

“The situation is very disgraceful for all” - An Interview with Omar Vázquez Heredia

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Omar Vázquez Heredia is a member of the Partido Socialismo y Libertad in Venezuela, and a professor at the Central University of Venezuela. He is the author of the book ‘La Cuestión Chavista. Estado Extractivista y Nación Petrolera’, the result of his PhD studies, where he presents a critical historical account of Chavismo regarding labor, agrarian, gender, settler-colonial and international relations issues.

This interview by members of Venezuelan Workers Solidarity was carried out in writing in the week of April 27th. An abridged version was requested by Momentum UK, but ultimately its leadership decided not to publish it.

What is happening with the quarantine in Venezuela?

Social distancing and home confinement measures were established as a collective national quarantine on March 17th. At the beginning they were applied with great levels of precision and strictness. However, because a majority of the Venezuelan population depends on informal sources of income, the government had to de facto, progressively, relax the quarantine and allow people to carry out commercial activities.

The quarantine has been a military and police rather than public health measure. Military and police presence had already taken on a much greater dimension over the last few years in Venezuela, but it increased even more with the declaration of a state of alert on March 17th. For instance, military and police agents on loudspeakers are the ones giving out day-to-day information in the streets and public spaces about the need to respect the rules and recommendations of social distancing and confinement at home, and who go around demanding the closure of businesses at 2 PM. This generates tension, because the Venezuelan military and police bodies, like the greater part of Latin American repressive bodies, have a long tally of violations of democratic freedoms and human rights.

On March 22nd, the government announced a set of compensative economic measures to accompany the national quarantine [that revolved around coverage of wages, cancellation of rents due, and direct assistance funds], but these are mostly rhetorical and insufficient, given their non-enforcement and the absence of funding for them.

The government’s payment of wages for workers in the private sector only guarantees coverage of the minimum wage; the prohibition on lay-offs is not enforced, and firings continue; rent is still charged; hyper-inflation had already put an end to financial credits so there are no banking debts due; the cancellation of public service charges is meaningless because these are already enormously subsidized; and finally, the distribution of direct aid funds and of CLAP food boxes is still arbitrary,

sporadic and rationed.

How can we understand the intense precarity Venezuelans are living?

Well, the acute day-to-day Venezuelan precarity can be explained by the destruction of wages, the insufficient provision of public services, and the difficulties to buy imported medicines. For example, today, the minimum monthly wage and the food supplement decreed by the Maduro government amount to US \$4.57 per the official exchange rate. However, the government also set the prices for 27 food staples that are part of the basic food basket, and those add up to \$32.65. This is shameful. Even more obscenely, the monthly basic food basket as a whole is really priced at \$199, as per the black market exchange rate that most Venezuelans actually employ.

[The destruction of the wage] is the reason for mass emigration and for the daily resignations of workers from their jobs, since working for wages in Bolívares does not allow one to afford the basic food basket. Many are abandoning formal employment for informal jobs that pay directly in US dollars. Some bosses are now handing out bonuses in dollars, sometimes of \$20, \$50 a week to keep those employees essential to their businesses. But these bonuses do not factor into the calculation of the legally required benefits beyond the wage, such as paid leaves and vacations, payments to social security, among others.

The Maduro government, under the Memorandum 2792 of October of 2018, has furthermore created a commission of control and tracking of collective bargaining agreements, to re-calculate the wages bargained between unions and bosses according to the State-decreed minimum wage.

At the same time, the government has legitimized the use of dollars for the sale of products and services between private agents in the market. And through the Petro [a crypto-currency used for State benefits schemes], it is now effectively valuing in dollars the fees required for State administrative services, such as the issuing of passports or fiscal registration of companies.

The situation of public services is very serious throughout the country, but it is much worse in regions more distant from Caracas. This is due to lack of maintenance, corruption, and the pauperized labor conditions that have emptied the public sector of qualified workforce.

