

# VENEZUELA: CREATING A POLITICAL INSTRUMENT IN TUNE WITH THE PROJECT<sup>1</sup>

MARTA HARNECKER

## MASSIVE ELECTORAL SUPPORT

122. In Venezuela, on December 6, 1998, ex lieutenant colonel Hugo Chávez Frías easily won the first round of presidential elections, with 56 % of the votes. Tired of corruption and increasingly sceptical of traditional policy-making, the people backed a new type of candidate<sup>2</sup>.

123. Chávez had become known throughout the country as leader of the movement of Bolivarian military men (MBR 200)<sup>3</sup>, which had tried to organize a military coup on February 4, 1992<sup>4</sup>, to overthrow then president Carlos Andrés Pérez, accusing him of corruption and treason against the Constitution<sup>5</sup>.

124. After leaving prison about two years after the failed coup d'état, pardoned by president Caldera, the former military man crisscrossed the country to convince the people that a deep institutional change must come about to free Venezuela from chaos, corruption and malfunction.<sup>6</sup>

125. "From the moment he irrupted into the life of the nation, Chávez has provoked the most passionate loyalties and the deepest rejection. For those who support him, he is 'a natural leader, with a new proposal for freedom.' For his enemies, he is an 'authoritarian gorilla,' a 'budding dictator,' a 'populist demagogue.'"

126. The terror campaign to which the Right always resorts when it finds itself on the losing side didn't work this time. Chávez's message of "creating a new democracy, resuscitating Venezuela and decreeing outright death on corrupt 'shoots,'" started attracting an increasing number of followers.<sup>7</sup>

---

<sup>1</sup> Marta Harnecker, **The Left after Seattle, Part I**.

<sup>2</sup> Marta Harnecker, **La izquierda en el umbral del Siglo XXI ...**, op.cit. p. 70, párrafo 239.

<sup>3</sup> The Revolutionary Bolivarian Movement 200 (the number represents the bicentenary of Simón Bolívar's birth) was founded by a group of young army officers on December 17, 1982, in Maracay, in honor of Libertador Simón Bolívar, *with the strategic goal of taking over power; and the historical aim of building a new type of society* (Alberto Jordán Hernández, **Prueba al MBR-200**, Caracas, May 15, 2001 (document).

<sup>4</sup> These military men decided to act against Carlos Andrés Pérez after he threw them against the people on February 27, 1989, to control overwhelming popular reaction to hunger and poverty: it was called the "Caracazo".

<sup>5</sup> M. Harnecker, **La izquierda en el umbral...**, op. cit., p. 70, paragraph 239.

<sup>6</sup> Ibidem, paragraph 240.

<sup>7</sup> M. Harnecker, **La izquierda en el umbral...**, op. cit., pp. 70-71, paragraphs 241-243. The text quoted here belongs to Ximena Ortúzar, *Venezuela's new president will receive a country in deep social and economic crisis. Chávez, "blooming dictator," beneficiary of traditional parties' inefficiency and corruption*, Mexican magazine **Proceso Internacional**, No. 1153, December 6, 1998.

127. It was a completely normal and peaceful electoral process, whose results were promptly recognized by all parties. Against all odds, the “stock market had an explosive and historical increase.”<sup>8</sup>

128. The [...] victory by the young candidate (only 43 years of age) reflects the exhaustion of the bipartisan Adeco-Copei (the AD and COPEI parties) powers that had ruled the country for 40 years<sup>9</sup> and is one of the most interesting challenges for the Left on our continent. For the first time, a former military man who defines himself as a “revolutionary” attempts to peacefully change the rules of the institutional game. He has the necessary correlation of forces: the huge majority with which he won the elections was increasingly consolidating as months went by.<sup>10</sup>

129. Chávez feels that he is writing a new history. He wants to “make a true revolution” through “structural political, social, cultural and economic structural changes,” as well as in the sphere of morality. But he intends to do it in peace and democracy” in a order to be able to develop peacefully the transition and the deep transformation that the country needs.”<sup>11</sup> To achieve this, it was necessary to change the rules of the game, to set a new foundation for the State, but first he needed to reform the Constitution. This idea was endorsed in a referendum.

