Social, launched in 1994. The plan attempted to combat poverty through constructing a healthy economy that would reduce unemployment and increase salaries. Caldera revived the neoliberal agenda in April 1996 in consultation with the IMF, as a program of macroeconomic stabilization known as Agenda Venezuela, although no formal agreement was signed with the IMF.

But these social programs had little effect in mediating the impact of neoliberal structural adjustment. Compensatory programs were short-term and targeted small sectors of the population. By 1997, greater foreign investment and a rise in oil prices allowed for economic growth, but social indicators did not improve. By 1997, the official rate of unemployment was 12 percent, inflation had reached 103 percent, and real incomes had fallen by 70.9 percent since 1984, as Héctor Silva Michelena describes in his chapter on Venezuelan social policy in the ‘80s and 90s (in Lourdes Alvarez, Helia Isabel del Rosario, and Jesús Robles (eds), *Política Social:*



Residents of urban barrios have benefited from programs such as the Soup Kitchen not only in terms of material gains, but also in terms of the personal sense of empowerment that results from involvement in community-based work.

Exclusión y Equidad en Venezuela Durante los Años Noventa, Nueva Sociedad, Caracas, 1999, pp 85–114).

CHÁVEZ'S EARLY YEARS IN OFFICE: 1998–2001

Hugo Chávez was elected in the December 1998 general elections mainly because of his proposals to make a transition away from the neoliberal model. Soon after taking office, Chávez initiated the process of rewriting the constitution. Many of those elected to the constituent assembly had been human rights advocates under previous governments, and they incorporated a broad concept of human rights as both civil rights and social rights of public health, education, and welfare. The new constitution was completed over the next few months and approved by referendum in December 1999.

However, despite his anti-neoliberal rhetoric and legislation, during his first period of office Chávez followed many of his predecessors' policies. Initially, there was a strong emphasis on short-term macroeconomic policies of fiscal discipline and monetary control, practically identical to those pursued under the Agenda Venezuela. In July 1999, the Chávez government announced the ratification of nine of the fourteen social programs of Agenda Venezuela.

In his Plan Bolívar announced in 2000, Chávez proposed short-term civic-military interventions to address the most urgent social problems. There was also a move to centralize social programs within large state ministries, as Norbis Mujica Chirinos observes

(“Caracterización de la política social y la política económica del actual gobierno venezolano: 1999–2004,” *Revista Venezolana de Gerencia* 12, no 1, Enero-Abril 2006: 31–57). Chávez's early period was marked by a contradictory orientation that combined macroeconomic adjustment policies with compensatory social programs, in contrast to the model of development he had proposed.

During this period, the Chávez administration collaborated with the World Bank, which continued its social programs in Venezuela. Shifts were taking place within leading development institutions themselves, away from the more aggressive structural adjustment policies towards “inclusive” Poverty Reduction and Good Governance goals. The United Nation Development Programme (UNDP) proposed a set of Millennium Development Goals (MDGs) in 2000, which included the eradication of extreme poverty, universal primary education and the reduction of child mortality, among other goals. The idea was that economic growth resulting from neoliberal market integration would not by itself reduce poverty, and there would need to be a commitment from poor countries and their citizens to address social problems.

In December 2002, the World Bank proposed an Interim Country Assistance Strategy (ICAS) designed to help Venezuela meet the MDGs by 2015. This included a \$60.7 million Caracas Slum Upgrading Project with the state institution Fundacomun. The WB also committed funds to public health services, urban transport and finance.

THE TURNAROUND: SOCIAL POLICY POST-2002

However, by 2002–2003, the Chávez government was ready to make a break with its predecessors' social policies, including its ties to the WB and international agencies. This was partly related to the opposition's attempted coup in April 2002, the work stoppage by oil executives from the state-owned oil company PDVSA on December 10, 2001, and the lockout a year later, which resulted in the dismissal of 18,000 employees. Following these events, Chávez took control of the oil company and made internal structural changes, giving his government more leverage over funds. The growing independence of the Chávez administration was also a consequence of the spectacular rise in oil prices, from US\$24.13 per barrel in December 2002 to \$84.63 in December 2007, that made more funds available to state coffers.

In July 2002, the government proposed a Plan Estratégico Social 2001–2007 (PES), which aimed to broaden social rights, reduce income inequality, and promote collective and public ownership. At the center of this new social policy were the missions, a comprehensive series of publicly funded and administered poverty alleviation programs. Two of the main goals of the missions were introducing universal education and health care. This was initially done by bypassing the established institutions and setting up programs in the barrios through a parallel set of institutions. The missions were introduced at the time when Chávez was facing a recall referendum, leading some to see them as part of an electoral strategy.

The key educational missions included adult literacy and elementary education programs Mission Robinson I and II, work-study program Mission Ribas, and a university program, Mission Sucre. Unemployed and informal groups were incorporated into these programs in large numbers as both instructors and students, helping to partly alleviate poverty by providing them with small stipends for their involvement.

In mid-2003, Chávez introduced the Barrio Adentro program of local health clinics, staffed by Cuban doctors, in 320 of Venezuela's 335 municipalities. By mid-2005, he had added another two programs, Barrio Adentro II and III for additional medical services. In March 2005, there were over 5,000 Health Committees, which were created to supervise and help out with the Barrio Adentro program.

In addition to educational and health programs, Chávez encouraged barrio residents to create a range of committees and cooperative organizations. In a 2002 executive decree, Chávez established the basis for Urban Land Committees, in order to redistribute and formalize land deeds. Since most dwellings in the barrios were constructed through a process of massive squatting as people moved to urban centers from the countryside, few home owners possessed deeds or titles to their land. In March 2005, there were more than 4,000 Urban Land Committees in the urban capitals of Venezuela, which had distributed about 170,000 property titles.

The Chávez government also set up soup kitchens, where needy children and single mothers from the barrios received one free meal a day. During 2004, there were 4,052 soup kitchens established in Venezuela. Mission Mercal was a series of subsidized supermarkets also designed to improve nutrition.

THE BALANCE SHEET

So what is the balance sheet for the Chávez government? Despite problems with implementation and other limitations to Chávez's

social policy proposals, there have been significant departures from previous Venezuelan governments and from the MDGs proposed by international agencies and foundations.

In a talk at Brown University in February 2008, political scientist Julia Buxton argued that the development agenda of the Chávez government emphasizes sustainable economic growth based on technological innovation, macroeconomic policy management and basic social services provision. Fiscal and monetary policies are compatible with social policies. There is a disproportionate focus on the poor and a redistribution of assets and land. Buxton suggested that all of these factors differentiate the agenda of the Chávez government from the targeted poverty reduction approach associated with MDGs, which still retain a jaundiced view of the state, focus on private sector and trade led growth, measure development by economic and not social indicators, and lack any emphasis on land redistribution.

Under Chávez, there has also been an attempt to divide up the national territory. Post-2002 social policy focused on creating a protected zone where the welfare apparatus could be cushioned off from global markets. Funds are channeled directly from PDVSA to the various missions. PDVSA manages a yearly fund of some US\$2,000 million from oil revenue, all of which is channeled into social programs. But other zones continue to function with foreign and private capital, in varying degrees, including culture and communications, mining and hydrocarbons, and the manufacturing sector.

In conclusion, in a Chávez era, we see both continuities and ruptures with the past. In the field of social policy, the Chávez government has managed to create an alternative system of welfare intervention and redistribution that conflicts with the neoliberal policies of his predecessors. At the same time, the Venezuelan economy continues to be dependent on a boom-bust cycle of fluctuating oil rents and an export-oriented model of development, and it faces unfavorable external conditions due to the strength of IMF conditionalities and fiscal austerity policies across the rest of the continent. It is unclear whether Chávez's policies are actually creating an anti-neoliberal challenge that could counter the strength of the global market.

For many residents of the urban barrios, such as the Carretera Negra, programs such as the Soup Kitchen have brought immeasurable changes to their lives, not only in terms of material gains, but in terms of the personal sense of empowerment that results from involvement in community-based work. Carmen Teresa, one of the women involved in the organization of the soup kitchen summed it up: "I am forty-something years old, and never in my life have I cared about what was happening in my country, and I'm saying my country, but also my Carretera where I live. It's like I am fulfilled. This work fulfills me. I want to be involved in everything, I want to participate in everything, I really feel that someone needs me and I can do it."

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Between Militarization and Compassion

Disaster Victims' Assistance Policies After the Tragedy

BY PAULA VÁSQUEZ

THE FRONT PAGE OF THE VENEZUELAN NEWSPAPER *EL NACIONAL* on December 6, 2000, showed the picture of a woman standing in front of an open, empty refrigerator, her back turned to the readers. The caption explained that the refrigerator belonged to displaced victims or “damnificados” of the December 1999 natural catastrophe known as “the Tragedy.” Massive floods and landslides had wracked the Venezuelan coast and the Caracas metropolitan area that month, leaving more than 1,000 dead and 150,000 people displaced and homeless. In the newspaper report, I found echoes of my own field research, which was to last five years and trace the outcomes of people’s lives after the tragedy.

The newspaper story, published a year after the disaster, examined the tremendous socio-economic instability of the families, the *damnificados* of the Tragedy. Many of them had been relocated to other towns, far from Caracas, in 2000 and later in 2001. The woman in the photograph charged that assistance from governmental institutions was not enough to begin a new life in the urban development outside Maracaibo in Zulia state, where her new house was located. There were no jobs, no public transportation or even basic utilities, she said. *El Nacional* later published a reply to the newspaper story from the director of the Special Social Fund (Fondo Unico Social/FUS), the institution in charge of providing assistance to disaster victims. The director, William Fariñas, an Army Lt. Colonel, asserted that the problem was that the family had too many children, that the woman’s husband had benefited from “plans for quick employment” and that “what’s wrong is they have problems of self-esteem.”

Complaints of this sort came up quite often until the end of 2003, when the “Plan for the Dignification of the Venezuelan Family” ended. The Plan, which had several stages, was among the first of the Chávez government’s social policy programs aimed at helping the 1999 disaster victims. Until the end of the year 2000, the Plan, coordinated by the FUS, the Plan Bolívar 2000 (PB 2000) and the Urban Development Fund (Fondo de Desarrollo Urbano/FONDUR), placed disaster victims in housing in military bases throughout the country and provided minimum-wage jobs or “plans of quick employment” such as cleaning streets and military installations. Later, the families received new housing through low-interest loans, provided they agreed to stay out of the metropolitan Caracas area and live far from their places of origin.

Thus, in 2000, 2001 and 2002, more than 100,000 families of “damnificados” were relocated to different cities throughout the country on the outskirts of Maracaibo, Guanare, El Tigre, Barquisimeto and San Carlos. It was one of the most important migrations of people in all of Venezuelan history. But families began to drift back to Caracas and Vargas after only a short time. Those who did not return to the devastated zones settled down in places known as the “refuges,” precarious settlements of poor families that had lost their homes to the continuous landslides that affected the metropolitan area.



The Tragedy of 1999 caused massive flooding, with 1,000 dead and 150,000 displaced or homeless.

Between 2000 and 2005, I interviewed disaster victims in the military forts of Tiuna (Caracas) and Guaicaipuro (Miranda state), and in five working-class settlements in Caracas. The displaced victims all emphasized the difficulties in finding work and in reorganizing their lives in places without transportation or jobs. Most of the families who lived in the Caracas and Vargas settlements consisted of women with small children.

The December 15 Tragedy is also a political symbol because it took place at the same day as the national elections in which the Venezuelan people voted for a new Constitution, the basis of a new “Bolivarian republic,” as the country had been baptized by President Chávez. Thus, the “Plan of the Dignification of the Venezuelan Family” was born in the context of a revision of the national foundations, thanks to Chávez’s creative lexicon. In Spanish, the word “damnificado” has strong connotations because of its Latin root *damnun*, which also means “to condemn.” The “dignification” thus fits a specific Venezuelan context because the Bolivarian government was distinguishing itself from previous governments that never formulated a social policy especially directed toward Caracas families who had been losing homes over the years in constant landslides.

Put in another way, the suffering of these victims did not lower their status for the Bolivarian government, but rather made them more worthy. However, this quasi-religious reclassification of suffering had little practical effect on the conditions of the families confined to military bases and urban settlements. More than a name change is required to transform the reflexes of a society and the state in regards to the poor. Nevertheless, the linguistic emphasis on dignification revealed the force of Christian symbolism in the political handling of the crisis. Echoes of liberation theology’s emphasis on the preferential option for the poor, in viewing the poor as blessed, found its way into official rhetoric. Policy was tangled up with power and redemption. The militarized handling of the disaster victims and the administration of social policies were justified by a political and rhetorical link between misfortune and compassion.

VENEZUELA

In Caracas, landslides are a chronic problem and risk because of the topography of the area, particularly in the working-class neighborhoods on the hillsides. The victims of violent rains and other turbulent weather such as Hurricane Brett in 1993 had been forced to live for years in makeshift housing and barracks while waiting for “housing solutions.” Nevertheless, the Tragedy of 1999 can be differentiated in two ways from these chronic landslides caused by flooding. The first is quantitative: the spectacular brutality of the cataclysm and the number of dead, injured and homeless. The second is qualitative: the apparently indiscriminating natural violence that affected rich and poor alike. I say “apparently” because social differentiation appeared over the long term, once the permanence of poor people in the settlements became chronic. Over time, middle-class and upper-class victims of the natural disaster found social resources such as training or contacts in the job market, as well as family support, to begin a new life.

What happened to make the dignification’s beneficiaries, in principle the new subjects of the social policies of the recently installed revolutionary government, become contemptible in the eyes of people heading the institutions such as Col. Fariñas? To understand this outcome it is necessary to comprehend the moral, social and political itinerary of the families involved, as well as of the institutions assigned to help them. Two institutions, FUS and PB2000, are emblematic of social policies that existed until 2003. At the beginning of his government, Chávez inaugurated PB 2000, a social program in which the army played a predominant role. The chiefs of Venezuela’s most important garrisons coordinated and carried out a series of actions of a communitarian nature with their own resources, personnel and criteria. Villages and hamlets witnessed the arrival of soldiers offering medical services and food, the type of help that had arrived previously only during electoral campaigns. The Venezuelan state has historically been very weak institutionally in rural zones, and the novelty of the actions was in effect political. President Chávez had introduced PB 2000 at the beginning of 1999, almost a year before the catastrophe, as “the most important humanitarian action ever carried out in Venezuela up until now.”

Already then it was not a public policy issue, but an act of salvation. PB 2000, as established by the government in the 2000-2007 Plan, put forth a civil-military program “to provide urgent assistance to the most needy population and to those who have been most marginalized.” Because it was an emergency program, contracts were awarded without bidding for them; there was no form of administrative accountability. But the Tragedy converted this “social” emergency into a very tangible one. According to the National Assembly’s Special Commission for Vargas, between December 1999 and 2003, US \$1,372,107,891 were spent on the “dignification plan.” In the year 2000 alone, the amount invested by FUS and PB 2000 was US\$36 billion (in 2000, 670 bolívars to a dollar). After 2005, the PB 2000 was declared “incapable of being audited,” that is, government officials themselves could not determine the amounts of the budget. PB 2000 had *carte blanche* for spending, a situation that favored diversion of funds. It was impossible to demand accountability from the Armed Forces in its handling of resources. In April 2007, *El Universal* reported that six bank accounts belonging to General Víctor Cruz Weffer, director of PB 2000, were frozen on charges of corruption.

Let’s return to the scene we opened with. Families complained about very specific conditions that resulted from the gap between expectations created by the discourse of the proposed dignification and the reality of the relocations. The institutions themselves generated new forms of exclusion that caused conflicts when the beneficiaries did not adapt to the imposed norms, a situation that very frequently degenerated into violence. On one occasion, FUS officials were kidnapped in a settlement because of unfulfilled promises to relocate the disaster victims to where they wanted to live.

In 2003, FUS closed down its “office of shelters” and transferred the cases to agencies that oversee housing policies; the disaster victims then became part of the “natural demand” for low-cost housing. The administration of the shelters, temporary refuges where displaced victims waited until being transferred to new settlements, was given to associations that handled the money to buy food and to guarantee a minimum level of aid. The discontent of those who had not received housing intensified. In December 2006, a mar-



Disaster victims received emergency help and communitarian efforts were common at first. However, the victims experienced a lack of long-range solutions.

ried couple, disaster victims who had waited in line for more than a week at the door of the offices of the Housing Ministry, crucified themselves to a tree on the sidewalk outside the ministry by hammering nails into their own hands. It was the cusp of an extreme act of desperation, the mobilization of the physical body, of pain and suffering, to attract the attention of those who one day had promised them dignity.

The acquisition and subsequent loss of the status of victims of a natural catastrophe is a paradoxical process. With the passing of time, victims want more than compassion and demand that society and its institutions treat them as citizens who have a right to expect accountability. In the Venezuelan case, the social representations of the help given to the families affected by the catastrophe reinforced old clichés. Opinion articles talked about the “culture of the *damnificado*,” recalling the so-called culture of poverty and using stereotypes and labels to disqualify the poor as the “lazy dregs of Venezuelans” with the mentality of a “negrito del batey,” which politely translates as “a black fieldhand” (José María Félix, *El Universal* 12/02/2000). What is odd is that the FUS director alludes to “Venezuelans’ self-esteem problems” to “explain” the victims’ situation. I’m not saying here that there aren’t disaster victims who don’t take advantage of their situation. The question is to examine the foundations for the moral ordering that regulated an aid program that dwindled on a daily basis.

For an example of such moralizing, legal penalties were imposed on those who sold their houses in the far-off countryside. When people didn’t want to stay where they were sent, they were treated as children and told that they shouldn’t sell a gift from the state. They did not have the freedom to determine their own destiny and could not freely administer the indemnification they had been granted. Women heads of households bent over backwards to demonstrate their honesty to the institutions. They learned to sometimes shed tears at the appropriate moments and at other moments demonstrated their strong-willed capacity to negotiate.



Day of National Dignity.

In 2006, February 4 was named the “Day of National Dignity.” The use of the word “dignity” is constantly invoked in the official Bolivarian rhetoric and, as frequently occurs with institutional rhetoric, it is seldom defined. In the headline of an opinion piece, Javier Biarreau (*El Nacional*, 11/03/2007) mentions the word “dignity” and explains that socialism of the 21st century rejects the “dominant values of capitalism” and seeks a profound transformation of social, economic and legal structures. Taking into account that dignity is an inherent concept in the rule of law, one could ask: what institutions would operate during the definitive transformation that the revolution would carry out? Courts?

The revolutionary cry for “popular dignity” is limited to mere symbolism. The “absolute subordination to the power of the people” is more of a rhetorical rationale for violence than a demand for participatory democracy.

Schools? Clinics and hospitals? Public Prosecutor’s Office? Aren’t these the very institutions that are intended to guarantee human dignity, as set out in the Universal Declaration of Human Rights? In theory, these are the institutions that should guarantee the right to life and the integrity of the individual, without social, ethnic and political distinctions. But the passionate revolutionary exaltation of the “absolute subordination to the power of the people” appears to be more of a rationale for violence than a demand for participatory democracy.

The “dignificados”—the dignified (indemnified) victims—of the Tragedy have been one of the social groups most stigmatized by public institutions. Families were accused of being “deserters from the program of dignification” when for varied reasons they left the housing they had been allocated. At this time, almost ten years from the time of the Tragedy, “popular dignity” is limited to mere symbolism and is entrenched in the military apparatus, so much so that the official emblem of the “4F Day of Dignity” is much more military, patriotic and bellicose than humanist. The image speaks a thousand words.

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EURO CUP AND REVOLUTION

BY ANA JULIA JATAR

We've heard it all before. A white privileged minority exploits a non-white population until a charismatic leftist leader from the oppressed majority—thriving on class and racial tensions—leads a revolution to force the elite to pay for its sins. Given Venezuela's oil wealth, the country's high inequality is one more expression of the elite's selfishness.

This Robin Hood story, ubiquitous in much of the international press and forcefully popularized by the Venezuelan government, just does not fit the facts. After World War II, Venezuela became the first Latin American destination for economic migrants from Southern Europe, especially Italy, Spain and Portugal. Descendants of these economic migrants became an important segment of the Venezuelan middle class. For example, Dan Levy and Dean Yang in their "Competing for jobs or creating jobs? The impact of immigration on native-born unemployment in Venezuela 1980–2003" (Mimeo. Harvard: Center for International Development, 2006), estimate that during the 10-year period between 1948 and 1958, Venezuela—a country of about 7 million in those days—received more than half a million immigrants. These newcomers, with only seven years of education, raised the ratio of foreign-born to the total population to 6.9% by 1960, well above that of the US at 5.4%, according to World Bank figures. Venezuela has also been the land of opportunity for Colombians (around one million Colombians live in Venezuela today), Ecuadorians, Dominicans, Guyanese, Haitians, Lebanese (like my grandfather), Arabs and Jews.

These facts beg the following question: Why would poor and uneducated immigrants go to a country where opportunities were only available for a privileged and selfish elite?

Social tensions in modern Venezuela have traditionally been remarkably low by either Latin American or even U.S. standards. Venezuela enjoyed the highest growth in Latin America between 1922 and 1980. Especially after 1958, Venezuela's democracy was able to radically improve social mobility. The country

reduced its Gini inequality coefficient to 39 in the late 1970's, the lowest in Latin America, well below that of Uruguay and Costa Rica, two countries often mentioned as role models.

Racial tensions have been almost nonexistent compared to other Latin American countries. As a consequence of the brutal Independence and Federalist wars of the XIX century, Venezuela's relatively small pre-independence white population—only 22% of the population was white compared to 63% in Colombia—was decimated. "Free *pardos*" accounted for almost half (48%) of the Venezuelan population at that time, while in Colombia they hardly reached 10% of the population. (See Lievano Aguirre, Indalecio, *Bolívar*. Editorial Grijalbo, 2007)

These tragic historical events reshaped the racial and class mix of the country giving *pardos* and *mestizos* access to high office early on and turning Venezuela into one of the most horizontal Latin American countries. For example, back in the 1940s there were deep differences between Venezuela and Cuba, another Caribbean country whose revolution Chávez is trying to emulate. Specifically, in 1949, while the *Adecos*—the social democrats—were in political exile, Luis Beltrán Prieto Figueroa, a former Venezuelan Minister of Education was refused entrance to the Tropicana nightclub in Havana because he was "black." This came as a huge shock to other Venezuelan exiles in Cuba—my father included—who had grown up in a society where the color of the skin was not an issue.

In other words, the story of racial and social tensions inherited from colonial times—which this government has been promoting to create a revolution based on class struggle—is deceiving. On the contrary, the relative diversity, openness and horizontality of the Venezuelan society have impressed visitors for decades and have attracted immigrants from different races, nationalities and religions.

Along those lines, let me share this personal story. Last June I was in Venezuela during the Euro Cup. As happens

every four years, flat screens were set up in bakeries, liquor stores, cafeterias, bars and restaurants—many of them owned by southern European descendants—to watch the games on the other side of the Atlantic. Italy and Spain were playing the quarter-finals on Sunday, June 22. That morning I stopped to buy fresh bread at a bakery in my mostly Jewish neighborhood. To the surprise of an Israeli friend who had believed the official story of racial and social tensions in my country, the black man at the register greeted me (a white woman) with a typical: "mi amor (my love) who are you rooting for today?" I told him with a smile that I was rooting for Spain. As he winked back in agreement, the owner of the bakery—an Italian descendant—came out shouting "*forza Italia!*" to which other customers responded "*viva España!*" Waving Spanish flags.

Like the father of the bakery's owner, 31% of the European economic immigrants became small entrepreneurs in Venezuela. This rate, which is 10 times higher than that of Venezuelans with similar levels of education, reflects in part the fact that barriers to entry were low and that the Venezuelan-born enjoyed preferred employment policies in the private sector and increasing job opportunities in the public sector. In spite of this discrimination, these migrants prospered and have become the bulk of today's white middle class.

