

# Consumption in times of Chávez

An anthropological study on the influence of the presidency of Hugo Chávez Frías on the consumption and social identity of the Venezuelan middle class in Caracas



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**Master thesis Latin American and Caribbean Studies**

Date: August 19<sup>th</sup> 2010

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Supervisor: Marie-Louise Glebbeek

Second Reader: Elisabet Rasch

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## Abstract

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Since the election of President Hugo Chávez Frías in 1999, Venezuela has changed. His socialist Bolivarian Revolution is considered an assault on the existing capitalism and imperialism by critics of the regime as it is mainly focused at the poor sectors of society which in practise means that millions of dollars are spent to improve their situation. Income inequality has shrunk and poor people have access to free health care and education. At the same time middle and upper classes are being excluded. These people are struck economically as well as socially by the socialist measures, as they are deprived of previous privileges and economic freedom. This has large influences on the consumption patterns of these classes, as their financial situation has worsened. During Chávez's presidency, the society has become more polarized which has meant a larger them-us division - between *Chavistas* and anti-*Chavistas* - that encourages stereotypes and prejudice. The enlarging gaps between groups in society and the loss of their consumerist identity, makes that the construction of the middle class' social identity has changed. People have become more defendant to remain positive about themselves and their social group. They cope with this by excluding more people into the out-groups which makes entering the in-group more difficult.

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## Preface

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On a night in 2009 I had a dream about Chávez, the Venezuelan society and the beautiful surroundings. Never had I really thought of Venezuela before, and I didn't know anything about the history nor the people. But after this dream, it was clear that I was going to do my Master thesis in some way on Chávez and his opponents. Everything changed on February 22<sup>nd</sup> 2010, when a Dutch television channel broadcasted the show: 'Lauren reports: Caracas, the murder capital of the world'. I was not so sure anymore if I should go or not. Why putting my life in danger for a research? And is it really worth it, to follow a dream? Luckily I got in contact with the lovely and hospitable Sanchez family who took me into their home and made me feel very welcome. First of all I want to thank them and especially Rodrigo, who showed me that *la vida Caraceña* is very diverse and you can make friends and beautiful memories. Through him I got to know more very helpful and friendly people who I gratitude next. I would like to thank the families Lander, Uribe, Kroning, and Mendoza for their openness towards me and giving me the opportunity to understand the perception of the Venezuelan upper middle class. Further, I have spoken to many more people who I cannot name all, but I could not have come to some insights if it wasn't for Carlos Fernandez, Henry Sosa and Francia Cortés. During my field work, there were also some other people who helped me in different ways. First, I would like to thank my parents for having always taken such good care of me. Secondly, thank you Jennie for our new friendship and the beautiful trips through Venezuela we've made. My best friend Sanna van Beijma for having our regular talks over the phone. And my supervisor of the Utrecht University Marie-Louise Glebbeek for her patience, comments and supervision before, during and after the field work period. Without these people I could not have written the thesis you are about to read. Thank you all again!

## Introduction

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*The necessity of the new Socialist Bolivarian Ethical Project comes forward from a reality which has [a problem of experiencing] a confrontation between an old system (capitalism) and a new system (Socialism). Capitalism is based on egoistic individualism, on personal greed, and on the need for unmeasured profit, whereas Socialism is being born together with its ethical values like human solidarity, collective realization of individualism and the rational satisfaction of fundamental needs of men and women. Socialism makes its way to the heart of our society.<sup>1</sup>*

- President Hugo Chávez Frías

Since his electoral victory in February 2<sup>nd</sup> 1999, President Hugo Chávez Frías has tried to change the country by starting the Bolivarian Revolution, named after the liberator of South America, Simon Bolivar. This Revolution was brought to life to create a democratic socialism that fights imperialism and rewards nationalism, also called Socialism of the 21<sup>st</sup> Century. It basically aims at creating a participatory democracy in which all people have influence, economic independence of the world market, equal redistribution of (oil) wealth, and making an end to political corruption. The quote used at the top of this page, is taken from the *Plan de la Nación Venezuela 2007* – the government plan how to reform the capitalistic Venezuela into a new Socialistic Nation – and shows how Chávez sees his task.

Large social and economic inequalities created since colonialism and worsened during neo-liberal and capitalistic eras (Portes and Hoffman 2003:40), have created a class based society in Venezuela. The Chávez administration has wanted to change this, and has succeeded in various ways. Income inequalities have become smaller, and the large group of poor in society have gained more privileges through the Revolution that is aimed at the underprivileged (Wilpert 2003). Nevertheless, opponents of the regime consider the Revolution as an attack on the upper classes of society. Socialist measures of the government often are quite drastic, and change the lives of the previous elite. This group has always enjoyed privileges such as influential occupation and comfortable economic resources which

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<sup>1</sup> From the Plan de la Nacion Venezuela 2007:7. Free translated by me

has enabled them to have a certain lifestyle that has everything to do with ‘having access to modernity through consumption of luxury goods’, according to Capriles (2008:10).

Anthropologists, sociologists, and economics agree that ‘consumption is the articulation of a sense of identity’ (MacKay 1997:4). By consuming goods, people can show who they are and who they want to be. Douglas and Isherwood (1996:xxiv) continue that goods are like flags that are used as signals of the relations between people and the meaning of their consumption. In the Venezuelan context this would mean that the lack of economical resources and therefore changes in purchasing power of the elite during the socialist government of Chávez, would change their (social) identity and the relation between the different classes in society. Castano et al. (2002:316) argue that when high identifiers feel threatened of losing their positive association with the group, they become more protective of the in-group and more likely to exclude people from entering.

Polarization is largely present in Venezuela, which makes the casus very complex. Supporters as well as opponents of the socialist regime of President Chávez have written numerous articles, books and blogs about the Venezuelan situation. Especially on the successes of empowering the masses, and the economic processes. But relatively few has been written on the changing identity of the changing position of the middle and upper classes in the country who have gone down in class. Therefore this thesis focuses on the new ‘forgotten people’ of Venezuela who has taken the place of the poor who have been marginalized by the government for decades. The question central to this research for that reason is: *How does the presidency of Hugo Chávez Frías influence the consumption and social identity of the Venezuelan middle class in Caracas?*

This thesis explores how the upper and middle class’ social identity is formed and how it has changed during the last decade. Further, consumption patterns are analysed through the concepts of Douglas and Isherwood (1996) who divide goods into different units and see goods as flags for distinction. The changes in consumption and social identity will be shown by illustrating consumption patterns and different aspects of people’s membership of the upper middle class. I do this by unravelling the way of identification with the social group of Venezuelan middle class, and its categories for including and excluding people into the in- and out-groups.

### **Field work**

During the months March until June of the year 2010, I have done research on the influence of the socialist regime of president Chávez on the middle class’ consumption patterns and social identity in Caracas, Venezuela. During the socialist regime of Chávez social positions

and power have changed owners, and the middle and upper class have become the state enemy. This change is very interesting and that is why I wanted to do my research on their position. The polarization and political activity is best seen in the capital of the country as all government institutions are located here. Also the large inequality amongst the population is most visible in Caracas as the city is divided through the poor people's *barrios* (slums) and gated communities where more affluent people reside.

I have mainly focused on former upper-middle class families, such as the families Uribe, Sanchez, Lander, Kroning, Sosa, and Mendoza. During the research it became clear that they came from the upper or upper middle class before Chávez. Their situations have gotten worse economically during the last decade. I have also encountered some households who formerly belonged to the regular middle class, and now actually belong to the lower-middle class, such as Carlos Fernandez and Francia D'Avila. They still see themselves as part of the same middle class and so they are also a part of my research. I have used pseudonyms for all my informants in order to protect their privacy as much as possible.

In the thesis – when pointing at changes that occurred – I will refer to 'middle and upper classes' in general to cover all people in the same situation. When dealing with the current situation, where the middle class is divided in upper-middle and lower-middle class, they will be referred to as solely 'middle class'. It will be specifically mentioned when an aspect only applies to upper class, upper-middle class, lower-middle class, and lower class when this is necessary.

During my fieldwork period various research methods were used. Narratives to start with, were very useful in order to understand the people's view on their own position in society and their social identity. This gave us the opportunity to get to know each other and to get more confident. It also created more understanding for me in their personal situation. Secondly, informal conversations and participatory observation brought me closer to the families and their stories as I spent more time with them. Being able to have dinner with the family for example, gave me the opportunity to see the importance of family values. Additionally, table conversations unveil a lot about one's norms and values in life. Ultimately, I have used interviews to get more specific and structured information. These interviews were often open and semi-structured so that people could tell me around the topic as well.

### **Structure of the thesis**

The thesis is built as follows. First, the theory concerning social identity and consumption is being explored. Through Tajfel and Turner (1979) we get acquainted with the Social Identity Theory which explains how people identify with certain people, through creating in- and out-

groups. Also the relation with consumption will be showed through Bourdieu's concept of the habitus. Then, the Venezuelan situation is briefly pointed out in the context chapter. It is the aim to explain the class based society Venezuelans live in and how people live with this. When we have insight in the social relations, it is much easier to understand the empirical chapters of the thesis. Chapter three elaborates on the privileged lifestyle the middle class has always enjoyed in times of capitalistic governments and neo-liberal context, differently put: the pre-Chávez era. It will become clear how the middle class perceive their position in Venezuelan society and how they have constructed their social identity. Also the importance of consumption will become clear in this chapter.

In the fourth chapter the changing society and its effects for the middle class will come to the fore. There have been many changes in financial positions during the last decade, and through elaborating on the privileges of the middle class, the changes become visible. Following, in chapter five the influence Chávez has had on their social identity will be illustrated. We will see that there is a change of focus, and that political preference has become very important for someone in order to belong to the in- or out-group of the middle class. The final chapter of the thesis binds all information together and gives the ultimate conclusion on the changing consumption and identity of the Venezuelan middle class during the presidency of Hugo Chávez Frías.

## 1. Exploring consumption and identity in theory

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*Consumption is the articulation of a sense of identity. Our identity is made by our consumption of goods which display constitutes our expression of taste. So display – to ourselves and others – is largely for symbolic significance, indicating our membership of a particular culture (Mackay 1997:4).*

This quote of MacKay explains why consumption is important for one's (social) identity. It influences social patterns and has taken up an important function for distinction, and creating in- and out-groups. In order to understand the relation between social identity and consumption, this chapter explores how the social identity is constructed and maintained as such. It elaborates on the concepts of class, personal- and social identity, and changes in the social identity. Class structures have significant influence on one's view of the self which is the basis of the social self, the social identity. The stronger one's identification with the social group, the more these so-called high identifiers (Castano et al. 2002:316) will do in order to maintain the positive image of themselves and the in-group by excluding people who differ from them, the so-called out-group. We will see further in this chapter that consumption is one way to categorize people. But first, the class structures of Latin America are explored on the basis of Marx by Portes and Hoffman (2003).

### 1.1 Class structures in Latin America

According to Bottero (2004:987) in modern societies people do not see themselves as part of a class, but rather as normal because the people in their social networks are often the same as them. Therefore for them class only exists out there, in the media, in public life, but not close to home. Nevertheless, class structures are still visible in Latin America. The area faces large inequalities and poverty, which results in people having varying accessibility to assets, power-conferring recourses, and related life chances (Portes and Hoffman 2003:42). Classic Marxist theories of class, limit class resources to the possession of capital and the means of production versus ownership of raw labour. More recent theories on the other hand have an approach taking in social and cultural formations, and reconfigure the causal model that historically underpinned class analysis (Bottero 2004:986). Such an approach is very broad and complex

as it becomes individualized. Therefore there is still ‘the tendency to look back to older versions of class theory’ like the ‘collective, explicit and oppositional’ theory of Marx (Bottero 2004:987).

Despite differences in Latin American societies, people can be clustered into groups defined by ‘class assets’ such as control of capital and means of production, highly valued skills, protected and regulated under the law, and percentage of labour force<sup>2</sup> (Portes and Hoffman 2003:44-49). By noting whether or not individuals have access to these assets, one can make a typology of a basic class structure, where it is said that inferior classes are defined by the lack of one or more resources available to its predecessors (Ibid.). In most Latin American countries, the political and economic elite compose a very small percentage of the population whereas the informal proletariat has been a growing group during the neo-liberal era. The Latin American class structure can be roughly divided into (from powerful to powerless): capitalists, executives, elite workers, petty bourgeoisie, non-manual formal proletariat, manual formal proletariat, and the informal proletariat (Portes and Hoffman 2003:44-49). In this division, the upper class consists regularly of not more than 6.4 percent of the labour force, whereas the low class is the largest with in some countries up to 70 percent (Ibid.). This makes Latin America one of the most unequal parts of the world regarding income concentration.

Since the conquest, wealth and assets such as housing and jobs have been disproportionately distributed and has led to severe social inequality. In addition, for many Latin American countries, the income inequality increased significantly during the years of the neoliberal experiment (Portes and Hoffman 2003:55). During the 1980s unskilled labourers often ended up in the informal sectors, whereas skilled and educated workers got the chance amongst other things to enjoy further training and privileged access to housing. Successful entrepreneurs got extraordinary wealthy and powerful in these times, and people who were not doing well, remained living in poverty (Barkin 1997:38).

For the lower classes, this has meant living in exclusion and disconnection, which made the poor think in a ‘them-us’ logic (Reygadas 2005:491-499). From their point of view, the ‘us’ include those who have been abused, neglected, marginalized, exploited or relegated by ‘them’, the powerful. In this sense, the powerful can be the government, but also dominant sectors within society like private corporations. According to Reygadas (2005:499), such a separation of society emphasizes the symbolic barriers that divide social classes within a country. Additionally Reygadas (2005:499) points out that interpretations of inequality in

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<sup>2</sup> See annex 1 for the Latin American class structure (Portes and Hoffman 2003:46-49)

Latin America such as looting, discrimination and oblivion, are discourses that compose personal and social identities.