#### CHANGE IN THE RULES OF THE GAME AND INHERENT DIFFICULTIES

130. A constituent assembly of 131 members was summoned in 1999. It sat for about six months and finally submitted a draft for a new Constitution, which was endorsed by an overwhelming majority (129 votes)<sup>12</sup>. It was then submitted to the Venezuelan people, 70 % of whom approved of it.

131. This New Constitution is centered on social justice, freedom and the political participation of the people; the protection of national resources (opposing neo-liberalism) and the staunch defense of Venezuela’s national sovereignty.

132. Equality before the law includes indigenous populations, who now have the right to maintain and develop their ethnic and cultural identities, values, spirituality beliefs as well as their holy places and those where they practice their cults.

133. Perhaps the most interesting aspect of this experience resides in the fact that the Magna Charta has introduced the concept of popular participation. It states, and I quote: “All male and female citizens have the right to freely participate in public affairs, either directly or through their elected representatives, be they male or female.

---

<sup>8</sup>. After the elections, on the stock market’s first day of operations there was a 22.22 % increase; the following day, another 19.34 % increase, while the Bolívar, Venezuela’s currency, rose 1.1 % in relation to the dollar. X. Ortúzar, op. cit., paragraph 243.

<sup>9</sup>. At the very last minute, Acción Democrática (AD) and the Social Christian Party (COPEI) decided to join forces in order to prevent Chávez’ victory. Their defeat was much greater than foreseen. *Votes corresponding to AD-for 40 years, the most important electoral force in the country-and its candidate Salas Romero amounted to 427 046 (7.76 %), and COPEI’s were 99 626 (1.81 %). Luis Alfaro Ucero, AD candidate who refused to “lower” his candidacy, got 20 630 votes (0.37 %).* ( X. Ortúzar, quoted in M. Harnecker, **La izquierda en el umbral...**, op. cit., p. 71, paragraph 244.)

<sup>10</sup>. Already by mid-2001 the situation is beginning to change: economic measures in favor of the people have not been implemented and the opposition’s campaign takes advantage of the regime’s weak points-all this has reduced its popularity somewhat, though it still has a majority support of the people.

<sup>11</sup>. Speech given by Hugo Chávez on September 23, 1998, during the forum organized by the daily newspaper *El Nacional*, and by Caracas’ Ateneo on *La Constituyente*, quoted in M. Harnecker, **La izquierda en el umbral...**, op. cit., pp. 71-72, paragraph 245.

<sup>12</sup>. Information from **Venezuela-Coyuntura**, May 2000 (document).

134. People's participation in the formation, implementation and control of public administration is the necessary means to achieve the protagonism that guarantees full individual and collective development. It is the obligation of the State and the duty of society to facilitate the creation of the most favorable conditions to put this into practice."<sup>13</sup>

135. Further on, the Constitution states that "electors have the right to receive public, transparent and periodical reports from their representatives on their work, according to the program they made public."<sup>14</sup>

136. It emphatically demands respect for the nation and its sovereignty, explicitly rejecting foreign military bases.<sup>15</sup>

137. It also states the need for a truly neutral Judiciary, which administers justice without submitting to judicial leaders or claques<sup>16</sup>, and a lawful State respected by all. In the case of indigenous people, their legitimate authorities will implement justice locally on the basis of their ancestral traditions, following their own rules, provided they do not go against the Constitution.<sup>17</sup>

138. Judges must be elected after a process of selection that ensures the suitability of all participants. The law must guarantee the participation of all citizens in the process of selection and naming of judges.

139. The National Executive Power has the duty to give an annual report to the Assembly on the political, economic, social and administrative aspects of its work. Deputies must also report back to their voters and answer their questions. The idea is that the people will have permanent control over those they have elected.

140. In addition to the three traditional powers (Executive, Legislative and Judiciary), there are now two more: Citizen Power and Electoral Power.

