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Venezuelan International Policy Under Hugo Chávez: The Struggle Against Dependency

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Under President Hugo Chavez, Venezuelan foreign policy has undergone significant transformations. Among these changes are the following: first, President Chavez has emphatically expressed his disagreement with the US and its allies’ intervention in Iraq, which he sees as yet another expression of US imperialism; second, Venezuela has become a member of Mercosur, the trade organization that includes Brazil, Argentina, Paraguay, and Uruguay (Bolivia, Chile, and Peru are associate members), and has established important economic trade agreements with Cuba, Ecuador, India, and the Popular Republic of China; third, President Chavez has shifted relevant portions of the country’s reserves from dollars to euros; fourth, exchanges with Cuba have included the presence in Venezuelan soil of 20,000 Cuban doctors and paramedics to provide health care to the Venezuelan poor (Lapper, 2005: 13); fifth, President Chavez harshly criticized former Mexican President Vicente Fox for being, according to Chavez, an unconditional ally of President Bush and his neo-liberal policies aimed at forming a continental free trade block of the Americas; and sixth, President Chavez has undergone an alternative diplomatic trip to counteract President Bush “good will” trip to several Latin American countries.

The following discussion presents the circumstances that led to the regime change that allowed Hugo Chavez to be elected as the president of Venezuela. The paper then connects the internal political and economic conditions of Venezuela with the international political arena to advance some elements for the discussion of current Venezuelan international policy.

CLASS, POLARIZATION, AND CONFLICT IN VENEZUELA

Although President Chavez’s changes and goals for Venezuela could be considered a significant departure from previous regimes, it is not a revolution in the political sense, since the country has preserved the same state in agreement with a democratic political order. Nevertheless, Goldfrank’s (2003: 214-215) conditions for a successful revolution - in this case, a Venezuelan sharp regime change - can be useful to analyze the political process led by Hugo Chavez. According to Goldfrank:

Four conditions appear to be necessary and sufficient, although as these conditions interact and overlap with one another, it is difficult to say exactly where one leaves off and another begins.

For any particular national society, they are: (1) a tolerant or permissive world context; (2) a severe political crisis paralyzing the administrative and coercive capacities of the state; (3) widespread rural rebellion; and (4) dissident elite political movements.

Factor (1), the tolerant permissive world context has been provided by the involvement of the US government in the military interventions in Afghanistan and Iraq after the events of September 11, 2001. Washington’s lack of interest in Latin America is well expressed by Hakim (2006: 50-52). He predicts that US relations with Latin America not only will not improve in the nearest future, but that it is likely that they will get worse:

The region will remain peripheral to the central concerns of US foreign policy, which are war against terrorism, securing and rebuilding Iraq, the Arab-Israeli conflict, and nuclear proliferation. With new presidents scheduled to come to power in nearly a dozen Latin American countries in the coming year, some important political shifts will certainly occur. But many conditions in Latin America are unlikely to change much. At best, the region will sustain its recent modest economic growth, but it will not offer the trade and investment opportunities that US businesses find in Asia and central Europe. Latin America’s social and political tensions will persist, and much of the region will remain alienated from the United States. Chavez is likely to continue his adversarial stance toward the United States for some time, and it may get even stronger if he further consolidates power at home and continues to earn and spend Venezuela’s enormous oil profits. Nearly all Latin American governments would welcome US aid to accelerate their countries’ economic and social progress. The Bush administration has made available modest amounts of new development financing for Latin America through the Millennium Challenge Account. But the program is designed to assist well-governed but very poor countries, and because Latin America’s income levels are relatively high, only a few states in the region are likely to be eligible. Latin Americans often unfavorably compare the United States with the EU, which has transferred resources from wealthier to poorer regions of the continent on the premise that more equitable growth across the EU would benefit all of its members. But Washington has long preferred trade not aid, viewing hemispheric free-trade arrangements as the best mechanism to boost Latin America’s development because they not only...
Goldfrank's (2003) "revolutionary conditions" (2) and (3) above were produced by the neo-liberal policies implemented during the presidencies of Carlos Andres Perez and Rafael Caldera. After democratization in 1958 and through the first administration of President Carlos Andres Perez (1973-1978), Venezuela tried to achieve modernity based on a strategy of state intervention. State policy was based on oil rents that provided a stable flow of resources to meet the extensive welfare obligations signed in the 1961 constitution. The increase of oil prices during the 1970s allowed for an increase of public spending of almost 100% between 1973 and 1978, which provided excellent public services and extensive job opportunities as well as a reduction in poverty (Buxton, 2003: 114-115).

