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POLS 0820D: Freedom

May 15th, 2015

Socialism of the 21st century:

An Analysis of Rawlsian Justice and Freedom in Venezuela

Throughout history, there are infinite examples of political leaders that rise to glory under the promise of one thing: freedom. This oath can be troublesome, given that the concept of freedom is very ambiguous, and the way it is defined varies between states and even among individuals. Nevertheless, the pattern of ensuring liberty as a political means to acquire power seems inevitable. What many forget to acknowledge is the capacity that these leaders may have to transform a country's fate. In the year of 1999, Hugo Rafael Chávez Frías, a military official of humble origins, rose to power in Venezuela promising radical change to the political, social and economic framework under which this country had been working. The name that Chávez gave to his project was "Socialism of the 21st century,"¹ and it included, as expected, the promise of greater liberty through equality.

Hugo Chávez was inspired by many notorious figures of the twentieth century, such as Cuban President Fidel Castro² and Argentinian revolutionary Ernesto "Che" Guevara.³ Furthermore, his ideals can be compared with the ones proposed by significant political theorists

¹ Hugo Chavez's inauguration speech in 1999 states the basis of his goals. See: *Discurso de Inauguración de Chávez*, Correo del Orinoco: 2014. <http://www.correodelorinoco.gob.ve/nacionales/vea-discurso-hugo-chavez-durante-toma-posesion-1999-video>.

² Toro, Francisco. *What Fidel Taught Hugo*. New Republic, 2013. <http://www.newrepublic.com/article/112596/hugo-chavez-dead-cuba-defined-him-much-venezuela-did>.

³ Singh, Sawraj. *Legacy of Che Guevara Lives on in Latin America*. Indolink, n.d. <http://www.indolink.com/display/ArticleS.php?id=101007093024>

of this period. Specifically, I consider that the ideology that the Chávez regime proposed is very similar to the concept of liberty designed by John Rawls in "Justice as Fairness," given that they both emphasize the need for individuals to have the capacity to develop themselves as *free* and *equal* citizens.⁴ Although Rawls provides political scientists with a new frame of reference for the pursuit of justice, the correct institutions that would be able to realize his ideals still remain the subject of constant debate. Rawls himself advocates for left-wing institutions –specifically, property-owning democracy⁵– but others, such as John Tomasi,⁶ have claimed that right-wing institutions would achieve greater Rawlsian justice. The Venezuelan government approaches this justice with a completely left-wing system.

To the level of ideal theory,⁷ we could grant that the Chavista system fulfills Rawls's principles. Nonetheless, after fifteen years of exercise of this order, I consider that it is necessary to evaluate this regime on a non-ideal level. More precisely, it must be analyzed using specific cases in the three main facets that affect any citizen: political, economic and social. Throughout this essay, I will use the Rawlsian definition of freedom and justice to prove that, although the philosophy of "Socialism of the 21st Century" dominating Venezuelan politics promises to the enhance the liberty of the citizens of this country, this promise is *flawed*.

To provide a frame of reference for the concept of freedom that will be used for the rest of the paper, I will now briefly elaborate on Rawls's theory. Rawls considers that any political

⁴ Rawls, John. *Justice as Fairness: A Restatement*, ed. Erin Kelly. Cambridge, Massachusetts: Belknap Press, 2001, p. 18.

⁵ Rawls, *Justice as Fairness: A Restatement*, p. 135.

⁶ Tomasi, John. *Free Market Fairness*. Princeton: Princeton University Press, 2012, p. 267.