141. The first will be exercised through the Republican Moral Council, consisting of an ombudsman, the Attorney General and the Auditor General of the Republic. The National Assembly must approve its members.

142. The ombudsman *is responsible for the promotion, defense and control of the rights and guarantees established by the Constitution [...], as well as the citizens' legitimate, collective or particular interests.*<sup>18</sup>

143. The Electoral Power acts like an arbiter in charge of overseeing elections and guarantee their transparency.<sup>19</sup>

144. The New Constitution, in short, is a valuable instrument to forge the nation on a new foundation and move forward on the difficult road toward "peaceful revolution."

---

<sup>13</sup>. **Nueva Constitución de la República Bolivariana de Venezuela**, Chapter IV: On Political Rights and Popular Referendum, Section One: On Political Rights, Article 62, Gaceta Oficial, December 30, 1999, Caracas, Venezuela, p. 13.

<sup>14</sup>. **Nueva Constitución...**, Article 66, op. cit., p. 14.

<sup>15</sup>. Op. cit., p. 4.

<sup>16</sup>. Op. cit., pp. 54-55.

<sup>17</sup>. Op. cit., p. 55.

<sup>18</sup>. Op. cit., p. 60.

<sup>19</sup>. Op. cit., p. 64.

145. This means, without a doubt, a deep political change, but the set of laws and regulations corresponding to a new Constitution hasn't yet been designed. Most of the old political and juridical scaffold of the country is still in place, which makes for a contradictory process. The State cannot be transformed, protected and paralyzed as it is by the old Law of Administrative Careers and old union privileges. The new National Assembly would have to complete the task, but it needs parliamentarians who know the direction of the process and a party guiding the debate.

146. Some people believe the Venezuelan Parliament is simply repeating what the old Congress did in the past, by implementing policies divorced from the people.

147. Aware of the shortcomings of the process, in November 2000 Chávez used the so-called "Qualifying Law," a transitory measure (it is valid for only a year) allowing the National Assembly to give the Executive Power the right to draft key laws for the future of the country in both the financial and social areas.

148. The Council of Ministers drafts the bill, which is then approved by the President; after notifying the National Assembly, it becomes law.

149. This is how the budget was drafted, but several other social laws are still pending.

150. Not only has it not been possible to create a new legal body to dismantle the economic structure of the old system, nor the mechanisms that generate ideas and values, such as media and education, which are completely dominated by the Right.

#### THE PROCESS TRANSFORMS THE MILITARY COMMANDS. DANGER OF PATERNALISM

151. These enormous structural barriers within which Chávez has had to develop the process, as well as the urgent need to satisfy popular expectations, have made him turn to the armed forces-the only body in the country besides the Church to have a central structure. Due to the decentralization process in Venezuela, the central government is nonexistent as such: health and education are decentralized; each state is like a small fiefdom working incoherently, and even though 17 governors (a huge majority) belong to the MVR they have no mutual coordination. The same thing happens to the mayors. The State really works through local military garrisons with regard to problems related to health, housing, and emergencies. Their military chiefs have more relations with the central government and with the people than the local authorities themselves.

152. We can therefore understand why Chávez has turned to the armed forces for many tasks.

153. Proyecto Bolívar 2000<sup>20</sup>-a plan to repair cities, clean up the streets, upkeep schools, generate employment and organize the people-should really have been implemented by the different ministries, but it finally ended up in the hands of the armed forces because the ministries didn't react on time. The same thing happened with emergency plans drafted after torrential rains hit the State of Vargas for over a week.

154. The goal of this Project is to rebuild the whole country by improving living conditions in popular sectors; organizing actions to recover social infrastructure in urban and rural zones; promote environmental clean-up campaigns to fight endemic diseases; contribute to new employment in the neediest sectors; incorporate community organizations to these tasks, and help people who have been excluded from society<sup>21</sup>.

---

<sup>20</sup>. It was announced to the country on February 27, 1999, 10 years after the *Caracazo*.

