



Vol. 8, No. 2, Winter 2011, 422-430
www.ncsu.edu/project/acontracorriente

Review/Reseña

Miguel Tinker Salas, *The Enduring Legacy: Oil, Culture, and Society in Venezuela*. Durham, N.C. and London: Duke University Press, 2009.

Revisiting the Legacy of Venezuelan Oil: Engineering a “Model” Corporate Society

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The Enduring Legacy offers a new take on a key question for Venezuela: How has the leading economic sector, the oil industry, shaped the country's history? This is no easy task. Studies of the oil industry in Venezuela abound. Indeed, it is almost cliché to say that oil has determined Venezuela's fate since the 1922 discovery of major oil wells in the Northwest of Venezuela and its meteoric rise as the world's leading oil exporter in 1928. At first glance, then, this book might not appear to offer

more than a confirmation of this well-rehearsed view on Venezuela. Yet, this book charts a new path on this well-worn territory. Scholars have most often considered how the oil industry affected Venezuela's economic or political trajectories, typically at the macro- or national level. In contrast, this study asks: How has the oil industry shaped Venezuelan *society*? Moreover, it addresses this question more often than not with a micro-level analysis, focusing on how the industry affected the everyday lives of Venezuelans. With this "sociohistorical approach" grounded in an exhaustive interrogation of primary sources, Tinker Salas reveals how the industry shaped Venezuelan *society*, both intentionally and unintentionally.

Delineating the Social Impact of Foreign Exploration for Oil

In many respects, this is a familiar story: a story of a peripheral economy transformed by its incorporation into the world economy as a provider of valuable natural resources. Tinker Salas does little to disabuse us of the notion that this transformation is largely consonant with Andre Gunder Frank's stinging portrayal of foreign capitalists carving a development trajectory that is largely detrimental to their host country's long-term prospects for capital accumulation and economic development. And yet, Tinker Salas's story diverges from this narrative in that it seeks to carefully delineate the dimensions of social life that foreign oil companies changed. To do so, he draws on a dizzying array of primary documents including those found in Venezuela's state archives, geographical surveys of regions later explored by oil companies, corporate archives, and reports on the region included in the U.S. national Archives. He complements this with descriptions found in the extensive earlier Venezuelan scholarship on the oil industry. In delineating the oil industry's social effects Tinker Salas contributes to recent efforts (Santiago, 2006) to avoid demonizing "traditional" society before oil, as modernization enthusiasts have often done, or romanticizing it, as the oil industry's critics are tempted to do. He thereby differentiates the ecological devastation and broader social transformation instigated by the oil industry from the social divisions by property and race that the oil companies aggravated, but did not introduce.

The exploration and initial development of the oil industry detailed in this book reveal a familiar pattern of foreign investor behavior. Here, as in the rest of Latin America, foreign investors seemed willing to flaunt the law, neglect the environment, and disregard the wellbeing of local inhabitants and their workers in their headlong rush to obtain the easy profits of natural resource extraction. Although foreigners interested in exploring for oil in Venezuela, unlike in Mexico, ostensibly had to obtain a concession from the government, Tinker Salas finds the legal documentation often lagged behind exploration and production (45). As in Pennsylvania, Russia and Mexico, oil drillers in Venezuela were ill-equipped to contain the sudden surge of oil when they discovered it. Gushers, such as the one discovered in 1922 that alerted the world to Venezuela's potential as a massive source of oil with its 100,000-barrel-a-day flow (55), saturated and contaminated everything in its vicinity. The American oil giant, Standard Oil, resorted to deadly booby traps in their ultimately failed attempt to persuade the Bari to permit oil development of their native land on the Western shore of Lake Maracaibo (59). Venezuelans, like Mexicans in their oil industry, ended up with the lowest paid and most dangerous positions in the oil industry.

Tinker Salas takes care, nonetheless, to detail the local economic and social context which the oil industry encountered and thus delineates the industry's social effects. On the one hand, it *was* the oil industry that helped integrate the Western provinces of the country, especially the region around Lake Maracaibo, which became the center of the oil industry, into the national economy and polity. Before oil, he notes, this region operated as a relatively isolated economic enclave. It served as the main port of export for the coffee produced largely in the nearby Andean highlands.

On the other hand, it was *not* the oil industry, as we might surmise, that introduced inequality by race, ethnicity and nationality. Tinker Salas reminds us that this region was already a racial kaleidoscope marked by sharp inequality before the oil industry arrived. The Venezuelan and German merchants who controlled the coffee export business shared the region with various indigenous groups and descendents of the many former slaves brought to Venezuela (33) at a time when Venezuela's leading

intellectuals admired the Argentinian model of “whitening” their society through selective immigration (36). In Tinker Salas’s view, the oil companies certainly aggravated pre-existing xenophobia with their race-conscious labor strategies. They relegated Venezuelans to jobs roughly equivalent to day laborers today, even as they recruited workers from the West Indies and China. While Chinese laborers occupied similarly menial jobs, the oil companies often employed West Indians in more desirable jobs, like clerical positions. The presence of foreign workers together with the companies’ policy to reinforce racial hierarchies through segregated housing, Tinker Salas charges, stimulated pre-existing anti-immigrant, and especially anti-Afro-Caribbean, sentiments.

