



Venezuela's Course Becomes More Defined

*Robert Matthews**

With shouts of "Fatherland, socialism or death -- I swear it, Venezuela's president Hugo Chávez was inaugurated on January 10, for a second six-year term. During the inaugural week he has announced to the country and the world at large his dramatic "New Year's Resolutions" as his Bolivarian revolution takes a pronounced leftward turn. After a resounding 61-38% electoral triumph last December 3, in which he garnered more than twice the number of votes he received in 1998, Chávez now feels the wind of a mandate at his back. But he also has gained in popularity because of his social welfare programs and food subsidies, fed by windfall oil profits.

Earlier in the month Chávez announced a cabinet shake-up that included changes in personnel and the appointment of 15 new ministers, all from Chávez' party, the Movimiento Quinta Republica (MVR), and charged with accelerating his project for implementing "21st century socialism" in Venezuela.

Chávez is also proposing constitutional reforms which include amendments to remove the Central Bank's autonomy and a measure to permit indefinite presidential re-election. The government has already taken control of the courts, the electoral board and the legislature, which because of the opposition boycott in 2005 is in the hands of Chavistas. Another proposal will alter the functions of municipal and regional governments which are to be replaced by "socialist cities" predicated on federated councils of "communal power."

The press is still free to criticize—indeed the three major national papers are dedicated regime opponents and regularly attack the administration— but is coming under increasing pressure from the government. During the first week in January Chávez announced that the government would not renew the license of the television station Radio Caracas Television (RCTV) for violating a strict media law. When José Miguel Insulza, the Secretary General of The Organization of American States denounced the move, Chávez, who had previously supported his candidacy for the position, publicly called him the Venezuelan equivalent of an "asshole."

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Venezuela, which had been drifting slowly toward more state control of the economy, took another step in that direction last week. Backed by the country's economic boom and by his popularity among the Venezuelan poor, Chávez recently announced his plan to nationalize the electrical power and telecommunications companies. However shocking this was to the markets, it was really less a radical leap forward than a "renationalization" (with compensation) and thus a return to the status quo of the 1970s and '80s.

Internationally, Chávez is also strengthening regional ties to Venezuela, whose petrodiplomacy is already positioning Venezuela for a subhegemonic role in Latin America. Chávez has patched things up with Peru's Alan Garcia and recent visits to Nicaragua and Ecuador for the inaugurations of Sandinista Daniel Ortega and the left-leaning Rafael Correa respectively, have underscored budding alliances with both countries. After the festivities in Managua, Ortega joined Cuba and Bolivia in signing on to Chávez' Alternativa Bolivariana de las Américas (ALBA), Venezuela's progressive alternative to the US led- Free Trade Agreement of the Americas (FTAA). Ortega referred to it as the only hope for lifting Latin Americans out of poverty.

Chávez was the guest of honor, together with Bolivia's President Evo Morales, for the symbolic indigenous inauguration of Ecuador's Correa. Chávez stirred the crowd saying "The future of Ecuador is the same as for Venezuela. Our future is united. Bolívar signaled it when he said that some day in the future this immense region will be seated on the throne of justice, crowned in glory, showing the world freedom and equality." Correa, for his part, has rejected a free-trade pact with the United States and is expected to join ALBA soon. Correa has also echoed Chávez' anti-Washington sentiments, recently condemning the US drug war in Colombia and the US chemical spraying program-- which Colombia approves and implements-- and declaring that he will not extend the U.S. military's use of the Manta air base on the Pacific coast for anti-drug efforts after 2009.

The presidents of Venezuela, Cuba, Bolivia, Ecuador and Nicaragua share a vision of South America free from the domination of US interests and view its achievement as the continent's most important project. Chávez' evolving international project seeks to unite and integrate Latin America into a bloc of countries dedicated to defending the region's interests, promoting more social justice and equality, in order ultimately to counterbalance the historic power and influence of the United States. The promotion of this vision has, during the first half-decade of the new century, undeniably transformed Chávez into a spokesman for the millions of poor in Latin America, who reject globalization and search for another way out of Latin America's persistent misery.