<sup>21</sup>. Taken from a bulletin published by the Coordinación Interministerial-Proyecto Bolívar 2000 Fondo de Fortalecimiento Social.

155. The Armed Forces have taken over this project with great enthusiasm, and this has allowed them to understand what the most destitute people of the country are going through. This contact has helped the young officers<sup>22</sup> in charge of the project increase their awareness and social commitment.

156. Unfortunately, there has been a setback. The military-used to a vertical and iron discipline-have done more to achieve the goals rather than promoting the participation of the people, who tend to sit by passively while their problems are being solved.

157. On the other hand, the governmental responsibilities that a group of the military has had to assume, have changed the geopolitical vision of the Armed Forces: their ideas of defense and of the enemy. The Black Hawk helicopters of the Colombia Plan represent a threat to Venezuelan sovereignty, motivating the sourcing of weapons in Russia and China. Old enemies are now new allies. There is also a new kind of alliance within the continent with Brazil and Cuba.

158. From within the ranks of constitutionalist colonels and captains comes one of the strongest demands to accelerate the consolidation of the process. They also ask for a stronger front against corruption.

159. Military intervention has given the process a paternalistic tone as far as social problems is concerned, and this is now consolidated by the radio program *Aló Presidente*, through which the president maintains direct contact with the population for two hours every week. Through the program, he receives many requests of various types, from medical care and legal problems to building materials, etc. Those able to reach the President know their problem will be solved.

#### THE OPPOSITION GETS ORGANIZED

160. The Military Institutional Front is one of the sectors in Venezuela's opposition today. It is formed by high-ranking military officers who had held posts in the government: Ochoa Antich, ex Minister of Defense and Foreign Minister under Caldera, and four other ministers of defense linked to the corrupt process. He is making an open call to sedition, but he lacks moral strength and is not well accepted by the population. Chávez's ex comrade-in-arms, Arias Cárdenas, has formed his own opposition party known as Unión.

161. Justice First, another movement calling for open opposition to the process, is growing in strength within the middle class of the country. Its initial nucleus was a group of lawyers. It controls the municipalities of Chacao, Baruta and El Hatillo-which means the political control of middle- and upper-class neighborhoods. It is very active in Parliament with bills opposing those presented by Chávez's majority followers, who are often taken by surprise. Primero Justicia is starting to open offices throughout the country.

162. This group has strong ties with the Catholic Church, whose bishops head the opposition. It defends private property and private education. It promoted mass movements of the middle and upper classes of Caracas against the Bill on Education (Decree 1011).

163. The hierarchy of the Catholic Church and the major media are actively working against the process: Miguel Enrique Otero from *El Nacional*; Andrés Mata Osorio from *El Universal*; Cisneros from television-all of them very close to Primero Justicia. Not to mention the undeniable leadership of the State Department and the direction of the US Embassy.

---

<sup>22</sup>. The great majority of institutional military men who didn't participate in the 1992 coups against Carlos Andrés Pérez' government, though many of them liked those measures.

#### MUTUAL DEPENDENCE ON OIL

164. Almost 80% of Venezuela's oil goes to the US market. Venezuela's CITGO refines and sells it as a by-product or as gasoline. This company alone controls 10% of the gasoline market in the US, and 40% of the energy needed by the American East Coast comes from Venezuelan oil. If the US stopped buying its oil, it would mean a very harsh blow for Venezuela, and inversely, if Venezuela stopped selling oil to the US, there would be chaos in that country. Thus there exists a double dependency.

165. The United States is trying to force Venezuela to abandon its preferential trade with Caribbean countries and particularly with Cuba, but so far it has been unable to bend Venezuela's position.

#### THE GREAT CHALLENGE: CREATING A POLITICAL INSTRUMENT IN TUNE WITH THE PROJECT

166. The Achilles heel of this process is that it has no adequate political instrument for the huge tasks ahead. There is no political organization capable of understanding what the moment needs or of creating a space where those who identify with the process can debate its direction and the necessary steps to move ahead. Chávez created the Movimiento Quinta República (MVR) merely for electoral reasons: to participate in the 1998 elections.