## **1.2 Formation of (social) identity**

A class analysis shows the causes of inequality and poverty by unravelling ‘the ways in which some groups consciously try to stabilize the social order in defence of their privileges and in which other groups seek to subvert it in order to improve their lot’ (Portes and Hoffman 2003:43). Such an analysis therefore is important to understand long-term strategic power relations and conflict among social groups. Bourdieu explains (MacKay 1997:4-5) his concept on social status by the *habitus* as ‘the underlying structured system of classification which is learnt in childhood, and applied in later life’ which is a ‘framework for cultural property and personal identity’. The personal identity creates structures for judgement and tastes on the basis of which one selects or creates one’s social groups and identities. It is thus necessary to recognize the personal identity to discover the basis on which a person is a member of a social group.

One creates and recreates one’s identity through the capacity of being a self-conscious, self-aware human being. Through the process of self development we formulate a ‘unique sense of ourselves and our relationship to the world’ (Giddens 2001:29). According to Larrain (2000:24-26) personal identity is defined in terms of ‘shared social categories which are culturally determined and contribute to specifying the subject and its sense of identity, like gender, profession and education’. Additionally, Larrain (Ibid.) states that the construction of the self involves the existence of ‘others’ in a double sense, because ‘our total self-image involves our relations to other persons and their appraisal of us’. Anthropologist Saavedra (2007:1) adds that ‘identity is a narrative which we tell ourselves and others. It never stops to being told, and it always keeps changing’. It is in this stage, that group or social identities are created and recreated.

Tajfel and Turner (1979) developed the Social Identity Theory (SIT) which explains that an individual’s social identity is the awareness of one’s belonging to a social category or group. This category or group consists of individuals who ‘hold a common social identification or view themselves as members of the same social category’ (Stets and Burke 2000:225). Gibson and Gouws (2000:280) add that especially ‘the subjective evaluation of that membership’ is important for group members and that it above all must be positive. The main idea is that people search for group membership in order to (re)affirm their self-esteem. Moreover, people need to feel to belong to the ‘right group’. Therefore people feel the need

for a positive distinction from other groups and create a positive image about themselves. According to Stets and Burke (2000:225) people do this by categorizing (self-categorization process) and comparing (social comparison process).

### ***1.2.1 In- and out-groups***

Through the self-categorization process, people label each other into relevant in- and out-groups. The in-group consists of people who are believed to be similar to the self, whereas persons who differ from the self are categorized as the out-group (Stets and Burke 2000:225; Hinkle and Brown 1990:48). The concept of categorization means that all people categorize each other, creating a set of natural groups, and thereby accentuating the perceived similarities and differences between the self and others. This accentuation is done for all the attitudes, beliefs and values, affective reactions, behavioural norms, styles of speech, and other properties that are believed to be correlated with the relevant intergroup categorization (Stets and Burke 2000:225; Castano et al. 2002:315).

Castano et al. (2002:315) emphasize that the distinction between in- and out-group goes ‘hand in hand with the stereotyping process’ in which prejudice is an important determinant. In their research on the decision to accept or exclude people from the in- and out-group, they have found that there is a difference between people with high and low identification with the in-group. High identifiers tend to categorize more people into the out-group than low identifiers, a process called the ‘over exclusion effect’ (Castano et al. 2002:316, 319). Additionally Castano et al. (2002:320) found that high identifiers have stronger criteria for the in-group members than low identifiers. Ultimately they emphasize that ‘the decision to accept someone is a collective one, resting on several in-group members and depending on in-group rules and traditions’ (Ibid.).

Social comparison occurs when people are already categorized. Specifically one’s self-esteem is improved by evaluating the in- and out-group on dimensions that lead the in-group to be judged positively and the out-group negatively (Stets and Burke 2000:225). Castano et al. (2002:319) state that high identifiers may be more prejudiced which makes them more careful not to ‘contaminate’ the in-group. This way their group stays homogeneous and contributes to their self-esteem which is needed in order to remain a positive identification with the social identity.

### 1.3 Social identity coping strategies

According to Todd (2005:439) change in the social environment is a key cause of change in categories of social identity. This can be caused through a change in government and power relations within the country, like people living in fascist or authoritarian regimes. In her view, people in such changing environments are forced to re-sort the elements of their identity. Todd (Ibid.:440) states for example that:

*a society where identity is entwined with power, socio-economic changes are experienced not simply as a change of regime, but – for the dominant group – as an overturning of the moral order, an insult to their own integrity and identity, a placing of the undeserving above the deserving. It is a particularly sharp form of dissonance, where the world is not ordered as they had come to expect, and where these expectations were constitutive of their sense of themselves.*

As mentioned earlier, people want to ensure their self-esteem and positive personal identity; also within the group. When this is being challenged or threatened, people have to find a way to deal with it. Todd (2005:440-444) distinguishes six possible strategies for individuals to cope with identity changes, namely reaffirmation, conversion, privatization, adaptation, assimilation, and ritual appropriation.

The first mentioned strategy, reaffirmation, has to do with accentuating the differences between the groups. The favouring group accentuates the elements of the new 'winning' team, whereas the other group resists change by reaffirming their 'old' categories (Todd 2005:440). The second strategy Todd (Ibid.:441) puts forward is conversion. This is a strategy for those who were once-dominated and who constructed their identity against the dominant order. The strength of conversion depends on how far the foundation of individual characters may be reordered within the new structure. Thirdly, privatization (Ibid.:442) has been described in numerous autobiographies of people living in fascist or authoritarian regimes. This option 'rearranges elements of identity, marginalizing all macro-social elements, all national, political, class, and status categorizations, shrinking the core of identity into the private, the familial, perhaps also the religious sphere'. The following strategy is adaptation (Ibid.). Within this strategy actors adapt to the new social order without changing the core elements of their identity.

The penultimate strategy is assimilation (Todd 2005:443) which makes people find within themselves the characters and expectations necessary to succeed in the new order.

Finally, ritual appropriation (Todd 2005:443) is explicitly a group-centred rather than an individual response to change. New practices are accepted and assimilated within old narrative forms and ritual structures that are used to legitimate, appropriate, and redefine the practices, thus assuring continuity of meaning despite change in practice. The construction of identity and the formation of social groups is quite complex. Identities are constructed through various ways and also reconstructed as identity is reflexive. One way for an individual to express his identity is by consumption. This will be illustrated in the next part of the theoretical framework.

#### **1.4 Consumption and identity**

Consumption is assumed to be the very material out of which we construct our identities: we become what we consume (MacKay 1997:2). This part of the theoretical framework explores the many faces of consumption and its links with social identity. It first focuses on the importance consumption has gained in social science. Hereafter, the meaning of consumption in relation to identity and lifestyle will be explored. And ultimately this part will briefly touch the area of consumer behaviour and economic strategies in order to be able to explore them in changing household situations.

##### ***1.4.1 Consumption in social science***

Consumption has been approached as a function of a larger economic process for a long time, but it has become more and more an important theme within social sciences. In the beginning of times consumption was something necessary for people/consumers in order to reproduce themselves, it was a need. As time passed by, the *need* changed into a *want* because production became dictated by non-consumers. Marketing agencies created the need for extra production and drove the production process way beyond the simple needs. New and expanding spheres of needs were being created (Friedman 1994:2-4). Consumption became an interesting and important concept within social sciences, because of this shift from *need* to *want*. It makes objects of consumption culturally meaningful and useful to reproduce social identities (Slater 1997:5).

Social sciences look at the way a person or group's behaviour is being influenced by others and its importance to culture. It therefore attempts to supply a motivational structure to consumption, one that is not a function of economics in any sense of the term (Friedman 1994:6). The anthropological approach for example captures the whole meaning in which

objects are used. Douglas and Isherwood (1996:xxiii, 37) opinion that when an object is fit for consumption, it means that an object is able to be ‘a marker for particular sets of social roles’ and that goods are coded for communication as it tells us how goods allow one consumer to engage with others in a series of exchanges. Simultaneously this means that the consumption of goods have the ability to exclude people, for example when in a certain group it is necessary to wear a skirt in stead of a pair of trousers. The value of objects is given by human judgements as each thing’s value depends on its place in a series of complementary other objects.

#### ***1.4.2 The habitus***

Sociologist Bourdieu (1984) is one of the most influential scientists who links consumption to social class in his study on distinction. This theory explains that differences in taste reproduce social differences because the consumption of some goods is considered a sign of distinction while the consumption of others signifies a lack of distinction (Komter 2005:7-8). Goldstein (2003:36) points out that Bourdieu describes how ‘taste is one of the mechanisms through which inequality, difference, and privileges are structured and embedded in one’s habitus’. Additionally MacKay (1997:4) states that the habitus is ‘a structured set of dispositions which provide a framework for our exercise of judgement and taste’. In this same view Goldstein (2003:36) states that all individuals in a similar group or class have the same habitus.

With regard to Bourdieu’s (1984) position, various empirical studies in the nineties have shown that ‘class remains a powerful predictor of consumption patterns with respect to food’ (Tomlinson 2003:98). Veblen (1899) has conducted a widely respected study about conspicuous consumption amongst the nouveaux riches in the United States. This theory explains how a collection of goods define a social position. What Veblen shows in his study is that goods are clearly used as symbolic markers of social status, and that for them [nouveaux riches] consumption is a measure of impressing others with one’s good taste and ability to pay for more than most can afford (MacKay 1997:4).

Although it has been pointed out various times that class habitus at least partly determines the consumption of goods, it has also been proven in more recent studies that ‘social class is no longer as relevant to consumption as it used to be’ (Tomlinson 2003:98) especially by the ‘post Fordist school’. According to this school lifestyles have become more important than class division and they are more diverse because the era of mass consumption is disappearing. It suggests that ‘traditional class-related consumption patterns’ disappear because people no longer wish to be associated with a mass or class in the old sense.

Lifestyles are being chosen and are not traditional anymore in this view (Tomlinson 2003:98). Bourdieu (1984) also refers to the distinction through lifestyle. He argues that people distinguish themselves from each other by adopting a certain lifestyle, that in some way reflect their position in society due to different levels of social, economic, and cultural capital (Tomlinson 2003:97). This also corresponds with how lifestyle is seen through the eyes of the marketing. In this field, lifestyle has everything to do with the attitudes, interests and opinions (AIO). One can see this as the ways to reflect the social, economic and cultural capital of Bourdieu. In Bourdieu's view however, the importance of class remains.

### ***1.4.3 Consumer behaviour***

The act of consumption is important in the formation of one's identity in which the focus lays upon everyday practices of consumption. A consumer is a member of one or more groups and therefore is being influenced by other persons the same way he can be of influence to another person (de Mooij 2005:105). Consumer behaviour therefore is an important concept to consider when unravelling the importance for certain groups of people. Consumer behaviour is a complex study that considers issues which influence the consumer before, during and after a purchase and can be defined as 'the study of the process involved when the people select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires' (de Mooij 2005:105). Being a consumer is about knowing one's needs and getting them satisfied; choosing, buying and enjoying – or failing in these. Such a need is seen as a particularly social concept. On the one hand needs are self-evident when we look at the first part of the Maslow's (1943) pyramid<sup>3</sup>, the physiological need as food, clothing and shelter (Hal and Weber 2009:12-13). On the other hand, Slater (1997:3) argues that needs are still arbitrary and subjective because they become wants or desires when bound up with the peculiarities of individuals.

Consumers make deliberate selections among co-consumers, and to take serious interest in social integration and disintegration, one has to study the principles of exclusion being used. As Douglas and Isherwood (1996:xxiv) argue, social life is a matter of alignments, for and against in- and out-groups, and therefore goods are like flags. One has to know how goods are being used as signals. They state that when one wants to understand the signals, one has to research the relations between people and the meaning of their

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<sup>3</sup> Maslow's pyramid consists of physiological desires, safety desire, love and affection, self respect and respect from others, and self realisation. The basic thought is that when the first step is not satisfied, one cannot fulfil the others. For example, when a person is hungry he cannot work properly.

consumption. In order to do this Douglas and Isherwood (1996:7) divide the world of goods according to standard econometric categories or units in primary production (food), secondary production (clothes and products) and tertiary production (services, culture). They argue that the higher the economic class, the more time and money will be invested in secondary and tertiary production as the goods in this unit define the distinctiveness of their group. The lower economic classes are often restricted to the first two categories because there will probably be no money left after consuming these necessity units. The class habitus can be discovered by unravelling the importance and consumption of the different consumption units.

#### ***1.4.4 Household strategies***

When the financial situation of a household changes through amongst other things the loss of jobs, economy setbacks, or bankruptcy, people have to reconsider their way of living. La Rocha and Grinspun (2001:89-134) and Ypeij (2000:169-184) have detected that many poor families undertake various activities to ensure the immediate or longer term survival of the household unit. According to Ypeij (2000:172) these decisions are not taken individually, but the social network tend to have a large influence. To varying degrees, strategies include a mix of income-earning, income stretching and expenditure-minimising strategies, or as Ypeij (2000:173) calls it, budget management. La Rocha and Grinspun (2001:89-90) include mobilising additional household labour, or multi-income strategies (Ypeij 2000:174), intensifying work, home production, changes in consumption patterns and increased reliance on reciprocal and mutually supportive kin and community networks, called social capital, and NGOs and State support in the research of Ypeij (2000:176). Returning to the consumption units of Douglas and Isherwood (1996), changes in consumption patterns will show in changes in consumption of these units.

#### **1.5 Concluding**

In many Latin American countries there are still clear class structures, where since the conquest and the neo-liberal era the income distribution is very unequal (Portes and Hoffman 2003:44). This makes people think in a ‘them-us’ logic (Reygadas 2005:499), which emphasizes symbolic barriers separating social classes within a country. Such a distance between groups of people has large influence on the personal and social identity, as identities are confirmed by how one perceives oneself and how one is perceived by others (Larrain

2000:24). When the gaps are large, stereotypes are easily formed and influence the creation of in- and out-groups of the social identity (Castano et al. 2002:315). People have the need to feel good about oneself and therefore choose people to associate with who are just like them (Gibbs and Gouws 2000; Stets and Burke 2000; Scheepers and Ellemers 2005). When the social environment changes due to radical political or cultural changes, this positive image could be threatened. When this happens people have the option to accept it or to defend their identity through various coping strategies (Todd 2005:439).