Though these facts do not jibe well with the Robin Hood story, what else could explain the popularity of a figure that has based his political platform precisely on this paradigm?

The truth is that Venezuela's democracy between 1958 until the late 80s was able to massively improve education, health, housing and other social outcomes but based it on an economic strategy highly dependent on oil. When oil revenues started to falter—average oil exports per capita went from over US\$2100 in the late 70s to a little over US\$700 in the late 90s—the system was unable to balance the books unless the government—owner of the oil rent—raised taxes or reduced social benefits. As it tried to do so, the two-

STUDENT PROTEST WEB FEATURE

Hundreds of university and high school students all over the country have protests about such issues as the recent proposed constitutional referendum. "No one thought that the dumb generation of students would ever wake up, not even us," writes one of those students. Read more at <www.drclas.fas.harvard.edu/publications>.



A young man wearing the colors of the Venezuelan flag has "No" written on his hands in opposition to the proposed constitutional reforms.



"No to violent reform; 100% students."



Students hold up "No" signs in opposition to the referendum on constitutional reforms, which was eventually defeated.

party system of the Christian and Social Democrats that had governed Venezuela since 1958 lost its popular support. Blaming corruption, a nasty and real but limited problem, for what was actually a fall in real incomes, society opted for a person—Hugo Chávez—that promised a political clean slate. Unfortunately, the diagnosis was wrong and the remedy—a Marxist revolution—has made things worse. Political polarization, violence and corruption have grown to worrisome levels and

though higher oil prices have allowed a much higher level of government spending, inequality has failed to decline and social indicators have made little progress, as shown by Francisco Rodríguez in "An Empty Revolution: The Unfulfilled Promises of Hugo Chávez." (*Foreign Affairs*, 87(2), March/April, 2008)

The next Euro Cup will be in 2012, the year when the next presidential elections are due. Let us hope that the happy story of my neighborhood continues to hold.

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The Social Policy of the Bolivarian Revolution

Mission Tricks

BY LUIS PEDRO ESPAÑA N.

WHEN PRESIDENTIAL CANDIDATE HUGO CHÁVEZ WON THE elections in December 1998, a wave of optimism and hope swept through Venezuela, especially among its poor majority. Chávez's triumph represented a fundamental change in the political life of one of the oldest democracies in Latin America. Chávez promised change and solutions for the country's pressing problems, especially those related to poverty and inequality, and the country embraced his campaign platform.

After his election, a series of public referenda enabled him to change the constitutional order because half of the people wanted those changes, and the other half probably deserved them. Since 1978, the Venezuelan economy had stopped growing, falling into a prolonged recession in which boom periods became shorter and insufficient to set off strong declines in the national income. Social services deteriorated. By any measure, education and health stagnated. The social security system reached fewer people of retirement age with pensions. When actually paid, pensions did not cover even subsistence needs of retired workers.

The country entered a process of mass impoverishment; poverty indexes soared from less than 20% to more than 50% between 1979 and 1999. During those years, many Venezuelans were deprived of the social services they needed to be productive. More than half of Venezuela's population found itself in a hopeless situation, unable to derive any benefit from economic growth. This ongoing social and economic crisis, more than twenty years old when Chávez was voted into office, necessarily resulted in political change. President Chávez's merit was to capitalize on this discontent and convert it into an unprecedented new hope, never before achieved by any other political force.

Chávez's election came about as an immense consequence of all the accumulated social problems. At the root of these problems was the loss of the Venezuelan elite's sensitivity to poverty. In this environment, any criticism or questioning of failed social policy met with a hostile and anti-democratic response. Added to this mix was the fact that the country found it impossible to adapt the national economy to the global changes at the end of the last century. Definitively, prior political leadership's indifference and weakened power, its recurrent wait for the recovery of oil prices to allow it to continue with past paternalistic practices, led to the sudden and eccentric political change that Chávez represented.

But after his first three years in power, a constitutional reform and hundreds of political confrontations with opposition groups and a thwarted coup d'état, Chávez faced the first decline in his popularity that posed a threat to his stay in power. A revocatory referendum could have forced him to leave the presidency. Within



Lines for buses and food supplies are a common sight.

the context of a desperate effort to raise his popularity and that of his government, a series of social policy initiatives emerged that many analysts—and the president himself—admit were a major factor in recovering his popularity and clearly winning the mid-term revocatory referendum in 2004.

Since then, the social programs of President Hugo Chávez, which he dubs “Social Missions,” became the government's main banner for appearing before the world as a true political revolution with high social content that seeks to transform the living conditions of the poor. Each time government spokespersons, or those of the various international groups that support the Venezuelan government, want to highlight its achievements, they immediately refer to the missions. The missions were incorporated into Chávez's package of constitutional social rights as a way of garnering support for his 2007 proposed constitutional reform. Although voters rejected the reform, many of the president's supporters invoked the missions in favor of that reform.

What is special about the social missions? What is their novelty, impact or relevance? Are they really a revolution in social policy?

Several studies and hundreds of journalistic and anecdotal reports have tried to answer these and other questions related to the social programs of the government of Hugo Chávez. But all have encountered the same problem: there is not sufficient reliable information or the follow-up and evaluation systems usually incorporated into the design for executing social programs, to be able to form a definitive opinion about the missions.

The restrictions for evaluating this important component of the official social policy chain has imbued the missions with a certain air of mystery that, whether intentionally or not, leaves space for speculation and for jumping to conclusions. In the context of a country with highly polarized public debate, the missions end up being perceived as either saintly or evil with no in-between.



Nevertheless, after five years of missions, some empirical evidence—while not tremendously rigorous—exists to evaluate these programs and to answer some of the questions surrounding them.

One has to take into account that the missions did not spring out of thin air and indeed were not invented by the revolution. As shown by the works of Yolanda D'Elia, Luis Cabezas and Tanhalí Petrucco, each of the major missions (in terms of resources allocated and population covered) has an institutional precedent in governments prior to Chavism. Social programs such as food supplies to poor zones were implemented based on the experience of the government of Rafael Caldera (1993–1998), who created wholesale supply centers of basic goods for retail merchants located in poor areas, thus eliminating the long chain of middlemen that drive up prices for poor people. Likewise, the Barrio Adentro program, as a system of primary health attention, is an initiative nurtured by the experience of the medical attention provided by the Cuban Medical Brigades that acted during the natural disaster in the state of Vargas in 1999, as well as several models of ambulatory attention provided by the Ministry of Health and Social Assistance under previous governments.

What is really different—and indeed this is one of the merits of the Social Missions—is to have identified the main social attention deficits that accrued for years in the country, broadly documented by the Venezuelan academy, and to establish a specific mass government action for each of these deficits. The actions put a premium on mass communication of these programs' relatively easy access for interested persons. Thus, a poor person does not encounter the "hindrances" of meeting eligibility criteria imposed by technicians and planners of social programs.

The formula for social missions was a simple one. The Education Missions (Robinson, Rivas and Sucre) were designed for those who had dropped out of or failed to enter the school system; the Barrio Adentro Mission was created to solve the problems of medi-

cal attention in marginalized neighborhoods; the various forms of popular markets (Mercal I and II, Mercalitos, Megamerca) were created to alleviate difficulties in purchasing food in poor areas; programs for job training and placement (Vuelvan Caras, today Che Guevara) were set up to help unskilled youths and adults enter the job market; a housing construction program (Misión Habitat) was established to solve housing and urban settlement problems. More recent programs have included those designed to assist the homeless population (Negra Hipólita); dental and eye-care services (Misión Sonrisa and Misión Milagro) and programs serving the indigenous population (Guaicaipuro) and the mining communities of the State of Amazonas (Misión Piar). In total, there are now about 28 social missions, and the number is likely to grow as more needy segments of the population and ways of providing services are identified, together with the need to keep on making announcements emphasizing the government's social vocation.

As we mentioned before, the most successful aspect of the missions has been their ability to announce programs that grow gradually and bit by bit, but are nevertheless very concrete, and apparently massive and accessible to those in need of their services with no other formality than being registered in the list of beneficiaries. Each announcement identified a specific need and sowed the hope of solving the problems of poor people through government actions, whether it be enrollment in night school, the opening of a walk-in medical clinic in marginal neighborhoods, the inauguration of a market or the granting of a scholarship. The media and propaganda success is followed by the question of whether such hopes have been satisfied. It is an undeniable fact that the sowing of new hope had borne political fruits, as planned, after the elections of 2004 and 2006.

Available research identifies several types of problems or limitations of the missions to meet planned expectations. First, and from a design standpoint, the missions seem inarticulate, that is, they fragment social problems into so many areas that they disregard their multiple causes and, therefore, never solve them. The education missions, specifically those for people who did not finish middle school, provide an example of the inefficacy of this splintered approach. Misión Rivas tries to solve one of the country's crucial social problems. In general, Venezuelans have a low educational level, an average of eight years of schooling among people over twenty years old. Regardless of whether the social program raises the training level of those excluded from the system, it clearly does nothing to solve the source of the exclusion; that is, it does not solve the lack of openings in the middle school system, the lack of teaching support, the adjustment of the study curriculum to job training and placement needs of youths coming from low-income homes, reducing the opportunity costs of hiring youths, decreasing drug and violence problems in schools, among many other factors that cause the social exclusion of those who will become the target population of this mission. In this case, the mission operates as a vessel that gathers the drops of a leaking pipeline of the school system; the vessel will either have to be larger each time or will simply overflow. The existence of the mission (the vessel in the example) is merely the evidence of a social problem that has not been solved structurally.

But the problem—and this is the second type of evidence that we have—is that the missions do not benefit as many people as

announced at their inception. A program such as Barrio Adentro set a goal of 8,300 modules by 2005. By July that year, only 600 had been built with an announced goal of 2,100 by the end of the year, a figure much lower than originally planned. The same may be said about the 151 popular clinics slated for 2004; only seven of these clinics were actually inaugurated; as of 2006, only five of 33 public hospitals slated for refurbishing actually had experienced renovations. Plans for 15 new hospitals announced in 2007 have not yet become reality. Poor people have been promised 24-hour primary medical attention, and yet, in truth, they can receive attention at the clinics barely four hours per day for simplified medical visits, which is far from being a full network for primary attention (Yolanda D'Elia and Luis Cabezas, *Las Misiones Sociales en Venezuela*, Instituto Latinoamericano de Investigaciones Sociales—ILDIS—, Caracas, 2008).

The fact that the missions are not as massive as promised creates a disparity between the announcements or promises for coverage and actual fulfillment—a potential, and probably already real, source of frustration. Coverage, as measured through surveys, reflects a reduction in the number of beneficiaries, highlighting the case of popular food supply (Mercal). The number of consumers making purchases at a Mercal declined from 53.5% in 2006 to 46% in 2007. People who said they received attention in a Barrio Adentro program decreased from 30% in 2004 to 22% in 2007. High-school students participating in Misión Ribas fell from 6.1% to 4.6% during the last year. (Datanalisis, *Encuesta Omnibus*, several years)

A third type of evidence of whether the social missions have been successful or not tries to link those programs to the variations in

The formula for social missions was a similar one. Each identified a specific need and sowed the hope of solving the problems of poor people through government actions, whether a health clinic or a night school.

the gross indexes for social and economic development. The works of Francisco Rodríguez, Leonardo Vera, Marino González and the Poverty Study Project (“Proyecto de Estudio sobre la Pobreza”) of Universidad Católica Andrés Bello have determined almost no correlation between these programs and major improvements in social indexes to be expected if the missions really had an impact. After five years of missions, social indexes have not demonstrated any significant variation. The illiteracy rate has not been reduced (one of the lies frequently repeated by official propaganda and easily proven to be false by the government’s own literacy figures). Only tendential decline has been registered in infant and maternal mortality. The same holds for increase in life expectancy and improvements in the average number of years of schooling. The nature and structure of employment, the housing deficit and the lack of adequate urban housing have not budged. The latter is responsible for more than 70% of protests and community actions (UCAB, *2da Encuesta sobre la pobreza en Venezuela*, Caracas, 2007).

Over and over again, the government tries to attribute the responsibility for reducing poverty to the missions and their social policy. The truth is that changes in poverty measurements are due

almost exclusively to an increase in the consumption of households as a result of an expansive economic policy, funded with the increase in oil revenues over the last four years.

The poverty figures measured from the household’s income indicate that from 1999 to 2007, the percentage of people in this status dropped from 53.3% to 37.7%. But, from a more structural standpoint, that is, including other features of households, such as unemployment, school attendance and the economic dependency in households, the reduction has been more modest, from 29.3% of poor households to 23.3% for the same period (UCAB, *Cálculos propios en base a la Encuesta de Hogares por Muestreo del Instituto Nacional de Estadística*, Caracas, several years).

The decrease in poverty may be due to the economic growth of the last five years, which had not occurred in the last 25 years. However, according to a study comparing the ratio between economic growth and reduction of poverty conducted by Francisco Rodríguez, this decrease is very modest and with few results. In these five years, poverty has been reduced by an average of 1.67 per each point in economic growth, while in other economies this ratio averages from 2 to 3.12 (Francisco Rodríguez, *An Empty Revolution: The Unfulfilled Promises of Hugo Chávez*, in *Foreign Affairs*, 3–4, 2008).

This is not the first time that poverty has decreased in Venezuela as a result of the economic expansion because of an increase in oil revenues. The difference now is that there has not been such a high increase in oil prices since the energy crisis of the 1960s, and never for such an extended period time.

If, measured with the scant information available, the missions have not had significant social impact, the next question is why, if this is so, has the government’s popularity and support not been drastically reduced. An easy way to answer this is that probably in fact a decrease in popularity has already taken place. The electoral defeat of the proposal for constitutional reform last December 2, 2007, and the estimated results of the regional elections in favor of the opposition’s candidates next month (November) are indications of this fact. But there is something more profound, although also more intangible, that should be taken into account for the future design of social policies in Venezuela.

We refer to the sense of belonging and identification that took place between the expectations set by the announcements of the missions and the social status of the popular sectors. This affinity should be maintained or rescued, as the case may be, for what should be the future design of Venezuela’s social policy. But this time, improving the levels of efficiency in order to keep the promises, and not as at present, defrauding the hope of the people and turning the missions into an immense disappointment or a mere trick for winning elections.

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Cooking team in a Casa de Alimentación with the host (right).



A card for subsidized food and a call for community participation.



Arachu Castro, Assistant Professor of Global Health and Social Medicine at Harvard Medical School, captures scenes from Barrio Adentro projects with her camera. See related article on p 78.

INTERNATIONAL RELATIONS

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Venezuela: Leading a New Trend in Latin America?

An Internationalist Vision

BY JENNIFER MCCOY

HUGO CHÁVEZ WAS ELECTED PRESIDENT of Venezuela in 1998 as the result of a demand for radical change expressed by Venezuelan voters. His election also appeared to mark a wave of New Left electoral victories as Latin Americans used the ballot box to express their frustration with failed promises of market opening and democratic restoration to improve living standards of Latin Americans in the 1980s and 1990s. Following Chávez's election, a number of leftist, socialist and social democratic candidates were inaugurated throughout the hemisphere: Ricardo Lagos of Chile in 2000, Lula da Silva of Brazil and Nestor Kirchner of Argentina in 2003, Tabaré Vázquez of Uruguay in 2005, Evo Morales of Bolivia in 2006, Daniel Ortega of Nicaragua and Rafael Correa of Ecuador in 2007, and Álvaro Colom of Guatemala and Fernando Lugo of Paraguay in 2008. Venezuela was thus part of a more general demand in

the region for broader social inclusion and a redistribution of political and economic resources in the face of continued poverty and high income inequality.

Overall, poverty has been reduced since 1990 from 48% to 35% on average in 2007, but individual country experiences vary widely. Chile has made the most progress with a 25% reduction, followed by Ecuador, Panama, Mexico, Peru and Brazil, all above the regional average reduction. On the other end, poverty rates have remained above 60% in the poorest countries of Nicaragua, Paraguay and Bolivia. In the more developed countries of Argentina and Uruguay, poverty also appears to have remained stubborn at around 20%, though this masks the doubling of the poverty rate to 41% after the financial collapse in Argentina in 2001 and its subsequent recovery to the historic 20% rate with the election of the Kirchner government, and a smaller

deterioration in Uruguay followed by a similar recovery after the Vázquez election. Notably, these five are all countries in which a New Left government has been elected recently, perhaps reflecting frustration with persistent poverty.

Income inequality is even more stubborn with Latin America remaining the region of the world with the largest average income gap. The GINI index measures income inequality in countries on a scale of 0 to 1, with 1 being the most unequal. Latin America's average is 0.53. Progress on reducing the income gap is limited: only eight

On opposite page: (above) A man carts government price-controlled food products purchased in Venezuela across the border to be sold in Colombia; (below) Potato farmers work in the mountains of Merida state in Venezuela. Venezuelans face supply inconsistencies and shortages of potatoes, among other food staples such as rice and milk.



As a Russian Navy squadron was sailing toward Venezuela to bolster military links, long-running diplomatic tensions between Venezuela and the United States escalated. This section examines international relations in a broad perspective.



VENEZUELA

countries show even a modest improvement between 0.02 and 0.04 on the 0 to 1 scale. Five other countries experienced a worsening of the income gap of between 0.02 and 0.09 points. The others remained steady.

Did lack of progress on poverty and income inequality contribute to the election of the New Left in Latin America, and have these governments succeeded in improving these social dimensions? In the New Left countries with governments in office for at least three years, we can look at the trends in poverty and income inequality before they were elected and compare them to the trends after their election. In the cases of Venezuela and Argentina, both poverty and income inequality worsened significantly in the years prior to the election of the New Left presidents, and improved in the years after. In Brazil and Chile, moderate post-dictator governments reduced poverty significantly and the New Left governments continued that reduction, but income inequality improved (modestly) only under the New Left governments. Uruguay, starting with some of the best scores in the region, has not shown significant change on either dimension before or after the election of the New Left.

Hugo Chávez came to office promising to change this scenario of poverty and inequality in a country seen by its citizens as rich with oil revenues. He began a so-called Bolivarian Revolution (named after Simón Bolívar, the South American independence leader of the early 1800s) to replace the 40-year representative democracy known as the “Punto Fijo” political system (named after a power-sharing pact among three of the major political parties to end a military dictatorship in 1958).

The Punto Fijo system had consolidated a two-party dominant party system and kept the social peace with steady economic growth and rising incomes through the petroleum boom of the 1970s. Nevertheless, increasingly rigid decision-making structures, falling oil prices, plummeting incomes, and visible corruption in the 1980s led to growing popular frustrations. Social protests grew in the 1990s, beginning with the 1989 “Caracazo” protesting neoliberal measures enacted by an aloof technocratic state, and continuing through the 1992 coup attempts and economic turmoil of the 1990s. Poverty nearly tripled, from 25% in the mid-1970s to 65% in the



(top) Mural praising Mercosur; (middle) an elegant mall; (bottom) a Barrio Adentro dispensary.

mid-1990s, and real per capita income in 1998 had dropped to 1963 levels—a one-third drop from the 1978 peak. Rejection of the traditional political parties began in the 1993 elections and culminated in the 1998 elections, when all of the major candidates were independents.

THE BOLIVARIAN REVOLUTION

The rise of Hugo Chávez must be seen in this context—he epitomized the demand for change, and won the election based on a promise of radical change in the polity and economy, but with a vague ideological content. This was not a vote for a Leftist ideology, but a vote of frustration and anger and a tossing-out of the old political class that was perceived to be corrupt and incompetent. Chávez's own ideology evolved over time from its beginning as a nationalistic, participatory project without a clearly articulated economic plan. His government has reflected a great degree of pragmatism as it has adapted to changing international economic circumstances and responded to domestic political challenges.

With oil prices at a historic low at \$9/barrel in 1999, the Chávez administration's initial economic policy followed the austerity programs and even completed some privatization initiatives begun in the previous administration. With little economic leeway, Chávez focused on politics and moved first to engineer a "refounding" constitutional project, a move followed later by Ecuador and Bolivia. The 1999 Constitution essentially followed the statist approach of the 1961 Constitution, protecting private property while giving the state responsibility for social welfare, but also rolling back some of the neoliberal reforms in the labor market and pensions. The constitution deepened human rights and citizen participation mechanisms, but also strengthened an already centralized, presidentialist system, weakening the recent decentralization reforms.

Over the course of the first three years, Chávez confronted in a systematic way each powerful organized interest as he carried out his mandate for change, and they in turn resisted to the point of extreme polarization and social conflict in 2002–2004. Chávez's defeat of each strategy by his opponents to remove him (coup, mass protests, national petroleum strike, and recall referendum) ended up strengthening him. His reelection

with 63% of the vote in 2006 apparently encouraged him to propose even more radical change in a second constitutional project in 2007, which was ultimately rejected by the voters in a referendum in December of that year.

Institutionally, the 2007 proposed constitutional reforms would have deepened the executive control of the political system, concentrating power to an extraordinary degree. It would have created a system of executive-community relationships and new regional vice presidencies parallel to (and thus weakening) popularly elected regional and local officials. It would have given the executive further control over the Central Bank, weakened due process under states of emergency, and allowed for continuous reelection of the president.

Chávez's economic model, referred to as "socialism of the 21st century," has not been clearly defined. It seems to be a mixed economy with multiple definitions of property rights (the 2007 constitutional reform proposals included social property, collective property, cooperative property, and private property). It allows for foreign investment, but in strategic sectors only, through joint ventures with majority control by the Venezuelan state. It provides for social welfare through executive control of oil revenues—both reinvestment decisions and massive spending on social programs for the poor called *misiones*.

The Bolivarian Revolution thus represents some change and some continuity compared with the previous Punto Fijo regime. Continuities include some of the basic traits of post-1958 politics: dependence on oil revenues; highly centralized decision-making structures with a new set of privileged actors excluding the traditional elites; reliance on the distribution of oil rents; and inattention to the regulative and administrative capacities of the state (though there is increased tax collection capability).

Change includes centralization of decision-making in one person (the president) rather than two hierarchical political parties; emphasis on class divisions rather than cross-class alliances; emphasis on confrontation and elimination of opponents to achieve change rather than consensus-seeking to achieve stability; dismantling of traditional representative institutions and erosion of separation of powers in favor of

new forms of participatory democracy and accountability.

In other words, during the Punto Fijo political system political leaders prioritized consensus in the search for democratic stability, but at the cost of masking differences among Venezuelans. The process of change under Chávez, in contrast, emphasizes societal differences and foments confrontation in order to achieve change, but in the process it masks what Venezuelans have in common and threatens national unity.

AN INTERNATIONALIST PROGRAM

Chávez's program is very much an internationalist one. It follows a Bolivarian inspiration comprised of both a Latin American integrationist dream and a centralization of domestic power. Foreign policy is fundamental to the project, which has as its goal counter-balancing U.S. global and regional hegemony with a more multipolar world. Although the Chávez administration's antipathy towards the United States deepened after the U.S. applauded the short-lived April 2002 coup against the president, his distancing had begun long before. During his first year in office in 1999, the administration rejected a U.S. naval carrier sent to assist with massive flooding and ended U.S. drug overflights in Venezuelan airspace.

The mutual dependence of the United States and Venezuela on the petroleum trade reflects the pragmatism and constraints on each country, even while accusatory political rhetoric has soared. The United States continues to be the major trade partner for Venezuela, buying 60% of its oil exports, which comprise 10–15% of U.S. oil imports. This relationship has not been interrupted, though Venezuela strives to diversify its oil market and build alternative coalitions to counter U.S. hegemony and the United States seeks to isolate Venezuela politically in the region.