⁷ Rawls defines ideal theory as a "realistically utopian: it probes the limits of the realistically practicable, that is, how far in our world a regime can attain complete realization of its appropriate political values." See: Rawls, *Justice as Fairness: A Restatement*, p. 13.

structure should satisfy two principles of justice. The first principle, which is "lexically prior"⁸ to the second, states that each person must be able to adequately exercise their basic liberties. To be able to define what liberties must be considered as "basic," Rawls uses the idea of the "original position," a state in which one does not know what social position or particular comprehensive doctrine one will represent. In this state, Rawls considers that one must include those liberties that one would consider necessary to develop the two moral powers: the sense of justice, and the capacity to rationally pursue a conception of the good.⁹ These liberties are the freedom of thought and liberty of conscience, political liberties, freedom of association, and the rights and liberties covered by the liberty and integrity of the person, and by the rule of law. The second principle stipulates that inequalities must satisfy the property of fair equality of opportunity and are to be to the greatest benefit of the least well-off (known as the "difference principle").¹⁰

Apart from the ideological framework, it is important to shortly explain the basis of the political movement that we will be analyzing. President Chavez states that his movement has its ideological inspiration in what he calls, "the three root tree." The first root is the Bolivarian root, following the model of the Liberator Simon Bolivar¹¹ which is based on liberty, equality and geopolitical integration of Latin America. The second is the Zamorian root, articulated by Ezequiel Zamora¹² who believed in a sovereign citizenry and civic-military union. The third root is the Robinsonian root, inspired by Simon Rodriguez¹³ who believed in popular education and

⁸ By lexical priority, Rawls refers to the concept that "when applying a principle, we assume that the prior principles are fully satisfied." See: *Justice as Fairness: A Restatement*, p. 43.

⁹ Rawls, *Justice as Fairness: A Restatement*, pp. 16-19.

¹⁰ Rawls, *Justice as Fairness: A Restatement*, pp. 42 -44.

¹¹ Simón Bolívar (1783-1830) is a Venezuelan soldier and statesman who is called "the Liberator", because he led the revolutions against Spanish rule in the Viceroyalty of New Granada in the early 1800's.

¹² Ezequiel Zamora (1817-1860) is a Venezuelan soldier and leader of the Federalists in the Federal War of 1859.

¹³ Simon Rodriguez (1769-1854) is a Venezuelan educator, who is known for being Simon Bolivar's mentor.

liberty. From here, Chávez elaborates that "Socialism of the 21st Century" strives to return the morality and ethics that capitalism has lost, to promote a participative democracy centered in the power of the people, to encourage a society of inclusion and of equals, and lastly, to shift the country's economic policies to ones that enhance cooperativism and associativity.¹⁴

Chávez considered that these goals were impossible to accomplish if Venezuela did not radically change the legislative documents that framed the political principles of the country. Hence, in 1999 a new Constitution, formulated under this new ideology, was created. Still in force, it declares that the essential purposes of the State are the protection and development of the individual and respect for the dignity of the individual, the democratic exercise of the will of the people, the building of a just and peace-loving society and the furtherance of the prosperity and welfare of the people.¹⁵ In accordance with Rawlsian principles, this Constitution asserts the role of the government in promoting justice and notes the significance of enhancing the people's ability to establish their "conception of the good." The preamble of the Constitution of 1999 states the following:

The people of Venezuela, [...] to the supreme end of reshaping the Republic to establish a democratic, participatory and self-reliant, multiethnic and multicultural society in a just, federal and decentralized State that embodies the values of freedom, independence, peace, solidarity, the common good, the nation's territorial integrity, comity and the rule of law for this and future generations; guarantees the right to life, work, learning, education, social justice and equality, without discrimination or subordination of any kind; promotes peaceful cooperation among nations and furthers and strengthens Latin American integration [...].¹⁶

The question is: was the arrival of this regime a preamble for the enlargement of freedom and justice or a preamble for false promises and the decline of Venezuela?

¹⁴ Benítez, Horacio. *Presidente Chávez define Socialismo del Siglo XXI*. 2005. <http://www.aporrea.org/ideologia/a17224.html>.

¹⁵ Article 3, *Constitution of the Bolivarian Republic of Venezuela. English translation* (1999). <http://www.venezuelaemb.or.kr/english/ConstitutionoftheBolivarianingles.pdf>

¹⁶ Preamble, *Constitution of the Bolivarian Republic of Venezuela*.