I live in Caracas, and we only get running water at home two days a week. We store it because it sometimes comes with little or no pressure and does not go into or fill the water tank, and we ration it by using the water that comes from the washing machine to flush the toilet. We also have to save on using domestic gas from the cylinder, because when it runs out we have to wait until the next delivery from the local communal council. Garbage trucks no longer pass by our home as they used to, and trash piles up for days on the streets since there are less trucks circulating and their schedules and routes have been cut. Sometimes there are unscheduled rationing of electricity for several hours, especially outside the capital--alternating four hours with and without power.

The lack of access to medical treatments, imported medicines and surgical operations is very grave and despair-inducing. On social media, we constantly see fund-raising campaigns to ask for help for ill relatives who cannot cover medicines, or medical or surgical treatment. The situation is extremely exhausting, particularly for people with chronic ailments, and it is very disgraceful for all.

About two weeks ago [April 23], we saw the looting of food stores in cities in the peripheries of the country, such as Cumanacoa in Sucre state, and Upata in Bolívar, along with protests over food and gasoline throughout different regions. These events have not surprised me, but they do worry me. The quarantine has sharpened the hunger ailing the Venezuelan people, as evidenced by the latest report of the UN World Food Program, and this has produced food riots. This is troubling because it

further shows the despair of the working class over the level of misery it is enduring.



Tuberculosis clinic at the Hospital Dr. José Ignacio Baldó, Caracas. Credit: Meridith Kohut for *The New York Times*, 2018

How and why did the public health system collapse in Venezuela, after so many years of praise to its reform and expansion of access to it through the famed Misiones? How does this collapse manifest?

The Chávez government established free healthcare initiatives by buying medical services from the Cuban state and creating a network of institutions that ran parallel to the public health system. But the State investment on the Misiones was never matched for the pre-existent system and hospitals, creating disparities and a disorganized public healthcare system, which was left exposed to corruption due to the rise of clientelistic networks that distributed resources based on loyalty, without planning criteria based on empirical data on needs.

In the past few years, the Maduro government has de-funded the entire public health system, and reduced the number of Cuban medical doctors in the country. Those left have been concentrated in the Integral Diagnoses Centers [primary care], thus closing down the vast majority of the Barrio Adentro [medical outreach and community care] modules or reducing the activity of those left open.

We hear government spokespeople claiming budget increases for healthcare, but these are always trailing the enormous inflation rates. So in real and per capita terms, there has been a gigantic contraction of public investment in healthcare. We see hospitals without access to basic public services like water and electricity, with disabled surgery rooms and intensive care units, with broken medical equipment, without basic sanitary material or cleaning products. On top of this, there is a scarcity of qualified medical personnel; many of them have migrated because of the destroyed wages.

With a public health system in these conditions, the State has responded to the appearance of COVID cases in the country by subsuming healthcare centers into its national security, military and police politics. The government has arrested doctors, nurses and bioanalysts for whistle-blowing on the precarious situation of their workplaces. We can list a few cases: Rubén Duarte, nurse in Táchira state; José Molino, doctor in Monagas; Andrea Sayago, bio-analyst in Trujillo; Emily Márquez, nurse in Miranda state; and Yolimar and Carolina Alemán in Carabobo. The government has presented itself as the only agent authorized to present information on the COVID epidemic in the country, and its spokespeople have given out data that is not transparent.

How is it possible to undergo a quarantine in a setting of scarcities of water, electricity, gasoline, and medical materials and personnel?

The fulfillment of the so-called national collective quarantine as decreed by the Maduro government is unsustainable. The precarious state of public services forces people to crowd around irregular water sources, and in stores where drinking water is sold. Faced with the insufficient supply of water, people have enormous difficulties in maintaining personal hygiene and that of their homes.

The scarcity of sanitary equipment, such as face-masks, forces people to use their items well beyond their actual protective capacities; for instance, to use a disposable mask several times. Cotton and fabric materials are not washed with the needed frequency because of the water shortages; in many areas, water also runs with irregular smells and coloration.

The destroyed wages and the lack of efficient distribution of food and basic supplies make the quarantine unfulfillable. Members of the popular classes do not have savings or incomes to stay at home; they have to work in informal commerce or end up carrying out protests and riots for food, because they cannot cover their most basic needs with the minimum wage, which is the only wage being paid given the economic paralysis and the end of the system of dollar bonuses in private businesses.