Likewise, Venezuela maintains a tense relationship with its neighbor Colombia, which is closely allied with the United States. Colombia is the second major trading partner for Venezuela, and Venezuela is dependent on imported food from Colombia, especially as food shortages have arisen in Venezuela in 2008. Venezuela's attempt to control soaring inflation through food price controls and foreign exchange controls, combined with soaring world food demand, led to serious shortages of milk,

eggs, meat and rice. Venezuela also became involved, with the permission of the Colombian government, in negotiating a humanitarian hostage exchange with the FARC guerrillas. After securing the release of two hostages, Venezuela's negotiating role was cut off by the Colombian government because of perceived intervention in Colombian domestic affairs. The relationship further deteriorated after a Colombian raid on a FARC guerrilla camp captured laptop computers with messages appearing to indicate Venezuelan complicity in arms and financial support to the FARC, both denied by Venezuela.

Venezuelan governments have long engaged in petro-diplomacy during oil booms. The Chávez government is no exception, with the creation of several discounted oil payment programs for the

without dependence on the U.S. and multilateral organizations dominated by the North, such as the International Monetary Fund and World Bank. Further abroad, the Chávez administration has strengthened commercial relationships with Iran and China, and has played a leading role in OPEC's strategy of curtailing production in order to raise oil prices since 1999.

A VENEZUELAN MODEL?

Does Venezuela represent a new model of Southern independence from the North, participatory and inclusive democracy, and state-led development? The Bolivarian Revolution as a model is not easily replicated or exported. Based on extraordinary oil revenues, personal charisma, and a willingness to concentrate power, the conditions giving rise to and sustaining the Bolivarian Revolu-

engaged in a refounding constitutional project aimed at redistributing economic and political resources to better include the poor and marginalized. Each, however, has historic grievances and political conflicts different from Venezuela, and is pursuing its own strategies to achieve change. Other South American countries and potential allies, such as Brazil, Argentina and Chile, are careful to maintain diverse relationships, keeping positive relations with the United States, as well as with Venezuela. They join Chávez's Latin American integration goals while resisting his U.S.-bashing rhetoric and confrontational tactics.

Venezuela's domestic political transformation is still in process, with a consolidated model not yet clear. On the one hand, Venezuela has experimented over the last eight years with a number of citizen participatory models, from the early Bolivarian Circles to the most recent Communal Councils, attempting to mobilize citizens from below to provide new forms of citizen participation, empowerment, and decision-making. It is exciting to see these experiments. On the other hand, the democratic transformation has produced a dangerous level of conflict and polarization that first threatened to erupt into violence in 2002–2003. More recently, there has been an extraordinary concentration of power in the executive.

Venezuela has thus achieved one aspect of democratic transformation—it has given visibility and dignity to a previously marginalized class of citizens, redistributed resources and changed the balance of power. But Venezuela has done so at the cost of destroying old institutions or subordinating them to the president. While the viability of new forms of citizen participation are still being tested and many marginalized citizens now feel included, a new form of intolerance, the creation of the Other, prevents the creation of a shared national purpose with all crucial social sectors having a stake in ensuring its success.

The Bolivarian Revolution is very much an internationalist vision. Other South American countries share Chávez's integration goals while resisting his U.S.-bashing rhetoric and confrontational tactics.

Caribbean, Central America, and members of its Bolivarian Latin American Alternative (ALBA) association. The ALBA was created as an alternative to the Free Trade of the Americas negotiations (now defunct) in order to highlight an alternative economic model and create trade, financial, and political ties between its members. Thus far, its membership has not grown beyond Cuba, Nicaragua and Bolivia. Although the Chávez government has severely criticized individual free trade agreements between Latin American governments and the U.S. and European Union, Venezuela itself has maintained its commercial relationship with the U.S., and Nicaragua belongs both to the ALBA and to the Central American Free Trade Agreement with the U.S. (CAFTA).

Chávez has also promoted South American integration, and in this sense joins with Brazil in its goal of increased continental ties. Venezuela is seeking to join the Common Market of the South (Mercosur), and is promoting other integrationist schemes such as a South American energy market and a developmental Bank of South America, all meant to encourage southern development

tion are not all present in any other country. These conditions include a near tripling of the poverty rate from the 1970s to the 1990s with its accompanying sense of exclusion and rage, a complete deinstitutionalization of a strong party system over the course of the 1990s, and a seven-fold increase in the price of the major commodity from the beginning of the Chávez administration in 1999 to 2006.

While Venezuela's neighbors are also enjoying unusual commodity booms, none enjoys the degree of windfall revenues and the concomitant independence of international economic constraints that Venezuela does (nor the same degree of reliance on a single commodity). While others also suffered from party system collapse, none moved to de-institutionalize so severely, impeding the ability to create new, viable political parties. And while others have had long-term structural poverty, none (with the exception of Argentina in 2000–2001) had such a social dislocation as Venezuela's middle-class slide downward, within a culture of perceived birthrights to oil riches.

Ecuador and Bolivia are often cited as following in the Venezuela model, each

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Misunderstanding Hugo?

Reading Chávez from Alvaro Uribe's Colombia

BY NICK MORGAN

ON JANUARY 10, 2007, HEADS OF STATE from all over the world attended the inauguration of Daniel Ortega as president of Nicaragua. As usual, photographs of the event found their way into the international pages of the world's press. A particularly striking photo shows Hugo Chávez whispering conspiratorially with fellow presidents Evo Morales of Bolivia and Rafael Correa of Ecuador. Chávez, resplendent in red shirt and black slacks, is clearly in full flow, even though Correa has to lean over to catch his words. Between them, Evo gazes out thoughtfully at something beyond the photographer. However, what might seem to be simply an image of three left-wing presidents in a conspiratorial mood was given added impact by the appearance of a fourth figure, Álvaro Uribe of Colombia. Clearly excluded from the confabulation, Uribe looks somewhat forlorn and bedraggled, as well as bored. He leans away from the other three, towards Spain's Prince of Asturias.

A simple coincidence? Perhaps, given the smiles and handshakes that marked the rest of the occasion's conventional photo opportunities. Yet the fact that this image was so much in demand shows that it was deemed to have captured a significant moment in contemporary politics. Every photo tells a story, or so the cliché goes. In this case, the body language of the men involved seemed

to reflect the political gulf that separates Uribe from his fellow presidents and in particular the policy divide between Colombia and Venezuela, "sister republics" born of the same revolt against Spanish rule and for a brief time part of the same state. This backstory also speaks of Colombia being out of step with the rest of Latin America in its role as a key U.S. ally at a time when a so-called pink tide is sweeping through the region. But exactly how the photo is read depends, of course, on where one is reading from. At the time I first saw it I was living and working in Bogotá, the Colombian capital, and the meaning of the figure of Hugo Chávez, read from Colombia, is what I want to explore in this short essay.

Much has been made of Chávez's desire to project his image beyond the Venezuelan borders. His attempt to cast himself in the role of regional leader has been a major feature of Venezuelan foreign policy initiatives and has proved irksome to other leaders who see their autonomy and authority, at times even their legitimacy, under threat. In the case of Colombia this has been particularly acute, something that is not entirely unrelated to the historic rivalry and very different political trajectories of the two states.

The case of the relative status of independence leaders Santander and Bolívar help to illustrate this point particularly well. When doing fieldwork in Caracas

in 2006, I soon found that few ordinary Venezuelans were familiar with Francisco de Paula Santander, Colombia's "man of laws," who played a fundamental role in laying the institutional foundations of the 19th-century state. In Colombia, on the other hand, Santander, who at one time served as Bolívar's vice-president but was later exiled by the Liberator, is revered as the guarantor of the civil liberties beloved by the Liberal party. Bolívar, in contrast, has tended to be co-opted both by conservatives who favor a strong state and by the revolutionary and nationalist left, who see in him a symbol of resistance to tyranny. In Venezuela, however, Bolívar is simply a secular saint. Indeed, a political argument between pro and anti-*Chavistas* in Caracas' Plaza Bolívar became particularly heated when I suggested that to attempt to construct a "Bolivarian socialism" was absurd. In fact, much of the heat was very quickly directed at me for daring to question the Liberator's democratic credentials.

Much of this turns on a failure to understand the dynamics of political rhetoric in the neighboring state. However, though sloppy misreadings abound, so do willful misreadings. This is certainly true of the way in which the figure of Hugo Chávez him-

(left) Hugo Chávez and fellow presidents at the inauguration of Daniel Ortega of Nicaragua; (right) Mural of the Last Supper.

self has been used in Colombia. Over the last five years Chávez has played a supporting role in one of Uribe's central political strategies, the demonization of the FARC guerrilla movement. Coming to power after the failure of the peace negotiations, Uribe capitalized on the FARC's unpopularity. His rhetorical master stroke has been to blame all of Colombia's problems on the insurgency, and to present himself as the only politician capable of ridding the country of this menace. The subsequent successes in the struggle against the guerrillas, culminating in the decimation of the FARC's general staff and the liberation of Ingrid Betancourt and the other high-profile kidnap victims, has allowed him to reach levels of popularity that were previously unthinkable for a president in his second term.

One could say that Chávez has been the unwitting victim of this strategy. His own regional pretensions led him to offer himself as an honest broker to negotiate the release of hostages, a role which, if successful, could have won him many friends both within Colombia and abroad. But it was never going to be an easy process. Prudence suggested that he keep a safe distance from a group whose tactic of holding kidnap victims for years has been almost universally condemned for its inhumanity. But the populist logic of *chavismo*, with its constant emphasis on the people's struggle against the oligarchy, was unable to cast the FARC as the villains in a melodrama. Instead, Chávez had frequently showed signs of sympathy for the FARC's main goals.

Furthermore, Chávez's confrontation with the "empire" was always going to put him at loggerheads with Colombia, whose complex and often fraught relationship with the United States has rarely been understood. U.S. pressure on Colombia has been particularly intense over the last 25 years due to the latter's central role in Latin American drug production and distribution. Yet although deals such as Plan Colombia have usually been tailored to meet American rather than Colombian demands, the relationship between the two countries has not always been one of simple subservience. For the Colombian president to be seen a mere lackey of the US would not fit in with the image of the strong nationalist leader, and in 2007 Uribe actually went out of his way to underline that the United States could not simply expect to impose its

agenda. Chávez, however, has rarely shown any sensitivity to such nuances.

In the event, it was no real surprise that the attempted collaboration between two notoriously prickly leaders ended in disaster. In November 2007 Uribe brusquely fired Chávez as his go-between when the Venezuelan made an unauthorized telephone call to the head of the Colombian army to float the possibility of setting up a demilitarized zone within Colombia in order to facilitate negotiations with the FARC. Even though the traditions and mindset of the Colombian military are very different from those of the Venezuelan armed forces, which provided fertile ground for the gestation of Chávez's Bolivarian project, the last thing that Uribe wanted was for Chávez to begin to canvas possible sympathizers behind his back. But the curt dismissal by the Venezuelan president could hardly have been carried out in a less diplomatic fashion.

Things reached a low point, however, in March 2008, with Colombia's illegal incursion into Ecuadorian territory to kill Raúl Reyes, the FARC's international spokesman. The claims that Reyes' laptop revealed collusion between Chávez and the FARC have yet to be backed up with any real evidence, which in itself suggests that there is probably none to be found. But that is of little moment compared to the political capital to be accrued through branding Chávez a sponsor of terrorism and a meddler in Colombia's internal affairs, especially at a moment when Uribe himself was under serious domestic pressure after the revelation that dozens of his supporters in Congress had links with the right-wing paramilitary groups that have been responsible for thousands of murders over the last twenty years.

For his part Chávez also played the nationalist card, threatening to nationalize Colombian companies in Venezuela, sending tanks to the border, eulogizing Reyes, and describing Uribe as a "pawn of empire," a "liar and a cynic," and accusing him of wanting to start a war. For good measure, he followed this up by suggesting that Uribe presided over a "right-wing narco-government" and that Colombia "deserved a better president." Even his well-known obsession with his hero Bolívar came into play, as he revealed that his own research had proved that the Liberator did not die of tuberculosis in Santa Marta, as was commonly supposed, but had been poisoned, presumably on the orders of

the exiled Santander. Uribe was promptly branded a spokesman for the "Santanderist" and "anti-Bolivarian" oligarchy in Bogotá.

Though the confrontation was never likely to be anything more than verbal, both sides appealed to national pride in its most vulgar form and neither emerged from the conflict with much dignity. If one of the weaknesses of *chavismo* is its dependence on the figure of Chávez himself, the same could be said of Uribe, who has frequently tried to present himself as the embodiment of the Colombian nation. With Chávez as bogey man, the Colombian media were more than happy to follow the president's lead and frame any insult to Uribe as an insult to Colombia herself. Almost all of the country's political class closed ranks behind Uribe, and one only has to browse the commentary blogs of *El Tiempo*, Colombia's leading daily, to get a flavor of the reaction from Uribe's middle-class supporters. Chávez continues to be vilified, presented as a buffoon and even as an *indio levantado*, "an Indian who doesn't know his place," a comment that shows socio-racial prejudices that the Colombian elites share with their Venezuelan counterparts.

In this overheated environment the Venezuelan leader has become a headache for the Colombian democratic left, which in recent years has functioned with a great deal of courage in an extremely harsh political environment. Given the climate of growing intolerance for anything that smacks of support for "subversion," populist pronouncements are likely to lead to claims that any left-wing program is linked to the FARC. Such is Colombia's tragic recent history of political violence that smears of this sort are not to be taken lightly, as they suggest that the elimination of any such traitor to the *patria* should be accepted without demur. Even so, the *Polo Democrático*, a coalition party made up of a number of left-wing groups, has distanced itself from the armed struggle and fashioned itself into the main opposition to Uribe, achieving major successes such as dominating municipal politics in the capital. Within the *Polo* there are many who admire the *misiones*, the social programs in health and education that have been rolled out across Venezuela's poor *barrios*, but with Chávez accusing Colombia of being a U.S. pawn, the leaders of the Colombian left have more than once wished that Chávez would simply say nothing at all.



Price-controlled goods are illegally transported across the border to be sold on the Colombian black market that thrives on gasoline and food goods subsidized by the Venezuelan government.

Furthermore, left-wing activists in Colombia are often taken aback by the herodox discourse of *chavismo*, in which Bolívar, Marx, Ché Guevara and Chávez himself can all find a place alongside Christ at the last supper, as a mural in Caracas so powerfully shows. To the Colombian left, this approach seems long on appeals to the emotions and short on policy content, something which is particularly true of Chávez himself, with his rambling communicative style. During a visit to the rural areas of Venezuela in order to study the impact of Chávez's agrarian reform program, Alfredo Molano, one of Colombia's most respected left-wing sociologists, was appalled at what seemed to be the vulgarity and lack of sophistication of *chavismo*, noting his "incredulity and disgust" at the president's remarks during his program *Aló Presidente* (*El Espectador*, August, 2005). Again, however, this reveals just how much suspicion the Colombian left has of populism. Uribe would have no such qualms.

In spite of all this, however, Chávez's image inside Colombia still probably has more relevance to domestic politics than to international relations. The diplomatic

confrontations between the two always yield to the fact that Colombia and Venezuela need each other. While Chávez may boast that he doesn't need to do business with Colombia and even threatens to nationalize Colombian companies, Venezuela continues to import about a third of its foodstuffs from its Andean neighbor. On the Colombian side, for all Uribe's bluster, Venezuelan petrodollars have been important at a time when the steady revaluation of the peso has made life increasingly difficult for Colombian exporters. Indeed, the trade between the two countries accounts for some six billion dollars, and is one of the few areas in which Colombia can boast a positive balance of payments. It was welcome news, therefore, when in June 2008 Chávez announced measures to make trade between the two countries easier, not harder, and finally distanced himself from the FARC and demanded that they release their hostages without conditions.

The liberation of the highest-profile hostages and the apparently terminal decline of the FARC has taken away Chávez's opportunity to play peace-maker. As Uribe seeks to capitalize on the related euphoria in order

to cover up the cracks that are beginning to appear in his own image, the figure of Chávez will fade into the background. But the temptation to use the mutual antagonism for domestic consumption may prove simply too hard to resist for both presidents. Each has built up a profoundly negative image of the other that will be very easy to mobilize in future. And given the populism that is a central feature of both their political platforms, we can probably expect more conflict in the future. Indeed, the divergent foreign policy goals of the two leaders, which has seen Uribe lobby hard for the approval of the free trade agreement with the United States while Chávez has expelled the "Yankee" ambassador and courted Russia, has once again placed Colombia and Venezuela on what appears to be a diplomatic collision course.

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Venezuela's International Role: Provider or Gadfly?

Looking at Foreign Policy in Context

BY DEMETRIO BOERSNER

ON SEPTEMBER 20, 2006, A BULKY, ROUND-headed man climbed the steps to the speakers' rostrum of the United Nations General Assembly hall in New York. For a few seconds he glared grimly at the audience and sniffed the air before speaking.

"It still smells of sulphur here", said Hugo Chávez, president of Venezuela, crossing himself. "That's because the devil stood here yesterday." He explained that the devil was one George W. Bush, head of an evil empire out to conquer, torment and exploit the weaker nations. But the world's people—presumably with Venezuela at their head—would react and join forces to defeat the empire and replace its "uni-polar" hegemony with a "democratic, multi-polar" international order.

Mural depicts Hugo Chávez as the leader of Latin American unity.

At the same time, shipments of Venezuelan oil to the United States proceeded as smoothly as ever. With 1.3 million barrels a day, Venezuela provides 15 percent of U.S. oil imports, ranking fourth among U.S. foreign suppliers. Oil accounts for 80 percent of Venezuela's export earnings and two-thirds of the oil exports go to the United States which, furthermore, is by far the country's main provider of imported goods, services and technology. Thus, Venezuela is enormously dependent on the United States, and the United States to a lesser degree on Venezuela. Chávez has threatened to "cut off" the oil supply to the "empire" and redirect it to China, but no one takes this seriously, least of all the Chinese who have only a limited use for Venezuelan oil.

Some Latin American leaders pointed out the obvious contradiction between aggressive rhetoric and heavy dependence on the

U.S. market after Chávez chided them for their "subservience" to the "empire."

VENEZUELAN FOREIGN POLICY BEFORE CHÁVEZ

Venezuela (located at the northernmost tip of South America, with an area of 352,144 square miles and a present population of nearly 27 million) was one of the poorer provinces of the Spanish colonial empire (1498–1810), with a relatively mobile social structure open to liberal ideas arriving from abroad. Under the leadership of the Liberator Simón Bolívar, Venezuelans played a distinguished role in the emancipation and independent reconstruction of Hispanic America (1810–1830).

But that moment of glory was followed by a century of servitude. Political independence did not bring significant social and economic change, and the country

was ruled by military strongmen in alliance with a landed and money-lending oligarchy. Sinking coffee prices and the effects of civil wars brought Venezuela into heavy foreign debt. At the hands of British and other European creditors, the nation suffered diplomatic humiliation, naval blockades and territorial losses. At the turn of the century the United States replaced Britain as the nation's main foreign protector and privileged trade partner. This change coincided with the beginning of the oil extraction industry, turning Venezuela from a coffee producer into a petroleum exporter and enabling it to settle its foreign debt.

In 1936 Venezuela entered its age of modernization, advancing toward democratic government. The Second World War turned the country into a reliable oil supplier and political partner of the Allied powers, enabling it to demand a larger measure of control over its oil industry, managed by foreign corporations.

From 1958 to 1998, Venezuelans lived under a system of representative democracy, with political freedom and social reforms. Power was shared, or held alternatively, by two main political parties, one Social Democrat and the other Christian Democrat. During the first half of this forty-year period, enormous progress was achieved in modernization and political, economic, social and cultural development, while in later years increasing symptoms of stagnation and decline appeared.

In foreign policy, the democratic administrations agreed on certain long-range objectives or principles, which might be summed up in three words:

Democracy
Autonomy
Security.

Successive administrations gave variable emphasis to the three basic objectives, according to changing circumstances. From 1958 to 1968, the defense and promotion of *democracy* and human rights, not only within the country but also beyond its borders received top priority, since Venezuela's liberty was under threat from subversives of both the extreme right and the extreme left, the former supported by reactionary dictators, and the latter by Fidel Castro's Cuba. Therefore, an effort to condemn and isolate dictators throughout the Western Hemisphere became Venezuela's number one concern during these years. After 1969,

however, Venezuelan democracy seemed secure and so, for a decade, the main diplomatic emphasis was shifted to the quest for greater fairness in trade and financial dealings between the "North" (industrialized powers) and the "South" (developing countries), giving the latter a wider *autonomy* or sovereignty in world affairs. This overall policy included the adoption of nationalist economic measures.

To some degree, however, all three basic principles were served at all times. In 1958–68, while the *main* stress was laid on democracy, the concern for national autonomy was present and showed itself in economic policy. In later years, when autonomy headed the diplomatic agenda, democratic solidarity continued to be shown to other Latin American countries. Attention was also paid during the entire

Venezuela acts politically as a radical gadfly, while in fact remaining a reliable provider of oil for the United States. Hugo Chávez is an authoritarian populist shaped by both right and left extremism, with growing preference for the latter. However, his drive for international revolutionary leadership is hampered by his erratic governance.

democratic era to the third basic principle, *security*, through negotiations on the peaceful settlement of territorial controversies with neighboring countries.

In 1979 a worsening of economic conditions in Latin America brought about social conflicts, political deterioration and a loss of international clout for Venezuela and the region as a whole. Venezuelan diplomacy became more subdued and indecisive than in former decades, and there were frequent shifts between foreign policy priorities.

THE FOREIGN POLICY OF HUGO CHÁVEZ

After leading a failed coup d'état in 1992 and spending three years in jail, a charismatic former army officer, Lt. Col. Hugo Chávez, was elected president in 1998 on the crest of a wave of protest against a liberal democracy plagued by mediocre leadership, corruption and a widening gap between rich and poor. Under Chávez's leadership, Venezuelan politics were militarized and centralized. Checks and balances disappeared and all authority was gathered in the hands of

the chief of state. The regime is populist: based on pitting the "people" against the "oligarchy," with social programs that relieve poverty but do not reach its roots. Private investment has been discouraged by increasing state control and nationalizations.

From 1999 on, Chávez has introduced significant changes into Venezuelan foreign policy. Instead of further promoting representative democracy and political pluralism, he proposes the establishment, in Latin America and the world, of a revolutionary regime tending toward "socialism." When Chávez and his aides talk of socialism, they are not thinking of the Scandinavian or British Labor type of social democracy, but of the Cuban communist model which they praise unreservedly. At the beginning of their rule, Hugo Chávez and his "Bolivarian" fellow officers received ideological

influences from both the extreme right (fascists with Argentine backgrounds) and extreme leftists (historical offshoots of the Communist Party). Eventually the fascist influence waned and the communist imprint became dominant.

After weathering a surge of internal opposition that actually overthrew his rule for three days in 2002 and paralyzed the country through a strike in 2003, Chávez was able, with intensive help from Cuba, to reassume full control and to raise his popularity through huge social spending. In 2004 he succeeded in defeating the opposition in a recall referendum, thus entering a period of increased power.

On the global scale, Venezuelan diplomacy was turned more and more sharply against the United States and President Bush, whom Chávez blames for all and any action directed against himself. To strengthen his position inside Venezuela, he presents the world as divided between absolute good and absolute evil. The former is embodied by the advance, under



CITGO is a Venezuelan company supplying oil to low-income consumers in the U.S.

Chávez's leadership, toward "Bolivarian" or "21ST century" socialism, and the latter, by a dark alliance between the "empire" and the "oligarchy." The latter is made up of all Venezuelans who disagree with the regime and are its "enemies." In order to oppose the United States politically, Chávez cultivates Venezuelan alliance and cooperation with all of America's rivals or antagonists: China, Russia, Belarus, and particularly Iran, developing a warm friendship with President Mahmoud Ahmadinejad.