In modern social sciences consumption has gained importance when it comes to identity formation. Scientists such as Douglas and Isherwood (1996) see the consumption of goods as marker of the relation and the lack thereof between people. Bourdieu's work describes (Goldstein 2003:36) how 'taste is one of the mechanisms through which inequality, difference, and privileges are structured and embedded in one's habitus.' The habitus is the underlying structured of classification learnt in childhood and applied in the further life of a person (MacKay 1997:4). This makes that people with the same habitus are often attracted to each other, because they are just like them. The importance of certain consumption units (Douglas and Isherwood 1996) of a person is also part of this as we will see in the next chapter on the Venezuelan consumerist society. La Rocha and Grinspun (2001) and Ypeij (2000) show us that when one's economic position changes, people have to make changes in this consumption patterns in different ways, which will be shown in the next chapters. But first the Venezuelan context will be explained.

## 2. The Venezuelan case

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One of many Chavista wall paintings in Caracas. Photo by: Jennie van Haren.

Signs of capitalism is one of the first things you see when you enter Caracas as seen in the photo on the front. Coming into the capital of Venezuela, large billboards colour the sky with images of various beauty products, new Hollywood films, and David and Victoria Beckham in their new Dolce & Gabbana underwear. Capitalism and 'western' culture driven by capitalism and neo-liberalism in the 1980s, is clearly visible as the Venezuelans are famous for their consumerist culture. Behind these large billboards of luxurious products, one can see the 'other side of Caracas' with its barrios (the slums), and images of Venezuelan war heroes. Phrases such as in the photo above: '*Patria socialismo o muerte*' (Patria and socialism or death) and '*Chávez es revolución*' (Chávez is revolution) paint the other part of the city red. This division has always been present in Caracas, but has become part of open discussion since the election of president Chávez in 1999. He has made many changes in the structure of Venezuelan society as will become clear in this chapter.

## 2.1 Class inequality

When one looks at Venezuela, one sees a class based society, just like in many Latin American countries. A society which is polarized politically as well as economically. The uneven distribution of economic and cultural capital since the time of the conquest has led to the formation of various classes. A small economic elite has enjoyed a majority of political and economic capital at the same time. Through a symbolic struggle between classes, this has led to a legitimization of social differences in Brazil in the research of Goldstein( 2003:35-36). Social and economic inequality has been worsened in the neo-liberal era during the 1980s, when the rich got richer and the poor got poorer. This has been fortified by the wealth Venezuela has gained from their major export product, petroleum. For decennia, the country was led by a small elite who had the control over the revenues of the petroleum and did not let the wealth trickle down to the poor in society. The low classes were forgotten, excluded from society, and deprived of the oil revenues and basic needs such as good housing and education. They were struck hardest by the neo-liberal era, whereas the elite were ensured of good housing, jobs and other privileges like education and being able to travel to the United States

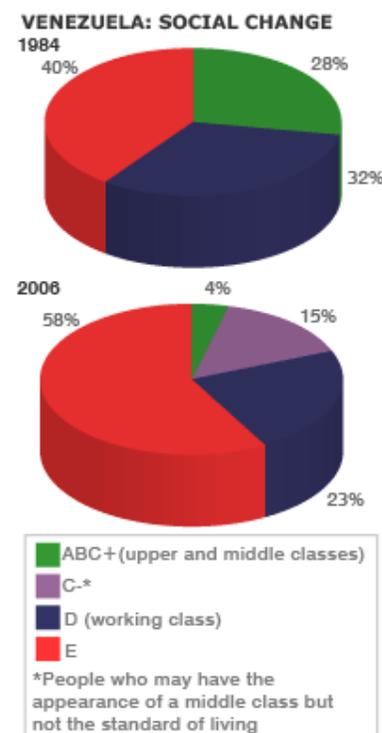


Figure 1. Social change in Venezuela 1984 – 2006  
Source: Malinarich 2006

and Europe (Wilpert 2003). Nowadays, Venezuelan class society is divided in six classes, from rich to poor: A, B, C+, C-, D, and E, whereas before 2006 there was only one C class. Economist and researcher Saade of Datos Information Resources (Malinarich 2006) states that between 1980 and 2006 Venezuela's socio-demographic composition changed dramatically 'because of economic cycles tied to the price of oil'. In the 1980s the highest classes (ABC) represented 28 percent of the entire population which diminished to 19 percent (C+, C-) in 2006. 'But if we apply the usual standards for a middle class family - one that can send its children to private school, take a holiday a year, change the car every four or five years and own a home - it's only 4 percent of the population', according to Saade (Malinarich 2006). He continues by saying that the remaining 15 percent (C-) does not share these characteristics – anymore. They often keep the appearance, but 'their possibilities of consumption and education are limited.'

## 2.2 Class and race

The class differences in Venezuela are partly traced back to colonial times. Cannon (2008:735) argues that the initial struggles between rich and poor in Venezuela were race based because of the Eurocentric approach of the white settler elite. The Venezuelan rich 'had more in common with the elites of Europe and North America than with their fellow Latin Americans' which lead to an 'ingrained racist fear and hatred of the white settlers, alarmed by the continuing presence of the expropriated underclass' (Cannon 2008:735). That is why Cannon (2008:736) argues it is race based, but the difference between class and race is fuse in Venezuela. There has always been a feeling that there is no discrimination against non-whites (Wright 1990:2). This can be attributed to the fact that during colonization, Venezuela became one of the more racially mixed colonies of Spanish America. At the end of this period, the utmost majority of the Venezuelans had some kind of 'black' ancestry (Cannon 2008:735). Due to this, Venezuelans claim to have a society free of racial tensions (Wright 1990:2) and a concept of racial democracy (Ibid.:74). Within this notion in Venezuela race is more a 'state of mind, as well as an economic condition, than a physical fact' (Ibid.:3-4).

According to Wright (1990:72) open hatred against blacks is basically absent. Venezuelan style racism has traditionally accepted *pardos* (mixed-bloods) and sees certain successful blacks as equal to whites as long as they meet 'certain social and economic preconditions' (Ibid.:74). In his view Venezuelan elite racists turn 'their creative energies to extolling the virtues of whitening rather than making racist comments' (Ibid.:75). Cannon (2008:735) refuses not to see this as racism. He argues that this is deeply rooted racism and it still exists and operates in Venezuela. In his opinion white elitist Venezuelans still view blacks as culturally and socially inferior, and dark skin is still associated with poverty. How darker the skin, the more likely one belongs to lower classes of society, according to Cannon (2008:735).

## 2.3 The black gold

When many countries in Latin America were haunted by economic crises and military dictatorships during the 1960s and 1980s, Venezuela had economic growth and democratic stability. According to Briceño-Leon (2005:6) this had to do with the discovery of petroleum in the Venezuelan soils in the beginning of the twentieth century which lead to 'a sustained, broad social and economic improvement, with increases in real wages for workers and increasing profits for businesses, all of which strengthened democracy' between 1926 and 1980. Experiencing a high level of growth, rising social and economic growth and a high

degree of upward mobility created a kind of optimism amongst the Venezuelans. Because of this optimism, the capitalist system was embraced and anti system movements such as communism were rejected (Ellner and Salas 2005:6). People and politics saw petroleum as black gold, something that would never end; it had been there for generations and in the popular imagination, it would be eternal (Briceño-Leon 2005:5). Wealthy Venezuelans saw themselves as a privileged country that was able to help other countries in the continent. But they also saw themselves as being able to consume what they would like.

However, this backfired on the Venezuelans. Heavily depending on the 'black gold' drove the country in having a so-called 'resource curse'. Within this understanding, Venezuela is completely dependent on oil revenues which have to take care of all development in the country (España 2008:48). The government implemented neo-liberal reforms into their political agenda and amongst their assumptions was that individual and collective wealth was to be best achieved by expanding the oil economy. But like Briceño-Leon (2005:6) states: 'any drop in the price of petroleum means a crisis in the State and in that society'. This happened in the 1980s when oil prices plunged and the economic growth stagnated, social mobility stalled, poverty rose, and politics lost its stability. From this moment on, the country's poverty indexes rose from 20 percent in 1979 to over 50 percent in 1999, and 'many Venezuelans were deprived of social services in order to be productive' (España 2008:48) and ended up in the insecure informal sectors.

## **2.4 Transition**

According to Gibbs (2006:269-270) Venezuela had an 'elite democracy' for decennia in which the political and economic elite decided what was best for everybody. Power and wealth was concentrated within the elite and the low classes were left aside, economically as well as socially. This mainly is the result of various failed neo-liberal policies and the uneven redistribution of the oil wealth. In February 1989, the poor stood up against the capitalistic government in demonstrations which later would be called 'the *Caracazo*'. Over two hundred and fifty people were killed in fights between demonstrators and the military (Gibbs 2006:269-270). That moment was taken up by ex-colonel Hugo Chávez Frías to fight the ruling order. He enters the political arena in 1992 with an attempted - but failed - coup, and finally is elected president in 1999. Chávez's arrival has meant changes for everybody; rich and poor.

Hugo Chávez holds capitalism, imperialism and elite groups responsible for the social inequality and poverty in the country. He characterizes himself as the president for all people

and his aim is to change the capitalist country into a socialist nation through the Bolivarian Revolution that has the aim to create a participatory democracy in which all people have a voice, economic independence from the rest of the world, equal redistribution of (oil) wealth, and making an end to political corruption. By creating a participatory democracy, where everyone – and not only the elite – has a voice in the country, Chávez made the effort to ‘revitalize citizenship through the construction of mechanisms for public participation in decision making, particularly aiming at the poor majority’ (Gibbs 2006:265). But according to Gibbs (Ibid), Chávez’s Bolivarian Revolution represents ‘an all-out assault on neoliberal doctrine and its authoritarian elements, putting into question elite control of the economy’ and only focuses on the excluded in society. Various opponents of the Chávez regime say that the Bolivarian Revolution is a kind of pay-back time for the elite, and that it is now the time for the ‘forgotten’ people<sup>4</sup>.

At Chávez’s first election in 1998, his support came from the middle and lower classes because of the promised socio-economic changes (Briceño-Leon 2005:17). In the second election, the support of the middle class shrank and continuing this, the middle class almost completely drawn back from their support for Chávez (Ibid.). Wilpert (2003) argues that the middle class withdrew because they were the ones who got hit hardest by the socialist agenda. Two of the aspects Wilpert (2003) mentions are economic<sup>5</sup> and government policies<sup>6</sup>. Nevertheless, the majority of people from lower classes continued supporting the socialist government as we can see in the election polls of Cannon (2008:733). This has remained almost the same until the day of today; Chávez’s votes come from the lower classes, whereas the middle and upper classes reject him and search for someone in the opposition. Chávez’s discourse is aimed at polarizing the country in a political and social way, according various critics like Corrales (2006:36).

## 2.5 Socialism of the 21<sup>st</sup> Century

The socialist course of the government does not benefit all people. Critics of the regime see the discourse as an assault on the upper and middle classes and private companies. According to Faria (2009:107), a former government member who writes about the political economy of the socialist transition, the political party of Chávez – the PSUV – is mainly directed to the workers class who are ‘the irreplaceable motor for the revolutionary changes whose powerful

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<sup>4</sup> Interviews with Edwin Koopman (The Hague) and Javier Corrales (Cedla, Amsterdam). Date: December 9<sup>th</sup> 2009

<sup>5</sup> The devaluation of the Bolivar of 50% in 2002, inflation of 35% in 2002, and unemployment of 17%.

<sup>6</sup> Land reforms, the new constitution, education, and health care.

enemy is imperialism.’ The changes president Chávez has planned for the Venezuelan society are written down in the ‘General lines of the economic and social development plan of the nation 2007-2013’. It has seven key points on which the nation should change in order to complete the transformation into Chávez’s ‘Socialism of the 21<sup>st</sup> Century’<sup>7</sup>: new socialistic ethics; supreme social happiness; protagonist and revolutionist democracy; a socialistic productive model; new national geopolitics; Venezuela: World energy potential; and new international geopolitics (*Gobierno de Venezuela, 2007*). All have large impacts on the whole society, nevertheless for the identity and consumption of middle and upper classes some are more important.

Chávez has introduced social missions in order to improve life standards for the poor to accomplish supreme social happiness. Two of the various missions are developed for providing free health care *Mision Barrio Adentro* (Mision inside the neighbourhood) and free education *Mision Ribas* (named after the heroe Andres Félix Ribas) (Ellner 2010:82). An immense part of the revenues of PDVSA (de state oil company) are invested into these projects in stead of reinvested in the company or the rest of the country. The poor in society now enjoy the oil revenues which they never had before. At the same time, it is the middle and upper classes that are left out now.

In relation to creating new socialistic ethics, Faria (2009:109) describes the hatred against capitalism from a socialist perspective: ‘We have to demonstrate our productive superiority in relation to capitalism. Companies will become the scenery of the economic and political transformations and will make use for the people’s interest’. This partially explains the wave of expropriations that started after Chávez’s re-election in December 2006. Expropriations and nationalizations happen on different scales from smaller to large companies, from food processing businesses to national banks, and especially the energy sector has made large reforms. Here we see that especially the upper and middle classes are the ones who get hit by the measurement as they privately own businesses and work in these.

The last point being described here is creating a socialistic productive model that hits the whole country. In 2003, Chávez introduced the National Exchange Control Administration (CADIVI) which administers all foreign currency. This means a regulation of US dollars coming into the country, which slows down all operations, including importation that on its turn results in scarcity of consumer products but also food. Consequences are the scarcity of food staples – 14.8 percent in February 2010<sup>8</sup> -, and the rise of food prices – 21.2 percent in

<sup>7</sup> Originally a political term and a slogan coined by Heinz Dieterich in 1996. Dieterich is a German sociologist and political analyst working as an adviser for the Venezuelan government. The term was first introduced by Chávez at the World Social Forum in 2005. It has been his goal ever since.

