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Venezuela

The alliance with the employers is putting brakes on the march towards socialism

- IV Online magazine - 2008 - IV403 - August 2008 -

Publication date: Thursday 31 July 2008

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On June 11, President Chavez, accompanied by several of his principal ministers, met in the hotel ALBA in Caracas with the 500 most important employers in Venezuela. Among them were those who manage the Polar and Mendoza groups and the country's big bankers. During this meeting, entitled "Re-launch production" ("Reimpulso Productivo"), president Chavez announced a series of measures which favour the financial sector and the big employers who are linked to the multinationals. He called there for "national unity", an "alliance with the national productive sectors" and tried to convince the entrepreneurs that socialism would do them no harm. The socialist journal *Marea Socialista* asked Stalin Perez Borges to evaluate this meeting in the present Venezuelan context.

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How do you evaluate the meeting of President Chavez with the employers?

Stalin Pérez Borges: Scarcely a few months ago, the president reaffirmed that his government was a "workers" government. He also nationalized the iron and steel company SIDOR [in April 2008, see the article by Fernando Esteban], although he did it by repurchasing it, whereas, in our opinion, it is this multinational which should have paid the Venezuelan state for non-respect of its laws and for punishable acts against the country. Despite everything, we cannot deny that it was a very progressive measure, asked for, demanded and conquered by the struggle of the workers. This reaffirmation of the definition of a "workers' government", as well as the dismissal of one of the most anti-working class Ministers of Labour that you can imagine, were steps in the right direction: in the direction of measures that we have been demanding since December 2 (the date of the defeat of the referendum on the constitutional reform).

At the time, we affirmed that the revision, the rectification and the re-launch of the revolutionary process should be centred on the resolution of the problems of the popular sectors. But this June 11, this meeting with the employers, the economic measures announced and especially the political proposal that president Chavez made to them represent a step backwards in relation to the orientation conquered by the workers of SIDOR and by the people for the Bolivarian Revolution.

The proposal of the president, his call for an "alliance" with employers described by him as "national", with the "national" bourgeoisie, all that is taking place at the same time as the putting forward of an alliance with the workers and the people. On the very eve of his meeting with the employers, Chavez had signed the incorporation of the first 900 sub-contracting workers into the official workforce of SIDOR. However, these measures are contradictory; they are by no means complementary: one excludes the other.

All the historical experiences of alliances with the aforementioned "national bourgeoisie" show that this road has led to the failure of the popular processes, of processes of national independence, of socialist processes. They lead only to the strengthening of the bourgeoisie and of imperialism and to the victory of the counter-revolutionary sectors. At the moment when we are commemorating the centenary of the birth of Salvador Allende, it would be good to remember why the Chilean road to socialism was broken. In our opinion, it was because they did not want to confront in a consistent way the Chilean bourgeoisie, allied to the "Yankees", and that this bourgeoisie was able to organize the destabilization, the economic boycott and the weakening of the government of Popular Unity, which opened the way to and facilitated the coup d'etat (of September 11, 1973). We have already experienced such a situation here but, thanks to the revolutionary action of the masses, the coup d'etat was defeated on April 13 (2002).

Many comrades think that what is involved is a tactic of the president with a view to the next elections (regional and local elections in November), in order precisely to avoid economic destabilization and to slow down inflation...

I want first of all and above all to insist on the political, strategic problem of the Bolivarian Revolution. It is on this level that we can explain why the measures that were announced will not obtain the results that are claimed to be sought. The measures necessary to obtain these results are of a quite different order, they must really express the “workers” term with which the government defines itself.

The political problem is the most important one because the president is talking to the wrong people if he wants to stop inflation and re-launch production. It is not these employers, it is not, in general, the big bosses, the Mendozas, who want to or who can stop inflation. Those who were present at this meeting work closely with the multinationals and their companies are sometimes themselves multinationals. The case of the private banks is illuminating; all of those in Venezuela are multinationals which only play to the rules of neo-liberalism. Moreover, they receive in deposit most of the financial resources of the state and do business with this public money without any control. They are by no means worried about whether the use of these funds causes inflation or not.

It is a mistake to think, precisely at the moment when the banking system in the United States and internationally is collapsing, where big banks are collapsing and where the neo-liberal states have to rush to their aid with the money of the people, that these bosses of finance will act in a different way in Venezuela. They do nothing but obey the orders of the financial institutions that control them, they are in no way interested in any “alliance” with the state, unless this alliance makes it possible for their enterprises to make bigger profits, which will in any event be dispatched out of the country.

That is the reality. You cannot speak to these employers from the heart, with a project of national independence, even less with a socialist project, because their very existence depends on the maintenance of a system of neo-colonial relations with imperialism. These people would have acted at the time in the same way as the oligarchy behaved with Bolivar. You cannot make these bankers and the big economic groups recognise the need for national unity, they represent on the contrary a real threat for the revolution.

The president also invited the employers of the building industry to collaborate with the Brazilian and Argentinean multinationals. He invited the importers, producers and processors of food to collaborate with the Brazilian and Argentinean multinationals. He opened a fund of a billion dollars, to be shared between the local employers and the multinationals. But when we speak about Brazilian and Argentinean multinationals, it would be more exact to speak about North-American, European and Asian multinationals because the majority of their financial capital comes from companies and banks in these regions. Like the Ternium enterprise (which controlled 60 per cent of the SIDOR iron and steel plant that was nationalised), the allegedly Argentinean multinational, whose capital is Brazilian, Mexican, Italian and American.