April 24th Protests over food in Cumanacoa, Sucre State. Photo: Robert Alcalá

How do you characterize the crisis that began in 2014? How exactly do the sanctions of 2017 and 2019 worsen this crisis?

When he died, Chávez bequeathed his successor an economy with a foreign debt of over \$250 billion, if we add the debts of the Government to those of the state oil company PDVSA. This amount would not include debts over the Joint Funds with China, or Russian financing for military weaponry and advisors. This foreign debt was mostly acquired between 2006 to 2012, and originates from several factors: financing capital flight [through uncontrolled subsidies to capital, mostly through the State currency exchange system], corruption, unsustainable or unplanned universal social policies, and high levels of private and State imports.

Pressed by this financial situation, Maduro took as his main priority the repayment of debt maturities and interests, cutting down the funding in dollars assigned to cover imports, and directing funds to pay foreign creditors. This, of course, is aggravated by the collapse of oil prices in 2015. The abrupt, unilateral reduction in imports, both of material for production, and of finished goods, created the ideal conditions for a contraction of the GDP, and, beginning in 2014, an inflationary spiral that eroded and destroyed the purchasing power of working class wages, becoming a hyper-inflation vortex in November of 2017.

After paying over \$80 billion in foreign debt between 2013 and 2018, the Maduro government began an attempt to carry out a macro-economic adjustment program in August of 2018, the so-called *Program of Economic Recovery, Growth and Prosperity*, that involved tax exemptions for the

[state and private capital] oil industry, waivers of customs' taxes for imports, officializing the massive devaluation of the currency by pegging it again closer to the dollar, and a de facto elimination of price controls.

In the field of labor relations, it imposed the above-mentioned Memorandum 2792, which destroyed collective bargaining agreements and imposed new wage-scales, further intensifying the destruction of the purchasing power of working-class wages.

Sanctions have worsened the economic crisis, and amplified the negative effects of the austerity adjustments applied by the Maduro government. The financial sanctions of August of 2017 blocked any chance of restructuring foreign debt maturities or payment schedules, but they also increased the financial costs of State imports by limiting its access to international markets. To carry out purchases abroad, the State must carry out triangulations and assign contracts to the few agents still willing to do business with it despite possible sanctions.

The oil sanctions closed off the most important oil market for Venezuela, that of the U.S., and confiscated properties abroad that were sources of income to the State, such as the U.S. based CITGO oil refinery and distribution subsidiary of PDVSA. While exports to the U.S. were paid in cash, China takes exports as payment in kind of old debt acquired by Venezuela.

The oil embargo also pushes the State to export oil through Russia as an intermediary, which charges a commission for assuming the risk of sanctions. Costs of production also increase, since to access Asian markets, it is lighter oil, with a greater API gravity, that must be exported [meaning that the extra-heavy crude must be further refined].

Both types of sanctions increase the murkiness of financial and oil operations, facilitating greater corruption of the military and bureaucratic hierarchs of Chavismo.

How does the situation in Caracas differ from other regions in the country?

Unlike Chávez, Maduro and his government have not been able to build an active consensus around the dominant order and the State apparatus. Maduro and the military high command hold on to State power through repression exercised by military and police bodies, while shoring up social contention through the sporadic and rationed distribution of boxes of food through the Local Committees of Production and Supply, the CLAP.

They have organized their rule of the country as a series of concentric rings of security that have as their center the Presidential Palace in Miraflores and extend to the regions of the country. The closest you are to the center in Caracas, where the central offices of State institutions are located, the higher possibilities you have of accessing public services and CLAP boxes, although you are also subject to a more aggressive repression and permanent political control, because protests there are more dangerous in the government's eyes.

On the other hand, when you live far from Caracas you have lower chances of accessing public services and CLAP boxes. In Margarita island, many receive running water once a month, experience daily power cuts, and only get one CLAP box every three months.

