# Democracy from below

## Venezuela's community councils and banks

Venezuela's president Hugo Chavez actively supports the growth of community structures. **Herbert Jauch** recently visited the country and shares his personal observations of how these structures work and the importance of their role in the move towards socialism.

hile attending a conference in Caracas, Venezuela in October 2008, I had the opportunity to meet President Hugo Chavez and to attend a meeting with the community councils and their communal banks, which play a crucial role in the country's transition to socialism.

Being aware of the risk of romanticising difficult processes of change, I could not help but be deeply impressed with the 'revolutionary spirit' that seems to permeate the 'barrios' (townships) of Caracas. It reminded me of the time of the 'mass democratic movement' in South Africa and Namibia during the 1980s.

#### **MEETING CHAVEZ**

I was impressed by the leadership of Chavez who is deeply rooted in his working-class constituency, encourages self-criticism and engages actively with his constituency through the community councils. He thinks openly about the question of socialism, pointing out that there is no one model and that there has to be tolerance towards different paths while building unity against imperialist domination.

Chavez appreciates intellectual challenges and thinks creatively about a post-capitalist society. Practically this is reflected in Venezuela's move towards a six-hour working day based on the understanding that work does not occur only at the workplace but also includes education, family work, and work for the community. The socialist concept of work moves beyond the narrow capitalist categories and the proposal for shorter working days has to be understood in that context.

I witnessed how Chavez interacts with his constituency at the community councils. Far from lecturing his people, he listens attentively, engages in debates, appreciates proposals and supports initiatives that give Venezuelans control over their lives.

Chavez and his government seem to take lessons from history seriously by trying to avoid a bloated bureaucracy that will run the country 'on behalf of the people'. Instead, far more direct and participatory structures of democracy are being set up to enable poor Venezuelans to take control over their own lives. This includes a conscious building of community structures. Community councils and community banks receive funding from the state and also have autonomy over how this money is spent in their neighbourhood.

Alongside the over 800 'recovered companies' that were closed by investors and are now run by

workers, these grassroots initiatives are perhaps the most important and revolutionary aspect of the changes that occurred in Venezuela during the past nine years.

#### **COMMUNITY COUNCILS**

'Consejos Comunales' or community councils were formally established in 2006 following the passing of a law that provided the legal basis. However, Venezuela's decentralisation process had already started years before with the explicit aim of direct, grassroots empowerment, such as the 'Bolivarian Circles'. Councils are neighbourhood organisations comprising 200 to 400 families in urban areas and at least 20 families in rural areas.

All council decisions are taken in 'citizens' assemblies' attended by residents who are 15 years and older. These assemblies elect their council executive committee, financial management and monitoring committees as well as thematic committees dealing with particular local priorities such as health, education, land and recreation.

Before a council is formed, the assembly has to elect a preparatory committee, which carries out a 'census' of the community, including a profile and challenges faced by the particular community. The preparatory committee also has to

organise an electoral commission to supervise the council elections. The elected spokespeople serve for two years but can be recalled at any time by the citizens' assembly. This helps the community to hold their spokespersons accountable.

Communal councils have constitutional status and effect direct democracy and decision-making power at grassroots level. They are a practical learning experiment for the poor who have responded enthusiastically despite having had virtually no experience with participatory democracy before.

During 2006 alone, about 16 000 councils were formed and this number has increased to about 30 000 today, covering about 70% of Venezuela's population.

### **COMMUNAL BANKS**

Communal councils can receive funds directly from the national, state or city governments or through fundraising and donations. This is facilitated through communal banks, which the councils set up as cooperatives. Communal banks are established by a single council or in collaboration with other councils.

For the past few years, the national government channelled annually between US\$800-million and US\$1,5billion to thousands of communal banks that the councils established.

In turn, the communal banks provide grants for community projects and have already funded thousands of projects such as street pavings, housing for shack dwellers who exchange a shack for a flat in a newly built block, medical centres and housing or sewage schemes.

#### **SOCIALISM FROM BELOW**

Community councils and banks as a direct expression of grassroots democracy frequently clash with formal political structures like city councils, mayors and governors. Although they co-operate with each other on several infrastructural projects, there is a tension regarding power and status.



Delegate at a community banks meeting in Caracas in October 2008

Funding for community councils comes at the expense of city budgets and Chavez' vision is to develop the community councils as the most important motor of the Bolivarian revolution. They are an alternative rather than an appendix to the old local government institutions. Thus communal councils and banks are the seeds for Venezuela's 'Socialism of the 21st century' that envisages community structures becoming the most powerful forms of organisation in the years to come. They are meant to become the primary locus of government power and are part of a movement to replace old government

Community councils and banks have massively increased grassroots participation. Incentives for participation include prospects for neighbourhood improvements but also organising council meetings as fun events, with food, music and entertainment. Transport costs and time required for participation are minimal due to the small size of the councils.

Furthermore, the government has proposed community activities as part of the working day to enable high levels of participation in community activities.

#### **CHALLENGES**

There are concerns that Venezuela's 'Bolivarian revolution' hinges too strongly on the personality of Chavez and that the community councils are too strongly dependent on funding from the presidency. Critics within Chavez' own Socialist Unity Party Venezuela (PSUV) pointed out that an emerging layer of bureaucrats lacks the commitment to the ideals of the revolution and may pervert positions of power for personal gain.

Chavez is aware of these dangers and recognises that broad-based support and participation through structures at grassroots level (such as community councils and banks, worker-run factories and community health centres) are the best defence for achievements made. These community structures are thus one of the most important pillars of Venezuela's transition to socialism.

Unlike the liberation movements in southern Africa, which often demobilised popular movements, including trade unions, after coming to power, Chavez and the PSUV encourage and support participatory democracy from below. As a result, Venezuela's working class is starting to take control of its own destiny, supported by the visionary leadership of its president. This makes Venezuela the leading country in the struggle for socialism today.

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