<sup>8</sup> Data from Banco Central provided in *El Universal*, March 10<sup>th</sup> 2010

the first five months of 2010<sup>9</sup> are the result. In the supermarkets it is often hard to find products like corn wheat, oils, butter, sugar, cheeses, and coffee.<sup>10</sup> This leads to strange consumption patterns as people get paranoid about the scarcities and go hoarding. Besides this, there has been a high inflation of 30 percent annually (Bohmer 2009), and devaluation of the currency (Wilpert 2003). The production in the country cannot meet the demand anymore<sup>11</sup> because of the high production prices and the increased demand of the poor sectors in Venezuela. Chávez fills up these gaps with more imports (mostly in exchange for oil), which makes Venezuela more dependent on international trade, and thus more vulnerable.

During the last decade, the situation of the low classes has improved and that of the middle and upper class has worsened. Especially the middle class feels these changes as their salaries are fixed at the beginning of the year and therefore cannot fight inflation (Wilpert 2003). The consumption of the upper and middle classes has changed significantly as they tend to buy imported products which are denominated in dollars, which have become very expensive now. Neither are they able to continue enjoying their privileges like private education, private health, and vacations to the United States and Europe (Wilpert 2003) due to price rises and loss of jobs.

## 2.6 Concluding

As in most countries in Latin America, in Venezuela there are severe social and economical inequalities since the conquest. In Venezuela's case the gaps grew when petroleum was found and only the elites in society benefited from this. Affluent people became richer and more influential while enjoying privileges like beautiful houses and occupation. On the other hand, the poor sector of society grew and got more excluded from society. As Reygadas (2005:499) has shown, that such gaps can create a 'them-us' logic. In Venezuela this has been definitely the case. When neo-liberal reforms resulted in more economical downfall at the end of the 1980s, the poor revolted against the establishment where the elite was in charge and the poor were just left aside and deprived of everything.

Ex-colonel Hugo Chávez Frías took this insurgency as an example that people in the country wanted change. He finally won the elections in 1999 and from then on he implemented the Bolivarian Revolution. This Revolution aims at changing the country into one in which everybody has a voice, one that is economically independent, one that

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<sup>9</sup> Newspaper *El Universal*, June 9th 2010

<sup>10</sup> Newspaper *El Universal*, March 10<sup>th</sup> 2010

<sup>11</sup> See annex 2

distributed its wealth equally, and in which there is no corruption. Through various measurements – sometimes quite rigorous – he has accomplished to shrink the income inequality, provide poor people with free health care and education. Hereby the poor segment has elevated in social as well as economical aspects. Nevertheless, Chávez's socialist regime is considered a contradictive one by as it is especially aimed at these underprivileged and critics of the regime see it as some kind of pay-back time.

Devaluation of the Bolivar, scarcity of food and consumer goods, affect everybody in the country as well as the upper and middle classes. But measures such as expropriations and nationalizations in name of the socialist country, hurt especially the upper classes as they are the ones who own companies. Neither are they able to continue enjoying their privileges like private education, private health, and vacations to the United States and Europe (Wilpert 2003) due to price rises and loss of jobs. In the next chapter we see how the lives of the upper and middle class Venezuelans were before the arrival of Chávez, and how they created their social identity.

### 3. The middle class in the ‘real’ Venezuela

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*‘Venezuela is not what it used to be. It is a pity you haven’t experienced the ‘real’ Venezuela.’<sup>12</sup>*

Nostalgia, anger, and wanting to be able to go back in time. These are feelings most upper and middle class families experience, just like Paola Sanchez explains in the quote above. But then, how were the lives of the Venezuelan middle class in the ‘real Venezuela’, the Venezuela before Hugo Chávez’s arrival in 1999? We will see that their social networks are formed on the basis of the class consciousness and its class habitus (Bourdieu 1984). People socialize with people ‘just like them’, people with basically the same privileged lifestyle, with the same background, income level, and norms and values. By categorizing people on these aspects, the middle class forms their in- and out-groups and finds a way of distinguishing themselves from lower classes. First, the consumerist lifestyle is explained in which according to Capriles (2008:10) lies the Venezuelan identity. We will see how economic resources of the middle class opened the way for the distinguishing act of consumption. After this the social identity of the upper and middle classes is described which leads us to the categories on which the in- and out-groups were formed in the ‘real Venezuela’ of the Venezuelan middle class.

#### 3.1 Privileged lifestyle

In the view of Bourdieu (Tomlinson 2003:97) the middle class distinguish themselves from others – mostly people from lower classes – by having adopted a privileged lifestyle. A consumerist lifestyle which generally coincided with the people in their social network as we will see in the second part of this chapter. Before the arrival of Chávez, their privilege of buying everything they wanted, (un)consciously differentiated themselves from the lower classes. At the same time they identified themselves with the United States and European elite, purchasing imported goods (Wilpert 2003) in various ‘temples of consumerism’ (*centros comerciales*) whether it was food and drinks, or cars and electronic devices.

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<sup>12</sup> Informal conversation with Paola Sanchez. Date: February 24<sup>th</sup> 2010

The 'post-Fordist school' states that lifestyles have become more important than class division and that lifestyles are more diverse because the era of mass consumption is disappearing. Because of this, this school points out that 'traditional class-related consumption patterns' have disappeared (Tomlinson 2003:98). In this part we will see that this theory does not fit within the Venezuelan context, as most middle class households have somewhat the same consumption patterns which can be appointed to their class habitus (Bourdieu 1984). Appearance, housing, holiday destinations, luxury food and drinks, and large cars and electronic devices are the most important examples of lifestyle categories for the vast majority of the Venezuelan middle class. Also private education and health care belong to the privileges which set apart the middle class from the lower classes.

### ***3.1.1 Appearance***

In Venezuela - the country of beauty queens - appearance of women is very important. All women go to beauty salons, plastic surgery is a daily act, and women walk around with the most extraordinary finger and toe nails. It is something you see in all walks of life. Nevertheless, Lee (2009:150) states that as 'in other industrialized countries, female beauty in Venezuela is tightly linked to financial resources'. This means that women in the lower classes, which is the majority of Venezuelan women, do not have the same beauty recourses as women in the upper classes. This is why in Venezuela 'female beauty represents a valued domain of practice in which Venezuelans can signal economic positions' (Ibid.:151).

This theory is validated in the view of Johanna: 'I go to the hairdresser and manicure every week. I want to differentiate me from poor people. I want to look more sophisticated, because if I don't, I look just like them.'<sup>13</sup> This is a middle class girl of begin thirties who obviously uses her financial resources on beauty to distance herself from lower classes. Because of her middle class economic position Johanna is able to go every week, whereas 'women of lower classes (*mujeres de bajos recursos*) can go once in fifteen days, or when they get paid'<sup>14</sup>. Another example is Victoria Lander, although she does not openly uses beauty to differentiate herself from poor people. Her economic position gives her the privilege to spend as much on beauty products as she wants. Victoria, a woman of about sixty years old has never really worked after graduating and has always occupied herself with her children, the house, and herself. A real *ama de la casa*, house wife. You can see she has always taken very well care of herself. She is slim, wears designer's clothes, and comparing her with the

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<sup>13</sup> Informal conversation with Johanna. Date: March 1<sup>st</sup> 2010

<sup>14</sup> Informal conversation with woman in beauty salon. Date: April 7<sup>th</sup> 2010

photos in the house, the only thing that aged over the past two decades is the look in her eyes. Like many wealthy women in Venezuela she has operated various parts of her body and face in order not to age and stay beautiful. It worked. She tells me:

*I really like to look good, I don't want to age. My clothes still fit me and I want to keep it this way. I work out three times a week, I go to the gym and practise yoga. Getting older is a choice, and I choose not to.*<sup>15</sup>

### **3.1.2 Housing**

Housing is also important for the middle class Venezuelans in order to distinguish themselves. According to Burrows and Gane (2006), residence and class are closely bonded as in their opinion there exists a 'spatialization of class that binds populations together in imaginary ways according to the micro-territories they inhabit.' In Caracas, middle and upper class families live in specific zones (*urbanizaciones*) amongst which El Cafetal, El Bosque, El Country Club and Terrazas de Avila. These areas are so-called gated communities, in which the houses are protected by guards and fences. Living in a gated community, proves that you have the economic resources to withdraw yourself from the chaos, insecurity of Caracas and its inhabitants. Just like the middle class people, the houses look wonderful. All have different art like paintings and sculptures, luxury furniture and souvenirs from their travels around the world. My attention is grasped by the amount of living rooms in the houses. The Sanchez family has two, Lander and Kroning three, and Mendoza even has four. The houses are visibly designed for the maintenance of social relations; large kitchens and lots of opportunities to sit and enjoy the richness of the house. Being able to organize social gatherings in your house is very important for keeping up with the middle class lifestyle, and maintaining relationships with these people.

### **3.1.3 Holiday destinations**

Not only the houses they daily live in are important to the middle class, also their second – and sometimes even third – residents are their pride. A privilege of the middle class Venezuelans has always been to be able to escape daily reality and enjoy other parts of the world. Many Venezuelans, like the Kroning family, have houses in the beach village nearby Caracas, in La Guaira. Without traffic it is only an hour away, but it is a world of difference

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<sup>15</sup> Interview with Victoria Lander. Date: May 18<sup>th</sup> 2010

compared to the chaos of Caracas. That is why this is used as a quick getaway. Another Venezuelan holiday retreat is Isla Margarita, with beautiful beaches and (also very important to the Venezuelans) tax free shopping. Families Kroning and Sanchez are part of this group of Venezuelans who have a house here, they generally go four times a year. Also Miami is a favourite holiday destination of the wealthy Venezuelans, especially in the hey days tells Agatha Kroning:

*Miami is a paradise, it really has best of both worlds. People speak your own language, you can eat your own food, and it is even better sometimes. And on the other side it's cheap and it does not have the chaos and insecurity that Venezuela has.<sup>16</sup>*

In those days, life in Miami was so cheap for wealthy Venezuelans because of the position of the dollar that they came up with the phrase: '*Ta barato, dame do*'<sup>17</sup> (That's cheap, give me two). This follows the line of the consumerist attitude of the Venezuelans; going to the other America with empty suitcases and came back fully packed. Also vacations to Europe and other parts have always been very popular amongst the middle and upper classes.

### **3.1.4 Luxury food and drinks**

Resembling the vast majority of the middle class Venezuelans, the Lander family can be typified as high consumers on units as luxury food and drinks. In the Lander residence there is a bar which is the proof of these habits. The oldest son tells me that 'this bar was always used to enjoy all the rich tastes of the world. The best whiskeys, rums and local finest were tasted by friends and family on various occasions.'<sup>18</sup> It is a bar as big as a real bar that one can encounter in the city; with mirrors, lights and bar stools. 'There was always something new. Me and my friends loved to try the new drinks my father brought'<sup>19</sup>, Cesar tells. The consumption of luxury food and drinks is often seen in higher circles to differentiate themselves – consciously or unconsciously – from other people, like studies have shown regarding to Bourdieu's position (Tomlinson 2003:98). In the families Sanchez, Kroning and Uribe their preference for luxury foods and drinks is also evident. As Henry Kroning tells:

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<sup>16</sup> Interview with Agatha Kroning. Date: May 20<sup>th</sup> 2010

<sup>17</sup> Interview Marcos Pele. Date March 21<sup>st</sup> 2010

<sup>18</sup> Interview with Cesar Lander. Date: June 4<sup>th</sup> 2010

<sup>19</sup> Interview with Cesar Lander. Date: June 4<sup>th</sup> 2010

*Going out to dinner is one of the things we like to do most. I love the atmosphere, the service and the delicious food. Especially the Italian restaurants are interesting to discover.*<sup>20</sup>

Food and restaurants are one of the topics of informal conversations of the Venezuelan middle and upper class. Telling which new restaurant you have discovered, or bragging what you have eaten, is a popular topic. Therefore Caracas is famous for the many luxury restaurants, and calls itself the culinary capital of Latin America. Not only exquisite tastes translated the privilege of foods, but also the quantity. During the glory days, there was always enough and various foods in the many refrigerators, freezers, and storage rooms – in the Sanchez case this were four refrigerators, two freezers, and one storage room. There was always enough for the family but also for when the children would take home friends, or when there was unexpected company of the parents: ‘I could always quickly prepare a salmon shrimp salad or a platter with Spanish hams and Gouda cheese.’<sup>21</sup>

### ***3.1.5 Cars and electronic devices***

Next to luxury food and drinks, middle and upper class Venezuelans are famous for their love for luxury goods like large cars and electronic devices. In Veblen’s view (1899) this is seen as conspicuous consumption in order to define the social position of the leisure class. Especially purchasing goods with little or no utility or function are used as symbolic markers of social differences in his theory as they are showing their good taste and the ability to pay for more than most can afford (MacKay 1997:4). Although Veblen’s study is done more than a century ago, it can still be considered of importance in Venezuela. According to Capriles (2008:10), Venezuelans identify themselves through having ‘access to modernity through consumption of luxury goods’. The Venezuelan upper and middle classes especially, love to consume conspicuous products like large SUVs, and having various mobile telephones and the most modern electronic devices. Fredy Uribe for example has three television sets in his house while living alone.

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<sup>20</sup> Interview with Henry Kroning. Date: May 20<sup>th</sup> 2010

<sup>21</sup> Informal conversation with Paola Sanchez. Date March 17<sup>th</sup> 2010

### **3.1.6 Private education and health care**

The last privilege that the upper and middle classes have, is being able to choose for private education and private health care. Mainly because many people in lower classes cannot send their children to university, higher education is definitely a privilege for people who can afford it. Carlos Fernandez tells me:

*this is the best way for our children to get further in life. My parents have worked all of their lives to provide my brothers and me with education. It's the most important for one's future.*<sup>22</sup>

The middle and upper classes have the privilege of thinking about the future of their children. For the middle class it is often enough to send their children to a school and university, whereas for the upper class it must be private education.

