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DISASTER AND UNCERTAINTIES IN THE CONTEXT OF VENEZUELA'S OIL CRISIS

AN ETHNOGRAPHIC STUDY

OF THE EXPLOSION AT THE AMUAY OIL REFINERY

On August 25, 2012, the Amuay oil refinery in northwestern Venezuela suffered an explosion. This unprecedented accident in the national oil industry killed 48 people and injured 156. In this study, we have adopted a political anthropology approach, in which natural and industrial disaster issues are posited as part and parcel of a nation's history. Our purpose is to examine the relation between the oil industry, the changes that took place within the state during the Venezuelan "Bolivarian revolution," (1) collective attitudes towards disaster anticipation, and social representations of uncertainties and insecurity.

Our study of the Amuay explosion and blaze is part of an analytical reconstruction of the oil policies of the Chavez (1999-2013) and succeeding Maduro administra-

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tions. After the new majority won the parliamentary elections of December 6, 2015, it set about closely examining the financial statements and condition of facilities of the state-owned company Petróleos de Venezuela (PDVSA). The new representatives questioned the veracity of the company's financial statements and reports. The country's economy came under serious threat and lapsed into crisis, and the growth model championed by the late President Hugo Chavez (1954-2013) collapsed.

Granted, the crisis in that model, which relied heavily on oil revenue, was aggravated by the 2014 drop in the price of the barrel, but a revision of economic data shows that the end of the last oil boom (2006-2014) is not the main culprit. The citizens of Venezuela are confronted with highly unusual situations in their daily lives. During our fieldwork in Caracas, Coro and Punto Fijo (about 600 kilometers west of Caracas) in the summer of 2015, we noted the harsh effects of an inflation rate nearing 120 percent and causing increased shortages of basic foodstuffs and medicine. And the economic outlook for 2016 is no less grim.

Our investigation spans issues ranging from the uncertainties of the victims' families as to the safety conditions of the site to the multiplier effects underscored by the international press – plummeting national production and a verified drop in the price of the barrel. It is a multi-level study of the way in which these families express their uncertainties based on a multi-sited ethnographic study and participant observation in the area affected by the refinery explosion of 2012.

BACKGROUND AND IMPACT OF THE OIL INDUSTRY CRISIS

Venezuela is one of the oldest oil-producing countries and a founding nation of OPEC. Its modernity is intrinsically linked to hydrocarbon exports and the effects of their revenue on all areas of social life. Upon his election into office in 1998, Chavez convened a Constituent Assembly. The ensuing revamping of the nation the following year led to a radical change in the status of PDVSA. Between the nationalization of the oil industry in 1975 and the general strike of October 2002, PDVSA was a self-sustaining public company run on the principle of "technocratic merit." In 2002, however, it came entirely under the control of the executive branch and started providing financial support for the government's policies.

(1) See Paula Vasquez Lezama, *Le Chavisme: un militarisme compassionnel* (Paris: Editions de la Fondation de la Maison des sciences de l'homme, 2014).

Prior to 1998, PDVSA's autonomy was guaranteed by a legal framework allowing it to set goals concerning both the upstream (exploration and production) and downstream (distribution) sectors. The state-owned oil company was then a powerful structure enjoying relative independence from the government and sometimes described as "a state within the state." (2) Between 1958 and 1998, the Venezuelan growth model was based on "sowing the oil," that is, on reinvesting oil rents in other sectors, thereby diversifying the economy. It was the model of a rentier, "magical," state, to use anthropologist Fernando Coronil's formula (3). The "Bolivarian revolution" put an end to a reinvestment pattern that allowed for direct redistribution to the very poor. As a result, the state's dependence on oil revenue increased markedly.

But Venezuela's oil production has been declining since 2002, and exploitation has reached its lowest level ever in fifteen years. During Chavez's first term in office, PDVSA produced 3.5 million barrels per day, but by 2013, it had dropped to 2.6 million. On the other hand, between 1998 and 2014, the company's staff tripled in size, passing from 42,000 to 111,000, an increase due to a clientelist employment policy conducted to the detriment of maintenance, particularly in refineries.

The policies conceived and implemented by President Chavez are currently under challenge, notably because of PDVSA's present situation and arrangements with Cuba (4) and China (5). The geopolitical context deriving from chavista oil diplomacy has created uncertainty in the entire region as to the future of oil export agreements not only with Cuba, but with Haiti and Nicaragua. Oil being the driving force behind a whole range of national and regional initiatives, these agreements are untenable given the present state of the oil industry, national economy, and price of the barrel.