Within the Western Hemisphere, Chávez has replaced the former Venezuelan-U.S. "special relationship" with a new "special relation" between Venezuela and Cuba. For years, Fidel has been Chávez's hero and mentor. Through vastly generous foreign aid programs, the Venezuelan government has conquered the adherence and political friendship of large portions of Latin America and the Caribbean. Chávez has embraced the Brazilian strategic

concept of building a South American regional bloc that can talk to the United States with a single voice on a basis of near-equality, but while president Lula da Silva thinks in terms of constructive negotiations, the Venezuelan leader would like to see a hostile confrontation between the two Americas.

Inside Latin America, the Chávez scheme, based on ideological confrontation, consists in the creation of two concentric alliances, directed against another, hostile, group of countries. The inner circle of close friends, largely financed by Venezuelan oil money and quick to listen to Chávez's voice, is the "Bolivarian Alternative for the Americas" (ALBA) formed by Venezuela, Cuba, Bolivia, Nicaragua, Dominica and Honduras, with Ecuador as a close sympathizer. The outer circle of somewhat looser "progressive" allies consists of Brazil, Argentina, Uruguay, Paraguay and, in a more detached way, Chile. In addition, Venezuela bestows cheap oil on a number of small Caribbean countries grouped in the association "Petrocaribe." On the other side, opposed to "Bolivarian" designs and friendly toward the United States, Chávez sees an alliance of potential enemies that include Colombia, Peru, Mexico and part of Central America. Chávez has in the past displayed active sympathy for Colombia's terroristic guerrillas—the FARC—and a captured FARC laptop seems to provide some concrete indications of material support. Thus, his relations with President Álvaro Uribe's government are strained, with negative effects on the very active and massive commercial and human exchange between the two neighboring countries (Colombia is Venezuela's number two trade partner, after the United States).

FUTURE PERSPECTIVES

At the end of 2007—a year in which Chávez's anti-US and anti-"capitalist" radicalism reached its zenith—the tide suddenly began to turn against him. Rising inflation, crime and corruption, scarcity of consumers' goods, growing divisions within the *chavista* ranks, and the general inefficiency of the administration had begun to erode the prestige of *El Líder*. On December 2, 2007, he suffered his first electoral defeat, in a referendum on a series of radical constitutional reforms including the possibil-

ity of life-long presidential reelection. Later on, new restrictions on democratic rights within Venezuela, as well as the Colombian assertions of Venezuela's support of the guerrillas, cost Chávez the sympathy of substantial sectors of an international democratic left that had until then granted him grudging support.

The time has come for evaluations of the historical role of *chavismo* and for tentative drafts of what a democratic post-Chávez Venezuela might look like. The forces opposing Chávez in Venezuela are united in the desire to restore democratic freedoms, but their differing political philosophies range all the way from conservatism to democratic socialism. After Chávez, a Venezuelan right-wing government would probably cleanse the country's foreign policy of "third-worldish" elements and go back to a modest diplomacy tending to repair and deepen the nation's inter-dependence with its traditional foreign friends. Under such a government, Venezuela would concentrate on being a reliable provider and would totally cease to be a gadfly.

On the other hand, a slightly more left-leaning democratic administration—supported not only by the present opposition but also by a portion of honest former *chavistas*—might try to combine the return to traditional friendships with the retention and improvement of some of Chávez's more constructive impulses, such as: a wide scope of Venezuelan diplomatic presence, a drive to foster the unity of Latin America and a bi-regional dialogue within the Americas, an effort toward more North-South equity and more South-South cooperation, and an active wish to see a wider and better-balanced distribution of power among the main regions of the world.

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WEB FEATURE

Relations between Venezuela and Argentina are based both on ideological affinity and on economic convenience. Bilateral agreements encompass agriculture and oil exploitation and technology. María de los Angeles Yannuzzi, Professor of Political Theory at the Universidad de Rosario in Argentina, provides us an insightful analysis of Venezuelan-Argentina relations in a special web feature. You can read her story at <http://www.drclas.harvard.edu/publications>.

Pro-Chávez rally in Argentina.



The sign reads "Long live Chávez. I have within me an atomic bomb made of Venezuelan love to fill all the people of the world with peace and harmony."



Colombians demonstrate in favor of the Chávez government.

Culture in Venezuela is very much at the forefront, from groundbreaking visual art to an innovative way of teaching music to children. Bolivarian Venezuela also sees the challenge of bringing art to everyone through participatory democracy.



WEB FEATURE

Looking at the three recent Venezuelan shows at Harvard, José Falconi writes about the recent prominence of Venezuelan art as a favorite in the U.S.-Latin Americanist agenda. <http://www.drclas.harvard.edu>

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Culture in Caracas

The New Institutions of Bolivarian Venezuela

BY TATIANA FLORES

IN 2002, I VISITED VENEZUELA WITH A FRIEND FROM MEXICO CITY. Among the tourist attractions in Caracas that I took him to see was the Museo de Arte Contemporáneo Sofía Imber (known since 2006 as the Museo de Arte Contemporáneo de Caracas or MACC). I had often sung the praises of this venerable institution, one of the first museums in Latin America to focus on postwar art and which included in its collection works by Picasso, Matisse, Miró and Fontana, alongside Venezuelan masters. Wanting the experience to be truly urban, I decided to take him on the Metro, which, like the museum, had for a long time been a source of pride among *caraqueños*.

We set off on our visit on July 24, a holiday. It seemed like a good day to travel by Metro because it would not be too crowded, and the ride did indeed go smoothly. As soon as we arrived at the Bellas Artes station, however, something seemed terribly amiss. The plaza that stood between the museum and the station was all but abandoned. Feeling deeply uneasy, we clutched our wallets and bolted to the museum. As we stood outside Parque Central, a modernist building complex that houses the tallest buildings in South America, we were startled by a projectile, which landed with a thud at my feet—the pit of a mango, which had been thrown at us from above. In a state of panic, we went inside, but the museum itself did little to relieve our anxiety. The galleries were in disarray, and some were empty and unlit. We did not see any security guards around, even at the inner entrances that connected the museum to the public spaces in the building, which were dark and ominous. After a very short visit, we rushed to the nearby Hilton and took a

cab back home, foregoing the visits to the Galería de Arte Nacional and the Museo de Bellas Artes that I had originally planned.

My experience at that museum that day was symptomatic of the crisis that enveloped Venezuelan culture at the turn of the millennium. Among the conditions that led Chávez's critics to accuse the president of a willful neglect of the country's artistic patrimony were the disappearance of Matisse's *Odalisque in Red Pants* from the MACC; his abrupt dismissal of Sofía Imber, along with all the directors of other cultural institutions, and the eventual removal of her name from the museum; the vandalism of public works of art that had left sculptures by Venezuelan masters Jesús Rafael Soto and Alejandro Otero dismantled and a statue of Christopher Columbus in pieces; the standardization of the logos of all the museums to a single design; the abandonment of iconic areas of the city, such as the historic center and Sábana Grande boulevard, to street vendors; and the use of the Teatro Teresa Carreño, the premier complex for the performing arts, as a political arena. However, fortunately, the current situation of the arts signals some promising developments. Well-publicized restorations of public art works and urban areas undertaken by the government and the increasing prominence of cultural institutions controlled by the opposition point to new directions for culture and artistic patrimony in Venezuela.

To track such changes, it is fitting to begin with the contested space of the museum, which, as an institution, has been witness to both continuity and transformation. Though there have been high-profile departures, many museum staff members, including some directors, have been employed since before Chávez took office in 1998, albeit in different capacities. Recurring exhibitions, such as the Salón Pirelli (featuring emerging artists) and the Bienal de Barro de América, have taken place before and after. Nevertheless,

Installation shot of *In Lieu of Modernity* by Alexander Apóstol at the DRCLAS Latino and Latin American Art Forum Program in 2007.



Centro Chacao sponsors a mural painting activity (top); an external view of its cultural center (bottom).

the country's museistic structure was notably altered by the creation of the Fundación Museos Nacionales (FMN) in 2005, which oversees all of the country's public museums. Whereas under previous governments, museums functioned discretely and independently, this agency has centralized their operations. Now, museum directors meet on a regular basis with the minister of culture and the president of the FMN, to discuss programming and common goals. One of the most important objectives has been to integrate the greatest number of people into the activities of museums, not only as visitors, but as active policy makers.

One of the government's biggest challenges is to make museums coherent with its own ideology of participatory democracy. The most fervent *Chavistas* would like to see a complete reimagining of the institution of the museum, breaking free from the structures inherited from the past. According to the artist Oscar Sotillo, the system of museums was designed for the "distribution of the bourgeois fetish called art" and are by their very nature exclusionary; he believes that real art may be found on the streets and does not need to be legitimized by an institution. Members of the community, who

voice their opinions in open forums sponsored by the government, agree that, prior to Chávez' presidency, they felt excluded and alienated from museums. They wish now to assert their presence within these institutions, not just in attendance but also in the exhibitions themselves. Though museums have indeed mounted shows addressing particular communities and have sought numerous other ways to engage audiences, guidelines and institutional decisions are still very much being made from the top down. Furthermore, over the past few years, there has been much turnover within high-level positions, making it difficult to maintain a coherent plan of action. Recently, for example, Francisco (Farruco) Sesto, a poet and architect, was replaced as minister of culture by Héctor Soto, a veterinarian by training. This new development will surely alter existing cultural policy, and how it will play out remains to be seen. One project that has witnessed many changes of the guard is the construction of a new headquarters for the Galería de Arte Nacional, which houses the national collection of Venezuelan art, a plan that originated in 1988. It has suffered lengthy delays but, upon its inauguration sometime in 2010 or 2011, will signal a symbolic paradigm shift by moving the collections away from the building designed by Carlos Raúl Villanueva and intimately associated with the old order to a fully Bolivarian edifice. So far, however, the role of museums in the Socialism of the 21st Century remains very much a work in progress.

Given the identity crisis faced by museums, it is fitting that other public institutions have embraced more active roles in the city's cultural life. The Centro de Arte La Estancia, financed by Petróleos de Venezuela (PDVSA), and Cultura Chacao, funded by the municipality of Chacao, from opposite sides of the ideological spectrum, have become standard-bearers for public arts venues. Occupying a historic estate in Chacao with a colonial house and three and a half acres of gardens, Centro de Arte La Estancia has been open to the public since 2004. Directed by Beatrice Sansó de Ramírez, it offers art exhibitions, performing arts events, children's programs, and educational workshops on a daily basis and receives about 40,000 visitors per month. In addition to the activities hosted in the space, the Centro de Arte La Estancia has set up satellite centers in low-income areas and oil-producing regions and also plans cultural programs in conjunction with other agencies housed within the ministry of energy and oil (Ministerio del Poder Popular de Energía y Petróleo). It supports artists and performing arts groups in return for social outreach and plays a major role in funding the restoration of cultural patrimony throughout Venezuela. Indeed, the works of art that had been vandalized or left to deteriorate—among others, Jesús Soto's *Orange Sphere*, Alejandro Otero's *Abra Solar*, and Rafael de la Cova's *Colón en el Golfo Triste* (the aforementioned statue of Columbus)—have been carefully restored by the Centro de Arte La Estancia, as have Sábana Grande Boulevard, Paseo Los Próceres, the historic city center, and the modernist icons Torres del Silencio. Many other projects of patrimonial restoration are underway throughout Venezuela as are social projects related to health and community outreach that are not directly linked to culture.

Centro de Arte La Estancia has a decidedly nationalistic focus and seeks to foment a sense of collective identity that takes pride in its Venezuelan roots and traditions. Its exhibitions feature the work of well-known masters as well as historical themes, folklore, and popular arts, and these are presented in a very didactic manner. Moreover, it aspires to have an outpost highlighting Venezuelan art

and culture in airports and PDVSA gas stations throughout the country. It is also in the early planning stages of two museums—one to house PDVSA's collection of 20th-century Venezuelan art and another on the history and culture of oil. Indeed, the organization is tireless in promoting the connection between oil and national identity. According to Beatrice Sansó, "Oil forms part of our very essence." With its diverse array of activities, ambitious goals, and seemingly endless supply of oil revenue, the Centro de Arte La Estancia has created a unique and idiosyncratic model that is making its presence felt in the lives of all *caraqueños*.

Cultura Chacao, a neighboring non-profit foundation, seeks a similar social impact albeit at a more local level. Its activities include operating the Centro Cultural Chacao—a space inaugurated in 2004 with a gallery and multi-purpose area that also houses the local youth orchestra—commissioning public art, hosting festivals and workshops, and overseeing other neighboring cultural centers such as the Herrera Luque library. It is also in the process of building a theater, a state of the art facility that represents an investment of almost \$20 million and which will be inaugurated later this year. According to its president Diana López, the three main objectives of Cultura Chacao are to offer a wide range of cultural programming, to improve the existing infrastructure by creating new centers for culture, and, most importantly, to actively involve local communities. Cultura Chacao seeks input from its neighbors through polls and round tables that encourage easy access and constant communication. The foundation receives 85–90% of its revenue from the municipality of Chacao, a bastion of the opposition, and the rest from private donations, often neighboring corporations or embassies. Neither the federal nor the state governments contribute to its operations.

In its outreach and programming, the goals and activities of Cultura Chacao appear very similar to those of FMN and PDVSA. The institution, however, considers itself to operate along very different premises. Diana López posits that "the central government and those who share its vision have been employing cultural venues for political ends," citing as a primary example the Teatro Teresa Carreño. Cultura Chacao, on the other hand, welcomes a variety of opinions and offers a space for debate and reflection, not doctrine. López also claims that, unlike museums and other government funded agencies whose primary mission has become to promote a socialist collective identity, Cultura Chacao respects artistic individuality. It has served as a venue for artists who feel shut out of the official exhibition circuit. The gallery space of the Centro Cultural Chacao almost exclusively features contemporary art, either in solo exhibitions or rigorously organized group shows.

Despite its privileged location within Caracas, Cultura Chacao seeks to avoid any possible charge of elitism. Its publications include two books celebrating the history and traditions of different low-income neighborhoods, and the public murals that it has commissioned have responded to the desires of the communities. Its most popular event is "Por el medio de la calle" (translated as "In the middle of the street" or "By way of the street"), an annual street festival that aims to rescue public space through the arts. In addition to offering musical, dance, and theatrical presentations and showcasing the work of two hundred artists, the festival also addresses issues of violence and fear by offering a temporary safe haven for the urban masses (its last edition drew 20,000 people). This and all of the activities of Cultura Chacao are, in fact, oriented



Alejandro Otero's *Abra Solar2* has been restored by the Centro de Arte La Estancia (top); La Estancia keeps popular traditions alive in a procession in honor of San Pedro (bottom).

toward using culture to improve quality of life at a local level.

From an institutional perspective, the future of culture in Venezuela looks far more promising today than it did five years ago. The advent of new cultural centers has made possible a healthy debate on what should be the role of the arts in a democratic society. There has also been a marked increase in private patronage that has generated stimulating new venues, such as the Trasncho Cultural—featuring a theater and art house cinemas along with restaurants, a bookstore, and a gallery—and the arts complex Centro de Arte Los Galpones, with cutting-edge galleries and a recently inaugurated non-profit space that showcases local and international talent. After a difficult period, the arts in Venezuela are once again repositioned to rise to prominence on the national and global arenas.

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Plan Caracas, 1974–1976

(revisited)

BY ALESSANDRO BALTEO YAZBECK

DENSELY POPULATED SHANTYTOWNS GROW ORGANICALLY IN THE hills around Caracas. But I don't practice sociological tourism. This text is more about the self-explanations of a Caracas-born son of immigrants. Immigration in this sense can be seen as a slower and more pragmatic form of tourism.

My parents' families arrived to Caracas between the 30s and the 50s, when global populations were reacting to the convulsion generated by World War II. They found urban and economic modern trends that were developing at the rhythm of petrodollars. The global convulsion depressed some old countries but raised economical tides in the rural Venezuela, which was trying to catch up with the most progressive ideas of the time.

The Americas', and hence also Venezuela's, economical and technological trends forced political changes that promised a more inclusive and egalitarian society. Peasants from the Venezuelan countryside, as well as Italian and Lebanese (in my parents case) flooded Venezuela's urban centers, looking for "progress"—the kind of progress that canonical modernity promised in all realms of human—or urban—life.

But then, I ask myself, why are *ranchos* still omnipresent today? These modern adaptations of pre-colonial and colonial elemental constructions suffocate and confront the more canonical modern ecosystem that architects, builders and urban planners have wanted to implant since colonizers first arrived. The implantations and adaptations of the always evolving models of canonical modernity had their last powerful surge during a period of major economic change during the 40s and 50s.

Plan Caracas was the first documented governmental effort to 'consolidate' the infrastructure and design of the resilient *ranchos* conforming shantytowns.

These modern constructions were meant to replace the rural pre-colonial and colonial elemental dwellings and settlements sprouting all around Caracas with the most recent European developments in urban planning and multi-family types of housing. Brilliant Venezuelan architects and artists adapted the model. The cultural gap was beginning to be leveled in several ways. However, international economic and political changes once again overran the process, disrupting the continuity of governmental policies and priorities. The public housing boom and its local developments and sustainability did not match the political will of the following governments. That's probably why some people refer to it now as a utopian endeavor.

The fact is that the 60s were not very oriented to massive housing urban developments that were to replace the *ranchos*; these, meanwhile, were multiplying and assimilating the technology and materials of modern construction to become more resistant to the

elements and, curiously enough, they grew by several floors.

During the seventies international politics and economics brought another sudden change. This time nobody wanted to obliterate the *ranchos*—nobody could, anyway.

Plan Caracas was the first documented governmental effort to 'consolidate' the infrastructure and design of the resilient *ranchos* conforming shantytowns in the evolving metropolis.

Only two projects, documented in two brochures, were finished: *La Vega* and *Los Manolos*, the popular names for these urban developments.

These projects coincided with the nationalization of the oil industry and the enormous influx of money coming from the global oil crisis in 1973. The parallel between the rhetoric portraying the oil as property of the Venezuelan people and the fact that only two consolidation projects of this nature were completed show how the disruption of this initiative of redistribution of wealth may in turn reveal how the government uses architecture, photography and finally the graphic image as demagogic propaganda.

Therefore the manipulation and circulation of the images of poor people and its architecture becomes an issue. Furthermore, when this political strategy is repeatedly used for decades and by all politicians independently of their 'ideological' stands, it becomes an evident instrumental manipulation of the image that ends up by canceling its effectiveness to certify any social, political and cultural reality.

Urban social realism, as seen in images of the 70s, was no longer sponsored by the government that shifted towards more abstract forms of representation of progress. *Cinetismo* (an abstract mix between *Optical* and *Kinetic Art*) was definitively embraced as the metaphor of national energy production and cultural progress, designated to decorate other kinds of governmental projects, not public housing.

While the *ranchos* and their culture kept sprawling, the political system was dissolved by its own cynicism, and some economical and social factors essayed a radical change in 1998. Ten years after, the urban *ranchos* are still there as much as the structural inequalities that generated them in the first place.

Alessandro Balteo Yazbeck presented pedacito de cielo (1998–2008) February 6–April 6, 2008 at the DRCLAS Latin American and Latino Art Forum in the Sert Gallery at Harvard's Carpenter Center. Acting as curator and artist, Balteo Yazbeck focused on some of the most salient architectural projects from the height of "the modernization" of Caracas in the 1950s. He also organized a critical number of singular art pieces and documents, exposing tensions and disruptions in the seemingly continuous historical narrative in which this process has traditionally been cast. The entire Plan Caracas series can be seen at <http://musarq2008.blogspot.com/>.

Meditations on Venezuelan Culture Today

Living with Contradictions

BY LUIS PÉREZ-ORAMAS

AS A VENEZUELAN, I CAN'T PRETEND THAT THE NATION HAS experienced idyllic moments at some point in our history. We Venezuelans also can't deny that, in spite of many dark clouds, an accumulation of exasperation and disillusionment, a rash of tragedies and bitter pain suffered by our civic body—the incessant failure of the Venezuelan civilist impulse in the face of a country that is infrareal—we managed to arrive at a moment of agreement between historic opponents, making possible the republican chapter that began in 1961. This period's status as a bourgeois republic has been the subject of infinite discussions. But for now, it should be noted that the militaristic or populist regime that replaces it is a pure reaction to that past, unable to find the present.

Throughout the country's history, with the exception of the recent republican interlude, resort to force has been constant. This tendency is closely associated with the failure of our collective ways of representing ourselves. Some form of representation is what we have called a "lettered republic," a purely nominal concept that officially dominated our nation's history during the entire 19th century and much of the 20th.

It's not enough that the law acquire force to be obeyed. Force has to be put on standby so that its representations—signs of legitimately constituted authority, collective consensual narratives, emblems of the republic—substitute for force in its constituent and grounding effects. Power in Venezuela has suffered symbolic deflation. The only narratives, the only images that we have accepted as foundational, were trampled upon by anti-republican regimes, by those who carried out a permanent state of exception. Our democracy, obsessed with offering us infrastructure, failed to offer us an imaginary, a vision. And that is the basic reason, the fatal combination, that explains the present victory of the infrareal country over the real country, with the well-known nominalism that barely covers up the brutal return to today's ruling force that catapults us towards the past.

LIVING WITH CONTRADICTIONS

Among the first depictions of power in Venezuela are two important works by Martín Tovar y Tovar, in which the favorite artist of three-time Venezuelan president Antonio Guzmán Blanco painted two different versions of the scene in which the independence of Venezuela is made definitive. The first of these is the celebrated Signing of the Declaration of Independence, a didactic and exemplary work that in many ways portrays our greatness and our contradictions. The other painting is less well-known and perhaps with fewer political intentions; symbolically, it is more hermetic, although simpler in a pictorial sense. In the Signing of the Declaration of Independence, Tovar included the dominant and primordial figure of founding father Francisco de Miranda, in a gesture of strategic anachronism.

I've always thought that bolivarianism—this authoritarian national ideology coined by the dictators Guzmán and Juan Vicente Gómez and sanctioned as law by Hugo Chávez's government—situates itself in the historic facts of the fall of Miranda just as it does in Guzmán's fantasy of the symbolic resurrection of Miranda. There are two visible moments in this resurrection: the painting of the Signing of the Declaration of Independence, in which Miranda appears as a fundamental protagonist in a chapter from which he was absent; the second is later, accidental, but no less a part of the Guzmán's symbolic arsenal, Miranda's portrait in Arturo Michelena's *La Carraca*. One of the questions that we have posed concerning this work has to do with its contradictory status of being Venezuela's most

Our democracy, obsessed with offering us infrastructure, failed to offer us an imaginary, a vision. Collective consensual narratives should substitute for force.

famous heroic painting, but at the same time one that is the most vivid representation of the failure of all heroism. Here lies, without a doubt, one of the cultural keys to understanding Venezuela.

A good decade after painting the distinct depictions of the Signing of the Declaration of Independence, Martín Tovar y Tovar created a monumental painting—following our tradition of celebrations every ten years—in which he depicts energetic animal taming in the midst of the infinite level grounds of our Venezuelan Plains known as *Los Llanos*. The Plains Scene—known in Spanish as *La Escena Llanera*—is the landscape equivalent of the Signing of the Declaration of Independence. I am among those who believe that it is the foremost of our landscape depictions. *La Escena Llanera* is based on the representation of the myth of the plains, which owes much to Eduardo Blanco, Guzmán's secretary and author of *Venezuela Heróica*. In the painting, one can observe, perhaps for the first time in our art, a landscape so immense that it can only be called, in the usage of the 19th century, sublime: evoking those things in the world that transcend the imagination. The painting's plot is minimal: a bull has escaped and a rider ropes him in from his high perch on an untamed horse, while an innumerable mass of other bulls and cows cover the entire horizon in the background.