Also private health care is very important to the middle class, especially for Paola who needs it frequently: 'I don't want to wait for six hours to see a doctor. In a private hospital (una clinica), this is not necessary. And the quality is much better.'<sup>23</sup> This is also something lower classes cannot think about, as private health care is very expensive and therefore a privilege of the middle and upper classes and a way of distinction.

## **3.2 Belonging to the in-group**

This second part on the middle class position explains how people have constructed the middle class social identity. We will see that the middle class relates to people who are 'just like them', giving importance to the class habitus. Their in- and out-groups are formed by labelling people on the categories of background, norms and values, and occupation and income. When someone does not fit into these categories, is labelled into the out-group.

### **3.2.1 Class habitus**

As we have seen in the former part of this chapter, before the arrival of Chávez the middle and upper classes enjoyed a lifestyle with privileges the lower classes did not have. Like in the rest of Latin America, the Venezuelan elite was made up by a small part of the total population who enjoyed the majority of political and economic capital. There has always been

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<sup>22</sup> Interview with Carlos Fernandez. Date: April 7<sup>th</sup> 2010

<sup>23</sup> Interview with Paola Sanchez. Date: May 12<sup>th</sup> 2010

some sort of legitimacy of social difference through the underlying structured system of classification. According to Bourdieu (MacKay 1997:4) this habitus is incorporated since someone's youth and applied in later life which has justified class differences in Venezuela. Wealthy families have lived privileged lives for decades and are used to this. It is the habitus of belonging to these classes and live such lives, that stands at the basis of the in- and out-group formation.

According to Bottero (2004:987) in modern societies people do not see themselves as part of a class, but rather as 'normal', because the people in their social networks are often the same as they are. Therefore class only exists out there, in the media, and in public life, but not close to home. Yet, living in Caracas proves quite the opposite. You can ask anyone in what class they are in, and they will tell you. As Leonardo Saoto makes clear:

*They probably will tell you they are in one class higher than they really are. This is because all upper classes have experienced some sort of decline, but they do not want to admit it.*<sup>24</sup>

Most people during my research were very conscious of their class and position in society and gave rather much importance to it. For example when meeting new people, many start the conversation by asking: 'What does your father do? And your mother?'<sup>25</sup> Middle and upper class Venezuelans pose this question at the first acquaintance for small talk but also to see what social background you have. To know what jobs there are in the family, one automatically draws up a picture of the environment you grew up in, what educational level your parents have, and what habitus belongs to these categories.

### **3.2.2 Social network**

Exploring the social networks of the middle class, it became clear that people search for people who are just like them. An interesting observation was that most of the people whom they are socially related to, are family or lifetime friends. It shows that these people have essentially the same background and most of the time the same lifestyle and norms and values as the families I have followed. Let us illustrate this through the social network of the Sanchez family, a former Venezuelan upper middle class family. It shows relations with mainly family and lifetime friends from college and university. All people are labelled Venezuelans and all

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<sup>24</sup> Interview with Leonardo Saoto, head of marketing of Del Monte. Date: April 20<sup>th</sup> 2010

<sup>25</sup> Informal conversation with Paola and Andres Sanchez. Date: February 24<sup>th</sup> 2010

are in the same age category between end fifties and eighty years old. It is important for this family to be able to trust and understand each other Paola tells me:

*Most people we see, are people we know for a long time. Our family of course, but also friends we met when we were in college and university. We still meet with them once or twice a month or so. [...] I think it is important that you understand each other, that you know where you come from. [...] Our network, if you want to call it that, consist of people like us; decent and educated people.<sup>26</sup>*

### **3.2.3 Background**

Cannon (2008:735) states that white elitist Venezuelans have an Eurocentric and North American approach to society due to characteristics of colonialism. In general this is very obvious as we have also seen in the piece on lifestyle. The ultimate example is when I visited a birthday party of a wealthy family (the Caballero family) in Valencia. They had organized a party for around two hundred people in their country house (*hacienda*) where gipsies sang and danced flamenco while the guests could watch traditional bull fights in their own bullfight ring. But also more simply, in the Venezuelan middle class' social networks importance of heritage is also evident, especially for the Lander family, a from origin Spanish family that has been in Venezuela since the late nineteenth century. Their Spanish heritage is still very important for them, but also for categorizing people in their surroundings. This does not mean that everybody in their social networks is of Spanish heritage but many are or with other European backgrounds, as Victoria states:

*No, no, no, not everybody [has a Spanish background]! But a lot yes. Or Italian. We have strong feelings with Europe, I love it still. I try to go every year.<sup>27</sup>*

The answer was not surprising since in the house there are many attributes that remind of Spain and colonial times. They even have a large photo of the Sevillian *Plaza de toros* in one of the living rooms.

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<sup>26</sup> Interview with Paola Sanchez. Date: May 12<sup>th</sup> 2010

<sup>27</sup> Interview with Victoria Lander. Date: May 18<sup>th</sup> 2010

### 3.2.4 Norms and values

Norms and values are a very important category on which the Venezuelan middle class choose people into their in-group. The norms and values are quite simple to detect, because some of them are pretty much based on the Christian Ten Commandments: honour your family (family values), you shall not murder, you shall not commit adultery, and you shall not steal. In addition to the former, I also detected the value of good upbringing which means having decent and respectable behaviour and having ethics. Further, good education and hard work are being valued by the middle class. The value of ‘decent and respectable behaviour’ held high by the Venezuelan middle class is not that different of what Ypeij (2000:182) writes on the Dutch’s description of this value:

*Decent people take care of their home. They maintain it properly and furnish it in a way that radiates hospitality. Decent and respectable people are good citizens. They obey the law and do their utmost not to bother their neighbours. They abhor debts. [...] Decent people take proper care of their children.*

The value of ‘having ethics’ is mainly appointed to being democratic and fair. This is mainly used in order to point out people who are not, who belong to the out-group. I will come back to it in the last section. Continuing, the middle class value (private) education since in their opinion it produces status and success. All my families are highly educated. Some of the families I have researched have sent their children to the United States to study. Like the Lander sons, both of them have enjoyed their higher education in Miami and speak fluently English. Also the family Sosa sent their children to the US to get better and more exclusive education. Other families like Gonzales, Fernandez, Sanchez, and Kroning also consider education as a very important category, but did not see the need to send their children to the United States. Their children have all enjoyed private higher education in Caracas. ‘In those times private education was still of very good quality. I sent my children to the same university as I went to’, says Andres Sanchez, ‘although nowadays, if I could, I would send them off to the US or Europe. Because the level of education is dropping.’<sup>28</sup>

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<sup>28</sup> Informal conversation with Andres Sanchez. Date: March 12<sup>th</sup> 2010

### 3.2.5 Occupation and income

After background and norms and values of the Venezuelan middle class, occupation and income is important for belonging to the in-group. People need a good income in order to be able to maintain the lifestyle that typifies the middle class. Also the privileges that come with the middle class, have to be financed. Besides generating income, an occupation can also generate status and social honour. In Venezuela it is very important for the middle class to have an occupation in the formal sector. When one has a respectable occupation, it means that one has enjoyed a good education, has a good network, and many of the above described middle and upper class characteristics. Having a formal job and a respectable income also makes sure that one has access to class assets like control of capital and means of production, and is protected and regulated under the law (Portes and Hoffman 2003:43-49).

People who work in the informal sector cannot lay claim to these assets like health care and protection of the state, and are considered outsiders of the system. This has also something to do with the norms of being a decent person, earn a honest living. Most people in the middle and upper class are the owners of their business, or have respectable functions at a company. Andres Sanchez for example had his own construction company, Diego Lander an important function at a ministry, Henry Kroning still has his own company in opinion polls and Fredy Uribe for example had an influential post at the state oil company PDVSA from 1979 to 2001. In the pre-Chávez era, having access to the oil was related to having access to a lot of money. The salaries were high and having a prestigious job title was also advantageous, as Fredy explains:

*I was gerente de mercadeo (head of marketing) and I could live very well on my salary. I made beautiful business trips to other oil countries and my family also enjoyed my position. They could travel with me, and of course financially they benefited.<sup>29</sup>*

Now we have seen what categories were important for people to be labelled into the in-group, the next part enlarges upon why people get excluded from it. What makes people belonging to the out-group.

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<sup>29</sup> Interview with Fredy Uribe. Date: May 6<sup>th</sup> 2010

### 3.3 Belonging to the out-group

An out-group is formed by people who do not share the same categories as you. Castano et al. (2002:315) point out that prejudice is an important condition for this process of excluding people. For the Venezuelan middle and upper classes, poor people belong to the out-group, because generally they have a stigma of being ‘badly raised people’<sup>30</sup> and ‘people with no ethics.’<sup>31</sup> Ypeij (2000:182) points out in her research on ‘Poverty, survival and identity’ in Amsterdam, that having these norms and values come to the fore as being ‘unacceptable’ or ‘anti-social’, opposite to ‘decent and respectable behaviour’. During my research in Caracas, when referring to poor people and their families, these people were considered to be lazy, unfaithful to their wives and not being able to take good care of their children. The term ‘badly raised’ (*gente mal educada*), was used often to point out certain behaviour they did not consider themselves having such as yelling in public, being drunk on the beach, having your music very loud in the car, and be rude to people. It is clear that poor people have been stigmatized and stereo typified which creates a larger gap, and makes it easier to directly label them into the out-group (Castano et al. 2002:319).

### 3.4 Concluding

Closing the first empirical chapter, we have taken a peak on how the middle class have lived their lives before the arrival of Chávez in 1999. They have had a privileged lifestyle with a lot of luxury with which they distinguished themselves with poorer sectors, as for the latter it was too expensive. In contrast to the ‘post-Fordist school’ there have been a series of aspects on which the middle class shows a traditional class related consumption pattern. Appearance, housing, leisure, food and drinks, consumer goods and private education are the categories consumed by all middle class Venezuelans. In the formation of the social identity we see that this lifestyle is very important for the group, as it shows the class habitus. All people in the social networks, are ‘just like them’, and this is also seen in background, norms and values, and occupation and income. These are the most important categories in order to maintain a positive group image. The out-group on the other hand is basically formed by the poor sector of society, because people have constructed stereotypes and prejudices around them of being ‘indecent people’ (Ypeij 2000:182). In the next chapter, we see the changes the Chávez administration has brought to the middle class’ consumption and lifestyle.

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<sup>30</sup> Interview with Carlos Fernandez, date: April 14<sup>th</sup>; and Fredy Uribe, date: May 23<sup>rd</sup> 2010

<sup>31</sup> Interview with Agatha Kroning, date: May 20<sup>th</sup> 2010; and Victoria Lander, date: June 1<sup>st</sup> 2010

## 4. Changes in consumption and lifestyle

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*My wife has sixteen litres of milk in the freezer at home. She buys it whenever it is available.*<sup>32</sup>

In Venezuela, people have created some kind of hysteria for buying [food] products when they are available, as we can see in the example above. There is a range of successes of the Bolivarian Revolution, but there are also failures like scarcities. The middle and upper class claim that it has had severe disadvantages for them. This chapter describes the changes in the lives of the families I have followed during the presidency of Chávez, concerning their lifestyle and consumption patterns. An analysis will be given of the transition to a socialist nation linking some of the points of the *Plan de la Nación de Venezuela 2007* to its impact on the lifestyles, privileges, and consumption patterns (Douglas and Isherwood 1996). First, the changes in the middle class' economical position comes to the fore, as this has large influence on the maintenance of their consumerist lifestyle. Following, the theories of La Rocha and Grinspun (2001) and Ypeij (2000) give an insight on the coping strategies to overcome the economical downfall. We will see that changing consumption pattern is the most important, and therefore will get more attention.

### 4.1 Changes in financial position

Socio-economic positions have changed in Venezuela during the last decade, as we have seen in the context chapter of this thesis. Social missions and other inversions of the government on the one hand have improved the social and economic position of the poor in the country. On the other hand, many higher and middle class Venezuelans have gone down a notch on the economic ladder. This has various and complex causes, such as the international economic crisis and the socialistic agenda of the Chávez government. As we will see in this section, the change from a capitalistic nation with little government influence on the economy into a socialistic nation in which the government wants to have all control, does not come without costs. Expropriations and nationalisations by the state, high inflations, devaluation and scarcities have large impacts on the lives of Venezuelans.

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<sup>32</sup> Interview with Nestor Rodriguez. Date March 22<sup>nd</sup> 2010

### ***4.1.1 Expropriations***

The creation of a new socialistic productive model written in the *Plan de la Nacion*, needs nationalisations and expropriations. The plan does not clarify what the government is going to do exactly, but Chávez has stated in a conference that he finds himself in an ‘economic war’ in which the battle is between the capitalists, the rubbish bourgeoisie (*los burgueses de pacotilla*) and the people who love the nation. He has further stated that he wants to see which sectors will stay under his control, and which sector he leaves to the private sector<sup>33</sup>. What the Plan does say for example, is that the State wants to gain more power over the alimentary industry in order to provide for food security<sup>34</sup>.

