IMPLEMENTATION OF SOCIALISM IN VENEZUELA’S ECONOMIC DEVELOPMENT UNDER HUGO CHAVEZ (2001-2006)

UNDERGRADUATE THESIS

Written By:
HANNA FAUZIYAH
20130510162

Advisor:
Adde Marup Wirasenjaya, S.IP.,M.A

INTERNATIONAL PROGRAM OF INTERNATIONAL RELATIONS
FACULTY OF SOCIAL AND POLITICAL SCIENCES
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2018
STATEMENT OF ORIGINALITY

I hereby declare that my thesis is original and has not been asked to get an undergraduate academic degree at Universitas Muhammadiyah Yogyakarta, and/or at other universities.

In this paper there is no work or opinions that have been written or published by other people, unless it is clearly written and included as a reference in the script to mention the name and listed in the references.

If in future there is untruth in this statement, then I am willing to accept academic sanction in accordance with the rules that apply at Universitas Muhammadiyah Yogyakarta.

Yogyakarta, August 14, 2018

Hanna Fauziyah
MOTTO

“Creativity is the greatest rebellion in existence”

Osho

“Jika kamu tak sanggup menahan lelahnya belajar maka kamu harus sanggup menahan perihnya kebodohan”

Imam Syafi’i
ACKNOWLEDGEMENT

If there is another way than grateful, I will do it as an expression of my infinite gratitude to Allah who has shown that the efforts never betray the results.

I dedicate this thesis to my parents, (it will not be smooth as this without their incessant prayer). For my mom who supporting all my activities and never been tired to always ask my improvement without any expectation.

Thank you very much to Mr. Adde Marup Wirasenjaya, as my supervisor who has patiently guided me, and thank you for the knowledge that has been given for me as your student.

Oxford, Fitri, Dani, Dwi, Esa, and Aldo, as the greatest friends through the thick and thin since in the first semester. Thank you for always supporting and give me some advices for everything, even though you are very busy but you guys always be there for me. Especially to Fitri my best friend since the first day of school we get along together, she always asking my improvement and give me advices so that I can graduate as soon as possible after she left me.

Oni, Eka, and our pet Baby the Cat as my partners at home and sometimes, they were accompanied me to do my thesis. They are really entertain me when I got stuck on my thesis and help me to refresh my mind. They always accompanied me in coffee shop to write this thesis and also have some chit chat.

Thank you to Herry, who always help me sincerely since the first time I made this thesis until the end. You let me to borrowed some books as the guide to writing this thesis and sometimes accompanied me to write this thesis.
PREFACE

Praises and gratitude to Allah SWT for all the blessings, favors, and gift that have been given, so that the writer can finish the thesis entitled “Implementation of Socialism in Venezuela’s Economic Development under Hugo Chavez (2001-2006)”. This thesis submitted as a part fulfillment of the requirement for the attainment of the Degree of Sarjana Ilmu Politik (S.IP) or Bachelor of Political Science in International Program of International Relations Department, Faculty of Social Sciences, University of Muhammadiyah Yogyakarta, as well as the application of the theories that have been the writer get during in the university. The acknowledgement is dedicated to all those who have contributed in the process of study and writing of this thesis, in particular to:

1. Mrs. Dra. Nur Azizah M.Si, as The Head of International Relations Faculty of Universitas Muhammadiyah of Yogyakarta.

Because the help and suggestion from stakeholders, the thesis can be revolved properly. The writer hopes that this thesis can be useful in the future. Critics and suggestion are expected from the writer to develop this thesis.

Yogyakarta, August 14, 2018

Hanna Fauzhiyah
# TABLE OF CONTENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE PAGE</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>ENDORSEMENT PAGE</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>STATEMENT OF ORIGINALITY</td>
<td>i</td>
</tr>
<tr>
<td>MOTTO</td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>iii</td>
</tr>
<tr>
<td>PREFACE</td>
<td>iv</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>TABLE OF CONTENT</td>
<td>v</td>
</tr>
<tr>
<td>CHAPTER I</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>A. Background</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>B. Research Question</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>C. Theoretical Framework</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>D. Writing Purpose</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>E. Hypothesis</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>F. Research Method</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>G. Scope of Research</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>H. Writing System</td>
<td>Error! Bookmark not defined.</td>
</tr>
<tr>
<td>CHAPTER II</td>
<td>Error! Bookmark not defined.</td>
</tr>
</tbody>
</table>

v
THE TRANSITION OF ECONOMIC DEVELOPMENT IN VENEZUELA 

A. The economy of Venezuela Before Hugo Chavez
- From Coffee to Petroleum
- Adjustment Program for Economic Reform
- The Failure of Adjustment Program

B. Venezuela Under Hugo Chavez
- Coup 1992
- Presidential Election
- The Achievement of Revolution

C. Integration Forum to Counter Free Trade Area of America (FTAA)
- Domestic Context
- International Context
- ALBA Project

CHAPTER III
- FACTORS OF SOCIALISM IMPLEMENTATION
BY HUGO CHAVEZ IN VENEZUELA. Error! Bookmark not defined.

A. The Turmoil of Economic Reforms Error! Bookmark not defined.

   Alternative Project .......... Error! Bookmark not defined.


   Socialism ....................... Error! Bookmark not defined.

   New Form of Socialism ..... Error! Bookmark not defined.

   Solidarity Bolivarian ...... Error! Bookmark not defined.

CHAPTER IV ......................... Error! Bookmark not defined.

CONCLUSION ....................... Error! Bookmark not defined.

REFERENCES ...................... Error! Bookmark not defined.