Due in part to a decrease of oil prices and an increase on international financial loans, Venezuela faced twenty years of recession after 1980. The exceptionality status of the Venezuelan political and economic system, compared to the rest of Latin America, was over.

During the presidential periods of Carlos Andres Perez (elected for a second period in 1988), and Rafael Caldera (elected in 1993), the economic policy was oriented toward neo-liberalism. These economic measurements --called el paquete economico (the economic package) reversed the state leadership of the economy and emphasized the privatization of state owned firms. Roberts (2003: 59-60) summarizes the results of neo-liberal economic policies in Venezuela during those presidential periods:

- Per capita gross domestic product (GDP) actually peaked in the late 1970s, and by the mid-1990s it had declined by 20 percent, returning to levels last seen in the 1960s. Wages and social spending, which are especially relevant for sustaining popular living standards, fell even more rapidly than the national income. Both real industrial wages and the real minimum wage stood at less than 40 percent of their 1980 levels by the late 1990s. The purchasing power of the minimum wage declined by more than two-thirds between 1978 and 1994, leaving it at a level below that of the early 1950s. Likewise, per capita social spending by the state was 40 percent below the 1980 level in 1993, including real cuts of greater than 40 percent in education programs, 70 percent in housing and urban development, 37 percent in health care, and 56 percent in social development and participation. Cuts in spending were especially pronounced during the period of economic adjustment in the late 1980s and early 1990s; whereas social spending accounted for 8 percent of GDP in 1987, it was only equal to 4.3 percent of GDP in 1994.

- Between 1984 and 1995 the portion of the population living below the poverty line increased from 36 to 66 percent, while the portion living in extreme poverty more than tripled, increasing from 11 to 36 percent. As the economic pie progressively shrank, it came to be distributed more unequally. The income share of the poorest 40 percent of the population fell from 19.1 percent in 1981 to 14.7 percent in 1997, while that of the wealthiest decile increased from 21.8 to 32.8 percent. In short, during a period of generalized macroeconomic decline, income became more highly concentrated, and society became more sharply divided between elite and popular sectors.

Between 1980 and 1997 the portion of the work force engaged in agricultural activities declined from 16.1 to 10.0 percent, while the industrial labor force declined from 28.4 to 24.3 percent. In contrast, the highly diversified service sector increased from 55.5 to 65.3 percent of the total work force. Between 1989 and 1992, an estimated 600,000 persons abandoned the countryside. Given the limited absorptive capacity of Venezuela's industries and fiscally strapped public sector, much of the surplus labor force flowed into the informal sector, where wages on average were 30 percent below those in the formal sector. The percentage of the labor force engaged in informal employment practices thus swelled from 34.5 percent in 1980 to 53 percent in 1999. Likewise, during this same period open unemployment increased from 6.6 to 15.4 percent of the urban work force. Taken together, these trends mean that fewer Venezuelan workers are employed in stable industrial or agricultural activities, while a growing number face a precarious existence marked by under-and unemployment.

President Perez's neo-liberal shock program triggered massive riots in Caracas in 1989 known as el caracazo and other cities. The result was the loss of hundreds of lives in the aftermath of the military repression. Some 5,000 rural and urban protests occurred between 1989 and 1992, a mobilization organized not through political parties or unions but emerging in poor communities organized at the local level (Roberts, 2003: 61) and formed mainly by the poorest and by the informal sector workers.

The use of the military to repress the rioters had serious consequences. The military split into factions and a group of the most progressive young military officers, led among others by Hugo Chavez, attempted a military coup d'état in 1992 to change the course of neo-liberalism in Venezuela. Although this attempt failed and the officers who participated were sent to jail, the military would become part of Venezuelan politics from then on.