To appeal to these firms in the name of national unity while following the path of Bolivarian socialism reveals great confusion on the part of the president. None of the 500 owners present at the meeting will answer this appeal. They want to hear only one thing: the appeal of profit at any price. It is they who create precarious employment, who sub-contract, who lay off workers, who harass the trade-union organizations when they cannot buy off or corrupt their leaders.

But let us return to the political problem. Mendoza and its group of companies are among those principally responsible for the shortage of and the speculation on food. Why would it change its attitude today? The president is bathing in illusions if he thinks that by granting the privileges claimed by the employers, they will no longer constitute

a factor of destabilization. The electoral agenda matters little to the employers, their only agenda is profit and for that they will use the electoral conjuncture if necessary. Either the president is mistaken, or he knows what he is doing and in that case he is promoting a capitalist model which will never win independence because these economic groups have no sense of the fatherland or of independence. They are only junior partners of imperialism and they only aspire to remain that.

To ask them to repatriate the billion dollars that they have hidden abroad constitutes another demonstration of naivety. They could indeed do it, but only with the guarantee that they will make even more money than they currently make and with the assurance that they will never be expropriated. And the only thing that can give them such confidence is that the (presidential) palace of Miraflores is occupied by a president who, as in the time of the Fourth Republic (1948-1999), does exactly what they want.

So the problem with which we are confronted is political, it is a question of choosing between two models. It is necessary to choose between the model suggested by the president on June 11 with the employers and that of the workers of SIDOR, of a consistent consequent fight against the multinationals.

Some people claim that it would be a question of a kind of “NEP”, the economic policy followed by Lenin after the civil war. In order to solve the problems of supply and the productive crisis, he loosened controls on the market and gave certain advantages to the small capitalists. What do you think about that?

The Leninist NEP was a policy intended to solve the brutal crisis in which Russia had become enmeshed after the disasters of the First World War and the Civil War. This policy caused serious distortions; the well-off peasants quickly grew rich. In Venezuela, there cannot be an NEP, in the first place because we do not have a state of transition towards socialism, the bourgeois state has not been dismantled. We still have a bourgeois state with all its structures intact and with elements of state capitalism. To put forward such a comparison only serves to sow confusion.

Moreover, the launching of the NEP in Russia was done after the expropriation of the great majority of the factories and the policy of “War Communism” during the Civil War. It was a policy that was made necessary by the state of the country after years of war and the failure of the revolution in Germany. So it was a defensive policy of Leninism, not an offensive one. To talk about the NEP in the Venezuelan process constitutes a falsification intended to occult the fact that what they call the “re-launch of production” is nothing other than a policy of incentives, subsidies and privileges granted to the big bosses of whom the majority are putschists, destabilizers and saboteurs.

What measures do you propose to achieve the goals defined by the president?

In the first place, there is a political objective. We reject this “alliance of national unity” because it is counter-productive if we really want to advance towards socialism. It will even be reactionary if it is carried out, because it will weaken the revolutionary process. We propose on the contrary an alliance of popular power, of the workers and the exploited and oppressed sectors of society, in order to resolve the question of state power. In the second place, we need measures of economic policy that are consistent with the discourse on the building of socialism and the working-class nature of the government, measures which must respond to the real problems and needs of working people.

Let us take the example of foreign trade. If there is an area in which the state must have a monopoly of purchases and imports it is certainly that of food. The nationalization of foreign trade and particularly of the food sector is a fundamental tool for controlling inflation.

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Next, there is the question of wages. You cannot on the one hand spend millions of dollars on incentives and subsidies to the employers, without any control by the workers, while on the other hand workers are affected every day by price increases. We must install a periodic, monthly or quarterly indexation of wages in line with inflation. Collective bargaining agreements concluded every two years cannot respond to the situation.

One of the main issues whose gravity should be understood is that of the control of finances, the banks and credit. The crisis of the international economy will continue to deepen, just like the crisis of the banking sector. In this context, it is not acceptable that there does not exist any control on deposits in our country. We think that the system of credit is a strategic sector just like basic industries, oil, food, communications, etc. This sector cannot remain in the hands of the private sector and even less of the multinationals. At the very least, deposits would have to be nationalized. Or else, the central bank should control and manage all the money which is in the banking system. It would also be necessary to directly abolish VAT and to progressively increase taxes on company profits. That means, concretely: those who earn more pay more.

Those are some of the ideas and proposals which we want to put up for discussion among workers. But what remains fundamental is the question of knowing whether we are working with the perspective of an alliance with the supposedly national bourgeoisie, which would represent a retreat on the road to socialism. The president must know that each of the possible choices excludes the other: either you are with the workers and the people or you are with the big economic groups and the multinationals. A genuine workers' government cannot choose an alliance with the bourgeoisie because that would mean the retreat of the revolution, and in saying that we are not falling into any kind of "ultraleftism".

This interview was conducted by Marea Socialista (<http://www.mareasocialista.com/>) and published on the site www.aporrea.org on June 30, 2008.