167. On October 21, 1997, it was registered as a political party.<sup>23</sup> Together with other leftist parties, they formed the Polo Patriótico, an electoral coalition for Chavez's election.<sup>24</sup> Identified by the people as the party representing Chávez, the MVR became the first political group in Venezuela, with 41.06 % of all votes. It was followed by Movimiento Al Socialismo (MAS), with 8.48 %, and 2.15 %<sup>25</sup> for Patria Para Todos (PPT), an offshoot from La Causa R, known for its whirlwind electoral growth at the end of the 80s and beginning of the 90s<sup>26</sup>.

168. The Movement has accomplished its mission well: it has won seven elections in two years, but it cannot become the political instrument for the process nor the force necessary to multiply the power of the people.

169. One of the elements preventing the MVR from becoming the instrument needed at this time is the diversity of its members. Many have joined for merely opportunistic reasons; others have been blinded by power. There are increasing internal contradictions. Relations between this movement

---

<sup>23</sup>. Alberto Jordán Hernández, *Prueba al MBR-200*, op. cit.

<sup>24</sup>. It included numerous parties, like the Communist Party (PC), the militants of the Movimiento Al Socialismo (MAS)-Venezuela's third political force-and Patria Para Todos (PPT). See more on this party in later pages.

<sup>25</sup>. Information from Ximena Ortúzar, *Hugo Chávez dio un revés. Los malos augurios*, op. cit.

<sup>26</sup>. *La Causa R appeared on the institutional field in 1984, with four councilmen in the Caroni Township, the most industrial city in the State of Bolívar. Four years later, it placed three federal deputies, and the following year it won the Caroni Township and the State of Bolívar government. Three years later it won there once again and also named the mayor of Caracas, the Venezuelan capital, with an absolute majority in the legislative chamber-an outstanding electoral victory apparently due largely to the fact that the people identified La Causa R with Hugo Chávez' Movimiento Bolivariano. In the 1993 general elections, La Causa R. went from three deputies to 40 plus eight senators, though later on, for reasons we cannot analyze here, it lost the State of Bolívar government as well as the Caracas Township. La Causa R denounced electoral fraud both times, though apparently things were more complicated than that: the party was deplorably divided in February 1997. The name La Causa R was taken over by the sector headed by then secretary general Lucas Mateo and the main popular leader Andrés Velásquez, supported by a large majority of Nuevo Sindicalismo, with more moderate attitudes and in favor of privatizing the Orinoco firms. The other sector, headed by Pablo Medina, its former secretary general, whose ranks included important personalities such as Aristóbulo Istúriz, former mayor of Caracas; and Clemente Scotto, former mayor of Caroni, formed a new party called Patria Para Todos (PPT), which supported Hugo Chávez in recent presidential elections.* M. Harnecker, *La izquierda en el umbral...*, op. cit., p. 72, note 190.

with other left-wing groups have not been easy. Hegemonic positions of several MVR cadres, individualism and lack of flexibility by several left-wing cadres, have prevented the consolidation of a single political leadership in tune with the circumstances and able to multiply the contribution of all the organizations members of the Polo Patriótico. Some believe Chávez should play an increasingly active role in this aspect, for he is the only one able to guarantee the organicity and functionality of such a heterogeneous space.

170. When the old parties AD and COPEI went down, they dragged down with them what remained of people's organizations: trade unions, student centers, neighbor associations. It is very necessary to rebuild the social network, but no political force in the country has taken on the task of organizing the people.

