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Latin America

# Characteristics of the experiences underway in Ecuador, Venezuela and Bolivia

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**In Latin America, if we exclude Cuba, we can point to three general categories of governments. First, the governments of the right, the allies of Washington, that play an active role in the region and occupy a strategic position: these are the governments of Álvaro Uribe in Colombia, Alan García in Peru and Felipe Calderón in México.**

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Second, we find supposed "left" governments that implement a neoliberal policy and support the national or regional bourgeoisies in their projects: Brazil, Uruguay, Chile, Nicaragua and the government of Cristina Fernandez Kirchner, from Argentina's Peronists. They are governments that implement a neoliberal policy that favour grand capital, covered up with some social assistance measures. In effect, they make it a bit easier to swallow the neoliberal pill by applying social programs. For example, in Brazil poor families receive a bit of help from the government, which assures them popular support in the poorest region of the country.

Some of these governments are attempting to improve their relations with Washington, especially with the establishment of free trade agreements with the United States. Chile signed one and Lula, in Brazil, is also seeking an agreement with Washington around a series of political issues. But at the same time great differences of opinion persist between the government of Lula and the United States. These differences include defence of the interests of the Brazilian bourgeoisie in agriculture and a series of industrial sectors, especially those that export, who do not accept the protectionism of the United States.

In the third category of countries we find Venezuela, Bolivia and Ecuador, which are confronted by the active opposition of important sectors of the local capitalist class and Washington. Cuba is, by itself, a fourth category.

### **The importance of popular mobilisations ...**

Regarding the countries that make up the third category "Venezuela, Bolivia and Ecuador" we have to point out that we can only understand the politics of these countries if we take into consideration the powerful popular mobilisations that have marked recent history.

In Ecuador, four right-wing presidents were sent home between 1997 and 2005 thanks to the mass mobilisations of the population.

In Bolivia, important struggles emerged against the privatisation of water in April 2000 and towards the end of 2004. The mobilisations around the issue of gas, in October 2003, overthrew and forced then president Gonzalo Sánchez de Lozada to flee to the United States.

Venezuela, since 1989, has seen important mobilisations that inaugurated the mass social struggles against the International Monetary Fund that spread across the globe through the 1990s. Even more spectacular were the enormous popular mobilisations of April 12, 2002, spontaneous manifestations against the coup attempt to overthrow Hugo Chávez. These mobilisations directly achieved the return of Hugo Chávez to the presidential palace of Miraflores on April 13, 2002. These mass popular mobilisations are a decisive factor in the existence and survival of the governments of Venezuela, Bolivia and Ecuador.

### ... and the democratic adoption of new constitutions

The second important point is the revision of the constitution. In Venezuela in 1999, during Hugo Chávez's first term, a new democratic constitution (drafted up by a constituent assembly) was adopted by referendum. This constitution, which continues to be in force, has guaranteed more cultural, economic and social rights to the majority of the Venezuelan population. Furthermore, the actual constitution established a democratic mechanism that allows the recall of all those in elected posts at all levels (including the president of the republic) halfway through their term.

The adoption of a new constitution in Venezuela, subsequently inspired the governments of Bolivia and Ecuador. Bolivia adopted a new constitution in 2007, and in Ecuador, the Constituent Assembly elected in September 2007, is drafting a new constitution which will be submitted to a referendum in September 2008.

These are effectively profound reforms! These democratic political changes being implemented in these three countries have not only been systematically silenced in the mass media of the most industrialised countries and in others, but furthermore the media has orchestrated a constant campaign of attacks with the aim of presenting the heads of states of the three countries as repulsive populist and authoritarian leaders.

The experiences of these three Andean countries, regarding the adoption of new constitutions, are very rich. They should be an inspiration for the peoples and political forces of other countries. We only have to compare the situation of Europe, with the absence of any democratic procedure for the approval of the constitutional treaty.

### Contradictions

Of course, the experiences underway in Venezuela, Bolivia and Ecuador also have contradictions and important limitations that should be analysed. In Ecuador, the reform process underway is mobilising broad social sectors. The current president, Rafael Correa, was elected at the end of 2006, by a large majority, without having a political party or parliamentarians behind him. Despite the strong opposition from the right and all the mass media – in Ecuador there is no public state television or radio station – Correa won the referendum to convoke a Constituent Assembly with 82% of the vote. This political movement, which Correa had constructed along the way through 2007, achieved more than 70% of the vote in the elections for the Constituent Assembly. If we add on top of this his allies, he has the advantage of a majority of more than 80%.

At the moment in Ecuador, the social movements are permanently invited to the Constituent Assembly, with the aim of better taking into consideration their proposals. In this way, the new constitution can be elaborated by a broad majority of the population. Therefore it is a very open and very interesting process. We will know the definitive results by the end of July, when the Constituent Assembly has adopted the project of the new constitution in order to afterwards submit it to a referendum at the end of September. It is probable that the text that will be presented to voters could be criticised over diverse aspects (the absence of right to abortion or the absence of prohibition on genetically modified organisms, for example).