This has aggravated the internal colonialism characteristic of Venezuela, where Caracas has always consumed much more of the State oil income to the detriment of actual oil regions such as Zulia, Anzoátegui and Monagas. Maduro and the military high command, with their vision of national security and their parcelling of the country into strategic operations theaters, have deepened the historical breach between the caraqueño center and the regions understood as peripheries.

How is the crisis affecting the most oppressed sectors of Venezuelan society? Does it have any differential effect by gender, race, or ethnic origin?

This question would take up an entire interview, but trying to be brief, I can say that the most affected are the working class following the destruction of their wages and working conditions, along with the indigenous peoples that suffer the expansion of the extractive frontier with mega-projects such as the Orinoco Mining Arc and the exploitation of coal in the Perijá highlands, in which transnational capitals, irregular armed organizations, and military and civilian chavista hierarchs are entwined. These mining mega-projects seek to generate income in foreign currency to repay foreign debts and to purchase the loyalty of internal and international allies.

However, within the working class, it is the working woman in the popular sectors who is most affected. This is because of the immense increase in free labor she must provide for her family and home. Women are cutting down their food intake to keep the men and children fed. They migrate in precarious conditions to help their nuclear and extended families with remittances. The economic precarity facilitates the sexual commodification of their bodies. At the same time, their capacity to exercise choice over their bodies is lost, as contraceptives are inaccessible out of scarcity and high prices.

Economic difficulties deteriorate women's right to education, and consolidate motherhood as the only life-horizon. The crisis intensifies the role of men as providers of material goods that reaffirm their patriarchal power over sexualized, maternalized female bodies. The decay of public services forces women to labor much harder to carry out caregiving at their homes and jobs.

How are capitalists and bureaucrats living the crisis?

I don't live in an area close to capitalists and bureaucrats, but I am sure that they saved up dollars to buy and consume basic necessity goods, in quantity and quality, and in an opportune and adequate way. Capitalists can pay for electric generators or water trucks, live in neighborhoods with direct provision of cooking gas, and can bribe National Guards to get their gasoline tanks filled.

Bureaucrats have the State machinery at their disposal and enjoy it to access public services, gasoline, and food, along with dollars from import businesses and resource extraction. I think the bureaucrats only suffer from a fear of popular mobilization and protest whenever there are food riots and hunger protests. They only care if their continued control over the State is affected.



A nurse holds a placard reading “Worthy Salary” during a protest for the lack of medicines, medical supplies and poor conditions in hospitals, in Caracas on June 26, 2018. Credit: Federico Parra

What public policies are the main political poles proposing to confront the crisis?

At the beginning of the national collective quarantine, the government tried to acquire more foreign debt to cover the necessary investments and expenses to combat the pandemic, requesting \$5,000 million from the International Monetary Fund. This was blocked by the United States and the right-wing Opposition.

Now, backed into a corner, it goes back to rehashing measures from before 2018, applying price controls for 27 basic necessities --even though for the first time, it set prices in dollars-- in an attempt to distract and decompress the pressure of the food riots and protests. This is headed straight to failure, because without increases in the supply of products, reducing inflation is impossible.

The right-wing Opposition, subordinated to the U.S., follows the directions of the Trump government, and promotes the transition plans presented by State Secretary Mike Pompeo. It proposes a transition government without Maduro or Guaidó that, once legitimized, can request more foreign debt to supposedly cover investments and expenses of combating the pandemic, conserving social distancing, and staying at home.

From the left opposition, where the Socialism and Freedom Party [Partido Socialismo y Libertad, PSL] locates itself, we propose a national plan of imports of inputs of production and finished goods to increase the supply of products and achieve increases on the real wage, so that it really covers the basic basket. At the same time, we demand that State resources be directed to the public health system for purchasing basic sanitary material, as well as tests, ventilators, and other equipment necessary to confront the pandemic, along with the rehabilitation of ICUs and wage increases for healthcare workers.

The program we propose would be financed by confiscating the capital and wealth of corrupt bureaucrats and capitalists, eliminating the State's expenses on repression and privileges, fully taking over the oil industry, applying a progressive tax reform, and suspending and repudiating repayment of the foreign debt.

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