A ray of light shines over the rider. In the previously mentioned painting of the Signing of the Declaration of Independence, a similar ray of light illuminates the hand of the founding father who points out the table where the signing of our emancipation took place. This radiance is, without a doubt, symbolic; in the language of Venezuelan painting, light is emancipatory. The detail of the ray of light on the rider who tames the rough bull in *La Escena Llanera* conveys how Venezuela is split into two countries with incessant, inconclusive, debilitating revisionism. One—that of the signing of

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the declaration—is a lettered country, thoughtful, inward-looking, fictitious, well-intentioned, in which the ideal world is decreed; the other is a rough country, untamed, infrareal, unimaginable, sublime, bloody. The first version has been sold at a bargain price and does not cease to be sold due to a failure of the law, at everyone's expense; the other has been sold off in an episodic and brutal fashion because of the supremacy of force, also at everyone's expense. Both countries have not ceased taunting each other and engaging in confrontation, the same as they have done with egalitarianism—almost always on the side of the law—and the authoritarianism that is the only political form of force in Venezuela.

The signers of the declaration of independence are literally carrying out a dream. Lulled to sleep in the brilliant splendor of utopian illusions, they cannot suspect that emancipation will not automatically follow from their acts. Outside is the infrareal arcadia—that is to say, the desert—where Miranda's soldiers will flounder, the fantasies of Bolívar and—almost until today—all the faces of the law. On the other hand, in the plains painting, Tovar depicts an act of rough taming. To tame, to dominate, share the same etymological root as the word *dominus*, the master of the house, and *domus*, the house. To dominate is to make oneself the master of the land and to tame is to make one's own house from unconquered land. When the dictator Gómez entrusted the building of his own family mausoleum to architect Antonio Malaussena, he ordered the

inclusion of two scenes: one of a military parade and the other the rendering of a bull taming by sculptor Lorenzo González. In this fashion, Gómez stressed his own pragmatic policies of governing as if one were taming an animal.

Thus, in Venezuela the illusion of law never seems to stem from reality; the fiction of a lettered country has never permeated into reality to install itself in the place of its dreams and to transform the infrareal country into a real country—that is, a country that equally belongs to everyone. Excessive fondness of lettered fictions, for the eloquence of the law, that is to say, for the sound but not the true content, could make us believe that the Chávez government is somehow different. Yet, the government, while maintaining lettered fictions, is mainly concerned with taming and dominance, barely masking for now brute force.

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Escena Llanera by Martín Tovar y Tovar.

Postales de Leningrado

A Scene from New Venezuelan Film

BY JEFFREY CEDEÑO

THE 2007 VENEZUELAN FILM *POSTALES DE LENINGRADO*—POSTcards from Leningrad—mingles history and politics to pose a question about identity—the identity of the children of those men and women who opted to join the guerrilla struggle in Venezuela in the mid-20th century, just when the nation was trying to reestablish democracy after the Marcos Pérez Jiménez dictatorship (1952–1958). Venezuelan film director Mariana Rondón's full-length feature won the Grand Prize El Abrazo for best film at the Festival de Biarritz last year.

Postales de Leningrado portrays the history of a young woman guerrilla who, as a subversive in the 1960s, has to give birth while she is still clandestine. However—and just by coincidence—her daughter is the first to be born on Mother's Day in 1966; thus, the mother's photo appears published in the newspaper. This maximum exposure contrasts with her furtive life, as parents and children while fleeing from the militia adopt an anonymous life, filled with threats and fear. The daughter is now the protagonist who narrates the tale and whose perspective testifies to events that have never really ended, but always only have been interrupted and changed. The girl's narrative encompasses the story of her cousin Teo, as the children wait for postcards from Leningrad as proof that their parents are down from the mountains. The children take turns as protagonists in the story; in their fanciful world of games, desires, hiding places and pseudonyms, they recreate the clandestine adventures of their guerrilla parents and nurture a fantastic world of superheroes able to (con)fuse fiction and reality in a life that tries to defend itself on a daily basis from fear and death.

Rondón brings us close to a past that is not consumed with legal or moralizing grudge matches. Rather, the director demonstrates a vital fragility that freely allows the yearned after and delayed revelation of a self that, in order to survive in the midst of ideological and military confrontation, does not hesitate to disguise itself. At the beginning of the film, the girl's first declaration is "The time of year I like the best is Carnival because when we disguise ourselves, it's as if we were hiding, because no one can catch us. My cousin Teo, who is older than me, doesn't like to dress up in costumes; he says that the best way not to get caught is never to tell anyone your real name. I do tell people my real name; my favorite costume is the Invisible Man, but I like to get dressed up in different costumes. The truth is that Teo likes this costume too, but he says that what he really likes is getting the postcards from Leningrad that his mom sends." In the background, the viewers see images of a Caracas Carnival in the 1960s. *Postales de Leningrado* portrays identity through fiction: to avoid the risks of being captured, the guerrillas and their children must mask themselves with one name after another; the children dream of the furtive heroics of a man-frog and the invisible man, longing to encounter their parents again in Leningrad—a place dreamed about by Teo, a filmlike space desired and materialized

by Rondón. These fictions evoke—they make return—an absence: that of the always postponed family life, that of a childhood that wishes to explain itself in order to put together the pieces of vital history.

Postales de Leningrado indeed offers us the autobiographic and family history of Mariana Rondón; the film is a way to share and experience, from this vantage point, the narrative scenes established through a historic and fair communitarian sense prioritize—beyond fear and threats—the question of identity, a question about the forms of discourse that we construct not only when we give ourselves a name, but also seek out a place within the social space. In its aesthetic and multiple dialogues, the film clearly demonstrates the possibility of affirming life: fear and risk; fantasy and heroism; violence and death, story and image. In the middle of anonymity, the childish imaginary world and the pop aesthetic of the 1960s, the film communicates through a language of borders and narrative flashbacks in an "artesanal form of communication," as Walter Benjamin would put it, between fiction, documentary and reality, between the comic and the devastated, between photography and pictorial intervention, but also between rationality and craziness, between commitment and betrayal, between life and death, city and mountain. Rondón's film tells us, altogether, that this heterogeneity, the heterogeneity of life itself, makes up the name, the identity, that it is not only a way of being, but a way of knowing fragmented in the past, present and also in the future, thus the interrupted, uneven and interwoven storytelling of the girl who at once narrates and testifies to history.

The search for and use of multiple expressions of media thus become a clear resource for knowledge and self-knowledge; the girl narrator intervenes and manipulates the film image and, in this way, operates on the very act of narration and its possibility of creating identities, all of which inscribes an exercise of individual and collective responsibility capable of reconstructing historical memory. The past constitutes a legacy with which the children must dialogue and confront, but this past is anchored in the present and concentrates, without a doubt, in a question of identity not so much to demand an answer or express a doubt, but to confirm what is said and done. *Postales de Leningrado* is without a doubt a place where naming takes place, far beyond anonymity, uprooting, and disappearance; it safeguards the self in history... that other history.

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The Power of Music

Venezuelan Seeds in Boston

BY HERMANN HUDDÉ

AT THE NEW ENGLAND CONSERVATORY OF MUSIC (NEC), I HAVE had the wonderful opportunity to complete a concentration in Music-in-Education. During my first internship I worked on a research project that involved observations and surveys of children, teachers, and parents from two schools in Venezuela that place music at the core of their curriculum. The results were amazing; the participants reported overwhelmingly that the focused study of music had greatly improved the children's concentration, their logic and problem-solving skills, their reading, language and math skills, their emotional intelligence and cultural understanding, and their interpersonal and intrapersonal abilities. Equally satisfying were the reports of how placing music at the center of the school culture enhanced the social life of the entire community.

We—speaking for myself and others who consider themselves disciples of Venezuela's José Antonio Abreu—are prepared to assume our role as cultural entrepreneurs. That is, we are ready not only to write and perform music for audiences all over the world, but through the unique power of music, to play an important part in creating a better world for all of us to live in. We should not take this role lightly, nor think of it as mere rhetoric. I truly believe that we as teaching-artists have the responsibility of being the link not only between music and audiences, but between music and justice and the mutual respect that are essential in creating a peaceful society.

Several years ago, the United Nations established the Millennium Goals, an agenda for achieving worldwide social transformation during the 21st century. I feel that at least two of these goals—the achievement of universal primary education and global partnership for development—relate directly to our own mission as cultural entrepreneurs.

This past year we witnessed a marvelous example of global partnership. NEC not only invited the Simón Bolívar Youth Orchestra to play for and with the NEC community, but also held a seminar and symposium about *El Sistema*, the astonishing 35-year-old Venezuelan music education program created by Abreu that has had

an enormous impact in helping impoverished children and youth achieve a better life through the practice of music. The value of this unique system was recently acknowledged with the Príncipe de Asturias Award, which is granted to outstanding cultural projects throughout the world.

Last year, Abreu met in Boston with fifty music educators and cultural leaders from all over the United States, to talk about this program as a successful model for both individuals and communities, and to discuss how this phenomenon could possibly be adapted in the far more affluent culture of the United States.

What the Seminar and Symposium participants noticed was that first and foremost, *El Sistema* features high-quality music instruction. Indeed, as Abreu suggests, when “music is no longer separated from daily life, but is in fact nourished by and nourishes all aspects of daily life,” then personal and social transformation become possible. *El Sistema* shows how the emotionally and intellectually positive environment of the orchestra system can help children apply the values that will make them complete human beings who can grow and progress as persons of high human and professional value, and who can thus take on significant roles in their communities and their country.

Moreover, very recently I read an article describing how the system has been extended to the prisons in Venezuela. This is a serious answer to the general lack of will to transform the prisons of our country into places where people can be rehabilitated through education. In the prisons where the system has been introduced, inmates not only learn a skill they can use once they are released, but also that they are human beings who have a high value in the community. This example alone indicates the potential universality of this idea.

Musicians can and must empower people in a positive way to know themselves better and to eagerly participate in making a better society.

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Gustavo Dudamel, conductor of the Los Angeles Philharmonic Orchestra, is perhaps the most famous graduate of José Antonio Abreu's *El Sistema* (left); members of the Simón Bolívar Youth Orchestra sing the Venezuelan anthem (right).

The Revolution of Conscience

Building a New Cultural Hegemony in Venezuela

BY BORIS MUÑOZ

THE EXACT NATURE AND IMPLEMENTATION OF THE BOLIVARIAN revolution's cultural policy has lately been an obsessive and controversial issue in Venezuela. In the pre-Chávez period, public cultural administration was defined as state support for film, fine arts, traditional arts and folklore. As the major city in a country with few developed urban centers, Caracas was heavily favored by the oil boom and hosted the majority of the country's cultural offerings until the 1990s, when the ongoing process of decentralization began.

Venezuela's museums became known as the most important in Latin America in terms of infrastructure, knowledgeable curators and art collections. The Contemporary Art Museum of Caracas holds the region's largest Picasso collection and also boasts a large body of works by mid-20th century vanguard artists such as the South Korean Nam June Paik, the German Joseph Beuys and U.S. artists George Segal and Robert Rauschenberg.

This museum provides the best example of the modernizing thrust of Venezuela's intellectuals. "The museum was born in a parking lot," recalled its founder Sofía Imber in an interview. "Our remodelations continued until we achieved a contemporary museum with an impeccable operation. To buy our first Picasso, we had to view 140 pieces. In 30 years, we managed to collect 4,200 works. Now, they call us elitist, but we worked with a single criterion: that high culture and works of the finest and most beautiful craftsmanship could be brought to a developing country—the best book, the best research center, the best museum studies. In this sense, I was elitist—I sought works of the highest quality and excellence."

At the same time, while skyscrapers and glass financial towers were springing up in the city, kinetic artists such as Jesús Soto, Carlos Cruz-Diez and Alejandro Otero became the emblems of a nation yearning for high speed modernization that would sweep Venezuela into the first world on the crest of the oil boom. The future would be like the work of these artists because kinetic art, which began in Paris with its attractive mix of cosmopolitanism and technology, represented the developmentalist project promoted at the time by Venezuela's leaders and economic elite. But outside their sphere of influence, reality continued its inevitable course. While the city was crisscrossed by quickly built multi-level highways that were seen as the promise of the future for Latin America and celebrated enthusiastically by many, with equal rapidity it was surrounded by ever-growing belts of poverty where high culture was not a necessity, but a distant fantasy.

The recent restoration of some of the most important kinetic installations in central points of the city reflects the influence and persistence of the modernizing project. However, these works are far from having the artistic dominance in the urban landscape that they enjoyed during the last quarter of the 20th century. In the eastern part of the city, where many middle- and upper-class people reside, a certain concept of abstract art still prevails; in the western part

of the city, in the lower-class neighborhoods where the *Chavista* movement has its strongest hold, a neo-figurative muralism has emerged. This art is inspired by allegories of the anti-colonial era of Simón Bolívar, archaic indigenous myths or heroic figures such as Che Guevara or Al-Qaeda's Muktda Al-Zawarki. Although most of these works are obviously propagandistic, look improvised and lack skilled workmanship, they respond to a profound need: the representation of the revolutionary imagination, the self-conception, of the Bolivarian project.

Such urban markers of political polarization clearly express the argument between two apparently antagonistic concepts of culture. According to Francisco Sesto, the debate is between the exclusive elitism of the past and the inclusive revolution of the present. By profession, Sesto is an architect, by vocation, a poet, and, until a few months ago, he was Chávez's longest lasting cabinet minister. In a government where ministers come and go with the cycles of the moon, he held on to his post for five years, during which he gave a radical turn to Venezuela's public cultural administration.

He says his main mission was to re-found state cultural institutions, which basically meant unifying different cultural areas under ministerial control and reorganizing them in a system of platforms and vice-ministries.

On a recent Monday, a few days before Chávez appointed him Housing Minister, Sesto received me in his office to assess his legacy, emphasizing "The essential thing in the public administration of culture is to reach everyone in the population. In the past, this could have happened in theory, but not in reality. Today, we reach everyone and every culture within a country that is multi-ethnic and pluri-cultural. We can say that we began an era of cultural, demographic and territorial inclusion." Sesto says that previous cultural institutions—museums, film houses, theatre and dance companies—were inadequate because they were concentrated in Caracas and focused on the culture needs of a select minority.

Hostility towards previous public cultural administration became explicit with last May's abolition of the National Culture Council (Conac) that had regulated public culture policy since 1975. Conac had emerged from the multidisciplinary efforts of intellectuals, most of them leftists, to promote diverse expressions of art and culture. Museums, publishing houses Monteávila and Biblioteca Ayacucho, the National Theatre Company and the Rajatabla theatre group were well known outside the country and were the pride of Venezuelan culture.

From 1989, with orchestra director and educator José Antonio Abreu as Culture Minister, public cultural administration was decentralized and many institutions were transformed into relatively autonomous foundations with say over the management of their economic resources. Although it would be an exaggeration to call this a Golden Age, there is no doubt that it established a solid basis for cultural activities.

ELITISM VS. UNIFICATION

Sesto, the ex-minister who planned the dismantling of this structure, dislikes the words “elite,” “personalism,” and “market,” declaring, “We have counteracted former cultural policies which limited the national state’s role to lawmaking with no capacity for action. If we had kept on with this policy, exclusion would have advanced further. As of today, there are eight states that don’t have a public or private movie house. If you leave everything to the market, there would be no movies, no bookstores, nothing. How many states don’t have an art museum?”

As a proof of elitism, Sesto adds that seven national museums are located in Caracas, but they do not work together. “When we brought the Mega Exposición to Ciudad Bolívar, *maestro* Jesús Soto told me it was the first time that Armando Reverón crossed the Orinoco. How can you explain this in a country with 26 million inhabitants, a million square kilometers and 33 languages?”

Personalism was even worse than centralization, since institutions, especially in the museum world, were frequently given the founder’s name. Sometimes, names and institutions became confused; for example, the Museum of Contemporary Art of Caracas was commonly known as “Sofia’s museum” until its name was actually changed to the Sofia Imber Museum of Contemporary Art of Caracas. That change by itself is enough to illustrate how things are done in Venezuela and the power wielded by some civil servants. To resolve this “imbalance,” Sesto abruptly did away with the foundations through which the museums operated almost independently, and grouped all the museums together in the National Museums Foundation. “Feudal culture has to be replaced by the culture of teamwork. Now we have a strong cultural policy with articulated institutions,” he explained. He eliminated the individual graphic identities of museums, many of which had been created by Venezuela’s most important designers, and united them under one logo. “The unification of logos helped keep museums from operating individually and prevented greater fragmentation.” Many intellectuals considered this profound restructuring to be a cultural coup that subordinated museums to one single institution and, of course, to a “unified” ideological and political project, as Sesto himself observed.

The unification has resulted in a lack of public programming, isolation from contemporary art trends, paralysis due to bureaucratic control of economic resources, empty spaces and fewer viewings than ever before. The obsession with unification, coupled with political polarization, has alienated many artists, intellectuals, curators and cultural technocrats, and created a sad reality for the great Venezuelan museums.

The case of the museums is not isolated. The situation of theatre and dance is even more tragic. In the last 10 years, in Caracas alone, 22 theatres—both private and publicly owned—have shut their doors, thus threatening the survival of theatre and dance collectives, as revealed by journalist Lisseth Boon’s detailed investigative reporting. The politicization of those cultural spaces that still survive is also representative of the “unifying” tendency of public cultural administration. Sesto says that in 2004, when the

This iconoclastic use of the imagery of Venezuelan popular religiosity is a central aspect of Nelson Garrido’s aesthetic: this page: (top), *El atraco de la Virgen*; (bottom) *el barco de los locos*; opposite page: *la virgen de la leche en polvo*.

government decided to reshape public cultural administration, he was surprised to see people weeping with happiness because they could finally get into the Teresa Carreño Theatre (TTC), which has hosted spectacular national and international performances, especially opera. It is true that the TTC had given free entrance to all for its grand international poetry festival. But that is only part of the story. For example, since 2004, the TTC has lent its space for government rallies. In 2008, the opera season was reduced to two performances. Many shows were canceled or rescheduled because the government was using the theatre for political events.

This unprecedented political use of cultural space has, from the point of view of institutions that have been developing their work for decades and gradually gaining autonomy, resulted in a remedy worse than the illness. It also is a bitter pill for artists who value an artistic tradition based on critical dissidence, and therefore distrust conformist adhesion to the revolutionary project. Many others consider that the public statements of Sesto and other spokespersons



have placed Bolivarian loyalty before merit or talent. Obviously, in the name of “the process,” more than one head has rolled. Paradoxically, in a revolution which preaches workers’ rights, artists, cultural workers and managers who do not agree with the government were encouraged to resign or take early retirement.

It is not surprising that the quasi-feudal personalism represented by Sofía Imber has been singled out for quick, severe and exemplary punishment. One day, Imber, a member of Venezuela’s Jewish community, signed a public protest accusing Hugo Chávez of making anti-Semitic statements. After reading it, Sesto, a courteous and affable man, became furious. “What she said was untrue. So I struck back. In this polarized reality, if you hit me with a stick, I hit you back, if I can. My Christian outlook of turning the other cheek only goes so far.” He then ordered the words “Sofía Imber” to be removed from the museum’s name.

One can only conclude that the forced unification of public cultural administration is a strait-jacket on creativity and independence.

CULTURAL POLICY

The million-dollar question is whether this new focus on public cultural administration, with its drastic measures, is really revolutionary. There is no black-or-white answer. In the publishing field, for instance, the publishing house El Perro y la Rana (The Dog and the Frog) was set up in addition to Monteávila and Biblioteca Ayacucho, to produce low-cost books for mass distribution. Millions of copies have been printed of *Quijote* and *Cien años de soledad*, as well as books by Venezuelan authors. Every city now has its own cultural center. The creation of the Villa del Cine, the Film Villa, a studio similar to the old Italian Cinecittá, has given historically weak movie production a certain professional and industrial air. However, the system of checks and balances that existed in the past has been tossed aside. The best proof of this is Chavez’s direct granting of US\$18 million—an amount equivalent to the budget of nine Venezuelan films—to Hollywood actor Danny Glover to make a film in Venezuela about Haiti’s liberation.



Sociologist Tulio Hernández points out how the obsession with bringing culture to the masses is neither new nor exclusive to the Chávez government. On the contrary, the institutions of the so-called era of representative democracy (1958–1998) also had this idea without ever satisfying the desideratum of the state. According to Hernández, a well-known expert in urban and cultural policy studies and critic of the Chávez government, the concentration of public cultural administration in state hands will not solve the larger problem: a truly inclusive democratization that guarantees access to all types of public.

“Democratizing public cultural administration is only possible when relative autonomy is articulated through decentralization; that is, cultural institutions and local governments in joint action. But it is not possible by turning back the ongoing process of decentralization begun in 1989,” observed Hernández, who in the 1990s was president of Fundarte, a cultural body in Caracas’ Libertador town hall. He cited Colombia’s 2002 Cultural Plan and cultural town hall meetings in Santiago de Chile as examples of democratizing cultural policy. He also mentioned the creation of the Orinoco Museum and the restoration of Ciudad Bolívar’s historic colonial center in the 90s as examples of this process in Venezuela.

Hernández likens the Bolivarian revolution’s populism to *estajanovismo*, the Stakhanovite movement that rewarded increased productivity. “The Culture Ministry becomes passionate when talking about numbers. It asserts it publishes millions of books and puts on hundreds of exhibits in cultural centers and all sorts of festivals. But there’s a problem in determining the effect of these books, exhibits and festivals, for whom and for what are they being produced and if they meet the public’s deepest cultural needs...After ten years in power, the Bolivarian revolution has not managed to produce a clear aesthetic nor anything like a cultural vanguard, as did the Soviet, Mexican and Cuban revolutions.”

CULTURALLY REVOLUTIONARY

So, culturally speaking, is the Bolivarian revolution just a bluff? Definitely not. Sesto made a complete inventory of the artistic heritage in all the country’s museums. He must be credited with reviving the editorial and film sectors, as well as the project for creating an Arts University.

Nevertheless, a large part of the potential for renovation has been misspent on mendacious diatribes against elitism, while codifying a dangerous type of control over the contents of artistic production, thus creating fertile terrain for authoritarianism. Much of the problem stems from the notion that everything prior to the revolution ought to be eradicated, an irrational viewpoint held by many. And there is also the trap of defining what is “culturally revolutionary” in terms of antagonism towards dissidents. If all dissidence against the *Chavista* establishment is counterrevolutionary or reactionary, then “culturally revolutionary” means the culture that backs this establishment. Statism, bureaucratism, and authoritarianism have emerged from the combination of these two erroneous visions, devouring good intentions for inclusion and making slogans such as “The people are culture” and “The revolution of the conscience” even more ironic. All in all, the contradiction between grandiose plans and poor delivery leads to the inescapable conclusion that the centralist vision has led to atrophy of cultural policy.

Paradoxically, the market has reacted quickly to this situation. During this time of diminishing state art production, several private art centers have opened, and commercial theatre is enjoying a boom. It is doubly ironic that the market is rapidly gaining ground that used to be almost exclusively the state’s and that the cultural offerings are concentrated mainly in the wealthy section of town, rather than the western shanty towns.

Some alternative centers have emerged, such as ONG, a self-determined conglomerate of minorities founded by artist and cultural activist Nelson Garrido. Garrido, who comes from an anarchist background, is critical of the lack of cultural policy under Chávez, “I can’t wax nostalgic about the period prior to Chávez, but I must admit that though I was censored in the past, there existed bastions of democracy where one could do things...Today there is only destruction of what once existed.” Garrido founded ONG in 2003 at the height of the confrontation between government and opposition, when many artists took sides. His aim was a center for creative and intellectual growth independent from political strife.