Neither was the oil industry the only protagonist fueling nativist sentiments. Tinker Salas contends that Venezuela’s first oil president (1908-1935), Juan Vicente Gómez, used selective immigration policies, such as the 1929 edict to expel Chinese and Afro-West Indians (136), to appeal to the nativist sentiment of his critics. In this way, Gómez deflected criticism from domestic elites that his regime had become too cozy with the foreign oil companies. This analysis recasts Venezuela’s first oil dictator as a skilled politician rather than a dupe of foreign capitalists, even as it delineates foreign oil companies as reinforcing pre-existing patterns of racism.

Foreign Oil as the Engineer of a “Model Corporate Society”

This story diverges even more starkly from the familiar narrative of peripheral incorporation into the world economy, with a story of foreign capitalists acting self-consciously to legitimate their enterprise and prolong their viability. It is these self-conscious initiatives of social engineering and public relations that Tinker Salas brings to our attention, and which, he implies, may have distinguished how big oil behaved in Venezuela. By uncovering these strategies and tracing how they shaped society, Tinker Salas helps explain a conundrum rarely addressed: why Venezuela was “the only Latin American nation that permitted large scale production of oil by foreign companies” (10). Through these strategies, in his view, foreign oil

corporations developed a model of corporate society by and for foreign oil corporations.

It was in the 1930s, we learn from this study, that foreign oil companies in Venezuela differentiated themselves from their counterparts. It was then that they became self-conscious social engineers of Venezuelan society. By this time, the American oil giant Standard Oil (and its Venezuelan subsidiary Creole Petroleum Corporation) and its leading U.S. competitor, the Texas-based Gulf Oil (and its Venezuelan subsidiary Mene Grande) dominated the industry. Until then, these oil giants had acted largely as they had in Mexico: recruiting mostly men from the U.S. to manage the oil operations. But Tinker Salas uses corporate records to show that leading oil companies grew leery of the “wild west” culture of prostitution and alcohol fueled by the predominantly male foreign labor force. In the wake of the revolution and oil nationalization in both Russia and Mexico, Venezuela’s oil tycoons sought to allay rising anti-imperialist sentiment and pressure to nationalize oil with “progressive industrialization” (3, 9). This strategy entailed several initiatives designed to engineer a society favorable to corporate interests.

The oil companies are most clearly protagonists of social/cultural transformation in Venezuela as the architects of oil camps: one for foreign professionals dubbed the senior staff and one for Venezuelan and immigrant workers. In both, the industry fostered a “state within a state”. It was the “senior staff” oil camps, however, through which the oil industry had its most enduring *social* legacy. Tinker Salas uses corporate documents to show that the oil companies created the “senior staff” camps as part of their strategy to “domesticate” their American professional staff. These camps housed not just male professionals, but their families too. Tinker Salas unveils this previously un-interrogated aspect of the oil company operations in Venezuela with a fascinating up-close look at everyday life in the oil-camps. Here, he veers from prior studies of the industry’s social relations. The latter have focused on major explosions of oil worker militancy (in 1926 and 1935) and labor’s struggle to gain political influence. Instead, Tinker Salas puts workers and their culture front and center. He does so by mining his personal contacts with those who, like him, grew up

in and around the oil camps. He uses interviews with those who had first-hand experience in the camps to bring the oil camps alive for the reader. He thereby illuminates *how* “workers and the middle class were integrated into a national project centered on oil production” (9).

Tinker Salas shows how the oil corporations replicated a fantasy version of suburban middle-class life in the U.S. in the senior staff camps. These gated American-style suburbs were distinct, however, in that a single corporate suffused every aspect of each camp’s social life. They therefore fostered norms that were aligned with the interests of the corporation, not just middle-class expectations or national heritage. He meticulously documents the ubiquitous presence of the corporation, from manicuring lawns to pre-selecting the groceries available at the company store. We learn how residents experienced everyday social interactions as colored by the possibility of promotions or the specter of damaging relations with a superior. Tinker Salas characterizes life in the camps as stifling and boring for the less narrow minded of its inhabitants.

We also learn of how the oil companies engaged in “unparalleled degree of social engineering” (4) at the oil camps for the more menial workers. Here too, the corporations sought to create a model of society, one organized by and around the corporate interests. Baseball enthusiasts may be intrigued, as I was, to learn that baseball was one of several sports promoted by the oil companies as an appropriate leisure activity for its workers.

Tinker Salas discovers internal records of the oil companies that reveal how the companies also sought to engineer a Venezuelan middle class that identified with the industry’s interests and its self-proclaimed “Venezuelanization” program. As part of this program, instigated in the 1930s, the companies hired a Venezuelan counterpart to the foreign professionals living in the camps. These Venezuelan professionals, he contends, adopted the corporate view and hence the myths, of the industry’s role in modernizing Venezuela. This part of his argument fleshes out Terry Karl’s argument (1997) that the industry generated classes with a vested interest in the industry, regardless of who owned the industry, which then pressured the state to redistribute the state’s oil wealth in ways that

distorted the nation's economic development. But Tinker Salas elaborates the cultural and consumption dimensions of these societal groups.