In practise, this means that land reforms are being succeeded in order to redistribute private owned land to the nation. But it also means that businesses are being expropriated to serve the Socialist agenda. An illustration is the story of Henry Sosa who used to have a company in sugar and dairy products. His company was expropriated by the government for the reasons mentioned above. In order to be able to make a living, he and two associates started another, smaller business in machinery for the Venezuelan alimentary industry. But they kept having problems surviving in Venezuela because companies rarely do business due to the fear of making large investments in these uncertain times (Bohmer 2009). The next quote of Henry clearly illustrates this impact on his economical position:

*We were very close to sealing a million dollar deal with Cargill, a food processing company from the United States. But then Chávez said in his television programme ‘Álo Presidente’ that if the company [Cargill] did not stop with its capitalistic discourse, it would be expropriated by the Venezuelan government. The company became scared and did not sign the papers of the deal. With this deal I could have let both my children to continue their study in the United States. Now I have to bring them back to Venezuela.*<sup>35</sup>

And the wave of expropriations that begun in 2007 (Dugan and Profaizer 2007) still has not stopped. The recent expropriation of *el Banco Federal* on June 14<sup>th</sup> 2010 is another example which has influenced many middle class families. Whatever the reason for the hostile takeover (the opposition doubts the reasons of the President, because they think it is a way to punish them), it has had a large impact on the people who had their money at this bank. The

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<sup>33</sup> Newspaper *El Universal*, June 4th 2010

<sup>34</sup> See *Plan de la Nacion* 2007:27

<sup>35</sup> Informal conversation with Henry Sosa. Date: June 9<sup>th</sup> 2010

bank refunds up to 30.000 *Bolivares* per account, which is equivalent to 5.419,06 euro<sup>36</sup>. Many middle and upper class people had more than this and are very misfortunate, because there is no way of getting it back. Their money is gone. Amongst the 284.000 people who had their savings account at this bank<sup>37</sup>, is the Sanchez family. Andres and his wife lost all their money [a lot more than 30.000 Bolivares] on this Monday in June. A few hours after being confronted by the news he sat at the dinner table with a glass of whisky. Gazing. Angry. He said:

*Everything is gone! My savings, my salary, money of my company, everything! It is all a childish game. This so-called socialist president only wants what is best for him! He doesn't care about the people of Venezuela or the country itself. He is just playing with us. He is destroying us and the whole country.*<sup>38</sup>

Through the sudden loss of income and savings, the economical position of a household is drastically changed, like the Sanchez family. This has various impacts on the self-esteem which is needed to feel to belong to the 'right group', as Gibson and Gouws (2000:230) argue. This means that sudden changes in economical position also have an impact on the way a person feels connected to the middle class social identity. This will be further elaborated in chapter five on changes in social identity. In this chapter, we will see that the sudden decrease of economic resources amongst other things also affects the lifestyle common to the middle class, because of their changes in consumption patterns. But first, three other causes for financial and economical changes will be looked into: high inflation, the devaluation of the currency and scarcities. After this, the most important household strategies will be treated which are used by households to cope with the sudden financial changes.

#### **4.1.2 Inflation, devaluation and scarcities**

This paragraph shows that there are more aspects of Venezuelan life influencing middle class consumption and lifestyle besides losing savings, income and occupation. First, the inflation is almost 30 percent annually and experts predict that the inflation will rise up to 42 percent at the end of the year<sup>39</sup>. On top of this, daily expenses are getting very expensive due to rising

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<sup>36</sup> Official currency rate on August 8<sup>th</sup> 2010: 1.00 EUR = 5.53598 VEF

<sup>37</sup> Newspaper *El Nacional*. Date: June 15<sup>th</sup> 2010

<sup>38</sup> Informal conversation with Andres Sanchez. Date: June 14<sup>th</sup> 2010

<sup>39</sup> Newspaper *El Nacional*, Date: May 25<sup>th</sup> 2010

consumer prices. This makes daily life harder for everyone in the country, also for the Venezuelan middle class. As Maria states:

*In January last year I spent 1500 BsF on my monthly groceries excluding meat and chicken. Nowadays the same groceries cost me 4000 BsF for two persons. And then you do not even have meat or chicken. Nor something special. It's crazy! It has become a much larger part of our salaries.<sup>40</sup>*

Moreover, the devaluation of the Bolivar – twice in ten years – makes life more expensive as prices have risen with 50 percent. On top of this, the impoverishing food industry which creates high food prices also creates scarcity in the supermarkets. The Venezuelan upper middle class families have always had a certainty that there would be enough food in the house. They do their groceries once a week, and then buy for the whole family and a bit extra for people who occasionally drop by. This is part of their lifestyle; provide for and take care of people from their in-group.

During the last ten years, there have been various periods of scarcity, especially for products like milk, sugar and wheat. This makes people hysterical because they never know when there will be a period of scarcity again. A young mother tells me: ‘What are you going to do if you don’t have milk in the house? How are you going to feed your baby?’<sup>41</sup> She created some kind of hysteria for buying [food] products when they are available. This is a large change in their lifestyle, but also obviously in their consumption pattern.

#### **4.2 Responses to changing finances**

As we have seen, nationalisations and expropriations, high inflation and devaluation of the Bolivar have large impacts on the financial situation of people. There are many ways in which people react to sudden setbacks in economic situations, according to La Rocha and Grinspun (2001) and Ypeij (2000). They have done research in poor areas in various Latin American countries and have found that households ‘have been forced to adapt in the face of growing vulnerability’ (La Rocha and Grinspun 2001:89). In their report, La Rocha and Grinspun (2001) describe various responses and strategies households adopt including ‘a mix of income-earning, income stretching and expenditure-minimising strategies’ (Ibid:89).

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<sup>40</sup> Interview with Maria. Date: June 5<sup>th</sup> 2010

<sup>41</sup> Informal conversation with young mother in the supermarket. Date: March 23<sup>rd</sup> 2010

Although the families I have researched do not have an equally vulnerable position as the poor households in their researches, nevertheless various responses and reproduction strategies can be detected within the Venezuelan middle class.

Households use the strategies of mobilising additional household labour, intensifying work, increasing reliance on reciprocal and mutually supportive kin and community networks. In the part that follows, the above mentioned strategies will be described and explained by using examples of various households and families. But the middle class first and foremost use the option of economizing on various units (Ypeij 2000:174) which is noticeable in changes in the consumption patterns. This will be treated ultimately.

#### ***4.2.1 Mobilising additional household labour***

Mobilising additional household labour aims at getting more people in the household to create income. In the research of La Rocha and Grinspun (2001) in poor families, children are dropping out of school in order to be of financial aid. In upper and middle class families, this is not the case, but there are definitely changes. In most upper middle class families, it is only the husband that brings money in. Due to the economic and financial changes during the last decade, almost all households are encountering hard times when it comes to continuing their lifestyle. This is also the case for Henry Sosa and his family. His wife never had to work a day, but this changed when their company was expropriated. Now his wife sells purses and handbags from the house. The following quote of Henry depicts that this is quite traumatic for her, but also for him because he is not able to provide for his family:

*Can you imagine a Venezuelan woman who has not worked for years, asking her to go work again? That was horrible! But it is necessary, and she knows it. She doesn't like it, but I alone cannot provide anymore.*<sup>42</sup>

In addition to Henry's wife, the wives of Henry's business partners also have to work suddenly to protect their lifestyles. One woman works as a kindergarten teacher and the other as a secretary.

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<sup>42</sup> Interview with Henry Sosa. Date: June 10<sup>th</sup> 2010

### **4.2.2 Intensifying work**

Intensifying work obviously is aimed at working more hours in order to generate more income. La Rocha and Grinspun (2001:95) have found that in ‘some countries, the informal sector provides a refuge for those unable to find jobs in the formal economy’. In Caracas this is also the case. Many formal jobs cannot provide enough of an income because the inflation, and the salaries are not evenly compensated. That is why Henry Sosa mixes economizing and mobilising additional household labour with intensifying his work, by working two jobs:

*From 8am until 3pm I work at my own company. And then I step rapidly in my car. Because as you can see, I am also a taxi driver. I do this from 3pm to 7pm, when it is still light outside. Otherwise it is too dangerous. I need the extra money. Just like my associates. One of them is also a taxi driver and the other has become a music teacher at home after work and in the weekends.<sup>43</sup>*

As we have seen in the first chapter, a norm of the middle and upper class is to have an occupation in the formal sector. Working in the formal sector brings security, whereas the informal sector brings insecurity and low self-esteem. As we see in the example of Henry Sosa, many people in one’s social network go through the same, so there is a lot of understanding.

### **4.2.3 Reliance on reciprocal and mutually supportive kin and community networks**

Increasing reliance on reciprocal and mutually supportive kin and community networks is a way to consolidate your family with the help of others. An example is that your brother has a car shop and repairs your car for free. In return, you help him out with the children. The Sanchez family had to come up with a solution who after losing their income and savings. Antonio, his eldest son, told me somewhat optimistic: ‘Luckily he [Andres] has always worked hard in order for us [him and his brother] to study well and take care of ourselves. Now it is our turn to help him and my mother.’<sup>44</sup>

The Sanchez family rely more on the supportive kin to help the household keep up their lifestyle as much as they can. The sons have always provided for some parts of the household, but now they provide entirely for the food and the rent of the house. This is also seen in many other families like the Mendoza and Lander family. In these families, the

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<sup>43</sup> Interview with Henry Sosa. Date: June 10th 2010

<sup>44</sup> Informal conversation with Antonio. Date: June 14<sup>th</sup> 2010.

children also donate a part of their salaries for the household of the parents. Although the sons help as much as they can, the consumption pattern has changed radically as we will see in the ultimate and most important coping strategy, changing consumption patterns.

### **4.3 Changes in lifestyle through changing consumption patterns**

Economizing and changing consumption patterns is the most used strategy families adopt in order to cope with the changes in their financial position. Practically all middle and upper class households have had to consider their ‘traditional class-related consumption patterns’ (Tomlinson 2003:98) and economize on almost all of them. By going into the units of Douglas and Isherwood (1996:7): primary (food and housing), secondary (consumer capital goods), and tertiary (culture, leisure) production and combining them with fieldwork data from the families, the impact on the middle class’ lifestyle will become clear.

#### ***4.3.1 Food, education and housing***

In the previous text on the rise in prices of food, Maria pointed out that her spending on this unit rose with almost 300 percent, from 1500 to 4000 Bolivares. Like many middle and upper class Venezuelans, she and her husband are still able to cope with this, but some people in the lower middle class, cannot do so and have to change their expenditures on daily food. Maria told me: ‘Luckily, we can still afford to buy the products we want. Other people like my sister have to change products or brands. I avoid this as much as possible.’ Goody and Isherwood (1996:7) state that ‘the lower economic classes are often restricted to the first two categories’, as there does not remain any more money to spend on other units such as leisure. In the Venezuelan lower middle class we also see this. Former middle class Francia D’Avila, who now belongs to the lower middle class illustrates this:

*With my salary I used to be able to go on holiday once in a while, be it to the beach. But now, we both have to work to manage getting healthy food on the table. I cannot even remember when was the last time we went out to dinner.<sup>45</sup>*

Additionally, it is especially the luxury foods and drinks that differentiates the middle class’ lifestyle from that of the lower classes as we have seen in the first chapter. It is one of their privileges to be able to afford daily luxury. For most middle class families, like Fredy Uribe,

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<sup>45</sup> Interview with Francia D’Avila. Date: March 25<sup>th</sup> 2010

this privilege has disappeared. He had to consider his importance in the different units, and he now saves money on his favourite unit: food. Before, he shopped every week in the Italian restaurant and delicatessen shop El Vesuvio. With the changes in his financial position, this has lost its primary importance and luxury foods has become something for special occasions only as he tells me:

*'I still like it and want to buy it, but unfortunately I can't do it as often as I'd like. I do still often go and see what there is to offer, but most of the time I have to go out of the shop with only one or two dishes or delicacies.'*<sup>46</sup>

Also the Sanchez residence admitted to buy products that they rather not buy: 'I like to buy light products, that's healthier. And also products from delicacy shops. But now we are kind of obliged to buy less quality and less quantity also actually.' The inability to buy whatever they want, is a hard reality for the upper middle class, for whom it was always a privilege to do so. In most families they now see it as something festive and still enjoy it at special occasions. But the loss of their daily luxury is something they have not accepted yet.

Middle and upper class families in Venezuela have always had the privilege of sending their children to the best (private) schools, but since the arrival of Chávez this privilege has slightly changed. Henry Sosa is one of the people who has sent his children to the United States to study English and to be able to follow their higher education there. This costs his family five thousand dollar per month. He could afford his before the radical changes, but now - even with his two jobs and his wife working as well – this is not possible anymore he says: 'After this year I am taking them back to Venezuela. They have to study here in Caracas, that's cheaper.' Ultimately, being able to live in a gated community has been a privilege for the upper middle class. Most people own their houses and so are able to stay there. But some people have problems in maintaining the house, garden and everything around it. Like the Lander family. The house is still very beautiful, but the deterioration is very visible. Especially in the garden for which they cannot afford to hire the gardener anymore. But for their social position they stay there, and cut on other expenses like food and leisure activities as we will see in the next units.

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<sup>46</sup> Interview with Fredy Uribe. Date: May 17<sup>th</sup> 2010

### ***4.3.2 Electronic devices, beauty products***

Purchasing conspicuous goods (Veblen 1899), especially imported goods, gives the Venezuelan middle class a certain status in comparison to lower classes who often cannot afford buying products besides food, education and housing. Cars for example are a good example of showing one's position. As Malinarich (2006) also mentions, it is a privilege of the middle class to change their car once in a few years. In the Sanchez family all men have had luxury and beautiful cars. But if one looks today, they still drive in the same car as seven or more years ago. The government's expropriation of Andres's company in 2000 is to blame. Andres says: 'Money is tight since. My car still brings me where I need to go, so it's okay. But still, I would like to look for a new one again.' Looking at Fredy Uribe, we see a house full of electronic devices with no real function for him, conspicuous goods. Being able to buy them, makes him happy: 'I like having the newest music installation, or the newest Blue-ray player. It gives me pleasure. But now I cannot anymore. I still have to do it with my DVD player.'

Beauty is also a unit on which most middle class families have to cut expenses, although most women try to avoid it. Paola shows me her wardrobe:

*These clothes I have bought in Europe, and the United States. Many years ago. I don't buy clothing anymore, because we don't have the money anymore. Luckily I have always purchased good quality so I can still wear these.<sup>47</sup>*

For women cutting on beauty products is very drastic. As we have seen in Lee's (2008) research, a woman's beauty shows her economic status in Venezuela. Hence, many women try not to hold back on hairdressers and nail treatments just like Victoria points to me: 'I go a bit less to the hairdresser, but I still go. I have to look good. Also clothing, I still buy at the same shops, but a bit less.'