As we can recall, the *political* scheme that the Chavista regime claims to work under is that of participative democracy. When one thinks of the methodologies that such a system would use, there is one mechanism that comes to mind: elections. Ever since the beginning of the Chavista era, elections have been held in Venezuela almost every year.¹⁷ Although many have claimed that in several occasions there has been fraud in the electronic voting system, that is not the problematic that I consider most relevant for this paper. The real problem with elections in Venezuela is something very different, and it is related to the way in which the people of this country are deceived by the idea of governmental democracy.

In his article "The Narrative Roots of Public Policy," Venezuelan economist Ricardo Hausmann presents us with the idea that politics creates a shared sense of self. Therefore, the government's role is to formulate and sustain this "socially created illusion."¹⁸ This concept will be truly useful to analyze what I call the "elections paradox." At first glance, one may think that constantly holding elections is compatible, and even emphasizes, the political liberties (which include the right to vote)¹⁹ of the list of basic liberties in the first principle. Nevertheless, in practice, different results occur.

To explain, I will recall a specific election: the revocatory²⁰ elections of 2004. Regardless of the results,²¹ these elections signified a substantial change in the way that many Venezuelans

¹⁷ The following is a list of the elections that have been held in Venezuela between 1998 and 2015: presidential elections of 1998, 2000, 2006, 2012, 2013; parliamentary elections: 1998, 1999, 2005, 2010, 2015; regional elections of 2000, 2004, 2008 and 2012; municipal elections of 2000, 2004, 2008, 2013 and 2014, and referendums of 1999, 2000, 2004, 2007 and 2009.

¹⁸ Hausmann, Ricardo. *The Narrative Roots of Public Policy*. Project Syndicate: 2015. <https://www.project-syndicate.org/commentary/cuba-political-narrative-by-ricardo-hausmann-2015-04>

¹⁹ Rawls, *Justice as Fairness: A Restatement*, p 44.

²⁰ Under the pretense of ensuring a more just state, in 1999 the idea of revocation was added. Under this principle, all magistrates and other offices filled by popular vote are subject to revocation, once half of the term of office to which an official has been elected has elapsed. See: Article 72, *Constitution of the Bolivarian Republic of Venezuela*.

²¹ According to Official Bulletin of the National Electoral Council of Venezuela (CNE), Chávez was victorious with 59% in favor of him not leaving the presidency. See: http://www.cne.gob.ve/referendum_presidential2004/.

perceived the government. For many people in this country, the idea that Chávez, a man known for his love of power, would submit himself to a vote that could end his presidency, created a renewed respect for the democracy that this government promised. The dilemma is that, because of problems in public education in this country,²² many cannot understand that elections are not the only aspect of democracy; this form of government must also ensure and promote basic human rights. Thus, I speculate that the government has used elections as a mask to be considered a democracy, even though every year many basic liberties are violated with violence and extortion of power.²³

In addition, during these electoral processes, the government has used many mechanisms that violate the principle of fair equality of opportunity such as: the use of government funds for transportation and political campaigns²⁴ and manipulation of the media.²⁵ Therefore, if we see elections for what they truly are, we can begin to observe that the government is taking advantage of an under-educated population. Ultimately, I consider that the expansion of liberties that the government claims by granting greater freedom to vote creates a *false social illusion of a democratic government*. As a result, the majority of the citizens of Venezuela are unable to truly pursue their moral powers and to develop themselves as free and equal persons, a clear contradiction to Rawlsian justice.

²² *Venezuela presenta déficit de 17 mil 300 docentes especialistas*. Notitarde: 2014. <http://www.notitarde.com/Pais/Venezuela-presenta-un-déficit-de-17-mil-300-docentes-especialistas-/2013/10/19/27300>.