The most serious outcome of the social class polarization produced by the neo-liberal revolution in Venezuela was the destruction of the political system constructed since 1958. That political system, also known as puntofijismo, was based on the social pact between the two most important political parties in Venezuela: Accion Democratica (AD), the populist party committed to land reform, labor rights, and grassroots organizations; and the Comite de Organizacion Politica Electoral Independiente (COPEI), the conservative party. During the 1998 elections, Hugo Chavez presented his candidacy to the presidency of Venezuela and won a landslide victory due to the massive support he obtained from the sprawling lower class districts of the country (Roberts, 2003: 67). The shanty towns produced and reinforced by two decades of neo-liberal policies responded by electing Chavez and by abandoning the traditional political parties. The poor gave Chavez the strength to declare the Fifth Republic, and Venezuela became the Bolivarian Republic of Venezuela, making a historical connection with Simon Bolivar and the Latin American revolutionaries that fought for independence and the end of colonialism during the nineteenth century.

Hugo Chavez's Movimiento Venzolano Revolucionario (MVR), the social organization that led the social movement that took him to the presidency, could be considered factor (4) above in Goldfrank's (2003) four conditions for a revolution. It is the most important "dissident elite political movement", a coalition...
of political forces that includes leftist political organizations, progressive groups of the Venezuelan military, unions, and community organizations in the urban and rural areas (Lopez Maya, 2003: 84-85). If the level of political and economic crisis and rioting in urban and rural areas was not strong enough to lead Venezuela to a full fledged revolution, it was sufficiently critical to produce the end of the previous political party regime of puntofijismo in 1989.

Thus, the aforementioned conditions allowed Hugo Chavez and his supporters to proceed with the regime change in Venezuela without a significant amount of foreign interference, as in the cases of Guatemala in 1954, Cuba in the 1960s, the Dominican Republic in 1966, Chile in 1973, and Nicaragua in the 1980s, to mention only some of the most recent examples of US intervention in Latin America.

POLITICAL REALISM AND THE SEARCH FOR A WAY OUT OF THE EMPIRE

The theoretical repertoire of the international relations field is dominated by three approaches that seek to explain foreign state policy: realism, liberalism, and constructivism -- an updated form of idealism. According to Snyder (2004: 53-54),

Realism focuses on the shifting distribution of power among states. Liberalism highlights the rising number of democracies and the turbulence of democratic transitions. Idealism illuminates the changing norms of sovereignty, human rights, and international justice, as well as the increased potency of religious ideas in politics.

Before we place Venezuela's foreign policy within the framework of political realism, it is important to point out that while some views consider Chavez's populism a purely self interested Maquiavellian strategy to achieve and maintain power and credit his team with the planned destruction of the previous political system in Venezuela (see for example, Corrales, 2006: 32-40), other perspectives attribute such a regime destruction to the neoliberal policies supported by AD and COPEI, the political parties that monopolized Venezuelan politics before Chavez's election victory (Ellner, 2003: 7-26; Hellinger, 2003: 27-53).

Based on the perspective based on political realism, the interests of the Venezuelan state under President Chavez, and the foreign policies implemented by his regime, could be interpreted as an attempt to break away from the economic and political dependence that Venezuela in particular, and Latin America in general, have suffered for more than five centuries of colonialism and economic dependency. To do this, Chavez's regime counts on abundant oil reserves, high oil market prices, the support of the majority of the Venezuelan poor, and a favorable international situation for political maneuver independently from the US government.

Under consideration is the permanence and continuation of the new regimen, with Hugo Chavez or another member of his political party as the Venezuelan president in the future. Foran and Goodwin (2003: 109) propose five conditions that predict the outcomes of regime changes or revolutions in third world societies: (1) the fragmentation of the original revolutionary coalition, (2) limited state capacities, (3) economic underdevelopment, (4) external aggression, and (5) continued dependence on the world economy or domestic elites.

Accordingly, in their comparative analysis of the Nicaraguan and Iranian revolutions (both revolutions confronted the five conditions mentioned above), Foran and Goodwin (2003: 107-120) conclude that Iran's revolutionary leadership, the ulama, were able to consolidate their power because of the availability of oil resources, while the Sandinista leadership, lacking these resources, were defeated during the 1990 elections and had to concede power to the new, pro-US oriented regime led by Violeta Chamorro.