In Bolivia, the process of revision is being carried out in the midst of a much more conflict. The party of President Evo Morales, the Movement Towards Socialism (MAS), clearly won a simple majority in the Constituent Assembly (55%), but did not have an absolute majority of two-thirds. This complicates the situation. Finally, the new constitution was adopted in December 2007 despite the obstructions, sometimes violent, placed by the right and the dominant classes. As a consequence, the situation is extremely polarised, given the very aggressive mobilisation by reactionary sectors. The right moved into action with a racist campaign and the threat of a territorial separation of the eastern part of the country, where they control the situation. This reactionary revolt has been able to halt, until now,

the holding of the referendum over the new constitution.

### **The return to public control of natural resources**

A third important point: the governments of Venezuela, Bolivia and Ecuador have taken measures to strengthen the public sector and gain control of their natural resources. In Venezuela, the state took control of the large oil company, PDVSA, that although publicly owned favoured private interests and declared the majority of its profits in the United States. It was a very hard battle. The capitalist class organised a coup in April 2002, followed by a shutdown that paralysed the company in December 2002 and January 2003. Venezuela's gross domestic product sunk in the first months of 2003, but the government finally regained control of the situation with the support of the majority of the people.

Last year, the Venezuelan state also took control of an important oilfield, the Faja de Orinoco. In Venezuela, the state produces two-thirds of petroleum, and a third is by the large petroleum companies. However, currently the petroleum is exploited in the framework of the new negotiated contracts in which the state collects more rent than previously.

We have to add other nationalisations: the production and distribution of electricity, telecommunications (CANTV), a steel factory (SIDOR, which has 15,000 workers), the cement sector and some companies involved in food production. Not to forget the agrarian reform, aimed at handing land to those who work it.

Bolivia nationalised oil and the production of gas in 2006. Evo Morales sent the army to take control of the oilfields, but the multinationals continue to be active there, given it is they which extract the oil and gas. Clearly, the state is the property owner of natural wealth, but it is the large multinationals that exploit the petroleum and gas.

### **Strategic agreements**

Here is the strategic importance of the agreements between Venezuela and Bolivia, which would allow Bolivia to strengthen a public petroleum company to extract and refine oil and gas. Bolivia does not have a refinery; the ones that Ecuador have are not sufficient. Bolivia and Ecuador export petroleum and import fuel and other refined products. Here as well, we can see the importance of the strategic agreements between Venezuela, Ecuador and Bolivia to strengthen the autonomy of the latter two.

What Venezuela, Bolivia and Ecuador have in common with the second category of countries (Brazil, Uruguay, Chile, Argentina) is a determined policy of social assistance programs. It is not about purely and simply rejecting these measures, but it is totally necessary to promote the creation of jobs, sharply increase wages and guarantee more social and economic rights for workers, peasants, artisans, petty traders, pensioners and other social sectors. Venezuela and Bolivia have advanced in this direction but there is still much to be done.

### **Ecuador: Will Correa suspend the payment of part of the debt?**

Ecuador launched an important initiative regarding its public debt. Rafael Correa created, in July 2007, the Integral Auditing Commission of the internal and external public debt (CAIC). It is a commission of 12 members from the social movements and NGOs in Ecuador, six members from international campaigns for the cancellation of the Third

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World debt (I am part of the commission as the representative of Committee for the Abolition of the Third World Debt, CADTM) and four representatives of the state (the ministry of finance, the Accounts Tribunal, the anti-corruption commission and the general treasury). What is interesting is that there is no talk about representatives of civil society (which includes bosses' associations, for example), but rather delegates from social movements such as the Indigenous movement (CONAIE, Confederation of Indigenous Nationalities of Ecuador) and other radical social movements in Ecuador. Correa's idea, and that of a sectors of his government, is to avoid repayment of a large part of the public debt.

If Correa achieves his goal, it would signify a direct confrontation with his own national bourgeoisie, because it is the Ecuadorian bourgeoisie which gains the most from the repayment of the bulk of the public debt. It would also signify a confrontation with international financial markets and with the World Bank. The rightwing of the government and the large financial groups, not to say the World Bank and the governments of most industrialised countries, are exercising strong pressure in order to convince Correa to do nothing. He should make a decision by the middle of July 2008, when the CAIC hands over its report. There is nothing certain about it, and there is the possibility that Correa could decide to avoid this confrontation.

### **The strategy of the United States and the local capitalists: confrontation and separation**

The strategy of the United States and the local capitalist class is clearly orientated towards confrontation: the coup against Chavez in 2002, the Venezuelan bosses' lockout in December 2002 and January 2003, and the campaigns by the mass media in Bolivia, Ecuador and Venezuela against the government.