Just as Chávez declared his intention to rectify the aberration of his country's grinding poverty in relation to its petroleum riches and modify its dependent relations with the U.S., so he has believed in the extension of this vision beyond Venezuela's shores to benefit the disenfranchised masses and circumscribe the global influence of the U.S.

However, Chávez' major focus is and will remain for some time on his regional neighborhood. While at times this has included the appearance of interfering in the internal politics of his hemispheric neighbors, his project is centered on economic and social assistance to sister republics, and the promotion of a new Latin American

agenda of energy and trade integration, political solidarity and independence from the US.

Chávez' petro-diplomacy includes lavish spending abroad, sometimes representing unprecedented largess like his \$3.1 billion purchase of the Argentine foreign debt. In addition, Caracas has bought \$500 million worth of Ecuadorian and Bolivian bonds to finance their deficits. (To be fair Venezuela recycles these bonds through its own banks and ends up with a profit—this year representing over \$300 million). At other times aid is channeled toward relatively small, but symbolically important projects such as \$5 million for the tire-making company abandoned several years ago by a US firm and now a cooperative in Montevideo. It might be \$17 million for an airstrip on the island of Dominica, \$260 million in financing to repave a Jamaican highway, a \$20 million donation to repair a hospital in Uruguay -- even an offer to help fund the U.S. emergency recovery effort in Louisiana after Hurricane Katrina.

Venezuela's relatively generosity in the region is many times greater than that of the US. While precise figures are not easy to come by, a review of Venezuelan aid pledges indicates that, apart from the Argentine bond purchases, Venezuela has offered at least \$1.1 billion since the beginning of 2005 in loans, donations and financial aid to the region. By comparison the U.S. with an economy 90 times that of Venezuela has granted less than \$ 4 billion.

Even though it is too early to tell whether the international stature he has acquired will fade or how his grandiose infrastructure projects will play out—especially if the price of oil falls--Chávez has been able to make important strides towards his goals. This is true despite recent political setbacks in the defeat of leftist nationalist presidential candidates, Ollanta Humala and Andrés Lopez Obrador backed by Chávez in Peru and Mexico (Bucking the trend were the November presidential triumphs of Chávez allies in Nicaragua and Ecuador). To those who see this as a detour from addressing Venezuela's pressing social and economic problems, Chávez would answer that yes these must be addressed in the immediate term, but that over time what is needed for achieving a better life for the region's masses is a change in the dependent structural relations of Latin America with the world—especially with the US. It is this continental vision which may ensure that any changes are not circumstantial or temporary.

Chávez has from the beginning seen his radical populism in grander international terms and eminently exportable. In this regard he differs from radical nationalists and populists in the past-- from Argentina's Peron in the 1940's and 1950's to the Peruvian Generals in the 1960's and 1970's to the Sandinistas in the 1980's. Of course, it is Venezuela's oil wealth and the rise in its price over the past five years that has allowed him to put this Bolivarian vision into practice.

Chávez' petro-diplomacy is both made currently possible by Venezuela's oil-based economic clout and more precarious, precisely because of its being conditioned on the price of that commodity. And paradoxically, Venezuela's main customer for its oil, is still Chávez' nemesis: the United States of George W. Bush.

Owing to his consolidation of political power and an oil-driven economic boom, his internal project for ameliorating Venezuela's historic disparities of wealth and class is

still without serious challenge. Likewise, Chávez' international program for creating a bloc of nations to counter power and influence of the US and offer an alternative to the neoliberal model of untrammelled capitalist development is at least for the time being solidly based on Venezuelan oil revenues and the high price this commodity is enjoying in the world markets.

Chávez' outlandish rhetoric aimed at international figures like George Bush or Latin American leaders in his disfavor has at times allowed his enemies to brand him as a clown or a fool. But if only for his lavish use of oil revenues abroad and the tangible results they have wrought already, he must continue to be taken seriously as a regional leader with a compelling vision to defend the disenfranchised and counter the hegemonic power of the US.

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