### ***4.3.3 Leisure activities, savings***

Douglas and Isherwood (1996:7) assign this last unit of leisure and savings, primarily to the higher classes as 'the higher the economic class, the more time and money will be invested in [secondary and] tertiary production as the goods in this unit define the distinctiveness of their group'. First we see that the Venezuelan middle class has cut drastically on their leisure

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<sup>47</sup> Informal conversation with Paola Sanchez. Date: April 3<sup>rd</sup> 2010

activities such as holidays. The privilege of being able to discover the world and to escape daily reality, has changed through their change in financial situation. Since Andres's company was expropriated in 2000, the spending power and social position of the Sanchez family worsened drastically. As we have seen in the former, they have changed their consumption of food, but also in leisure and other luxury. The Sanchez family is similar to many middle class families in Venezuela, they love to go to Europe and Miami, Florida. But in recent times, they cannot do this anymore. Henry Sosa's last travel was to Miami in January 2009:

*It has been our last holiday since, because after that, Cargill was hostilely taken over and we got stuck with no money. No, holidays are not something I see in our near future. We now have other things to think about. Look at my car, it was my wife's. We had to sell mine.<sup>48</sup>*

The unit of leisure has also been made more difficult due to the regulations around foreign currency. It is more difficult to obtain dollars, and everything has to be checked. When a person goes on holiday one has to ask permission to make use of 3000 US dollar for the trip, has to show the travel ticket, and needs to keep all the receipts of expenditures made abroad. This definitely affects the privilege of freedom of travelling.

The unit of savings has changed a lot as well. In the pre-Chávez period, many middle class families could put money aside for their children, unexpected expenses or something else. Nowadays, these same people are pushed to use these savings – change the unit – in order to maintain their lifestyles. Just like Henry Sosa told me: 'First I set aside money for my children, and now I am the one using it to keep them in school. That's ridiculous.' The change in this unit, breaks with the middle class' privilege of having financial security.

#### **4.4 Concluding**

Expropriations, nationalizations, inflation and the rise of food prices, makes maintaining the lifestyle of consuming very difficult for the Venezuelan middle class. Qua income and wealth, the middle class has definitely lost much of their privileged position within the country, mainly because of measurements of the socialist government. Coping strategies have been distinguished by La Rocha and Grinspun (2001) and Ypeij (2000) in order to detect how households cope with financial setbacks. The basic solution for most households is to

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<sup>48</sup> Interview with Henry Sosa. Date: June 10<sup>th</sup> 2010

economize on their expenditures, but also to change their consumption patterns. Within the 'traditional class-related consumption patterns' (Tomlinson 2003:98) importance for consumption units have stayed the same, but less has been spent. People tend to economize on quantity rather than on quality, which is best seen in the first unit of food and clothing. They have made a shift within the units, as the third unit of leisure and savings mainly is not consumed anymore due to the lack of financial means. How these changes in their consumerist lifestyle influence their social identity, is shown in the following chapter.

## 5. Changes in social identity

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*I still see the same people as always. The current situation does not influence my friendships. [...] No, politics neither. But we don't talk about it either when we are together. I do not want it to come between us.*<sup>49</sup>

Carlos Fernandez tells me this when talking about changes in social relationships. Political preference do not influence him and his social network, nevertheless he does not want it to ruin existing friendships. This means that it has become a delicate issue and category for his in-group. This final empirical chapter sheds a light on how the social identity has evolved after eleven years of Chávez's presidency. Although it is impossible to come to a closing answer, especially after only four months, it still attempts to give an overall view on the theme. The chapter looks at the social identity in the changing Venezuelan context. We will see that the social identity has not changed that much, but that there are some changes in the in- and out-group. Ultimately, the changes in social identity will be explored by making use of Todd's (2005:440-444) coping strategies for social identity.

### 5.1 Middle class social identity

Within the Social Identity Theory, the self-esteem of an individual is very important in order to gain a positive personal identity and therefore also a positive social identity (Tajfel and Turner 1979). The self-esteem of the middle class has been damaged due to the changes in the country. During Chávez's Socialistic revolution, the middle class is deprived of its powerful elite position and privileges. Fear of crime, not being able to travel whenever and how they want to, buy whatever they want to, and to see their savings disappear, makes them feel weak. This has severe consequences for their view of themselves and others, the in- and out-group (Gibson and Gouws 2000:230).

Capriles (2008:10) states that the 'true strong heart of identification resides in their having access to modernity through consumption for especially luxury goods'. However, it did not become to the fore that their social identity has suffered severely because of the deprivation of this privilege. The reason for this might be that basically the whole middle

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<sup>49</sup> Interview with Carlos Fernandez. Date: April 14th 2010

class went down a notch in the classic classification. Former upper class people, now belong to the C+ class, the upper middle class. And families who earlier belonged to the latter, now belong to the lower middle class, C- or in some cases even to D. This is also the case in the social networks of these families. All have lost jobs which affected their incomes, or have lost income and savings in another way like Andres Sanchez who lost it the second time through the take over of *el Banco Federal*. Hence, they have all experienced the same changes in financial position, lifestyle and consumption patterns.

The essence of social identity is having the feeling to belong to the ‘right’ group, and to gain a positive self image when belonging to this group (Stets and Burke 2000:225; Gibson and Gouws 2000:280). For the middle class it is very important to still have the feeling to belong to this class, as van Roekel (2007:29) states: ‘middle class people often belong to the lower classes, but deny this because of negative connotations they have towards this group.’ This is also what Saade (Malinarich 2006) argues, and as we have seen in chapter two, the people who went from C+ to C-, do often not share the specific middle class characteristics anymore of being able to send their children to private school, take a holiday a year, change the car every four or five years and own a house. They often keep the appearance, but ‘their possibilities of consumption and education are limited’ (Malinarich 2006). That is why the middle class has shifted the importance of their middle class habitus from privileged lifestyle and high consuming power to intangible assets like norms and values, but also education and the areas they live in.

Most of my informants feel this way and state that they still belong to the middle class, as Henry Sosa. He lost his company to the government in 2009, works double shifts of which one in the informal sector, and has to let his wife work. Economically he would not belong to the middle class, but he thinks differently:

*At some point this nightmare will be over. We just have to be patient. And yes, I do still consider myself as part of the middle class. I have studied, my children too, and I have my own company.*<sup>50</sup>

The Venezuelan middle class see the situation they are in as temporary or a nightmare, like Henry says. They think it will all go back to ‘normal’ when the president is gone. This thought keeps the people going. Although the middle class still feels to belong to the same

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<sup>50</sup> Interview with Henry Sosa. Date: June 10<sup>th</sup> 2010

group and have the same social identity, there are various changes noticeable in the in- and out-group formations. These will be shown in below.

## 5.2 The in-group

Rising crime, political polarization and retaliations, and loss of powerful position amongst other things have led to negative and paranoid feelings amongst the Venezuelan middle class. Fear of crime for example is dreadful for the sense of community. People tend to distrust more people, which creates spatial segregation and individualistic lifestyles (Garcia et al. 1999:729). Driving cars with blinded windows and avoiding leisure activities as we have seen in the former chapter, are illustrations of what is happening in Caracas. With respect to creating the in-group this means that people have become more cautious and protective. The consequence is that it is not easy to belong to the in-group. Antonio Sanchez confirms this:

*I do not know anyone who made friends in Caracas without having family or friends here. Caracas, because of the violence and all, is not a place where you can go and meet people.<sup>51</sup>*

Antonio argues that the only way of being taken up into an in-group, is having an existing social network in Caracas. The social network has become more important now people have become more distrustful of the 'other' as will be further shown below in the part on the out-group. Through each other's network, people are more certain that the person has the same habitus. Another aspect of the difficulty of belonging to a social group, is that Venezuelan middle class is not really eager to take new people into their in-groups. They rather keep the social networks they have now in order not to contaminate the positive group identity (Castano et al. 2002:316).

Categorizing basically happens on the same levels as before the Chávez era, but income is not as important as it was. The change in this importance has to do with the fact that during Chávez's presidency, income inequality has become smaller (Weisbrot 2008:37) and people who used to belong to the low classes now often have the same income level and assets as middle class Venezuelans, like owning a house and a formal job. In this line, Victoria Lander asks:

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<sup>51</sup> Informal conversation with Antonio Sanchez. Date: May 11th 2010

*Have you been in El Hatillo (a part on the outskirts of Caracas)? A few years ago this was a neighbourhood where wealthy people moved to, to move away a bit more from the centre of Caracas. Now, this has become a Chavista town. All people who were poor and now have made money because of Chávez, have bought houses there.<sup>52</sup>*

The fact that income levels have become more equal, makes the middle class feel more in need to distinguish themselves. Various former middle and upper class privileges serve no longer as ways of differentiation, and as a result, the intangible categories ethics, education, and norms and values have become much more important. Nevertheless, lower classes might have more access to education, for the middle class this does not count as such. The middle class sees this as something Chávez has arranged, and therefore as something less worthy. This tells us something more on the political preferences as a category.

At first sight, being an anti-Chavista appears to be a very important category to belong to the middle class in-group. When analysing the social networks, we see that almost all informants' relations are anti-Chavistas. Nevertheless, being an anti-Chavista does not automatically gives a person membership of an in-group, because the categories of norms and values are more important. However, the middle class does expect you to be anti government in these times. This is a mayor change with the political preference before the Chávez administration, when there was not such a political polarization. In the next part however, we see that being a Chavista does automatically excludes one from the in-group and labels one as a member of the out-group.

### **5.3 The out-group**

Chávez has made a large effort to polarize society in a political way (Corrales 2006:99), and this has especially affected the formation of out-groups. There has been a large change in political preference. Every conversation between young or old people, Chavista or anti-Chavista, turns into a political discussion in a blink of an eye. Before Chávez, especially the upper and upper middle class did not think twice to vote for capitalistic and neo-liberal parties. In the perception of the upper and upper middle classes everything went just fine, and change in the country was not something they hoped for (Briceño-Leon 2005:5). The reality of an elected socialist president like Chávez, who has changed everything for them, has

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<sup>52</sup> Interview with Victoria Lander. Date: June 1<sup>st</sup> 2010

shaken them up and made them more politically aware and active. Kroning has noticed this shift in political opinion in his work:

*I have worked in opinion polls for quite some time now, and the last five years, the atmosphere has definitely changed in the answers people give. People are angrier.<sup>53</sup>*

By supporters of the Chávez administration, the company of Kroning is considered to be an opposition poll. This might explain why the answers people give, have become more negative. On the other hand, this does ventilate the feelings of most upper and middle class Venezuelans who are mostly anti-Chavista (Corrales 2006:99). Opponents of Chávez have become fiercer about everything that has to do with Chávez and Chavistas.

Within the out-group formation this has meant that political preference for Chávez has become the most important category on which middle class people label each other into the out-group. People have become more prejudiced towards people who support Chávez. This prejudice, according to Castano et al. (2002:316) is of importance at categorizing people into the out-group. Especially for the former upper middle class, like the Sanchez, Lander and Kroning families, this has become very important. They have always benefited from the capitalistic and neo-liberal governments and label Chavistas as their out-group immediately: ‘Those Chavistas are taking everything away from us. They are stealing our jobs, our houses, and our money. They are criminals!’<sup>54</sup>, says Paola Sanchez on the day that all of their savings were lost. Paola’s prejudice has become much more severe after the two setbacks she has encountered during the last decade.

Similar to other upper middle class categories, political preference is more important to high identifiers than to low identifiers with the social identity (Castano et al. 2002:319). Most people see Chavistas as dishonest, criminal people who have gained their new position through undemocratic ways like corruption and extortion. Chavistas are being considered the opposite of what is considered someone belonging to the middle and upper class. This point of view is illustrated by Fredy Uribe who states:

*I don’t want to be seen near badly raised people [gente maleducada]. I do not have such people in my environment. People are getting worse and worse it*

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<sup>53</sup> Interview with Henry Kroning. Date: June 9<sup>th</sup> 2010

<sup>54</sup> Informal conversation with Paola Sanchez. Date: June 14<sup>th</sup> 2010

*seems. They think they can do everything. It's just horrible to see the country deteriorate like this.*<sup>55</sup>

In general Chavistas automatically belong to the out-group of the Venezuelan middle and upper class. Nevertheless, as we have seen in the citation of Carlos at the start of this chapter, there are social networks in which Chavistas and anti-Chavistas mix. Mostly this is the case when people know each other for a long time, and know that the person is trustworthy. The gardener of the Sanchez's for example, is a real Chavista and have known each other for over forty years. His political preference does not come between them. On the other hand there are also numerous cases of marriages and lifelong friendships that do break over politics. Political preference has become a part of the norms and values in the eyes of the middle class.

Rising prejudice and alienation from each other, can also lead to over excluding people (Castano et al. 2002:319). When people feel that their in-group is being threatened, which is the case for a large part of the middle class who has lost their privileges, people tend to exclude people in order not to contaminate their group identity. This makes out-group categorization more important than in-group categorization. How this influences their social identity is explored below.

#### **5.4 Social identity change**

According to Todd (2005:439) change in the social structures, like the shift from capitalism to socialism in Venezuela, is a key cause of change in categories of collective identity. She states that in a society which is structured by power relations, radical changes in these relations will influence the oppositional elements of social identity and their interrelations with other elements (Ibid.). We have seen in the former chapters, that the social relations between different groups within Venezuela have changed radically as society has become politically polarized during the Chávez administration. Besides this, the Revolution is foremost aimed at the underprivileged in society and basically excludes the middle and upper classes. They have experienced downfalls in their social positions which has affected the privileged lifestyles. Their positive personal identity and self-esteem is being challenged and threatened, and they are trying to find a way in order to fix this. Todd (2005:440-444) distinguishes six strategies for individuals to cope with identity changes, but in Venezuela up to this moment only the strategies of reaffirmation and privatization apply.