On April 11, 2002, an attempted coup against Chavez failed. It was followed by a tug-of-war between the opposition, which controlled the commercial sector and private companies, PDVSA and the government. After the "oil lockout" (paro general petrolero indefinido), which lasted exactly two months (from December 2, 2002 to February 2, 2003), the government regained control of the company by totally renewing the executive staff. The process was ruthless and involved drastic measures in areas where executives had no room for negotiation and were given

(2) Asdrubal Baptista and Bernardo Mommer, *El petróleo en el pensamiento económico venezolano* (Caracas: Ediciones IESA, 1992).

(3) Fernando Coronil, *The Magical State. Nature, Money, and Modernity in Venezuela* (Chicago: The University of Chicago Press, 1997).

(4) Since 2000, Venezuela has delivered between 50,000 and 100,000 barrels of oil per day to Cuba.

(5) Since 2007, the government of the People's Republic of China has loaned 36 billion dollars to Venezuela. Part of the loan is to be repaid in oil through the delivery of 270,000 barrels per day.

no other option than “Take it or leave it.” For example, on December 26, 2002, during the Sunday television show *Alô Presidente*, Chavez dismissed PDVSA's board of directors and fired 90 executives as well as 18,756 skilled workers.

WHAT COLOR IS THE SMOKE COMING OUT OF THE FLARES ?

The August 2012 disaster at Amuay, the second largest refinery in the world, has come to symbolize the inadequacies of Venezuela's oil industry. The government ascribed the accident to acts of sabotage. However, several accidents on PDVSA sites had occurred prior to that date. In February 2012, an important oil spill fouled the Guarapiche river in Monagas state in eastern Venezuela, depriving the city of Maturin of its water supply for months. And a series of oil spills on the Falcon Coast have occurred since the Amuay explosion. Analysis of documents pertaining to the accident has revealed severe technical maintenance problems, illegal attribution of maintenance contracts and insufficient personnel training.

How do the transformations by the state of one of its pillars, the oil industry, find an echo in the discourse, practices and political uncertainties of the residents of an “oil city?” Our fieldwork took place during the summer of 2015 in Punto Fijo, a city located in the vicinity of the refinery, and Coro, Falcon state. It followed three lines of enquiry.

The first line concerned the controversy over the technical origin of the explosion. The interviews we carried out show that supporting either of two theses – “sabotage organized by the opposition” or “maintenance neglect” – implied a political positioning on the population's part in a context dominated by political violence. We interviewed experts, eyewitnesses and managers of plants located in the vicinity of the disaster area in order to reconstruct the controversy over the causes and consequences of the accident. It must be noted that in Venezuela, analysis of a topic such as this one is plagued by a dominant provision whereby each and every one must take sides. The investigation very soon turned out to be a real minefield. The official media discourse on oil was permeated with conspiracy theories. Our work currently consists in understanding PDVSA management's standpoint and arguments and including them in the study of the future of Chavez's political project.

The second line addressed the emergency response to the explosion by trailing the whereabouts of casualties and serious burn victims. The best place for conducting this part of the investigation was the Punto Fijo city hospital since the management of the

disaster had been totally censored by the Chavez administration and journalists had been barred from accessing the site and interviewing emergency practitioners in the hospital. The news media had been quarantined from the area affected by the shockwave and fire and from the hospital morgue. Therefore, the data that we have gathered is sensitive as interviewees fear reprisals.

The third line dealt with the daily lives of the residents of Punto Fijo and their attitude to the oil refinery that supported their livelihood: they were directly or indirectly employed by it or acted as suppliers. The presence of the refinery and its equipments presented a growing threat, with defective alarm systems, a faulty evacuation plan from the security perimeter, repeated “events” following the 2012 accident, and absence of explanations from official sources as to the causes (and consequences) of these recurring accidents.

Participant observation in those neighborhoods provided very rich data on life in a risk area where authorities kept silent on the state of equipments and anxiety-provoking rumors on what was going on inside the refinery circulated. Punto Fijo residents carefully watched the color of the smoke coming out of the flares. A large plume of black smoke was a sign of equipment failure. Any unusual noise or smell could provoke anxiety. The refinery loomed mysterious and threatening and was perceived as tantamount to an unpredictable natural hazard. Noises, smells, and unusual machinery and personnel activity generated rumors and were routinely interpreted and reinterpreted as warning signs of impending doom.

The events lived through by the population living in the neighborhood of the refinery and by the victims of the explosion point to the limits of the political model installed by Chavez more eloquently than polarized diatribes. These families did not receive compensation from PDVSA and were not offered relocation – those who were refused to leave these high-risk areas. Their experiences and testimonies deserve analysis because they can help us understand how the Amuay oil refinery can sustain life or take it away.