Méndez, Gustavo. *Sólo 16% de los planteles públicos tienen directores designados*. El Universal: 2015. <http://www.eluniversal.com/nacional-y-politica/150311/solo-16-de-planteles-publicos-tienen-directores-designados>

²³ *Concentración y abuso de poder en el gobierno de Chávez*. Human Rights Watch: 2012. <http://www.hrw.org/sites/default/files/reports/venezuela0812sp.pdf>. ISBN: 1-56432-933-X

²⁴ Juan José Molina denunció ante el CNE el uso de fondos públicos en la campaña electoral de Chávez (Noticias 24: 2012), <http://www.noticias24.com/venezuela/noticia/116967/juan-jose-molina-denuncio-ante-cne-uso-de-fondos-publicos-en-la-campana-electoral-de-chavez/>

²⁵ *Avanza la censura hacia los medios de comunicacion en Venezuela* (Univisión, 2014) <http://noticias.univision.com/article/1851146/2014-02-14/america-latina/venezuela/maduro-confirma-la-salida-del-aire-del-canal-colombiano-ntn24>

Deviating from the political perspective, I consider that the greatest changes that the "Socialism of the 21st Century" model brought to Venezuela are apparent in the *economic* sphere. The government has shifted (or at least attempted to shift) the country's economy from a capitalist structure to a socialist one. To pursue this goal, some of the actions that the Chavista regime took have been the regulation of prices of basic needs²⁶ and the creation of government-subsidized supermarkets, such as Mercal.²⁷ These measures seem to be in complete alliance with Rawlsian justice due to the crucial fact that, before price regulation, it was impossible for some members of lower classes to acquire certain foods. Therefore, even though under harsh conditions, the least advantaged are currently better off now than before. In other words, we can state that Rawls's difference principle is achieved.²⁸

However, we must remember that one of the concepts that Rawls emphasizes is that of lexical priority. Therefore, one cannot grant that an economic system achieves Rawlsian justice if it is not in accordance with the basic liberties. Moreover, I consider that one cannot analyze the question of price regulation alone, given that it interacts alongside many other economic measures taken by the government and worldwide phenomena that affect the country's economy. Regarding these measures, there is one that has had major consequences for economic policies, trade, consumption of goods, investment, and even traveling and education in Venezuela: the concept of exchange control.

²⁶ An organism called Super Intendencia de Precios Justos (Superintendency of Just Prices) was created by Official Gazette No. 40579, and is in charge of the regulation of prices. See: http://www.superintendenciadepreciosjustos.gob.ve/sites/default/files/gaceta-oficial-40579_2015_1.pdf

²⁷ *Datanálisis: Mercal es el lugar preferido para comprar alimentos*. El Universal: 2006. http://www.eluniversal.com/2006/05/04/eco_ava_04A703401

²⁸ Later on in the essay I make a claim that in trying to reach the DP the government makes everyone worse off, but for the sake of this section of the paper we will leave this fact fixed.

In 2003, an institution called the Commission for the Administration of Currency Exchange (CADIVI) was created to provide the government with the ability to control the amount of foreign currency that individuals and companies can obtain. As stated by the President, the purpose of this institution was to "accomplish the greatest possible political efficiency and revolutionary quality to construct the Bolivarian Socialism, based on the morals and ethics of the country and the collective."²⁹ This justification seems compatible with the Rawlsian idea of helping citizens pursue their moral powers. My inquiry is: how can one have any type of economic liberty if the access to funds you need to pursue your life goals is limited by the government?