Similarly, Hugo Chavez's regime confronts the fragmentation of the original revolutionary coalition to a certain degree, since some of the members of the left-leaning military coalition that participated in the 1992 attempt at coup d'état have competed against Chavez's MVR party for electoral posts in several regions across the country, as they did during the 2000 presidential race (Norden, 2003: 106-107). More potentially troublesome are the resourceful middle and upper class opposition to his government (Garcia-Guadilla, 2003: 187-194; Roberts, 2003: 65-72) and the still large segment of the Venezuelan poor who have not voted in his favor, as Corrales (2006: 35-36) asserts:

More damming for the Chavez-as-Robin Hood theory, the poor do not support him en masse. Most polls reveal that at least 30 percent of the poor, sometimes even more, disapprove of Chavez. And it is safe to assume that among the 30 to 40 percent of the electorate that abstains from voting, the majority have low incomes. Chavez's coalition today includes portions of the poor, the bulk of the thoroughly purged military, and many long-marginalized leftist politicians.

During the 2005 year elections to the single-chamber Venezuelan legislature, President Chavez's Fifth Republic Movement party claimed 114 seats in the expanded 167 member National Assembly. Chavez's allies obtained the remaining 53 seats. However, critics of these electoral results point to the fact that only 25 percent of eligible voters cast ballots in an election boycotted by the opposition parties (Webb-Vidal, 2005: 8). The political and economic implications of this controversial electoral sweep are explained by Webb-Vidal (2005: 8):

In theory, virtually full control of Venezuela's public institutions will allow the Chavez administration to change the constitution and eliminate the limit on presidential re-elections which currently stands at one. Government lawmakers are expected in the coming weeks to accelerate an agenda that aims to put into practice Mr. Chavez's concept of a social property, a law that will affect corporations. The legislature is also certain to back the government's bid to make Venezuela a full member of Mercosur, the trade bloc made up of Argentina, Brazil, Paraguay and Uruguay. But it is in the domestic political arena that experts say the implications of Sunday's election will be seen. With traditional opposition leaders now devoid of any representation in the formal channels of government, the most radical critics of Mr. Chavez are likely to try to foster the emergence of a more subversive opposition movement.

However, unlike the Sandinistas, Hugo Chavez's regime has access to Venezuela's oil reserves, which are among the largest in the world and currently constitute 70 percent of the country's national income (Sanchez, 2006). As in the case of the Iranian revolutionary elite after 1979, the Venezuelan revolutionaries intend to use this vital resource to propel Venezuela out of economic underdevelopment and dependency, and to protect Chavez's regime from potential acts of aggression from the US directly, or indirectly through its allies.

Militarily, this strategy is evident in the recent attempts of arms purchases signed with Spain and later blocked by the US, arguing Spain's use of US patented parts (Lapper, 2006: 1) and Russia, to buy military equipment for the Venezuelan armed forces.
forces. In addition to a direct military intervention from the US, Chavez's regime previews the possibility of the US pushing for a military confrontation between Venezuela and Colombia, considered a political ally of the US in the region, and a potential economic boycott organized by the US against Venezuela. In 2005, Venezuela transferred approximately half of its foreign reserves ($30.4 billion) from the US Treasuries and banks into banks in Europe. As Webb Vidal (2005) reports:

Domingo Maza Zavala, a director of the central bank, said on Wednesday that during the past four months 60 percent of the bank's roughly $24bn in operational reserves, or about $14.4bn, had been liquidated and the funds deposited at the Bank for International Settlements in Basel, Switzerland. Most of the $14.4bn transferred was previously invested in US Treasuries or held on deposit at US banks, he said. About $6bn of Venezuela's foreign reserves are classed as non-operational... Traditionally the country has held its reserves in a portfolio of US Treasuries, euro-denominated bonds, gold, and cash... Buoyed by high oil prices, Venezuela, the world's fifth-largest oil exporter, has seen the level of its international reserves rise to $31bn in recent weeks, from $24bn at the start of the year and from about $15bn in 2003... Jose Guerra, until recently economic research chief at the central bank, said that while important details of the transfer of reserves from the US to Europe were cloaked in secrecy, the motive appeared clear. The reason is eminently political, and it's a further example of the central bank's loss of autonomy... This year legislators loyal to the government passed a law that allows Mr. Chavez to withdraw and to spend at least $6bn of international reserves... Mr. Chavez has long insisted that the level of reserves is too high and that the money would be better used for domestic social programs. But in recent weeks he has also embarked on a range of international financial projects, such as the purchase of at least $1bn in Argentine foreign debt.