171. Aware of these shortcomings and the urgent need for an efficient political instrument to implement its program and, in particular, to promote a whole process of popular organization to organically guide the support that the Venezuelan people are giving his government, on May 7, 2001, Chávez publicly requested a reorganization of the Movimiento Revolucionario Bolivariano [Bolivarian Revolutionary Movement] (MBR-200) and called on renowned militants from left-wing parties, such as Pablo Medina, secretary-general of Patria Para Todos (PPT), and Guillermo García Ponce, former communist leader, to join him in this task.<sup>27</sup>

172. Chávez then and there launched a second initiative: "Bolivarian circles," calling people to organize in all ways possible in these circles to make the Constitution known and assume other tasks: answer the needs of their neighborhood, form a cooperative, get a bank loan, etc. The President is fully aware that without people's participation, the revolution would have no energy left.<sup>28</sup>

173. He also mentioned a telephone number to organize these circles. This excessive spontaneity on his part has been criticized, but the important thing is that the idea has taken root in many neighborhoods and even among the students.

174. He didn't have to wait much for all kinds of reactions.

175. Some reflected great scepticism: people who believed that resuscitating the MBR-200 would not solve Venezuela's serious problems. Others considered that future battles require the consolidation of today's dispersed forces (and that they need a political organization) with better discipline and ideological training than what present-day MVR cadres have. (They believed that) wherever there is a social movement (be it made up of students, workers, neighbors or having a cultural nature) [there must be] people from the MBR-200 ready and able to take on its leadership. [They also believed] that wherever corruption, administrative inefficiency or conspiracy reign [there must be] a member of the MBR-200 to report it back to its leaders.<sup>29</sup>

176. Some pitted the MBR-200 against the MVR; others believed they complement each other, because in their opinion the first is a confluence of social movements<sup>30</sup> while the second is the governmental party.

---

<sup>27</sup>. Cadena Capriles, *Viraje Luis Miquelena marca distancia con proyecto revolucionario de Chávez*, daily newspaper **El País**, Spain, May 23, 2001, e-mail.

<sup>28</sup>. Speech given by Chávez when decorating Fidel Castro with the Great Necklace of the Order of Angostura, August 11, 2001, Ciudad Bolívar.

<sup>29</sup>. Ernesto Villegas Poljak, *El movimiento resucitado busca llegar adonde el MVR no llegó, El MBR-200 reagrupa al chavismo*, daily newspaper *El Universal*, Caracas, May 7, 2001, document.

<sup>30</sup>. Tarek William Saab, "*Vigencia del MVR no está en peligro*," interview, Caracas, May 21, 2001, document.

177. The idea is for this Movement (MBR-200) to attract the social forces that support the process but do not necessarily militate in any party, in order to organize society for its transformation<sup>31</sup>, while the MVR is ruling.

178. According to other opinions, the MBR-200 should build what is today nonexistent: a popular and social movement with a centralized and democratic leadership, grouping existing but dispersed student, peasant and women's leaders. This would be the unity of the popular and social movement intertwined with the most progressive sectors of the revolutionary world. MBR-200's huge challenge would be to group [participating] huge majorities and give this process not only the ideological and political power it needs, but also the organizational one. The MBR-200 should not try to imitate a party like the ones existing in the 60s or 70s, apparently too distant from the people, because its militants were brilliant people but separated from the people below. The MBR-200 will have to create this structure, mainly with popular cadres and leaders.<sup>32</sup>

---

<sup>31</sup>. Francisco Almeliach, "*Hay que organizar las fuerzas sociales,*" Caracas, May 21, 2001, document.

<sup>32</sup>. Tarek William Saab, "*Vigencia del MVR no está en peligro,*" op. cit.



#### A CRITICAL UNION MOVEMENT

179. Another problem Chávez will have to deal with is the fact that he lacks a strong, consolidated and revolutionary workers' movement. The referendum to decide on the dismissal of union leaders and their re-election by the base was a Pyrrhic victory. Though majority votes were categorically favorable (80 %), abstention was huge, mainly due to an inadequate preparatory work and general exhaustion as a result of seven elections in only two years.

180. In spite of all the efforts deployed by the government, the Confederación de Trabajadores de Venezuela—a trade union historically manipulated by traditional parties AD and COPEI, which interprets its mission purely on an economic basis—is still very strong and has been unsuccessfully fostering a general strike.