By the 1950s, the oil companies embraced an even more ambitious project: to launch a public relations campaign aimed at making Venezuela more generally a model (of corporate identified) society. Tinker Salas documents that the companies, at this time, recognized growing resentment towards the oil camps. Besides lifting the gates of the oil camps, the oil companies sought to persuade Venezuelans that what was good for the oil industry was good for Venezuela. They made direct pleas for corporate identification, as well as less direct pleas including sponsoring artists, radio programming, and literary outlets that championed "venezuelanness" and freedom of expression. Tinker Salas also reveals several ways in which the oil companies shaped Venezuelan culture less intentionally.

The cultural side-effects of Venezuela's oil industry

While the oil camps operated as "model societies" in relative isolation in Venezuela, Tinker Salas contends that their impact was anything but isolated. By the 1960s, nearly 25% of Venezuelans lived in or near an oil camp (4). These camps constituted, therefore, a reference point for a large part of Venezuelan society. He devotes considerable attention to discussing how the cultural norms of the oil camps radiated out beyond the camps. The senior staff camps, in particular, became a model for those who aspired to middle class status. Most directly, the senior staff camps became the model of behavior and ideals for those seeking promotion in the industry. As these individuals rose to influential positions outside the industry, within government or in other facets of Venezuela's corporate life, they transported the appreciation for corporate culture and the ideals of modernizing Venezuela through oil with them. He thereby traces the cornerstone of Venezuela's development project embraced by the leaders of what would become Venezuela's "model democracy" to the cultural imprint of the oil industry.

The oil camps, he argues, also indirectly shaped Venezuela's consumption patterns. As a principal market for domestic food producers,

the oil camps largely determined the products prioritized by domestic food processors. Venezuela's food producers, thus, sought to market elsewhere in Venezuela the products initially produced for the oil camps. The mode of marketing food in oil camps, through American-style supermarkets where clients selected among aisles of prepackaged products, also became the norm. Supermarket chains, such as the one initially financed by the Rockefellers (CADA), eventually supplanted Venezuela's traditional open-air food markets. While Tinker Salas is not alone in identifying unintended consequences of Venezuela's oil industry, he draws our attention to the industry's *socio-cultural*, not just economic-structural, side effects.

The Political Implications of Venezuela's Model Corporate Society

By detailing this capitalist legitimacy project and tracing its myriad potential social implications, Tinker Salas is able to shed new light on Venezuela's political trajectory, one that has so often been out of step with the region and its fellow oil-powers. Among the principal "political enigmas" of Venezuela (2) was its ability to sustain a democracy throughout a period when authoritarianism characterized the region (1959-1980s). This book concurs with Karl (1997) that Venezuela's oil industry enabled political leaders to sustain a democratic political system. Unlike Karl, however, Tinker Salas helps us see that the industry's role in enabling democracy involved more than the material resources the industry made available to political leaders. Instead, Tinker Salas highlights the way the industry molded society, particularly its most important political class, the aspiring middle classes, such that they supported a democracy allied with a foreign corporate-led oil industry. His analysis suggests that these efforts by oil companies to foster a corporate society were as important, if not more so, than the structure of the political institutions in moderating social demands on the democratic leaders.

Even as he casts Venezuela's oilmen as skillful agents of capitalist legitimacy, this is not a story with a fairy tale ending, at least not for the oilmen. This grand experiment of forging a model corporate society crumbled in a decade of political turmoil and the election of Chávez in 1998, a president who rejects this optimistic narrative of foreign capitalist

development. While nationalization of the oil industry in 1976 did relatively little to change the day-to-day operations and management of the industry, the Chávez government has introduced changes with much graver consequences for the oilmen of today's private oil companies. Why did Venezuelans condemn Venezuela's political establishment, if these oilmen were so skillful in forging a society sympathetic to the oil industry that the establishment had championed? Why, that is, did this grand experiment at legitimating foreign-led capitalist development fail so spectacularly? Here, it seems, we see the self-defeating trajectory of capitalism, even in the face of its most artful architects. In short, here we see the structurally given dynamics that circumscribe Tinker Salas' agents of a "kinder and gentler" oil industry.

Indeed, the demise of Venezuela's "model democracy" takes on a potentially new meaning, in light of Tinker Salas's revelation that this was a democracy anchored in a culture aligned with foreign oil. Casting the democracy in this vein suggests that in rejecting their political establishment, Venezuelans rejected more than just corrupt politicians as is often thought. Rather, it suggests that Venezuelans also rejected the corporate culture so closely associated with that corrupt political establishment. In other words, Tinker Salas's excavation of the enduring socio-cultural effects of the oil industry in the form of a political culture conceived by and for foreign oil companies may also reveal the inevitable political fragility of such an endeavor.

References

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