Taking advantage of the wave of anti neoliberal and anti US government policies that has produced center left leaning regimes in Latin America - in Brazil, Argentina, Uruguay, Ecuador, Peru, Bolivia, and possibly other countries in the shortcoming future, Hugo Chavez's regime has embarked on a strategy of building economic and political alliances with the new regimes that govern or may lead these countries in the near future. Already a member of OPEC, the international organization of oil producers, Venezuela has become a member of Mercosur. In addition, the regime has been working on establishing important trade and investment agreements with India, China, and the European Union.

It is important here to consider in greater detail Venezuela's relations with other Latin American countries. The Fifth Venezuelan Bolivarian Republic, led by Chavez, is determined to invest and help its neighbors, such as Ecuador and Bolivia, to overcome their economic problems. With the help from Venezuela, Ecuador the fifth largest oil producer in South America will issue a bond emission sale for up to $750 million in

New York, as a strategy to gather enough funds to invest in oil production (Weitzman 2005: 4).

Venezuela has also played a significant role in Cuba's economic recovery by providing Fidel Castro's regime with cheap oil; Cuba's economy grew by 8 percent during the first half of 2005 (Lapper, 2005: 13). In exchange, Cuba has provided Venezuela with 20,000 doctors and paramedics, approximately one quarter of the Cuban medical establishment (Lapper, 2005: 13). In addition, Venezuelan oil is financing Operacion Milagro, a project that grants free eye surgery to thousands of poor people from the Caribbean and Latin America (Lapper, 2005) as well as the Petrocaribe program, "an agreement between Venezuela and fourteen Caribbean countries, which offers deferred payments and long-term financing for fuel shipments." The health and education services given to the Venezuelan and Caribbean poor have contributed to Chavez's regime popularity and have been important factors in building the regime's social support (for an in depth discussion of these programs, see Gibbs, 2006).

Chavez's health and education programs are significant pieces of social policy from the viewpoint of political realism. In the case of Bolivia, the recently elected President Evo Morales signed an agreement with President Chavez, pointing to the latter's broader strategy in South America. Chavez presented a variety of financial support packages to help in the process of Bolivia's development. "The axis of evil is Washington and its allies around the world, which go about threatening, invading and murdering - he concluded - we are forming the axis of good" (Webb-Vidal, 2006: 2). This agreement, in Webb Vidal's (2006: 2) words, was meant to help rewrite Bolivia's constitution and bankroll forthcoming radical reformers to its economy and energy sector... Mr. Chavez, whose self-proclaimed socialist government is basking in an unprecedented oil revenue boom, offered an array of financial support packages to assist in Bolivia's development and delivered a swipe to the US. The axis of evil is Washington and its allies around the world, which go about threatening, invading and murdering, said Mr. Chavez. We are forming the axis of good. With an estimated 53,000bn cu ft, Bolivia has the second largest gas reserves in South America. Venezuela has the largest. Mr. Chavez and Mr. Morales also agreed deals for Venezuelan assistance in land reform and education. Mr. Chavez said he would start with a $30m donation for social projects.

It is also important to consider Venezuela's support of the Argentine and Brazilian payment of their International Monetary Fund (IMF) debt. Only 48 hours after Brazil's President Lula da Silva officially communicated his country's decision to repay the total amount of Brazil's $15.5bn debt, Argentina's President Nestor Kirchner announced that his country would also repay its IMF debt of $9.81bn (Diaz and Boufflet, 2005: 44). Although a controversial decision from the economic point of view, most commentators agree that the payment of the debt to the IMF will allow Argentina and Brazil to become independent from the IMF.
Argentine economist Javier Gonzalez (2005: 16) summarizes this view:

Among the economic benefits, and not the least of them, I can cite the independence from the advice of an institution that has always been biased, in order to benefit the creditors, and therefore favorable to the financial booms that have always ended in financial crises. The IMF has supported and financed the plans that ended as banking and currency exchange catastrophes during the last 40 years.

Venezuela supported President Kirchner’s decision to pay the IMF debt. Planning initially to purchase $900 million of Argentine debt, Chavez’s regime decided to increase this amount to $1200 million before the end of 2005, promising to raise the amount of total debt purchased in 2006 (El Cronista, December 16: 3).