#### THE LACK OF RESULTS IS UNDERMINING POPULAR SUPPORT

181. Another Achilles' heel is the lack of results. It is difficult to understand why a government with resources, political support and in control of several power echelons does not approve measures that could drastically change some aspects of people's lives, such as health and education. They are undeniably doing some things, but the results are still very far from popular expectations.

182. Add to this the 24-hour-a-day campaign of the right-wing mass media against the process, stressing inefficiency, the fact that Chávez doesn't know how to rule and a lot more things that sow doubt among those popular sectors that have been his main social support.

183. Chávez, however, still has massive popular support, based on a series of measures adopted by his government:

184. a) more than a thousand Bolivarian schools run by the Venezuelan State, with breakfast, double snack (morning and afternoon) and lunch; research and sports centers;

b) elimination of registration fees in public schools, which has brought more than a million children to the classrooms;

c) opposition by the Venezuelan government to the Colombia Plan, the settlement of US troops on its territory (as has happened at the Manta base in Ecuador) and the use of Venezuela's sea and air space by the Pentagon;

d) effort by the government to generate funds -as never before in Venezuela's recent history-for social investment based on a clean management of the oil industry in the hands of the Venezuelan State;

e) opposition to International Monetary Fund (IMF) and World Bank policies;

f) constitutional declaration that oil cannot become private property;

g) promotion of Bolivarian circles for the organized and active participation of the people in the political life of the country, neighborhood by neighborhood, block by block, to implement democracy with popular participation;

h) promotion of public health, forbidding public hospitals from charging for emergency treatments and improving the sanitary infrastructure of the country;

i) establishment of a tax code to penalize those capitalists and mafia men who avoid paying taxes;

j) solution to infrastructure and housing problems for citizens affected by torrential rains in the state of Vargas;

k) organization of the Banco del Pueblo Soberano [Bank of the Sovereign People] as a result of a law on micro financing inspired in the Bangla Desh People's Bank. According to this law, credits can be given over and above bank regulations<sup>33</sup> favoring only those with sufficient resources to fulfill all their requirements. The backing is collective, and the people can start getting credits as soon as they begin to organize in cooperatives, a civil association, etc. This also makes people begin to understand the need to organize in order to find an economic solution to the problems of those excluded from formal economic circles;

l) for the first time since 1978, in the year 2001 increase in salaries surpassed the rate of inflation, meaning that the population did not lose its purchasing power.

#### REVOLUTIONARY INTERNATIONAL POLICY

185. People might have some doubts about the scope of this national project, but no one can question how far-reaching its international policies are.

186. Convinced that the deep changes it wants to carry out in the country will be possible only if it reduces Venezuela's dependence on the United States, the government has implemented a true international offensive.<sup>34</sup> It has promoted South-American and Caribbean integration to strengthen a unanimous position; it has favored relations with its partners in the Organization of Petroleum Exporting Countries (OPEC) and approached other world power centers such as India, Russia and China, while strengthening its ties with Cuba and organizations of emerging countries, such as the Group of 15 countries for South-South cooperation, who now has Chávez as its new chairman; the Group of 77, that represents more than developing 120 countries.

187. To show its spirit of cooperation, it has also promised preferential treatment for oil sales to 11 Central American and Caribbean countries.

188. Venezuela has signed an agreement with Cuba to supply up to 53 000 barrels of crude oil a day with special conditions for payment. In exchange, Cuba will give Venezuela some medical services, such as generic drugs; and technical assistance in the agricultural, tourist and sport sectors.

189. As far as countries of the southern hemisphere are concerned, Chávez has attempted an alliance with Brazil to oppose AFTA (ALCA)? and become a member of Mercosur.

190. All this has provoked contradictory reactions both in Washington and within the country. But the United States is very interested in Venezuela's oil, so it is avoiding a final public confrontation with Chávez, though this doesn't mean that behind the scenes it isn't trying to eliminate him physically.

---

<sup>33</sup>. Law forbidding credits to the poorest sectors.

<sup>34</sup>. The following information was taken mainly from Aram Rubén Aharonián's article, *Chávez busca aliados*, published in electronic magazine **Rebelión**, June 12, 2001.