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<sup>55</sup> Interview with Fredy Uribe. Date: May 6<sup>th</sup> 2010

In Venezuela the first mentioned strategy – reaffirmation – is the first that is being used by the middle class. Reaffirmation accentuates the differences between the in- and out-groups, in this case the upper and lower classes in Venezuelan society. The favouring group accentuates the elements of the new ‘winning’ team (the poor), whereas the other group resists change by reaffirming their ‘old’ categories (the elite). As we have seen in the former parts of this thesis, the categories ethics, decent behaviour and norms and values are trying to be reaffirmed. Or put it differently, they have become much more important in including and rejecting people from the in-group. Also, middle class people accentuate their European backgrounds by inviting Spanish gypsies (*gitanos*) to sing at a birthday party, and have the people watch bull fighting.

Privatization is explained as a strategy that ‘rearranges elements of identity, marginalizing all macro-social elements, all national, political, class, and status categorizations, shrinking the core of identity into the private, the familial, perhaps also the religious sphere’ (Todd 2005:442). This happens for the Venezuelan middle class as they have become much more individualistic, the ‘us-them’ logic applies here. Not trusting anybody and relying on their social network consisting of family and life long friends, makes them shrink the core of their identity – the reaffirmation of norms and values – into familiar spheres.

Ultimately, another coping strategies that is triggered to a part of the middle class is striving for social change (Scheepers and Ellemers 2004:193). Strongly identifying themselves as anti-Chavistas, the middle class has transformed in a political active group, whereas they were never interested in politics before according to Briceño-Leon (2005:5). To this group of political active middle class belong the families Lander, Kroning and Sanchez. They have demonstrated against the regime on various occasions and also acknowledge to wanting to do this again when necessary: ‘When it is necessary, we will be there again to protest. We did it in 2005, and we will do it again.’<sup>56</sup>

## 5.5 Concluding

This chapter has shown that during the presidency of Chávez, the Venezuelan middle class social identity in itself has not changed that much. There are rather changes in the formation of the in- and out-groups. The former elite has lost its comfortable position and is being threatened by the socialist administration of President Chávez. People therefore have become

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<sup>56</sup> Interview with Agatha Kroning. Date: May 30<sup>th</sup> 2010

more protective of their social identity, in which they have made some changes in categories. Whereas before Chávez the social identity was basically class based in which income and occupation was very important, nowadays due to the income equalization, intangible categories such as political preference and norms and values have taken over. This change in categories, is one of Todd's (2005:440) strategies to cope with changes in society, namely reaffirming the core of the middle class identity. Other strategies are detected in reducing social networks into the familiar spheres and becoming more politically active while striving for social change.

## 6 Conclusion

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‘The identity of the Venezuelans lies in their access to modernity through consumption’ (Capriles 2008:10). For the middle class this is definitely true. During various capitalistic governments who supported the neo-liberal measurements during the 1980s, the small elite gained access to many privileges. Their lifestyles are formed through their high incomes, influential occupation and the possibility of travelling and high consumption. When Chávez got elected in 1999 this changed. He implemented the Bolivarian Revolution in order to change the country into a socialist nation. Critics of the regime say that this Revolution is an assault on capitalism and imperialism and therefore also on the middle and upper classes of Venezuelan society. This thesis therefore attempts to give an answer to the central question: *How does the presidency of Hugo Chávez Frías influence the consumption and social identity of the Venezuelan middle class in Caracas?*

The aims are written down in the government plan (*Plan de la Nación de Venezuela 2007*) which explain the way in which the Chavez administration wants to achieve ‘Socialism of the 21<sup>st</sup> Century’. It basically aims at creating a participatory democracy in which all people have influence, economic independence of the world market, equal redistribution of (oil) wealth, and making an end to political corruption. Trying to achieve this, the Venezuelan society has had to be reorganized which has influenced the whole population. The poor who have always been excluded from society, now have access to free education and healthcare thanks to social missions of the government. At the same time the middle and upper classes have had to give in on various aspects of their lives as their financial position has changed due to socialist reforms such as expropriations of their companies, devaluation of the currency, high inflations and the rise of prices due to the regulation of US dollars in the country.

The change in financial position results in a change in their lifestyle and consumption of various units (Douglas and Isherwood 1996:7). The middle and upper classes have always differentiated themselves from lower classes by consumption of luxury goods. Purchasing imported and conspicuous goods (Veblen 1899) shows others that they are able to afford them. Changing their consumption as part of a coping strategy for limited financial resources (La Rocha and Grinspun 2001, Ypeij 2000) automatically influences the lifestyle of the Venezuelan middle class because they cannot afford many of their privileges anymore, like a new car every few years, holidays to the United States, and daily luxury and quality food. The middle class now has to choose between quality and quantity and this is not something they ought to do in their perception. The disillusion of the Venezuelan middle class about their

impoverishing position affects their positive image about themselves. As self-esteem is needed in order to identify oneself to the 'right group', it also influences the constructing of their social identity (Gibbs and Gouws 2000).

In the pre-Chávez era the middle class' social identity was tied together by people with the same income level and lifestyle, people 'just like them'. At the same time this created a 'them-us' logic as Reygadas argues (2005:491) which has formed symbolic barriers between the social classes. Poor people were excluded and stigmatized as they were only seen as criminals and indecent people (Ypeij 2000). These stereotypes resulted in the fact that poor people were automatically excluded from the in-group and labelled as members of their out-group. The association with being poor therefore is very negative for the middle class in various ways. It means that you are the opposite of a middle and upper class person; being able to provide for the family, taking good care of your children and being a decent person (Ypeij 2000).

Many people from the lower classes have profited from the socialist regime of president Chávez, which has resulted in gaining financial resources amongst other things. In some cases these people even have accomplished the same level of income as the middle class and are now able to buy houses and cars. As these aspects were proof of belonging to the middle class in the pre-Chávez era, the middle class has chosen another way to differentiate themselves from lower classes. At the present time, the process of including people into the in-group, is basically based on intangible categories such as education, middle class habitus, norms and values (having decent behaviour, having ethics). The exclusion of individuals occurs on these same categories, but besides this the category of political preference has become more important since the arrival of Chávez. Since 1999 the country has become politically polarized (Corrales 2007:100), and supporters of Chávez (*Chavistas*) and opponents of the administration (*anti-Chavistas*) find themselves in opposite positions. In the pre-Chávez era, politics was not that important. Nowadays it has the power to break up families and friendships, although this has to do with the degree of identification with the social group.

Castano et al. (2002:316) argue that people with high identification with the in-group are less likely to include someone to the in-group. Prejudices are becoming more decisive as high identifiers become more cautious to 'contaminate' the in-group. This 'in-group over exclusion effect' (Castano et al. 2002:319) is noticeable in the more individualising society of Venezuela. People do not trust each other anymore, and tend to become higher identified with their in-group and at the same time, more keen on excluding people.

This tendency coincides with the coping strategy for social identity of reaffirmation (Todd 2005:440-441) which states that categories are being reaffirmed in order to resist change in their social identity. The accent that middle class lay on their habitus, and norms and values is a telling response to not wanting to change the identification with this class. This assumes that there is no such thing as change in their social identity, whereas a second coping strategy suggests slightly different. The strategy of privatization (Todd 2005:442), makes people live in more private spheres under a 'regime that is alien to them'. Not being able to proceed with their normal way of life, due to rising criminality, scarcity in supermarkets, and rules and regulation which abstain them from living in freedom as they used to, has created an individualistic atmosphere amongst the Venezuelan upper and middle classes in which the social network often just exists of family or lifetime friends; people they can trust.

This thesis has provided an insight on the changing Venezuelan society in which the elite is loosing their privileges to the former underprivileged. The privilege to live a consumerist lifestyle has definitely been influenced by Chávez through economic reforms lead by the Bolivarian Revolution. Having lost their privileged position within society, takes away their trust and self-esteem, through which the categorization process for creating in- and out-groups has changed equally. People have become more individualistic, and more protective of their in-group which simultaneously leads to exclusion of more individuals. As political preference has gained importance in this, the presidency of Chávez also has large influence on the social identity of the middle class Venezuelans in Caracas.

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## 8. Annexes

### Annex 1. Latin American class structure (Portes and Hoffman, 2003:46-49)

<i>Defining Criteria</i>				
Control of scarce, highly-valued skills	Control of subsidiary, technical-administrative skills	Protected and regulated under the law	Mode of remuneration	% of labor force*
+	+	+	Profits	1.8
+	+	+	Salaries and bonuses tied to profits	1.6
+	+	+	Salaries tied to scarce knowledge	2.8
+/-	+	+/-	Profits	8.5
-	+	+	Salaries subject to legal regulation	12.4

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TABLE 1 (continued)

Class	Sub-types	Control of capital and means of production	Control of impersonal, bureaucrat-ically-organized labor force
Vb. Manual formal proletariat	Skilled and unskilled waged workers with labor contracts	—	—
VI. Informal proletariat	Non-contractual waged workers, casual vendors, and unpaid family workers	—	—

\* Weighted average of data from eight Latin American countries that jointly comprise three-fourths of the regional economically active population. These countries are

place in these peripheral economies (Birkbeck 1978; Fortuna and Prates 1989; Portes and Walton 1981).

During the 1990s, the petty bourgeoisie assumed a novel role in Latin America as a place of refuge for public servants, salaried professionals, and other skilled workers displaced by the adjustment policies promoted by the neoliberal model (Sunkel 2001). As we will see next, public sector employment, which constituted the backbone of the urban middle class in many countries, declined significantly during the last decade. This loss was not compensated by growth in formal private employment, forcing displaced former employees to create their own economic solutions through petty enterprise. As a result, this form of economic adaptation has become the major source of employment creation in the region. In 1998, microenterprises accounted for 100 percent of all new urban jobs (Klein and Tokman 2000, 17). Between 1990 and 1998, of every 100 new urban jobs, 30 were created in small enterprises and another 29 in self-employment, proportions vastly larger than those registered during the years of import-substitution industrialization (ILO/Lima 2000; Klein and Tokman 2000).

The formal proletariat corresponds to workers in industry, services, and agriculture who are protected by existing labor laws and covered by legally mandated systems of health care, disability, and retirement.

<i>Defining Criteria</i>				
Control of scarce, highly-valued skills	Control of subsidiary, technical-administrative skills	Protected and regulated under the law	Mode of remuneration	% of labor force*
—	—	+	Wages subject to legal regulation	23.4
—	—	—	Unregulated wages, irregular profits, non-monetary compensation	45.9

presented in table 2. Figures do not add to 100 percent because 3.6 percent of workers were reported as "unclassified."

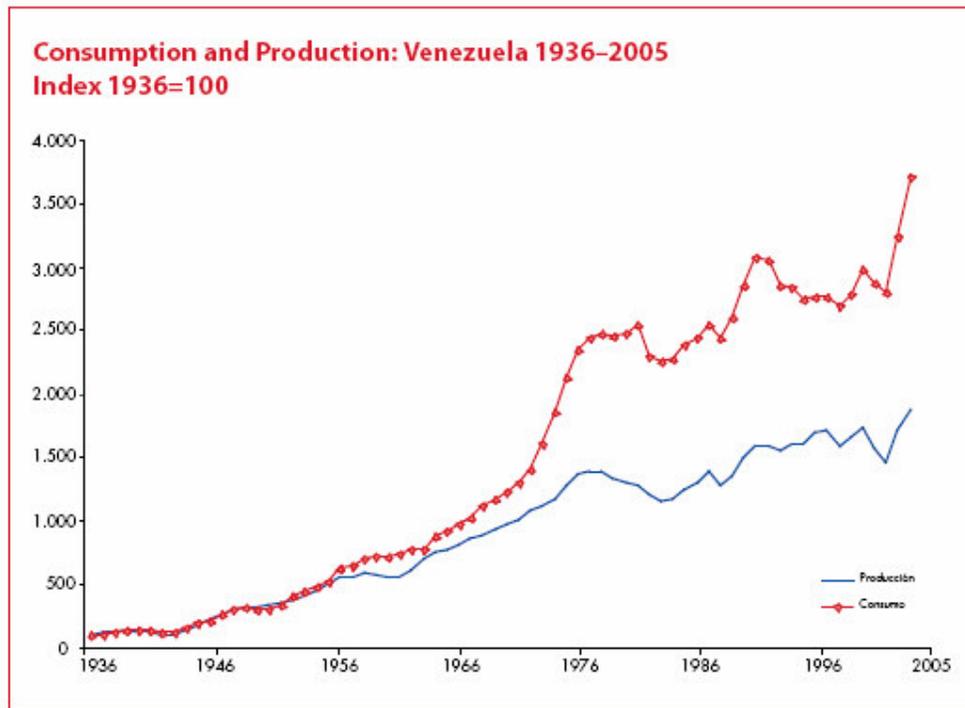
This class can be divided, in turn, into an upper-echelon composed of salaried white-collar workers and technicians and a lower one composed of blue-collar industrial and service workers and rural laborers in modern agricultural enterprises. Jointly, this class represented approximately 35 percent of the Latin American regional EAP in 2000 although, as will be shown below, the figure varied widely among countries.

During the import-substitution era, formal employment grew steadily, although it never succeeded in absorbing the bulk of the Latin American labor force (PREALC 1990; Pérez-Sainz 1992; Roberts 1989). Between 1950 and 1980, 60 percent of all new employment was created in the formal sector, with government being responsible for 15 percent and modern large and medium enterprises for the remaining 45 percent (Klein and Tokman 2000, 18). During the 1990s, the situation changed drastically, with the modern formal sector reducing its share of employment creation to 20 percent and the government sector actually shrinking. As a result, the class of formal workers did not expand, as had been the case in the past, but remained stagnant or actually declined in many countries (ECLAC 2000, 67–8).

Most accounts of the class structure of the advanced societies end with the formal proletariat, defined as the class that lacks access to the means of production and has only its own labor to sell (Wright 1997;

**Annex 2.** Figure of consumption and production in Venezuela 1936-2005

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Source: ReVista - Harvard Review of Latin America (2008:6)