Placing Chavez’s foreign policy within the framework of political realism, his recent gas subsidies for the poorest Americans in the US become an interesting factor. CITGO Petroleum Corp., which runs about 16,000 gas stations in the US and is owned by Venezuela’s state-owned oil company, provided 12 million gallons (45 million liters) of cheap home heating oil to the most disadvantaged Americans in Massachusetts. This was considered part of a plan by Chavez to help the poorest communities in the US (The Associated Press, November 22, 2005). According to The Associated Press, this initiative was part of a larger effort by Chavez to use Venezuela’s surging oil wealth to extend the country’s influence and create an alternative to what he calls US imperialism in the region (The Associated Press, November 22, 2005). Keeping in mind Pat Robertson’s declaration that “our Special Forces should take him [Chavez] out”, the US should acknowledge that through CITGO, Chavez’s regime has provided subsidized heating oil to New York’s poorest residents in South Bronx, and offered Chicago a discount on diesel for its public buses, since few apartment buildings use oil heat in the city (Contreras and Barry, 2005: 1-3).

Political realism as a theory of international relations offers clear insights into the reasons behind the foreign policies of Hugo Chavez’s regime. Snyder writes that realism is unwritten by those who believe that policy must be based on positions of real strength, not on either empty bravado or hopeful illusions about a world without conflict (Snyder, 2004: 56). This belief is reflected through Chavez’s actions as he decides Venezuela’s position not only in Latin America, but on the global arena as well. What permeates through these decisions is a desire to move away from the “empire” and its neo-liberal policies, a desire to acquire enough power to be able to decide the rules of engagement between Venezuela and the rest of the world. In order to further this agenda, President Chavez has been granted by the Venezuelan Congress more power to do it (The Associated Press, February 1, 2007):

Convening in a downtown plaza in a session that resembled a political rally, lawmakers unanimously gave Chavez sweeping powers to legislate by decree and impose his radical vision of a more egalitarian socialist state... The law gives Chavez, who is beginning a fresh six-year term, more power than he has ever had in eight years as president, and he plans to use it during the next 18 months to transform broad areas of public life, from the economy and the oil industry in particular, to “social matters” and the very structure of the state... Chavez, a former paratroop commander re-elected with 63 percent of the vote in December, has said he will decree nationalizations of Venezuela’s largest telecommunications company and the electricity sector, slap new taxes on the rich, and impose greater state control over the oil and natural gas industries... The law also allows Chavez to dictate unspecified measures to transform state institutions; reform banking, tax, insurance and financial regulations; decide on security and defense matters such as gun regulations and military organization; and “adapt” legislation to ensure “the equal distribution of wealth” as part of a new “social and economic model.”

Based on the increased power granted by the Venezuelan law, President Chavez decreed by the end of February 2007 that the state oil company PDVSA will “take a stake of at least 60 percent in four oil-producing joint ventures in the heavy crude Orinoco Belt, a move that would affect Chevron, Conoco-Phillips, BP, France’s Total and Statoil of Norway, as well as Exxon” (Weitzman, March 7, 2007). The relevance of this measure is also underlined by Weitzman (March 7, 2007):

The Orinoco facilities are the last privately controlled oil installations remaining in Venezuela. PDVSA estimates that the Orinoco is the largest hydrocarbons deposit in the world, with nearly 300bn barrels in recoverable reserves. The region produces between 500,000 and 620,000 barrels per day, about a quarter of Venezuela’s total production.

Thus, once the new wave of nationalization steps take place, the political and economic power of the Venezuelan state and the Chavez regime will be significantly increased. In contrast to the analysis of Venezuela’s international policy based on theoretical realism, the liberal and constructivist perspectives offer both hope and warnings for the future of Venezuela in particular, and of Latin America in general.

VENEZUELAN FOREIGN POLICY AND THE LIBERAL AND CONSTRUCTIVIST PERSPECTIVES

As an alternative to realists’ vision of a conflictive world composed of self-interested states that seek to acquire and maintain power, “liberals foresee a slow but inexorable journey away from [this] anarchic world ... as trade and finance forge ties
between nations, and democratic norms spread" (Snyder, 2004: 56). Liberalism further predicts that the construction of multilateral institutions will ensure that international cooperation will become the norm among democracies (Snyder, 2004: 56-57).

