Venezuela’s Chavistas Gain Strength; Opposition Split After Elections

Andrés Gaudán
Venezuela’s Chavistas Gain Strength; Opposition Split After Elections

by Andrés Gaudín

Category/Department: Venezuela

Published: 2014-01-10

Following municipal elections Dec. 8 in which Venezuela’s governing party confirmed its political primacy, the right-wing opposition is reconsidering a strategy that set Henrique Capriles up as the leader of the Mesa de Unidad Democrática (MUD). During the past five years, the opposition had focused its efforts on Capriles, a task that was not always easy (NotiSur, Feb. 24, 2012, and Aug. 30, 2013).

In elections held in the wake of the March 5 death of President Hugo Chávez (1999-2013), Capriles challenged Chavez’s heir Nicolás Maduro (NotiSur, April 5, 2013, and May 3, 2013). Although he lost, Capriles closed the gap between the opposition and the ruling party to fewer than 300,000 votes. However, since the election, even right-wing political analysts agree that he has not done a good job. To begin with, Capriles ignored the election results too long. (Paraguay, the last country to recognize the clean elections won by Maduro, finally did so on Dec. 18.) Capriles then joined big business to launch an aggressive anti-government campaign that the administration dubbed "parasitic capitalism’s economic war." Finally he said the municipal elections would be a plebiscite on Maduro’s administration and the Partido Socialista Unido de Venezuela (PSUV).

Just three days after the opposition’s defeat in the municipal contests, MUD Secretary Ramón Guillermo Aveledo revealed an opposition-alliance document that said, "If we want to preserve our unity and survive, we must seriously analyze our strategy."

Voter turnout in the municipal elections reached a record of nearly 60%, with the PSUV winning 79% of the mayoral races in 337 municipalities. The ruling party had nearly 5.2 million votes while the opposition’s total came in a little under 4.1 million. Although not directly comparable, the gap between December municipal elections and the April presidential contest increased by nearly 1.1 million votes. Chavistas considered this good news, not only because they again defeated the right—14 times in 15 elections—but also because Maduro was able to consolidate his position in a race that had been seen as a threat during a difficult year that included Chavez’s death and the opposition’s strong economic offensive as well as governmental errors that pushed annual inflation to 56%.

Although the MUD blamed Capriles for its defeat in April, the right has since launched a furious media campaign against the government, using the national and international press (Deputy Héctor Navarro fingered AP, ANSA, DPA, EFE, and Reuters), big business, and political friends such as Prime Ministers Mariano Rajoy of Spain and David Cameron of Great Britain. In the run-up to municipal elections, there were at least two instances of sabotage against the electrical power system that blacked out more than half of the country, plus shortages of basic goods such as sugar and toilet paper in supermarkets and a surge in grocery and home-appliance prices, which shot up as much as 400%. In addition, exchange-rate speculation pushed the value of the dollar on the parallel market to ten times the official rate.

"Successive defeats have sparked a change in the opposition's tactics," said Spanish economist Alfredo Serrano Mancilla, Latin American coordinator of the Madrid-based Centro de Estudios
Políticos y Sociales (CEPS). Quoted on the Web site Sin Permiso, he continued, "Economic warfare is now the preferred strategy to create the desired political change. It is like a slow-motion economic coup beginning with an artificial increase in the value of the dollar on the black market that then sets off an inflationary explosion and the growth of shortages."

The opposition tried to use this economic tactic to turn elections into a sort of plebiscite. Accepting the plebiscite challenge, the government launched a campaign to control the "economic war," by arresting a few of those involved, closing some establishments, and forcing the majority of offending businesses to reduce prices to reasonable amounts based on cost. In a statement on Nov. 29, the powerful business organization Fedecámaras acknowledged that in some cases "voluntary price reductions" were as great as 300%.

Diosdado Cabello, president of the Asamblea Nacional (AN), said that fact alone showed "the level of usury punishing consumers with the sole purpose of creating a climate conducive to a coup."

The same day that Aveledo blamed Capriles for the defeat, it was clear that Maduro would look for ways of deepening the schism on the right. Hours after Aveledo’s statements, Maduro called for the opposition "to stop buying untruthful media" [referring to dailies El Nacional and El Universal]. He also said that, since "we have smashed the right in this so-called plebiscite, the person who called it a plebiscite [Capriles] should renounce politics and admit that this simple laborer—a bus driver—has soundly beaten him."

**Government seeks investors—foreign and domestic**

In addition to an offensive against those who had launched the "economic war," the government has begun a campaign to capture both foreign and domestic investors with an eye to reducing costs and creating self-sufficiency in the automotive and household-appliance sectors. This, Madero said, should "show the world that Venezuela guarantees legal certainty and is willing to open doors for all who come to invest fairly."

On Dec. 3, five days before municipal elections, Minister of Industry Ricardo Menéndez signed an agreement with French automaker Peugeot to establish a joint venture. The government will hold a 51% stake in the company that will produce 15,000 vehicles for the domestic market as well as Andean and Caribbean countries.

Three days later, Antonio Brufau, president of Spanish oil and gas company Repsol, signed an agreement with Petroquiriquiri. The joint venture—also giving the Venezuelan government a 51% stake—will extract oil and gas from Lake Maracaibo. This US$1.2 billion investment strengthens Repsol’s presence in Venezuela where, together with partners Ente Nazionale Idrocarburi (ENI) of Italy and Gazprom of Russia, it is also working in Latin America’s largest gas field in the northwest state of Falcón. The field is estimated at 17 trillion cubic feet (TCF) of gas. Brufau announced Repsol would invest a total of US$4 billion in Venezuelan projects between 2014 and 2022.

In previous weeks, the Ministerio de Industria formed several other joint ventures with foreign and domestic companies. The first, with Japanese multinational Yamaha, calls for annual production of 30,000 motorcycles in Venezuela. A joint investment with the domestic firm Freeways will produce garbage-compacting trucks for domestic use and export to Andean and Caribbean countries. Agreements were also made with Korea’s Samsung and Lucky Goldstar Group (LG), which will manufacture household appliances, and China’s state-owned Chery Automobile Co. The latter will produce engines for auto firms in Uruguay and demanding markets such as Brazil and Argentina.
Capriles deposed

While the government expounds its achievements, the opposition has become mired in internal division. At the end of the year, most political analysts, as well as MUD’s leadership, said it is clear that Capriles is no longer the leader of the right.

Despite having joined with Capriles in attempts to discredit President Maduro, MUD now wants to distance itself from its former leader. "We must admit that we participated in a campaign that fell into ridicule and was shown to be far from the concerns of Venezuelans," said Aveledo—a statement that Luis Vicente Leon, a political scientist who works for right-wing domestic media and international news agencies, called political suicide.

Meanwhile, the principal television channels and the country’s two most popular dailies—El Nacional and El Universal—have not reported on Capriles’ statements since Dec. 15.

"It seems like the fool Capriles no longer figures in the plans of the right," Deputy Cabello said Dec. 17 during an event in which the president authorized the reinstatement of military ranking for ten officers who had been punished for having accompanied Chávez in an unsuccessful coup against then President Carlos Andrés Pérez (1974-1979, 1989-1993) in 1992 (NotiSur Dec. 8, 1992).

Strengthened by the opposition’s exhausting internal fight, the government recently opened a topic that until now had been taboo: eliminating 16-year-old subsidies. With fuel prices frozen, Venezuela’s gasoline prices of US$0.01 per liter are now the cheapest in the world (NotiSur, Oct. 15, 1991).

-- End --