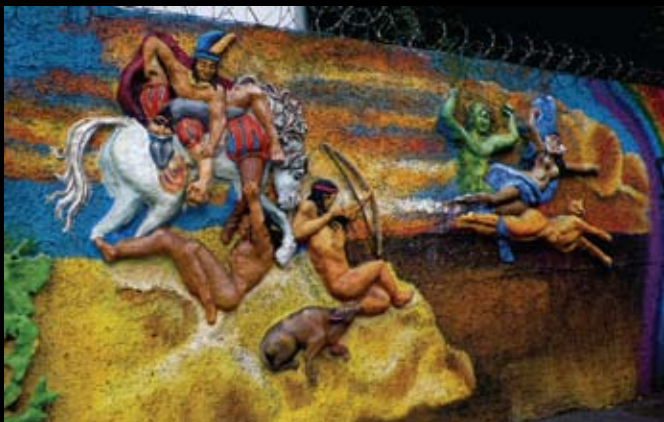
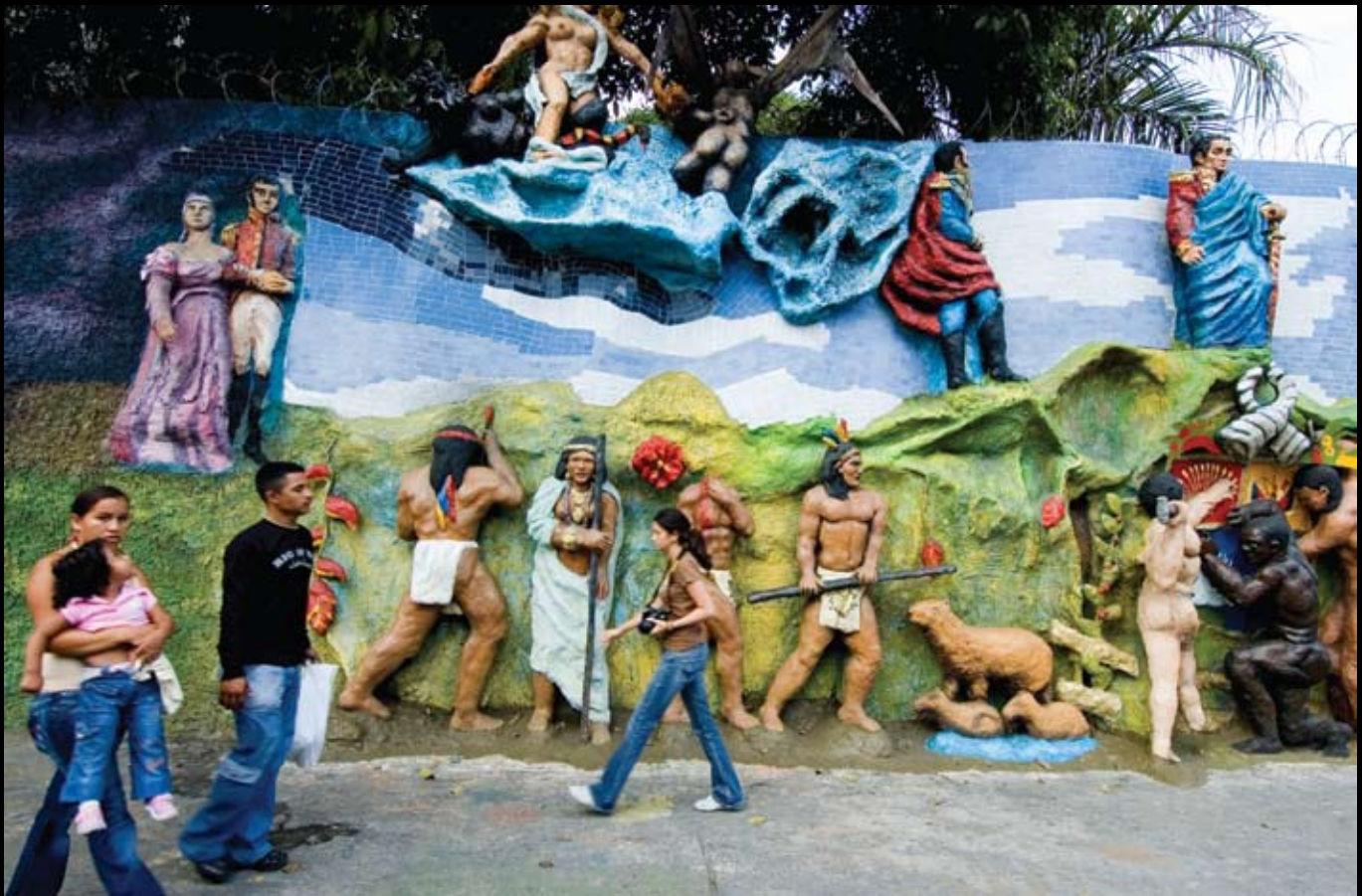
ONG (a clever acronym in Spanish that can be read as Non-Governmental Organization or Organization Nelson Garrido) is located in a small house to the southwest of the city and functions as a study center, artistic laboratory, residence and exhibition gallery. It has become a refuge for many artists who do not adapt to the Culture Ministry’s centralized apparatus or the myriad of private galleries and art centers that have flourished recently in Caracas, such as the Trasncho, Periférico and CorpBanca. The appearance of this type of open space for freewheeling ideological and aesthetic debate is healthy. But only up to a certain point, since, as Garrido points out, these spaces are for minorities. Attendance at MAC openings was 5,000, but in these places, it’s less than 500.

Although cultural access has always been an unfulfilled aspiration, the founders of pre-Chávez cultural institutions worked for thirty years to promote artistic and intellectual plurality. Curiously, present-day cultural administrators have the notion that it’s necessary to do away with plurality in order to increase access and revolutionize consciousness. Their only coherent vision has been to construct a new hegemony based exclusively on revolutionary belonging. Venezuela is not the Soviet Union, but this hegemony has had victims: talent, critical capacity and efficiency. This is profoundly anti-democratic and goes against the very nature of the inclusion the government says it seeks.

In other words, the government’s populist doctrine is inclusion and its practice exclusion. And the real problem is that the doctrine has been slowly percolating into the collective consciousness until it seems unquestionable, but there has been no collective questioning of the government’s cultural practice. So far, its words speak louder than its deeds.

It is frightening to think what the next generation’s cultural legacy will be.

Boris Muñoz studied Latin American literature at Rutgers University and has been a fellow at the Frontera Institute del Dartmouth College. On returning to Venezuela, he was the editor in chief of Nueva Sociedad. He currently teaches Venezuelan Literature and Culture at the Universidad Central de Venezuela and is editor of the magazine Exceso. His most recent book is Despachos del Imperio, Random House Mondadori (2007).



In the lower-class neighborhoods where the Chavista movement has its strongest hold, neo-figurative muralism has emerged.

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Barrio Adentro

A Look at the Origins of a Social Mission

BY ARACHU CASTRO

BARRIO ADENTRO, A SOCIAL PROGRAM that has expanded throughout Venezuela providing health care to city slums and rural communities, started in the Caracas municipality of Libertador—which includes slums with extreme poverty and high population density. In 2002, the Local Development Institute (IDEL), an agency responsible for social programs in this municipality, found in a door-to-door survey that the community's pressing needs included transportation to get to a hospital in an emergency, better food to combat malnutrition, and opportunities to play sports. It had been a difficult year to obtain health care. The *paro médico*, in which doctors went on strike for better benefits and wages, caused most of the country's outpatient clinics and public hospitals to shut down or open only for brief shifts.

In January 2003, the Libertador City Hall began advertising positions for medical doctors, seeking to launch a comprehensive health program that would go deep into the slum (*barrio adentro*) and that would rely on the permanent presence of doctors. The new program would also include an education program and sports activities. However, the Venezuelan Medical Federation, which had sponsored the national strike, pressured its members not to apply for the jobs, and only a few did so. Most of the doctors refused to live in the slums, citing union issues related to hazardous working conditions. A month later, the Libertador

City Hall contacted and met the Cuban Medical Mission, which had been providing humanitarian aid in Venezuela since December 1999, following a major flood in the state of Vargas. Since then, a number of Cuban physicians had remained to help develop a comprehensive health program in places of great need throughout the country. The meeting led to the signing of a technical cooperation agreement between Libertador and Cuba.

In 2003 alone, Barrio Adentro handled 9,116,112 patient consultations and performed 4,143,067 health education interventions. How did this local program grow to become a nationwide social mission? To provide an answer, in 2006 the Pan American Health Organization and the Ministry of Health of Venezuela invited me and others to join a commission to document the functioning of Barrio Adentro. Although I had never worked in Venezuela before, I had the experience of several years of conducting research on the Cuban health system as part of the collaboration between Harvard University and the Institute of Tropical Medicine Pedro Kourf in Havana, initiated in 2001.

ARRIVAL OF THE FIRST CUBAN PHYSICIANS IN BARRIO ADENTRO

In mid-March 2003, a team of three Cuban physicians began to work with IDEL to develop what was then called the Barrio Adentro Plan. The Cuban team met with slum residents—some of whom were

organized in urban land committees—to explore possibilities for housing some 50 Cuban doctors and setting up dispensaries in the homes of people who offered space. As a result of this consultation process, the slum communities became organized into groups that later evolved into health committees—representatives elected in open neighborhood meetings that share a dispensary (*consultorio popular*) and assist the physician in his or her preventive and educational health activities.

The Cuban team spent a month visiting homes of people who had volunteered to participate. Despite their poverty, most of the slums had access to electricity, running water, and wastewater disposal, particularly since the creation of the *Mesas Técnicas de Agua* in 2000—aimed at working with the communities to make drinking water available—which proved a major advantage for the growth of Barrio Adentro. The condition to host a doctor was to be able to offer a bed and a bathroom. To host a dispensary, they needed to offer enough space for a stretcher, a table, two chairs, and a curtain. Residents donating space had to allow access to any person in the slum regardless of social status or political affiliation, and all care had to be provided free of charge to the patients.

Kids playing (top left); one of the first locations for a Barrio Adentro clinic, no longer used as such, in Libertador, Caracas (top right); team of Cuban doctors (bottom).



Harvard University and its faculty are involved in many ways in Venezuela through research and action. Here we present a variety of projects ranging from ecology, health, and architecture to the study of orchids.



VENEZUELA

All Cuban physicians participating in Barrio Adentro, with an average of ten years of experience in Cuba and abroad, had to be specialized in comprehensive general medicine, a residency program that lasts three and a half years and includes internal medicine, pediatrics, obstetrics, and preventive medicine; more than 30 percent of those who went to Venezuela had a subspecialty and more than 70 percent had additional specialization.

By the beginning of April, the Cuban team, working closely with IDEL, found space for 50 doctors, who arrived in mid-April. Their impending arrival had generated a mix of high expectations and skepticism because the slum communities could not believe that a political promise would materialize so quickly. In the words of one of the first Cuban physicians to arrive in Caracas:

When we arrived in the slums, people could not believe that we were there, because they told us that many administrations had come and gone and made many promises. Everyone had come and promised them something, and then afterwards nothing had changed. When they saw us, they couldn't believe their eyes, because they had assumed that it would be just one more broken promise.

Some of the promised spaces were not even ready when the physicians arrived. However, the communities mobilized to meet the challenge, and within a day the housing was arranged. According to one of the first people to welcome the Cuban doctors:

They came straight from the airport to our homes. We were expecting them. We had gone to a lot of trouble to get everything ready, with a lot of embarrassment, but with great tenderness and care. And they quickly settled in.

The communities that welcomed the first doctors, fearing that they were not going to stay long and knowing that the living conditions they offered were not very grand, started to look for more opportunities to expand the program and improve the housing and working conditions for the doctors. Some neighbors donated mattresses, curtains, tables, and other utensils to improve conditions in the dispensaries; others donated food. Those who took part in this momentous effort look back on it as a challenging time but one that led to



Images: (left) caring for the sick; (middle) a Cuban doctor; (right) outside a Barrio Adentro clinic.

major achievements in claiming the right to health—and in building social cohesion in slums whose residents used to fear and mistrust their neighbors.

During the morning and into the early afternoon, the doctors took care of all the people who came, at first about 80 a day. Later in the afternoon they would go into the hills (*cerros*) to take a census, one household at a time, recording prevalent diseases, immunization histories, and nutritional status; identifying the main social problems such as illiteracy and overcrowding; verifying the availability of drinkable water and food; and, in the process, seeking out new places to accommodate the more than 150 doctors who were about to arrive.

The physicians reported their findings to the Barrio Adentro Coordinating Team, a team of Cuban epidemiologists stationed in Caracas. The epidemiological information system painted a thorough picture of the health situation in the slums, about which very little had been known until then. The two main social problems that were identified were malnutrition and illiteracy.

As the Cuban doctors treated both acute and chronic cases, the communities began to trust them. Up until then, many people in the slums had distrusted the doctors who had taken care of them in the emergency rooms of Caracas public hospitals. Many others had never known a doctor who would make house calls. This situation got even better when free medications became available in the dispensaries.

More than 100 additional doctors arrived in May 2003. They were sent to other slums in the hills of Libertador and to other parts of Caracas, such as the municipality of Sucre (another hilly area in the state of Miranda)

and downtown Caracas. As new doctors arrived, they reached deeper into the communities, thus reducing the population that had been historically excluded from access to health care.

In December 2003, the Plan Barrio Adentro was established by decree as the first Social Mission, published a month later in the Official Gazette—by which the government decided to extend Mission Barrio Adentro to all of Venezuela. Barrio Adentro reached beyond the metropolitan area of Caracas to incorporate the state of Zulia; the rest of the municipalities in the state of Miranda; the states of Barinas, Lara, Trujillo, and Vargas; and, ultimately, the rest of the country. Barrio Adentro gradually became organized throughout Venezuela into its current administrative structure, in which health committees help draft health policies, plans, projects and programs, as well as carry out and evaluate the mission's management.

SOME OBSTACLES

While doctors and communities were fighting against disease and malnutrition, Barrio Adentro also confronted a mass media campaign against the presence of Cuban physicians in Venezuela. For political reasons, the Venezuelan Medical Federation spread word in the media that the Cuban physicians were not trained to practice medicine. However, the signing of an agreement with the Metropolitan District Medical School in May 2003 legally validated the qualifications of foreign physicians to practice medicine within the Barrio Adentro framework. The Federation responded by filing suit, and the Court decided that the Cuban physicians could not practice medicine in



Venezuela. The media announced that the Cuban physicians had to leave the country, news that generated a groundswell of support for Barrio Adentro. The Metropolitan District Medical Association defused the situation by explaining that the Cuban physicians were not filling jobs but rather were on a humanitarian mission. However, the campaign created mistrust and made it harder for the Cuban physicians to convince patients to trust their diagnosis and recommendations.

Another obstacle involved medical prescriptions. Physicians arrived with drugs, but not always enough, leading them to prescribe drugs to purchase in pharmacies. Some did not want to fill the prescription if it bore the municipal and Barrio Adentro logos. Three weeks after the Barrio Adentro plan had started, Cuba shipped a more complete supply of 55 essential drugs. The municipal office provided a storage area, and the Cuban physicians took turns packaging and distributing them to every Cuban physician in Venezuela. In January 2004, based on health data collected, a group of 106 essential drugs began to be distributed twice a month to every Cuban physician in the entire country. The Venezuelan Armed Forces provided logistical support.

Since the conventional health system opposed Barrio Adentro, most of the public hospitals refused to receive patients referred by Cuban doctors. The Caracas Military Hospital, followed by the Caracas University Hospital, were the only ones early on that accepted referrals from Barrio Adentro for either diagnosis or hospital care. To expand the referral network, in mid-2003 the National Commission of Venezuelan Physicians created a directory of physicians in various public hospitals who were

willing to cooperate with Barrio Adentro and receive its patients. This extra-institutional network was in the process of being formalized in October 2004, when a new mayor of Greater Caracas was elected and lent his support to Mission Barrio Adentro, establishing official links with the city's Health Secretariat.

TOWARD COMPREHENSIVE HEALTH CARE

The use of private homes as dispensaries and to house doctors was a temporary way of addressing the urgent need to serve the population in the slums. More formal structures needed to be created to develop Venezuela's National Public Health System. In August 2004, Barrio Adentro, in collaboration with local communities, began the construction of the first health modules—simple rectangular or octagonal brick structures that provide both dispensary space and housing for medical personnel within the community. Their location was chosen so that they would serve between 250 and 350 families. The dispensaries are backed up by centers of higher level of medical complexity: comprehensive diagnostic (*Centros de Diagnóstico Integral* or CDI), high-technology (*Centros de Alta Tecnología* or CAT), and comprehensive rehabilitation (*Salas de Rehabilitación Integral* or SRI) centers.

In the process of building the Barrio Adentro modules, the communities, working together with the Ministry of Health and with the Cuban Cooperation, became involved in activities ranging from certification of the land for location of the modules to approval of the decisions in town council meetings. Through these activities, community members have been building social networks, helping make decisions about public

policy, and developing a culture of ownership and collective participation in activities that seek solutions to improve the quality of life in poor neighborhoods.

Barrio Adentro achieved in a short period of time the materialization of the right to health care for millions of Venezuelans. For others, it is seen as an instrument to “cubanize” the Venezuelan society and to turn health checkups into votes for the governing party; some fear that the success of Barrio Adentro may preclude private medical care in the not so distant future. Because the existence of Barrio Adentro relies on community organization, it is undeniable that the program has created a new space for political participation and activism that has forcefully extended throughout Venezuela. Whether the change is seen as the onset of socialized medicine or as the response to a historical social debt, the lives of many have taken paths that will be hard to reverse.

Arachu Castro is Assistant Professor of Social Medicine in the Department of Global Health and Social Medicine at Harvard Medical School and co-director of the Cuban Studies Program at Harvard University. The article is based on the interviews she conducted in Venezuela in 2006 while doing research with the Pan American Health Organization for the book Barrio Adentro: Derecho a la salud e inclusión social en Venezuela (Caracas: Organización Panamericana de la Salud, 2006), in which she worked in collaboration with Renato Gusmão, María Esperanza Martínez, Sarai Vivas, and others. She has published two books and several articles in medical, public health, and anthropology journals.

Forum Venezuela

Moving Students, Student Movements

BY FEDERICO ORTEGA, SAMY ESAYAG AND DANIEL LANSBERG-RODRIGUEZ

HARVARD'S FORUM VENEZUELA, A STUDENT-run organization, seeks to promote awareness of Venezuelan issues and culture, while connecting Venezuelan students living inside the United States both to each other and to their countrymen and women back home.

The Forum was founded in the mid-1990s by Kennedy School of Government students who wanted to reach out beyond the confines of the school and to the sizeable but disconnected Venezuelan community in the United States. The Forum had grown outside Harvard's gates and expanded to New York City and Washington D.C., managed by Venezuelan students from other local universities.

For more than a decade, the Forum has hosted dozens of talks, presentations, discussions and other cultural events about Venezuela. It has become a space that helps build relationships around common projects and plans that aim to promote the development of Venezuela.

THE 2007-2008 SCHOOL YEAR

Throughout the 2007-2008 school year, Forum Venezuela hosted multiple discussion groups and presentations for Venezuelans in Boston, as well as movie nights for the general community. Topics ranged from *Music in Venezuela* to *Illicit Economies and Private Property Laws*.

Then in late 2007, a proposed constitutional reform (which would have done away with term limits in Venezuela) was voted down largely because of a university student movement that seemingly came out of nowhere to become a political force in that country. Forum Venezuela took a great interest in these developments and successfully nominated the student leader of that national movement, Yon Goicoechea, subsequently chosen as one of the "Rising Stars" of the *Kennedy School Review*.

Once connected with student counterparts back home, Forum Venezuela put together a series of events that brought Goicoechea, as well as student leaders Geraldine Alvarez and Douglas Barrios, to Harvard in

May 2008 for a series of events, including talks at Harvard's Kennedy and Education Schools and a well-attended public presentation for the greater Boston community.

THE YEAR TO COME...

This incoming academic year also promises to be an exciting one for Forum Venezuela. FV's mailing list has already connected hundreds of Venezuelans from the "diaspora" through an email server and a Facebook group offering updates on upcoming events as well as a platform for discussion. Of course, Forum Venezuela will continue to host movie nights and cultural events for the Harvard community. Furthermore, talks are currently taking place with prominent individuals from sectors as varied as the music world, the military and the Venezuelan Consulate in the hopes of bringing more Venezuelan speakers to Harvard. The belief is that such events not only raise awareness of the country but foster an atmosphere in which different views can be debated and the richness of Venezuelan life can be showcased.

An unfortunate by-product of the political tensions embroiling the country at present is that conversations on Venezuela are often focused merely on attacking or defending President Hugo Chávez and his policies. Forum Venezuela faces the challenge of presenting the nation's politics, while at the same time exposing Harvard students and others to the vibrant culture, natural beauty and rich history that also define Venezuela.

WIKIPAIS: THE ACADEMIC BLOG

The biggest project that Forum Venezuela will work on during next year is the launch of *Wikipais*, a web-based academic blog for Venezuelan policy-making. This blog intends to serve as the tool that the most experienced analysts and policy-makers will use to design, develop and promote the public policies needed in order to let Venezuela work its way out of poverty, inequality and economic instability.

The blog has two main rules: authors will focus on the future rather than the past, and authors will not use this tool to promote their individual political agendas. Blog readers will vote on their favorite policies and provide feedback to the authors. Authors will amend their policies based on the comments provided. The final proposals with the most number of votes will be promoted and implemented by the Fundación Futuro Presente, an NGO created by Yon Goicoechea and other members of the Venezuelan Student Movement to promote the social and economic development of our country.

The main benefit of this blog is that it helps to formulate common (rather than individual) knowledge to create efficient policies. Similar to the way Wikipedia works, this blog intends to build on the arguments and proposals exposed by others.

In Venezuela, as in many other countries, the political debate is mainly centered in the past: analysts boost themselves by criticizing governments and NGOs, blaming their policies for continued social and economic unrest. Chávez's opponents argue that his mandate has not been able to amend problems such as the inefficient public healthcare system and growing insecurity in citizens' lives, but they in turn have failed to provide viable solutions.

Hence, the main intent of this blog is to create an atmosphere that focuses on the future. Comments and proposals that do not abide by this rule will be sent back to their authors for revision. This way, we will guarantee that the blog does not become a space for meaningless political debate but rather a place that helps create the most efficient policies.

We are excited about this initiative and invite you to help us make this project a reality.

For inquiries or to learn more about Forum Venezuela, please contact Samy Esayag at: samy_esayag@ksg09.harvard.edu or Daniel Lansberg-Rodriguez at: daniel_lansberg-rodriguez@ksg09.harvard.edu.

A Design Revolution

Caracas On The Margins

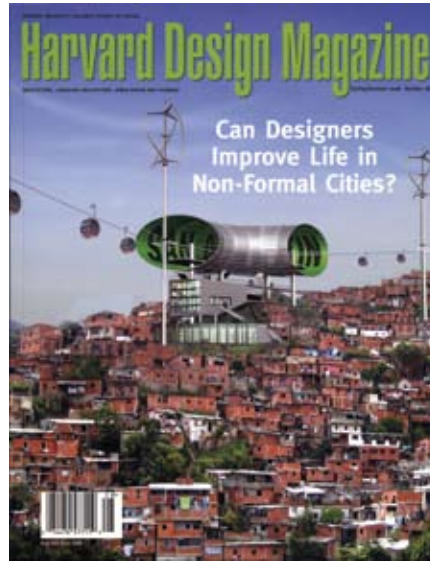
BY ALFREDO BRILLEMBOURG AND HUBERT KLUMPNER

WE WRITE WITH A SENSE OF URGENCY as we hear the deafening sounds of the city. When we read that the price of oil has rocketed to more than \$140 a barrel, here in Caracas we are reminded of the impact of oil on the development of our city, first by despotic petro-populist development and later by hyper real petro-dollar development. Caracas continually faces blind building aggregation and arbitrary political decision-making, but as our colleagues John Beardsley and Christian Werthmann stress in their groundbreaking exhibit “Dirty Work: Transforming the Landscape of Non-Formal Cities in the Americas” at the Harvard Design School, architects need to address this development. We must develop new tactics to deal with the massive economic, environmental, infrastructural, and social failures of recent urban excesses in the Global South. As indicated by our participation in that exhibit, we believe that as informal settlements become increasingly prevalent throughout the world, successful local projects could establish a framework for practices that would translate to other comparable global cities.