Early in 2005, Colombian President Alvaro Uribe and Hugo Chavez engaged in a heated diplomatic dispute when Rodrigo Granda, an exiled official of the Colombian Revolutionary Armed Forces (FARC) guerrilla movement, who had acquired Venezuelan nationality, was allegedly kidnapped in Venezuela by mercenaries who were paid by Colombia. The conflict came to an apparent end due to the strength of trade relations between Colombia and Venezuela. Despite the fact that President Uribe is an ally of President Bush and, accordingly, a supporter of Washington's war against terrorism (Ambrus and Gunson, 2006: 1) --and ironically, Chavez is just the opposite, considering his critical and adversarial relationship with the Bush administration --diplomatic relations between Colombia and Venezuela continued because, according to Ambrus and Gunson (2006: 1-2):

For all the sound and fury, however, the imbroglio isn't likely to have a lasting effect on relations between the two countries. The commercial freeze has slowed some cross-border truck traffic but hasn't seriously curtailed business deals. Experts say the long-term economic and strategic interests shared by South America's odd couple will prompt them to seek a face-saving reconciliation. For one thing, outside their respective commercial ties with the United States, Colombia and enezuela are each other's biggest trading partner accounting for $2.5 billion in trade annually.

Along the same lines, Venezuela is a major supplier of oil to the US, since "the US gets some 14 percent of its imported oil from Venezuela; more than 50 percent of Venezuela's oil exports go the US" (Shifter, 2006: 57). Thus, the very strong economic links between Venezuela and the US, as well as between Venezuela and Colombia, are reflective of the liberal theory's emphasis on predicting a more stable, long term path toward cooperation and away from anarchy. However, it also means that Latin America overall will have a much harder time breaking away from economic dependency from the US and the rest of the global core of developed countries, given the strength of the economic connections and institutions that have been set up for centuries of economic dependency. Furthermore, even the economic integration to China and India is based on exports of primary goods, an old Latin American pattern of dependency, and to date, this strategy has not led to Latin America's transition to full industrialization and has not brought it closer to attaining the Core status in the global economy. For example, the main exports from Brazil and Argentina to China thus far, are steel and wheat, respectively, which the Chinese economy utilizes to manufacture industrial products for export and to feed its population. Even worse, in the case of Mexico and Central America, the maquiladoras have, to a large extent, transferred production to China, which resulted in higher unemployment and underemployment rates in the economies that they left behind. Hence, it is likely that, thanks to its oil, Venezuela may be one of the few Latin American countries, if not the only one, that can afford future economic independence and the attainment of Core status in the global economy.

But from an idealist constructivist point of view, to understand relations among countries, peoples and cultures, the emphasis should be placed on the debates about ideas, the role of ideologies, identities, persuasion, and transnational networks. Accordingly, international policy should be guided by ethical and legal standards (Snyder, 2004: 59-60). Therefore, President Chavez's struggle against President Bush should be interpreted as a struggle of two completely different understandings of the world. On one side, Bush supports the neoliberal view that government intervention in the economy was the problem rather than the solution, and that a stable monetary policy, plus radical tax cuts in the top brackets, would produce a healthier economy by getting the incentives for entrepreneurial activity aligned correctly (Harvey, 2005: 54).

In contrast to this fervent belief in a free, laissez faire global economy liberated from the constraints of the states, Chavez continues the tradition of radical American leadership inspired by Simon Bolivar. The Venezuelan President has expressed this view openly, calling for a union that would challenge the Empire (Gott, 2005: 183-184):

None of [Bolivar's]generals at the time of independence, at least none of his Venezuelan generals, had this vision, this notion of uniting all these balkanized territories of Latin America in order to confront the imperial power of the north. Now everyone is searching and struggling towards this goal, not just the Venezuelans but all of Latin America.

The twentieth century was a lost century. Our peoples lived better in the previous century than in this one, much better. So this can only be the union envisaged by Bolivar. La patria for all of us is America; and union is fundamental. Everyone has shared this aim: Marti, O'Higgins and Artigas and Sandino and Peron said so too. The union of all our peoples.

In his view, this Bolivarian project of Latin American unity provides an inspiration for his regime to strive for the integration of Venezuela with the Caribbean (Cuba), the Amazon (Mercosur and Brazil), and the Andes (the Comunidad Andina), the three regions that surround Venezuela (Gott, 2005: 184), as well as to oppose President Bush's neoliberal project in Latin America wholeheartedly.