Once again, we are faced with a situation in which the government swears to magnify progress as a country and as individuals, but in practice has failed to do so. If we currently analyze the consequences that exchange control has had, we can see that it has created a cycle of corruption³⁰ and a very unstable economy, with a black market that sells dollars at extraordinary rates. To put things into perspective, as of March 15, 2015, the black market dollar is worth 300.72 bolivares,³¹ while the government rate has been held by force at 6.4 bolivares per dollar for years. This economic aberration has also rocketed the country's rates of inflation, leading some economists to characterize Venezuela as one of the "worst economies in the world."³²

On a similar note, Venezuela has become a country which has become increasingly dependent on imports, given that it has lowered its internal production.³³ This development is

²⁹ Created by Official Gazette no. 40108. See: <http://www.larepublica.co/sites/default/files/larepublica/gaceta.pdf>

³⁰ Prieto, Leonel. *Understanding the Venezuelan Debacle*. Georgetown Public Policy Review: 2015. <http://gppreview.com/2015/04/21/understanding-the-venezuelan-debacle/>

³¹ This figure was taken from <https://dolartoday.com/>.

³² *Five Reasons why Venezuela may be the world's worst economy*. CNN Money: 2015. <http://money.cnn.com/2015/02/20/news/economy/venezuela-economy-inflation/>

³³ Contreras, Angie. *Venezuela, alimentos y dependencia de las importaciones*. 2011. <http://prodavinci.com/2011/>

curious, given the fact that the Chavista regime places an emphasis on the necessity to promote sovereignty.³⁴ This fact, in addition to exchange control, price regulation and the decline of economic growth, has made Venezuela suffer a scarcity of all basic needs, accompanied with rationing. To be able to provide food and medicine for their families, every day Venezuelans must stand in line for hours, with no guarantee that they will find what they need.³⁵ Let us remember that the list of basic liberties includes those that come from the integrity of the person. I believe that the economic model that the government has adopted violates the first principle, given that it is not compatible neither with ensuring the integrity of the Venezuelan citizens, nor with permitting them to have the capacity to develop their conception of the good.

One may think that the inconvenience of scarcity only affects the lower classes, but it is a problematic that even people in the highest social classes must confront. Yet, if we base our criteria on the difference principle, the fact that the higher class is worse off would be irrelevant if it means an improvement for the lowest class. Nevertheless, I consider that in many cases in which the government seeks to improve the economic and social quality of the lower class, it truly makes everyone worse off, breaking the difference principle. Hence, the "social illusion" of improvement of one's liberty is false and manipulative, which leads to the last aspect of this analysis: the *social* perspective.

Similar to Mercal, the Venezuelan government has started many programs, known as the Bolivarian missions, which focus on expanding social justice, social welfare, anti-poverty, education, and military recruiting. Again, the government has reached out to help the least

06/29/economia-y-negocios/venezuela-alimentos-y-dependencia-de-las-importaciones-por-angie-contreras/

³⁴ The Constitution of 1999 states the word "sovereignty" 20 times, in contrast with 6 times in the Constitution of 1966.

³⁵ López, Linette. *Venezuelans are Marked with Numbers to Stand in Line at Government Supermarkets*. Business Insider: 2014. <http://www.businessinsider.com/venezuelans-marked-with-numbers-for-food-2014-3>

well-off, on the premise that they will achieve greater access to means of self-improvement inaccessible to them before, in order to develop their integrity and liberty. For the purpose of this analysis, I would like to focus on the educative mission. Specifically, the graduation of doctors from the newly founded Venezuelan Bolivarian University (UBV), who are called "integral doctors." Not only does the government claim that this mission helps individuals by giving them access to education, but it also claims to aid the community by reinforcing the public health system.³⁶

In spite of the government's claim, after years of this program, we can observe that in practice it has proved to be false. Unfortunately, given the inefficiency of the University's education system, when put into the workforce, "integral" doctors lack the ability to help the community or to develop themselves as professionals. They are discredited as "incapable of performing complete medical exams," and as "lacking basic medical knowledge."³⁷ Recently, many integral doctors were unwelcome in the hospital of the Central University of Venezuela,³⁸ one of the most important public hospitals in Caracas.