THE METROCABLE

Our most recent design initiative in this context is the Metro Cable project, showcased at the Dirty Works exhibition. An aerial ropeway offers an alternative access system to residents of the marginal San Agustín neighborhood, connecting more than 40,000 people with the Metro system of Caracas. When in 1993 the government proposed to put a road network through the *barrios* (as the informal settlements are called here), displacing up to a third of inhabitants and disrupting their way of life, the local community was in uproar. The Urban Think Tank (U-TT) team acted and developed this design solution with international expertise, Austrian company Doppelmayr Ropeways and the local community. The government backed down and the first line is due to open next year.

U-TT proposed additional programs in each of the five stations to meet community



Harvard Design Magazine featured a report on “Dirty Work: Transforming the Landscape of Non-Formal Cities in the Americas,” an exhibit on informal settlements.

needs, such as a vertical gym, a rehearsal space for the Venezuelan Youth Orchestra, a radio station with a public viewing platform and multiuse green spaces.

This connect-the-dots transport scheme has the considerable virtue of being cost-effective and minimally invasive of the community fabric, woven into it only at five discrete points. The hilltop stations, set into densely built neighborhoods, rest on stilts to avoid all but the absolutely essential demolition of homes. Like the gondolas themselves, the stations float above the ground, a near-perfect expression of an ideal intervention: one that facilitates and connects without imposing, that emerges literally and figuratively from the community it serves. It avoids urban restrictions by physically connecting the community of the *barrio* with the infrastructure of the ‘formal’ city.

BEYOND ARCHITECTURE

After working in Latin America for more than 20 years, we believe that developers, city administrators, architects and planners not only have the ability but also a responsibility to be part of a sustainable city creation. Cities call for design focused on needs, not just

on form creation. Today, globally, almost every design discussion focuses on what the design means and whether it will sell rather than on what it does. Hence understanding the performative and social role of architecture becomes paramount. Furthermore, all intelligent planning and design should be resistant to the inevitable political and economic fluxes that lie ahead. This cannot be achieved without the active contribution of technology transfer and research funding from leading corporations such as oil companies.

In 1998, we established the Urban Think Tank, both as a private research center and independent practice engaged in architecture, urbanism, and cultural studies. We are committed to fostering a collaborative, multidisciplinary research community that brings together science, art and professionals whose ideas and work will broaden the vision of city administrators and encourage them to explore previously ignored and uncharted realms of the various configurations of the Latin American Metropolis. We seek to assist communities and those who represent their various interests in building a literal and figurative common ground, based on the principles of tolerance, cohabitation, and sustainability, by making available to them new knowledge and a new set of architectural principles that respond to the social realities of the contemporary Latin American city.

Cities are traditionally studied in the context of a single discipline: economics, politics, media studies, ecology, architecture, or sociology. But an interdisciplinary approach to the creation of urban environments is essential to understand what now exists and to invent new paradigms for South America’s exploding cities. The current problems of massive urbanization cannot be solved in a unitary, isolated fashion, but require multiple and simultaneous approaches. Yet we have found that design schools fail to respond to the urgent problems of “real life” in the *barrios*, even though the southern hemisphere is in desperate need of such responsive and thoughtful projects.

PETARE NEIGHBORHOOD

One telling example of Caracas's explosive disorderly urban expansion is Petare on the eastern hills of the city. Density and insecurity make census-taking virtually impossible, but the neighborhood has been thought to house close to one million residents.

The urban settlement emerged, with dramatic culminating effect, because of the construction of a highway and the subsequent chain of real estate transactions. Ironically, such public works, intended to modernize and improve living conditions and to integrate communities, have resulted in even greater segregation, raising nearly insurmountable barriers.

Construction of the highway took a decade, during which time Petare's foothills were occupied by workers' barracks, making it eventually a prime site for squatters. Ongoing negotiations between the landowners whose property was seized for highway construction and the local municipality resulted in eventual compensation for the landowners, who were allowed through an ordinance to construct a 14-story residential tower on the flat land along the highway. Inhabitants on both sides of the highway suffer from missing or badly maintained infrastructure, poor security, drug-related crime, and the absence of public spaces and recreation. Each side has fortified itself against the other, and everyone blames everyone else.

There have been many critical junctures and revelations in the course of our work, but our first walk through Petare was a major turning point. Horacio, one of the original founders of the Julián Blanco Petare Norte sector in the barrio, invited us to have coffee in his house. Standing in the passageway looking out through the open concrete frame, we saw the most extraordinary urban space. We were inside a mountain of interlocking red brick houses, looking out over the ruins of the modern city. From that vantage point, we saw a deconstructed landscape of raw red block, a massive construction site of detached concrete pillars and steel scaffolding. Nothing in our past training in New York and Vienna had prepared us for that reversal of perspective, for seeing the city as *barrio* dwellers do. That experience was the impetus for our efforts over the past ten years, which have focused on designing and building small projects that could eventually lead to a city based

on connections between the planned and unplanned.

We have also come to understand that the informal development of cities is a global phenomenon; it fills every space left by the erosion of regulated structures in cities around the world. In the large cities of the developing world, the speed of decline in social services, welfare, housing, public schools, and income from taxes has been enhanced by population increase and the resulting growth of informal settlements. This is especially evident in cities like Caracas, which have not adapted fast enough to their new economic and social realities.

The focus of Urban Think Tank (U-TT) on the poor is not a matter of “uplifting” them, but of learning from and applying the social and urban transformations initiated by their community organizations.

In Caracas, poverty has always been in the background—pervasive but unacknowledged. Now that the poor are organizing, acting, asserting their rights—not least the right to vote—and assuming the duties of citizenship, they are increasingly more difficult to ignore or marginalize. And it is significant that the freedom they seek is less a matter of being relieved of burdens than of being permitted to be engaged in and take responsibility for their lives, homes and future. Thus our focus on the poor is not a matter of “uplifting” them, but of learning from and applying the social and urban transformations initiated by their community organizations

A particular challenge in our work has been to develop design solutions that respond equally to community needs, financial limitations, and a vision of the future—to find the best balance of pragmatism and idealism. One approach is what Ignasi Solá Morales has defined as “City Acupuncture,” small-scale, highly localized interventions. These pilot projects are quickly completed, sometimes with only sketchy construction drawings, and have a direct, measurable effect on the immediate community. We think of this as “street vendor architecture.” Among the first of these was the Mama Margarita Orphanage for street children. The community had no financial support from the government; we

were enlisted to identify a site and develop a low-cost design solution. The site we found under a highway bridge in Petare—like that for another project, the Vertical Gymnasium in the barrio La Cruz in Chacao, or the urban cable car project, now under construction. What these projects have in common is that all were abandoned municipal spaces that have now become a focal point for the desired community.

Because Caracas is our home and the Global South our culture, we developed subversive architectural ideas that have allowed us to endure our innovative yet complex practice in Caracas. From system-

atic propositions of public spaces under highways to the construction of instant activist architectures, we find no time for incubating in the traditional sense of the profession; instead, we negotiate conventional and unconventional practices.

Thus U-TT has deliberately shifted from the formal traditional master plans to a strategy of activist architect who operates as initiator, mediator and designer. The speed at which changes take place in urban space suggests specific places and conditions, so the design and construction of this space constantly require regenerating mechanisms which address the particular factors of the various places and their interaction with global changes and systems. For institutions, the idea of a global process is an attempt to simplify and control all possible forms of behavior and action. We propose urban models that aim to reflect the spatial necessities of a society in need of equal access to housing, work, technology, services, education and resources as a principal right for all city dwellers.

Alfredo Brillembourg and Hubert Klumpner are founders of the Urban Think Tank in Caracas. Their work on the San Agustín Metro Cable was featured at the exhibit “Dirty Work: Transforming the Landscape of Non-Formal Cities in the Americas” at the Harvard Design School.



Plants Under Stress In The Tropical High Andes

Learning from Venezuela and Beyond

BY FERMIN RADA

TROPICAL MOUNTAINS ARE PRIVILEGED places for ecological studies. Going up and down the slopes, like the ones surrounding my home town of Merida, Venezuela, we may simulate changes in temperature. While moving from one slope to the next or moving along seasonal precipitation gradients, we may study plant responses to water availability. These studies have shed light on identifying possible climate change effects on vegetation. Since the early 80s, we researchers at the ICAE (Instituto de Ciencias Ambientales y Ecológicas, <http://web.ula.ve/ciencias/webicae>) have been studying how plants in the *páramos* manage to sur-

vive under the extreme conditions there. As the 2007–08 Cisneros Visiting Scholar at DRCLAS, I am expanding my investigations about these plants, their behavior and environmental implications.

Plants around the world suffer from ambient stress. Among the many kinds of stress, two of the most severe are temperature and water availability. However, plants survive in extreme environments where temperatures may be well below freezing or excessively high, and in permanently flooded sites as well as exceptionally dry locations. Evolution processes have shaped plants through complex combinations of

anatomical, physiological and morphological traits that have allowed them to adapt to extreme conditions.

Tropical high mountains are found along the equatorial zone above the natural limit of the continuous forest line (timberline) roughly at around 10,000 feet. Venezuela is one country in the tropical Andes that shelters these ecosystems, known as *páramos*. Ecuador and Colombia also have many *páramos*, and a few are found in Costa Rica, Panama and Peru.

A *coloradito* forest at unusually high altitude (13,000 feet).



Frailejones, the most common plant on the páramo appear to be covered in snow (left); the variation in temperature on a single day can be extraordinary (right).

The páramos present very special climatic conditions. They have very little temperature change from season to season, but the variation in temperature in a single day can be extraordinary, like going from a hot summer day in Cambridge to the coldest winter climate in a period of 24 hours. For instance, plants growing at 13,000 feet in altitude may be subjected to temperatures below 5°F at night to above 104°F during the day. And more importantly, these freezing temperatures may occur any night of the year. Plants in temperate regions take advantage of a favorable growing season beginning in spring, while towards fall, a preparation phase is initiated to survive through the unfavorable winter months, mainly through leaf loss and dormancy. In contrast, páramo plants have to maintain resistance levels throughout the year to withstand low night-time temperatures. At the same time, in general, páramos are subjected to seasonal variations in precipitation, therefore creating an important water stress during dry seasons that vary from one area to another.

We began by studying giant rosette plants known as *frailejones*, the most common plant in the páramos. *Frailejones* have many different species, but all sport a single stem with a rosette on top. They come in many sizes, from a few inches to 10 feet tall. Dead leaves cover each stem; living rosette leaves move inward to protect the bud at night. The role of both dead and living leaves is to provide

very efficient mechanisms through which these plants maintain favorable temperatures during the cold nights. Rosette leaves are capable of maintaining unfrozen water in their tissues at very low temperatures, down to 0°F in some cases. This capacity to maintain water in a liquid state at temperatures well below freezing, known as supercooling, is also found in other páramo plants. Most of the other plants studied, mainly forbs and grasses, together with some shrubs, tolerate ice formation in their leaf tissues. The freezing process occurs outside the cells, thus avoiding damage to inner cell membranes and organelles through the formation of ice crystals. Plants may freeze and thaw any night of the year and carry on their metabolic activity during the day.

Another plant formation which stands out along the Andes, from the páramos down to Argentina and Chile, are the *Polylepis* forests. About 26 different species belong to this genus, all of them trees growing well above the altitudinal limit of continuous forests. In the case of *Polylepis tarapacana*, the trees can thrive at altitudes of 17,000 feet above sea level. These are the tree species that grow at the highest altitudes in the world. In Venezuela, there is only one species, *Polylepis sericea*, which grows up to 15,100 feet, well above the continuous forest limit of 10,000 feet at this latitude. There are many hypotheses as to why trees don't grow at higher altitudes. Understanding how *Polylepis* functions will let us under-

stand the different characteristics trees need to be successful at higher altitudes.

In these last two and a half decades of research in tropical high mountain plant functioning, we have assembled a vast amount of knowledge on plant responses to the extreme conditions of these ecosystems. Understanding freezing resistance mechanisms, responses to water deficits and CO₂ assimilation characteristics in different plant life forms have helped us elucidate various aspects of these ecosystems. These climate extremes demonstrate the capability of plants to adapt to these very special conditions. Moreover, these extraordinary features of adaptability provide us with the necessary information on possible climate change effects on these and other plant species. The páramos are a unique, but at the same time, very fragile ecosystems which require particular attention in order to protect them. And in the process of protecting them, we can learn much about the strategies for adaptation in this world of looming climate change.

Fermin Rada is currently a Cisneros and a Charles Bullard Fellow at Holbrook's Laboratory, Department of Organismic and Evolutionary Biology, Harvard University. He has a Doctorate Degree in tropical ecology from the Universidad de Los Andes, Mérida, Venezuela. His main area of research is plant physiological ecology. He can be reached at frada@oeb.harvard.edu.

Collecting Orchids

In the Venezuelan Orinoco-Amazon Interfluvium

BY GUSTAVO A. ROMERO-GONZÁLEZ AND CARLOS GÓMEZ

ORCHIDACEAE ARE BY FAR THE LARGEST family of all flowering plants, with species occurring all over the planet except in its very coldest and driest habitats. However, as is the case with most other living organisms, orchids are not evenly distributed. Most species grow in the tropics; as we approach the poles, their numbers diminish rapidly. The United States and Canada, for example, have approximately 208 species; Mexico, some 1250 species in about half the combined surface area of the

two former countries, and Colombia has more than 4000 species in approximately half the area of Mexico. Ecuador is an even more striking example: there are more than 4000 orchid species in this country that has a little more than 25% of the surface area of Colombia.

Orchids are not uniformly distributed even within the neotropics. Their greatest diversity is found in humid, montane forests between 2600–8200 feet, and the orchid flora of lowland forests has long

been regarded as “depauparate.” Do these low counts reflect the actual orchid diversity or merely what collectors have detected? In other words, are there truly fewer orchids in these lowland forests or are they yet to be found? We will address this question using data from research we are presently conducting in southern Venezuela. We are seeking to document every orchid species found in the study area.

In contrast to Colombia and Ecuador, the checklist of Venezuelan orchids currently



VENEZUELA

includes approximately 1500 species and it is not expected to exceed 1600 species. Why? Orchids are particularly diverse in montane forests found along the Andes, where some lineages of *Orchidaceae* have proliferated (especially the subtribe *Pleurothallidinae*). Colombia and Ecuador are privileged because several mountain chains of this complex cordillera are found within their borders. Venezuela, with barely a small portion of the northern Andes, shares only a fraction of this high orchid diversity. Within Venezuela, the number of orchid species is evenly distributed north and south of the Orinoco River, with the highest diversity found along Andes, the Cordillera de la Costa (and a few other isolated, adjacent mountains such as Sierra de San Luis) to the north, and the sides and summits of “tepui” and “cerros” to the south.

Venezuela south of the Orinoco River, better known as the Venezuelan Guayana, includes three states: Amazonas, Bolívar, and Delta Amacuro, a region that occupies 175,000 square miles, slightly less than half the surface area of the entire country. About 88% of the Venezuelan Guayana drains towards the Orinoco, and the rest drains towards the Río Negro, the largest tributary of the Amazon River.

It is precisely in this small portion of “true” Venezuelan Amazonia (as opposed to Orinoquia) where our study site is located: Municipio Autónomo Maroa. This municipality occupies 5,405 square miles (about the size of Connecticut), has approximately 1,722 inhabitants, and is one of seven such political entities into which Amazonas State is divided. We have concentrated our collecting efforts in the different habitats found along the Yavita-Maroa road, a famous 20 mile portage that communicates the two largest rivers of South America. Yavita is a small village at the northern end of the road, which drains towards the Orinoco; Maroa, the capital of the Municipio Autónomo Maroa, is at the southern end that drains towards the Amazon. The *divortium aquarum*, the imaginary line that divides the two basins, is found somewhere along the portage.

The trajectory of the road has changed dramatically since it was first reported in the literature in 1779 (by the Jesuit priest Antonio Caulin in his *Historia Corográfica Natural y Evangélica de la Nueva Andalucía*, on page 76 of the first edition printed in



Previous page: *Acacallis fimbriata* (Rchb.f.) Schltr. This page: *Maxillaria superflua* Rchb.f. Opposite page: (top left) *Epistephium hernandii* Garay; (top middle) *Catasetum pileatum* Rchb.f., female flowers; (bottom left) Two views of an unidentified *Vanilla* species; (far right) close-up of *Paphinia dunstervillei* Dodson & G. A. Romero.

Madrid) and since the famous naturalists Alexander von Humboldt and Aimé Bonpland walked it in May 1800. The road was altered in the early 1800s, some years after Humboldt's and Bonpland's visit, and then again in 1978, but all three configurations generally cross the same habitats. Among these habitats are Amazonian savannas (savannas with few shrubs and true grasses but many species of *Bromeliaceae*, *Cyperaceae*, *Rapateaceae*, and *Xyridaceae*, as well as a few *Orchidaceae*); “banas” or shrublands (basically savannas with a high density of small trees and shrubs, where a multitude of epiphytic and a few terrestrial orchids can be found); “caatinga” forest (medium-size forest with a fairly open canopy where, again, some epiphytic and terrestrial orchids can be found); and tall, *tierra firme* forest (where many epiphytic orchids can be observed, albeit almost always fairly inaccessible in the upper canopy). Except for *tierra firme* forests that never flood and where soils tend to have some clay, all other habitats are subject to periodic floods and grow on white sand. Among the botanists who have walked and collected along this road were Alfred Wallace, Richard Spruce, John J. Wurdack, and Julian A. Steyermark (along the second road), and more recently, Otto Huber, Paul E. Berry, and Gerardo

Aymard (along the third road). In the past five years, our team has conducted collecting expeditions also along the northern border of the Municipio (Caño Mesaque and Caño Chimita in the drainage of the Atacavi River, a tributary of the Atabapo River that drains into the Orinoco), east of the road (Temi River, also a tributary of the Atabapo River, including one of its tributaries, Caño Tuameni or Tuamini), south of the road (San Miguel River that drains into the Guainía River), and along the eastern border (Casiquiare channel that, when joining the Guainía, forms the Río Negro).

All available references to the orchids of Venezuela were consulted when we initiated our project in 1989. After an exhaustive search, we found only eight orchid genera and eight species reported for the road and its immediate vicinity. By the time the *Flora of the Venezuelan Guayana* was published in 2003, reporting 157 genera and 732 species of *Orchidaceae*, we had already documented, again, solely for the road and its immediate vicinity, some 40 genera and 120 species (the *Flora of the Venezuelan Guayana* is a monumental, nine-volume work written and edited by an international team of botanists and published by the Missouri Botanical Garden between 1995 and 2005). Currently we have registered for the entire



Municipio Autónomo Maroa more than 60 genera and 160 species, only a few of which we have not found along the road. This count includes several new reports for the country (e.g., *Peristeria ephippium* Rchb.f., described in 1883), one species that was previously known from only one collection (*Koellensteinia lilijae* Foldats, first collected in 1958 and described in 1961), and at least six new species: *Catasetum maroense* G. A. Romero & C. Gómez, *C. yavitäense* G. A. Romero & C. Gómez, *Habenaria* sp. Nov., *Pleurothallis sandaliorum* G. Romero & Carnevali, *Sarcoglottis* sp. nov., and *Stelis bricenorum* G. A. Romero & Luer. Flower specimens preserved in alcohol enabled us to accurately draw several species that previously had been incompletely, poorly, or not illustrated at all (e.g., *Epidendrum apuahuense* Mansf. and *E. magnicallosum* C. Schweinf.), as well as to correctly identify species or varieties that were misinterpreted in the past (e.g., what had been described in the past as *Cleistes Rosea* Lindl. var. *pallida* Carnevali & Ramírez is currently believed to be a new species).

Given the many botanists who had collected along the Yavita-Maroa road, how could such a large number of orchid species have gone unnoticed?

We hypothesize that the answer lies simply in time and space. Most plant collections are just points in time and space. Itinerant plant collectors, including the ones who have traveled from Yavita to Maroa,

spend only short periods of time (usually only days) collecting plants in a given habitat, usually not long enough to encompass the flowering time of all orchids found in such a habitat. Since it takes tremendous expertise to identify orchids without flowers, most collectors simply ignore plants that are not in flower. Sometimes indeed they do not detect all of them, since some are quite small and discernable only to the trained eye. Naturally, many species can be overlooked. Our strategy, although time consuming and costly, has been to sample every habitat several times every month of the year, thus maximizing the number of orchids we detect in flower.

A third obvious variable is expertise: knowing, *a priori*, what microhabitats are suitable for orchids and where to look for particular species has increased the number of orchids we have documented. Likewise, knowing the plants is also important: we can now identify more than 95% of the orchids we find even without flowers: the ones that we cannot identify are either new to the area or a very few that belong to particularly large and complex genera (e.g., *Stelis* Sw.).

Of course, the same case could be made for other habitats: the orchid diversity of montane forests no doubt would increase if we implemented the same sampling methods we used along the Yavita-Maroa road. But that is not the point: we already knew that montane forests had lots of orchids. The question we wanted to address was whether

the low counts in the reported number of lowland orchid species reflected the actual orchid diversity or simply the collectors' count. Now we have the answer: the low counts *are* a collecting artifact. There are many more orchids than we had anticipated. We simply have to find them.

Gustavo A. Romero-González is Keeper of the Orchid Herbarium of Oakes Ames, an integral component of the Harvard University Herbaria (HUH) and the largest archive of orchid specimens and literature in the Americas. He is also editor of Harvard Papers in Botany, the journal of the HUH. His research focuses on the Orchidaceae of lowland northern South America and the biological basis for the long-term management of neotropical non-timber forest products (including orchids, of course!). E-mail: romero@oeb.harvard.edu.

Carlos Gómez, at the time of his retirement in August 2002, was supervisor of special services at the Dirección regional de salud, Departamento de Enfermería, Gobernación del Estado Amazonas, Puerto Ayacucho, Estado Amazonas, Venezuela. He is a medic with considerable experience, an avid naturalist, and an astute plant collector. He has a large collection of living orchids at his home in Puerto Ayacucho. He currently is writing an essay on the history of Chiquichique or piassaba harvesting, the fibers extracted from the leaf bases of the palm Leopoldinia piassaba Wallace.

Taking on Tropical Diseases

BY AMELIA ROCK

Harvard School of Public Health (HSPH) students, along with their Brazilian counterparts, spent January studying and devising ways to control two tropical diseases endemic in Brazil: visceral leishmaniasis (VL) and schistosomiasis.

During two intensive weeks in Brazil, students explored the epidemiological, biological, and clinical characteristics of selected infectious diseases, as well as the social, cultural, economic, and environmental factors associated with their high prevalence and geographic distribution. After classroom-based activities in São Paulo city, smaller groups went to do field work in either the city of Araçatuba in São Paulo State or the Jequitinhonha Valley, in Minas Gerais State. The Collaborative Course on Infectious Disease in Brazil was offered by HSPH and the Santa Casa de Misericórdia de São Paulo Medical School (Santa Casa) with the support of the Brazil Studies Program at DRCLAS. Faculty members and researchers from HSPH, Harvard Medical School, Santa Casa and other Brazilian academic and governmental institutions led and taught the course.

In the field of public health, we are concerned with not only the body, but with the body's inextricable relationship with society, history, the economy and culture. Many of us perpetually confront the challenges of working cross-culturally with populations

with whom we do not have a common past or environment. We face difficult questions of how to understand ways of life different from our own and operate effectively as "outsiders." Collaborating with local experts—the Brazilian students and faculty—and the time in Brazil provided HSPH students with a special opportunity to confront these challenges.