Thus, based on Snyder's (2004: 60) accurate summary of the constructivist theory, people's understanding of their interests depends on the ideas they hold. Hence, the Bolivarian project undertaken by Hugo Chavez takes on another meaning --that of a struggle to maintain a specific understanding of the world, an understanding increasingly supported by other Latin American countries, based on principles of redistributive social justice. Paradoxically, these stand in direct opposition to the imperial reach of neoliberal rhetoric.

It is in this context of the struggle between opposite values and goals that the Venezuelan leader bucked heads with Mexico's President Vicente Fox about the proposal for a Free Trade Area of the Americas at the Summit of the Americas in Argentina, which took place in November, 2006. Chavez accused Fox of violating summit protocol because the free trade zone agreement was not on the agenda (The Associated Press, November 14, 2005). At a Special Summit held in Mexico the previous year, Chavez made it clear that the priorities on his agenda are not aligned with the US's insistence - supported by President Fox - on setting a deadline for the free trade zone agreement by 2005. At that time, he stressed that there is a more dire need to set up a humanitarian fund instead, for those countries affected by financial and natural disasters. The existing trade ties, he argued, constitute an infernal machine that produces more poor people each minute. Thefore, what the hemisphere needed instead is a new moral architecture that would favor the weakest (The
CONCLUSIONS
It seems impossible, and at the very least dangerous, to explain the complexity of international relations by relying on a single theory - whether it is realism, liberalism or constructivism. Snyder (2004: 61) points out that each of these theories offers a distinct framework for understanding the complicated picture. The paper attempts to show that Venezuela's international policy under Hugo Chavez must be analyzed from various angles in order to be understood within the proper context. Otherwise, there is a risk of engaging in simplistic view of international relations that does not allow for any constructive conclusions about the way in which states and non-state actors define and continuously redefine their goals and expectations.

What seems to permeate through each attempt to explain Venezuela's current position in the global arena is the struggle against dependency. The overt anti-Americanism expressed by the Chavez regime translates directly into action - shifting the country's reserves from dollars to euros, or fighting neoliberal policies propagated by Washington, as was the case during the Summit of the Americas mentioned above. This anti-American sentiment also means potential strengthening of relations between Latin American countries - for example, through Mercosur. Most importantly, however, in agreement with the realist logic, we can understand Chavez's Venezuela as an increasingly defiant player that seeks to break away from the grip of the empire in order to be able to dictate some of the rules by which the states are playing on the global stage. This power is linked directly to Venezuela's oil reserves and to the fact that the Chavez regime has access to them. A vital alternative to Middle Eastern oil, these reserves have become increasingly important to Venezuela, or, perhaps more importantly, their parallel insistence on fighting against neo-liberal policies advocated by Washington, may be used to explain why it would be beneficial for Venezuela to maintain close relations with Cuba.

On the other hand, realists would contend that by devoting considerable amounts of Venezuela's oil export revenues to social programs like Barrio Adentro - programs aimed at helping Venezuela's most excluded sectors - Hugo Chavez hopes to further solidify his popularity and maintain social support for his regime.

Realism's emphasis on the shifting distribution of power among states provides the framework for understanding the recent transformations in Venezuela's foreign policy, as initiated by President Chavez. Liberals may warn that Chavez's defiance, especially in regards to establishing free trade agreements with the US, may lead to increased tensions between the two states. Finally, constructivists will add that ideology is a vital part of Venezuela's struggle against the empire, and that not only Venezuela under Chavez, but also and increasingly so, other Latin American countries under their new, center-left leaning regimes, constitute an ideological bloc that sees itself as an alternative to ideas that have, for a long time, been based upon neo-liberal logic.

The future of Hugo Chavez's regime has become an important and controversial discussion topic for political scientists, sociologists, and the general public alike. Venezuela's emergence as a regional leader in the struggle against new imperialism is a consequence of the significant shifts in its foreign policy. When so much is at stake, a simplistic conclusion that draws on Chavez's power grabs, or Venezuela's path towards a Castro-style military dictatorship (Corrales, 2006: 35, 37), cannot become the basis for understanding its position within the international system.

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