But the fundamental issue is a new strategy of dividing up country. The capitalist class of Bolivia is organising the eastern part of the country to split off. What the mass media calls *la media luna* (the half moon), with Santa Cruz as the principal economic centre. The large landowners and the owners of export companies (particularly of transgenic soya) are inciting the population to declare independence in defiance of the national state. They habitually resort to racist actions. We have to affirm, without ambiguities, that the population of this rich region does not constitute a nation that would have the right to national self-determination. The government responded to the right by saying it is willing to concede more autonomy to the regions but not separation, and in this case they have reason on their side.

In Ecuador, the economic centre is found in Guayaquil, on the Pacific coast, while Quito – which is also important in economic terms – is the political capital, situated 2800 metres above sea level in the Andean ranges. The capitalist class of Guayaquil wants to declare its independence under the leadership of its rightist mayor.

In Venezuela, the governor of the western state of Zulia (which borders Colombia) has been brandishing the threat of separation.

All of this constitutes, without a doubt, a premeditated continental strategy of Washington that aims to support the local bourgeoisies in a process of breaking up countries that are passing through left experiences.

### **Reminiscent of Katanga**

It is reminiscent of the policy of Belgium, the United States and other powers with respect to the province of Katanga, in the Democratic Republic of Congo. Let us recall that the Western capitals supported the separatism of Katanga against the Congo's Prime Minister Patrice Lumumba. When the pro-West dictator Mobutu took power (after the assassination of Lumumba, who was taken by force to Katanga and handed over to his worst enemies), the great

powers stopped supporting the separatists.

I think it is an important issue because some on the left consider these divisions of countries as an irrefutable expression of the right of peoples to self-determination.

In the Bolivian case, it is clearly the reaction of the local capitalist class against the rights of the Indigenous majority of the nation. As if it wasn't enough, they utilise racist and reactionary language. The mayor of Santa Cruz, Percy Fernández, commenting on the adoption of the project of the new constitution by the Constituent Assembly, declared on December 9, 2007, that: "In this country, soon it will be necessary to paint oneself and wear feathers in order to exist!" Since then, his supporters have organised attacks against the Indigenous people who, we should recall, constitute the majority of the population of the country and who for centuries have been victims of domination at the hands of Europe and its descendents.

### **Multinationals attack**

The strategy of Washington and certain European capitals includes moreover another aspect. The conflict between the multinational ExxonMobil and Venezuela's state oil company PDVSA, the disagreement between Occidental Petroleum of the United States and PetroEcuador, a public company in Ecuador, the disagreement between Telecom Italia and Bolivia, etc. The large multinationals (without forgetting Petrobras from Brazil) oppose the decisions of the three leftwing governments to restore public control over natural resources. These multinationals have utilised the tribunal of the World Bank (ICSID) to resolve disagreements concerning investments. They have also resorted to tribunals dealing with trade issues, in London, Amsterdam or New York.

There exists the risk that in the next few months a conflict could explode over a contract between two Latin American countries: the president-elect of Paraguay, Fernando Lugo, who will be inaugurated in August 2008, declared that he would revise the one-sided contract imposed by Brazil on this country when both lived under military dictatorships (the contract over Itaipu, which dates back to 1973). Effectively, while the price of energy is sharply rising, Brazil pays a ridiculously low price for electricity produced in Paraguay. Paraguay and Brazil have completely different economic weights and Paraguay has good reason to demand the revision of the contract or its termination.

These types of conflict situations demonstrate the necessity for Latin American countries to pull out of ICSID, as Bolivia did, and create a Latin American organisation for resolving litigation between states and multinationals (from the North or South), or between Latin American states. Of course, in this last scenario, it is necessary to first seek a bilateral agreement before resorting to a multilateral solution.

### **Trade agreements between peoples**

In opposition to the free trade agreements that some Latin American countries have signed with the United States and the European Union, it is worth highlighting the new agreements that have been signed between the governments of Venezuela, Bolivia and Cuba.

We have to cite, for example, the 20,000 Cuban doctors who voluntarily work in Venezuela to provide free health care, predominately in the poor barrios, and the 40,000 operations for cataracts and other eye problems which Venezuelan citizens benefit from for free in Cuban hospitals. In exchange, principally in the form of barter, Venezuela provides oil to Cuba. The same types of agreements exist between Venezuela and Bolivia.

In conclusion, the experiences underway in these countries are very different to the caricatures and negative images

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that the majority of the mass media presents. The processes underway are complex and sometimes contradictory; retreats are possible, even probable. Perhaps the governments will not be able to go sufficiently far enough in their political and social transformations in favour of the people.

The destabilisation orchestrated by the local dominant classes and Washington could slow the processes. With Colombia's aggression against Ecuador in March 2008, it is clear that Bogotá and Washington are willing to utilise the guns of war against the regimes in Quito and Caracas.

One aspect to highlight, which we have not been able to analyse in this article, is the weakness of the producers' control over the entire production process (what is traditionally called in the workers' movements, workers' control and self-management).

*Translated from the Spanish version by Federico Fuentes for [Links](#), the International Journal of Socialist Renewal.*