If the Venezuelan government wishes to promote Rawlsian justice, this justice includes broadening the concept of fair equality of opportunity, which requires that positions are distributed on the basis of merit. In addition, people must have reasonable opportunity to acquire the skills on the basis of which merit is assessed.³⁹ However, by graduating doctors with deficient skills, it confuses the way in which Venezuelan society perceives fair equality of

³⁶ Cedillo, Manuel. *Graduados más de 400 médicos y médicas integrales para reforzar el Sistema Público Nacional de Salud*. 2015. http://www.mpps.gob.ve/index.php?option=com_content&view=article&id=9282&emid=18

³⁷ Ovalles, Valentina. *Médicos integrales comunitarios, un verdadero fraude*. El Universal: 2014. http://www.mpps.gob.ve/index.php?option=com_content&view=article&id=9282&emid=18

³⁸ *Universidad Central de Venezuela se dirige a la comunidad nacional con relación a los Médicos Integrales Comunitarios*. UCV Noticias: 2015. <http://ucvnoticias.ucv.ve/?p=126>

³⁹ *Justice as Fairness: A Restatement*, Rawls, p. 43

opportunity. The government is hurting the individuals that graduate from UBV more than helping them by making a false promise that when entering the labor force they are in the same position as doctors who graduated elsewhere. Moreover, by providing the community with unskilled doctors, it is creating a false sense of "health security," which is unfair for all. Sadly, there are many cases in which similar consequences follow from the execution of "Socialism of the 21st Century" social missions in Venezuela.

These specific cases, in which the Rawlsian sense of freedom were unfulfilled, allow us to illustrate the scheme under which the Chavista regime as a whole operates. Politically, using the "elections paradox" as our example, we have seen how the government has threatened with the ability of citizens to develop their moral powers. Economically, measures such as exchange control and price regulation, that were created under the pretense of helping the least well-off, have generated a situation that is in conflict with the basic liberties. Socially, with the example of educative missions, the government has created a false sense of self-improvement that in practice conflicts with the principle of fair equality of opportunity.

Consequently, in all three aspects, we can see the ways in which the Chavista regime has sustained a "socially created illusion" that the "Socialism of the 21st Century" model promotes freedom; however, it has fooled Venezuelan citizens by taking advantage of their naiveté. Chávez was considered a Messiah for the lower classes, with promises of liberty that they had never seen. Yet it is of crucial importance to understand that, when analyzing the Venezuelan government under a Rawlsian perspective, this promise is flawed because it

contradicts with the principles of justice. Chávez might have been a revolutionary, "but he ruled by confrontation and decree, rather than consensus."⁴⁰

There is no doubt that this government was revolutionary and has changed Venezuela fundamentally. It is curious to see the way in which this new system, created on the basis of a Constitution that claims to expand on moral principles and that repeatedly uses the words "justice" and "liberty," can have such different consequences. Of course, it is important to note that many times the Venezuelan government has taken measures that are not in accordance with the principles that they claim to follow. Nevertheless, the case of Venezuela raises a very important question for political theorists: how relevant are ideal theory analyses? My opinion is that political theorists should shy away from the ideal theory perspective and make non-ideal analysis predominate in this field. This observation is directly related to the "actual liberty versus formal liberty" problematic.⁴¹ Although on paper Venezuela has in a sense extended the liberty of its citizens, this has no value if it is not put into practice.

Regardless of the repercussions that "Socialism of the 21st Century" has had for Venezuela, I must grant that the Chavista regime has succeeded in raising many important debates about human rights, political regimes and basic liberties in a country that had previously understood politics as something distant. The mission for Venezuelans now is to develop a more complete understanding of concepts such as democracy, liberty and justice and to be able to work towards them in the future. Can it be that someday Venezuela, and the rest of the world, will find a government that truly fulfills its promise of freedom?

⁴⁰ *Venezuela After Chávez*. Caracas. The Economist: 2013. <http://www.economist.com/news/briefing/21573095-after-14-years-oil-fuelled-autocracy-hugo-ch%C3%A1vezs-successors-will-struggle-keep>

⁴¹ Tomasi. *Free Market Fairness*, pp. 66-68.