During the week in Araçatuba, my team, which chose to focus on social and behavioral aspects of VL, visited communities and had conversations with residents and employees of the Superintendence for the Control of Epidemics (SUCEN), the state of São Paulo's agency for control of epidemics. We developed research questions to guide us in conducting preliminary research on the local context to serve as the basis for our final project assignment, a proposal for a future full-fledged study. Working closely with Lucia Fonseca de Camargo-Neves, the director of the SUCEN leishmaniasis control program in Araçatuba, we became interested in finding out more about the link between socio-economic conditions and increased risk of VL. We wanted to learn about the public education program on VL, especially the program's recommended prevention measures for individuals, such as keeping backyards free of organic matter (e.g. leaves, animal feces). What are the characteristics of the people

taking preventive measures? Is there a relationship between whether or not people take preventive measures and their socio-economic status, as has been found in other studies on prevention of diseases such as malaria and cancer?

We visited three communities of varying socio-economic status. In each of the communities—Jardim Amizade, Jardim Umuarama, and Jardim Vista Verde—we asked residents the same basic set of questions about leishmaniasis in an informal, conversational manner. Renata, the Brazilian on my team, spoke with residents and translated, while Otibho and I responded with follow up questions and furiously took notes. On the first day, we accompanied a team of two workers from the Centro de Controle de Zoonoses as they went from house to house in Jardim Amizade, conducting a canine serological survey—a primary component of the SUCEN VL control program—to identify VL-infected dogs. They knocked on doors of households known to keep dogs and collected blood spots from their ears for testing.

We also made two visits to Jardim Umuarama to interview residents and observe SUCEN workers conducting a capture of sandflies—the VL vector—in backyards of homes, from chicken coops and under trees. While shadowing a municipal environmental management team, my team interviewed

residents of the third and poorest of the communities, Jardim Vista Verde. Some roads were unpaved with large areas on the periphery filled with wild vegetation and garbage.

On our last day in Araçatuba, we gave presentations of our final projects to one another and to the staff members from local collaborating institutions. The "vector control" team researched canine control in Araçatuba including current regulations, programs and methods for reducing dog and sandfly interaction. They proposed studies of prevention methods and made recommendations for improvement of current VL control strategies. The "treatment and diagnosis" team designed a prospective non-randomized, non-controlled trial to examine methods of treatment for VL among patients with HIV co-infection in Araçatuba. My team examined the socio-economic conditions of different communities in Araçatuba and proposed a population-based household survey to study linkages between these conditions and people's use of VL prevention measures, as well as qualitative research to solicit input of community members in analyzing survey results and create a forum for community organization.

The Araçatuba and Jequitinhonha groups reunited in São Paulo to discuss their final projects. One Jequitinhonha team conducted a study using a survey and observations to

describe residents' water use and to evaluate their knowledge of schistosomiasis. They proposed potential solutions such as creating a community laundry facility and sprinkler using treated water to provide a safe, attractive alternative to untreated water. The second team conducted qualitative research to evaluate the community's understanding of schistosomiasis to inform future recommendations for schistosomiasis programs taking community perspectives and the social context into account. Another team assessed potential problems of schistosomiasis treatment, examined treatment administration through from patient interview data and made recommendations for local health policy.

The cross-national collaborative aspect of this course allowed HSPH students to transcend language barriers and—by directly linking us with Brazilians—mitigated our potentially alienating foreignness. All course participants were able to go beyond objective, academic study of our populations of interest and their contexts, and learn the experiences and thoughts of those most affected by these diseases and whom health research should benefit. Actively engaging with the environment and society around us was key to developing an understanding of particular local determinants of diseases and ideas for their control that the experts from local institutions with whom we worked validated as astute and potentially highly useful.

Amelia Rock is a masters student in the Global Health and Population department at HSPH. She is working on her thesis, a qualitative study of gender dynamics and contraceptive use within women's intimate partner relationships in São Paulo, Brazil.

Bridging the Academic Divide in Immigrant Studies

Clémence Jouët-Pastré and Leticia J. Braga, editors, *Becoming Brazuca: Brazilian Immigration to the United States*. David Rockefeller Center Series on Latin American Studies, Harvard University Press, 2008.

A REVIEW BY MANUELA ZONINSEIN

Trying to define the community of Brazilian descendants who studied at Harvard University between 2001 and 2005, when I attended the College, was a maddening exercise. Some Crimson *Brazucas*—or Brazilian immigrants in the United States—affiliated with the broader community of Latino immigrants and participated in Concílio Latino or the annual pan-Latin cultural show, *Presencia Latina* (which I co-founded in 2002); some linked into the community of foreign students (often from upper classes) and hung out with the “debonair” European crowd or the cosmopolitan Middle Easterners. Afro-Brazilians were drawn to one of the African-American communities; others simply ignored their South American roots. *The Unofficial Guide to Life at Harvard* listed ten groups that directly addressed Latino concerns. If there is one thing to be said with certainty, it is that the Brazilian students floated unidentifiably in the periphery of those options.

Only upon reading *Becoming Brazuca* did I learn that this issue—“of community among Brazilian immigrants and community-based insti-

tutions or rather the lack thereof” [my stress]—now has an academic label: “Brasphobia,” as identified in 2003 and subsequently described by Maxine Margolis in the book's final chapter. Not surprisingly, many Brazilians living in the United States deny their South American identity. Margolis tells one story, of an immigrant living in South Florida, who told an interviewing anthropologist, “I was Brazilian.”

Had *Becoming Brazuca* existed when I first conducted ethnographic fieldwork among the community of Brazilian immigrants—often undocumented—in nearby East Cambridge, and then for my Social Studies thesis focusing on the performance of national identity during Carnival, I would not have felt so alone in my research and so lost in my methodology. For Brazilianists, this collection of essays illuminates the myriad methodological issues involved with studying Brazilians, drawing across a range of subject matters. The book examines its respondents from their roots—going back to Brazil, where a sending community, Governador Valdares, is explored—and



continues through to second-generation immigrants in the United States, with stops along the path of migration and acculturation.

As the series of essays rightly points out, the question of U.S.-based Brazilians is given short shrift in immigration studies: it is seen as a small and unique group, especially since large-scale migration from Brazil to the United States is a fairly recent phenomenon. Some might believe that research on this topic does not advance broader questions regarding more populous cultural groups. However, this edited volume convincingly argues the contrary. For one, Brazilian immigration has been on the rise: in the past five years,

Brazil has joined the top ten source countries for unauthorized immigration. Figures for this population have long been inaccurate and, many believe, short of the reality. Though the 2000 U.S. census counted only 212,000 Brazilian-born or Brazilian-descendant immigrants living in the States, and the 2004 American Community Survey identified about 282,000, it has been estimated that in 2001, 800,000 to 1.1 million resided here, according to Eduardo Salgado as cited by Margolis.

More than just the fact that Brazilians are a booming minority group, the other important argument for studying the *Brazuca* experience is that anyone focusing on immigration can learn broadly from the particular quality which makes researching Brazilian immigration so challenging: since they can be identified according to so many categories, their experiences extend to other groups of immigrants to the United States. The interdisciplinary approach presented in this series of essays is one that applies beyond one sub-culture. *Becoming Brazuca* offers methodologies and theories that illuminate immigration on a global scale, where single identifiers are inadequate for the real-world complexities we face.

It is in its ability to incorporate an interdisciplinary approach, and then to make those strategies accessible to readers, that the book most excels. *Becoming Brazuca* is approachable from the first page: it goes so far as to define important identifiers that might leave newcomers or outsiders to the field in confusion (it even defines "Latino").

Readers learn about the contemporary academic concerns regarding *Brazucas*, offering perspectives on the

past, present, and future of Brazilian immigration to the United States. Clearly, editors Leticia J. Braga and Clémence Jouët-Pastré are not only pushing the dialogue further—they are also fomenting a retrospective concern with which to contextualize the work of the 24 contributors. As Carola Suárez-Orozco wrote in the prologue, "These chapters represent emerging scholarship of the most eminent Brazilian and American researchers of the Brazilian diasporic experience. The book provides a much needed view into the richness and complexity of the Brazilian-North American community."

Many of the chapters address methodological and theoretical gaps in research on Brazilian immigration as well as the broader questions of immigration research that Suárez-Orozco asserts:

"The variety of issues affecting Brazilian immigrants suggests that there are different perspectives to be considered and, therefore, there is a need for a national view of Brazilian immigration that encompasses interdisciplinary research."

For a taste of the interdisciplinary nature of the compendium, consider the work of Else R. P. Vieira, of Ana Cristina Braga Martes, and of Kátia Maria Santos Mota. The former focuses on Brazilian media, first as television imported from abroad and then in print publications, and how these are utilized as a means by which identity and community are formed and negotiated. The second uses a "microeconomic issues development approach based on a non-representative but in-depth sample from Boston and from Governador Valadares," the Brazilian city with the largest number of émigrés to the United States. The

third is a linguistic approach and traces aspects of language behavior in a bilingual situation, where the immigrant must navigate between their Portuguese-speaking families and the larger, English-speaking world.

Becoming Brazuca succeeds, moreover, in its detailing of the distinctive challenges which face anyone undertaking research on Brazilians U.S. residents. Many of the authors agree that "to date, far too little systematic work has been done on the Brazilian immigrant experience." One important reason for this neglect is detailed in the prologue:

"Research on immigrant origin groups tends to be focused on so called 'problem populations' or on 'model minorities' (Lee, 1996). Yet groups that tend neither to overachieve nor to dramatically underachieve are often under-researched—no doubt contributing to the woeful understudy of Brazilians."

The dearth of reliable data was referenced on numerous occasions. Estimates for numbers of Brazilian immigrants residing in the United States today vary widely, in part because many undocumented *Brazucas* are not counted, but also due to an evolution of categorization systems over the course of more than twenty years since Brazilians began immigrating in mass numbers to the United States. Other changes that the census must consider include "changes in immigrants' demographic profile, projects of return, and methods of entry." To understand how much the immigrant identity has changed, consider that "in the 1980s, the majority of Brazilians tended to be young, male, middle or lower-middle class, more light-skinned, and more educated than the average population in Brazil... This depiction of Brazilian

immigrants, for the most part, does not hold true anymore" we learn in the Introduction.

As C. Eduardo Siqueira and Tiago Jansen detail in their chapter, census data collection and analysis have done little to describe this new and under-represented group, as the census lacks an appreciation of distinctive socio-cultural and economic categories. For example, Brazilians consider race and nationality differently from most Latinos. "Unlike most immigrant groups from Latin America, Brazilians...come from higher socioeconomic classes, and have an ethnic and racial self-identification that does not easily fall into the American "Hispanic" or "Black" categories in which they are often placed." As a result, many reject this designation. Any system for recording immigrants must adapt to appreciate foreign identity distinguishers.

Of course, one crucial element of studying the Brazilian immigrant population is having Portuguese-language abilities; perhaps even more difficult to articulate but no less important is the need for researchers who straddle both a U.S. and Brazilian culture (if not a third culture as well, that of being neither and both Brazilian and American). Writing on health issues, Jouët-Pastré, Branca Telles Ribeiro, Márcia Guimarães and Solange de Azambuja Lira demonstrate a clear understanding of the need to let the respondents indicate their most important narratives—rather than enforcing an agenda from either a Brazilian- or U.S.-oriented perspective. Joshua Kirschner spoke about ways Boston-based labor unions are recruiting Brazilian immigrants and describes the efforts, since 2000, of the American Federation of Labor-Congress of Indus-

trial Organizations (AFL-CIO) to reach out to immigrant workers in a changing global economy.

That *Becoming Brazuca* provides a background on what's been done, what's being done, and what has yet to be done in research focusing on

the Brazilian immigrant experience indicates that a certain amount has been accomplished already. It is a groundswell allowing a moment to look around from atop the hill just climbed. A thorough, thoughtful compendium whose lessons

extend beyond its particular respondent set, and as Braga and Jouët-Pastré assert, one whose "methodological and theoretical perspectives...are applicable to the greater study of immigration as a global phenomenon."

Manuela Zoninsein reports for the Beijing bureau of Newsweek magazine, where she writes about culture, the environment, technology and the media, and Sino-Latin American relations. Her writing can be viewed on manuelaswebsite.com.

Exploring the Free Market Through Narrative

Luis E. Cárcamo-Huechante, *Tramas del mercado: imaginación económica, cultura pública y literatura en el Chile de fines del siglo veinte* (Editorial Cuarto Propio, Santiago, Chile, 2007, 271 pages)

A REVIEW BY ELIZABETH GARRELS

Luis Cárcamo-Huechante's new book provides us with a convincing counter-narrative, at once nuanced and succinct, to three mainstream narratives of the neoliberal free market in Chile: those of monetarist economics, promotional politics, and literary bestsellers. It covers the Pinochet dictatorship (1973-90) and the transition to democracy from its official inauguration in 1988, with the victory of the Yes vote for a return in two years' time to civilian government, up to the mid-1990s, and concludes with a brief jump forward to 2001-03. It accounts for more than twenty years of national history and multiple discursive practices (economic, political, and literary) to argue the thesis that neoliberalism is a globalizing economic regime that by the end of the twentieth century succeeded in displacing the dominant discourse of citizenship that had characterized the Chilean variant of the welfare state from the 1930s to the 70s, replacing it with a new hegemonic discourse:

the discourse of the market. In Chile, as elsewhere, the latest historical iteration of the free market has been implemented and experienced not only in the material realm but imaginatively and consciously, through the evermore rapid and far-reaching circulation of money (material and virtual), consumer goods, images, brands, media technologies, simulacra, and words.

The book's Introduction is an expertly wrought reader's guide to Cárcamo-Huechante's central thesis and how this will be argued in the following three monographic chapters. In it, the author, an Associate Professor of Romance Languages and Literatures at Harvard, explains much of the terminology needed to navigate the book and starts inserting the consistently well chosen historical and sociological information that will provide contextualization throughout and that helps make this interdisciplinary project so illuminating and rich. Each of the three chapters deals with a different disciplinary discourse

through the example of one or more emblematic texts. By focusing on specific moments, together they recreate the chronological line from 1973 to the mid-1990s as traced in the Introduction.

Chapter 1 rereads the lecture delivered in Santiago on March 26, 1975, by North American economist Milton Friedman. By teasing out the cultural values and symbols embedded in this lecture, Cárcamo-Huechante uncovers what he claims is the foundational text that will legitimate the eventual transformation of Friedman's recommended structural adjustment of the Chilean economy, inaugurated by the Junta's economists one month later, into a much broader cultural adjustment of society as a whole. Here Cárcamo detects the seeds for the redefinition of the role of knowledge and the university and the privileging of the technocrat, or expert, as the new social ideal of the intellectual that, he argues, will characterize the Chilean cultural landscape by the end



of the century. Chapter 1 also provides a noteworthy discussion of how, in the seventies, the Junta and its technocrats exploited recent memories of the Allende years in their practice of resignifying public spaces. Friedman was invited to deliver his lecture at the former United Workers' Center, renamed by the Junta in honor of the early 19th-century authoritarian statesman Diego Portales and designated as the new seat of government after the bombing of La Moneda in

September of 1973. Friedman's lecture was published by the National Technical University, from 1969 to 1973 a leader in delivering university outreach services to popular sectors across the country.

Chapter 2 focuses on the 1987 book *Chile: revolución silenciosa*, directed at an abstractly defined voting public to promote the No vote in the upcoming election of '88. Cárcamo calls it "a populist text of the [Chilean] New Right" (112), written by Joaquín Lavín, destined to become the political leader of his ideological cohort after the No vote's defeat and the beginning of the transition to democracy. Cárcamo-Huechante analyzes this short and simply written book as a "euphoric narrative" touting the many successes of the free market system introduced in the previous decade. He reads it as a marketing speech act: a brand naming of the nation and its redefinition as market in the rhetoric of the so-called "Chilean miracle."

Chapter 3 emphasizes the commonalities among the first three books of fiction published by the prolific best-selling author Alberto Fuguet. Cárcamo-Huechante narrates how from the end of the 1980s, Chile's cultural space is invaded by the marketing phenomenon of the national best-seller, which not only includes novels written by Chileans for mass consumption, but also rankings, television spots for literary stars, etc. From the roster of these best-selling authors Cárcamo-Huechante chooses Fuguet, because unlike the production of the others, whose books merely circulate and succeed in this new literary market, his are the only ones that also incorporate the market's language and register the habits and tics of citizens retooled as consumers, thus turning the market's circulatory speed and its promotional noise into their literary aesthetic. Cárcamo-Huechante is critical of Fuguet's short-story collection *Sobredosis* (1990) and his first two novels,

Mala onda (1991) and *Por favor, rebobinar* (published in two versions, one in 1994, the second in 1998). He ultimately judges their linguistic texture and thematic development to be superficial, their marginalization of the acknowledged political context in which the narratives take place, depoliticizing, and the sexual politics of the two novels, at least, conservative. He is never moralistic, however; his object is to characterize a particular literary phenomenon. As always, he proceeds with a keen eye to historical and sociological detail. I am personally grateful for his thumbnail histories of Chilean malls and megastores and the recent dramatic shift in their publishing industry, from national companies to dominance by multinational, though predominantly Spanish, conglomerates.

In conclusion, while this review has cited only those texts that receive top billing in Cárcamo-Huechante's richly packed and ambitious book,

Tramas del mercado includes useful discussions of a number of important Chilean texts, especially literary ones, and even, in its brief Conclusion, of two recent and much publicized events in the visual sphere. In addition, along the way, its author thoughtfully engages well-known cultural critics who have developed analytical perspectives similar to his own and to whom he is indebted. His characterization of these critical positions constitutes a good review for those readers already familiar with them and a reliable introduction for those who are not. This makes *Tramas del mercado* a particularly useful book for the classroom, either *in toto* or in parts.

Elizabeth Garrels is a Professor of Spanish & Latin American Studies, in Foreign Languages & Literatures at MIT. Her latest book, a critical edition of Venezuelan Teresa de la Parra's 1924 feminist novel *Ifigenia*, was just published by Stockcero. See <<http://www.stockcero.com>>.

FREQUENTLY ASKED QUESTIONS

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I'D LIKE TO WRITE FOR REVISTA. WHAT'S THE PROCESS?

ReVista, the *Harvard Review of Latin America*, is published three times a year, and each issue focuses on a different theme. We welcome queries from students, professors (Harvard and non-Harvard) and community members, but most article assignments are made by invitation. Potential book reviewers are also welcome to express their interest. Queries to <jerlick@fas.harvard.edu>.

I'M A PHOTOGRAPHER AND WOULD LIKE TO CONTRIBUTE TO REVISTA. WHAT SHOULD I DO?

Since *ReVista* is a thematic publication, we are often looking for very specific subject matter. However, we're also interested in building our archives. Photographers are not paid, but are given complementary copies of *ReVista* for their portfolio, as well as publication of website and e-mail information, along with their photo credit. We can accept photos in any format, color and black and white, prints, and digital in CD or through e-mail. Digital photos must be 300 dpi. Queries to <jerlick@fas.harvard.edu>.

Dear June,

The *ReVista* on violence just arrived. Beautiful, moving, but so sad. A great job.

ROWAN IRELAND,
DRCLAS VISITING SCHOLAR (2002)

Dear Ms. Erlick,

I received the current issue of *ReVista* (Violence—A Daily Threat) containing varied and powerful information (text and images) from Latin America and the daily struggle of large segments of its population living in poverty, surrounded by violence. Congratulations!

Thank you very much for your attention.

Best regards,

PERCY A. GALIMBERTI, M.D., PH.D.
RESEARCH SCIENTIST
TEXAS A&M HEALTH SCIENCE
CENTER, RURAL AND COMMUNITY
HEALTH INSTITUTE
GALIMBERTI@TAMHSC.EDU

Dear June:

Congratulations for your recent *ReVista* dedicated to Puerto Rico, *The Island and Beyond*. I thoroughly enjoyed reading it, from its excellent cover by artist Antonio Martorell to the last page.

The essays and articles included in this issue provide provocative ideas and in depth views about medular themes concerning our past and future. It's not an easy assignment, but you were able to pull it off. As a Puertorrican brought up in this never-ending and heated discussion about our identity and political options, it was refreshing to "hear" new voices of fellow countrymen from across the sea, expressing themselves with the same interest and passion. And, of

course, the photos by Jack Delano were just so right.

Sincerely,

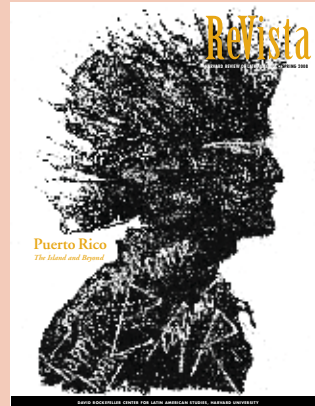
HELGA SERRANO
EXECUTIVE DIRECTOR
CENTER FOR FREEDOM OF THE PRESS IN
PUERTO RICO

Upon our first trip to Puerto Rico in March my wife and I talked of how the island isn't a relic or hodgepodge, but rather a sneak preview of the United States later this century. Puerto Rico is as much a laboratory for this country as any state. Those looking to our country's future should ignore it at their own peril. *ReVista's* latest issue is yet another example of why those who seek to learn of Latin America need a copy on their coffee tables or night stands. This journal's comprehensive perspective provides as much as one can learn about the region's culture, politics and people without actually taking a plane. Academics, business executives and interested aficionados alike can all garner a deeper understanding of life from San Juan to Santiago from *ReVista's* fresh writing, relevant topics and unique angles.

JEFF NEVERS, M.A.
CAREER SERVICES
UNIVERSITY OF NEW ENGLAND
JNEVERS@UNE.EDU

Hi June,

I am a senior at Williams College (and a resident of Guaynabo, Puerto Rico). I just published an honors thesis discussing this particular issue, as part of the first honors class for the Latino/a Studies department at Williams (I believe it's the only free-standing program of its kind in the country). My the-



sis is comparative, a study of the historiographical discourses on political status in Puerto Rico and Hawai'i (titled, *Puerto Rican and Native Hawaiian Resistance to U.S. Imperialism*).

I agree that Puerto Rico's relationship with the United States has to be renegotiated in the context of overarching Latino/Hispanic and Anglo-American relationships. This is really a recurring theme in Congressional debates on Puerto Rico, which for the past 100 years have noted that Puerto Rico could serve as a linking thread, and Puerto Ricans as cultural ambassadors, between North and Latin America (understanding Latin America in a broad context). However, I would like to see the discourse change from Puerto Rico and Puerto Ricans

being seen as tools in a quasi-imperialist venture, to Puerto Ricans being partners in local, national and international processes of reconciliation.

PAULETTE MARIE RODRIGUEZ LOPEZ '08
08PMR@WILLIAMS.EDU

I wanted to let you know that I have received the edition of *ReVista*. Thank you so very much for providing this much needed and well-balanced journal! As a Nuyoricana of mixed heritage and one whose graduate work (Columbia U. History Master's Thesis filed 2000—*Puerto Rican Foreigners in East Harlem: The Struggle for Civil Rights in 1926*) focused on the unique situation of Puerto Rico and Puerto Ricans, I am heartened to see the dialogue continued in such a meaningful way.

All the best,

WENDY WILLOW WARK
SAN JOSE, CA
WWW.WARK@COMCAST.NET

Born in Puerto Rico, educated and living here, I consider myself as you have written, "hyphenated...bicultural." I am proud to be both borinqueña and American.

Thank you,

CARMEN CARRASQUILLO
SAN MARCOS, CA

FE ERRATA

Error: Arnaldo Cruz-Malave's name was misspelled in the Puerto Rico (Spring) issue of *ReVista*. It is Arnaldo with an "a," not an "o."

In Camen Oquendo-Villar's article on women writers in Puerto Rico, the word "erizo" was translated as "porcupine." In this context, it's another prickly creature, the sea urchin.

VENEZUELA



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