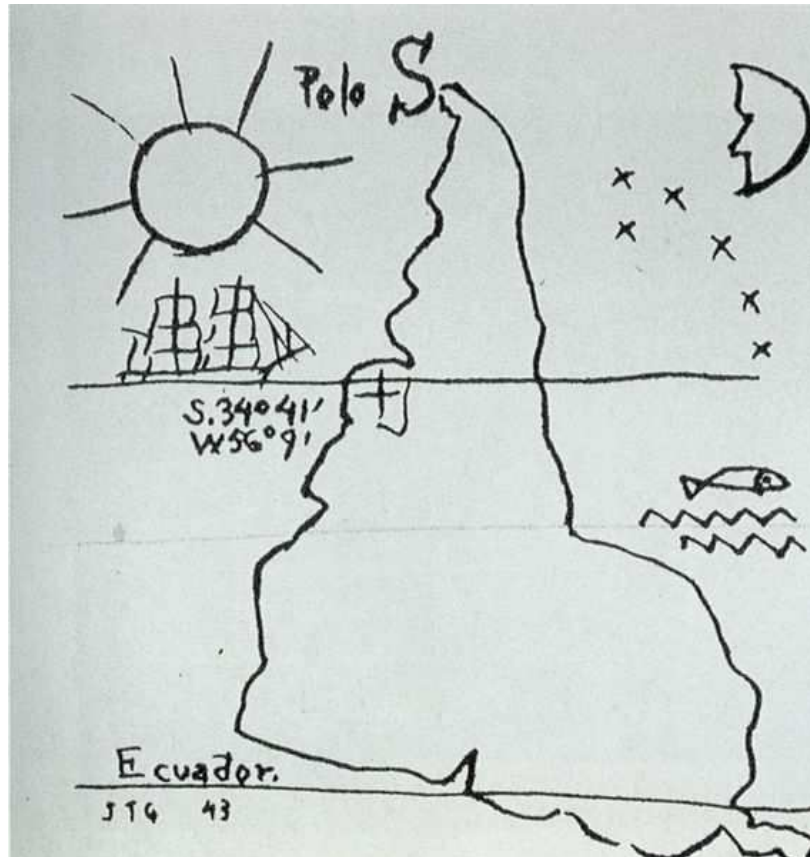


Chávez' North is the South

*An analysis of the internal and external policy of Bolivarian
Venezuela in the Hugo Chávez era*



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Abstract

In this Master thesis Venezuela's internal and external policy under President Hugo Chávez has been analysed to determine to what extent it is explained by respectively the Marxist theories of state, and critical geopolitics. The internal policy has been assessed by measuring the degree of *state transformation* with the help of eight indicators selected from Marxist theories of state, such as the work of Bob Jessop. The study of the external policy has been twofold, with *practical geopolitics*, focusing on the government's own policy, and *discourse analysis*, examining President Chávez' discourse, serving as the theoretical background. In the final chapter it has been argued that in Venezuela there is a very limited degree of state transformation or institutional and structural reforms, and that despite some promising and positive developments that set out Venezuela in the region, society and the state and its bureaucracies suffer from corruption, financial waste, inefficiency, extreme social and political polarisation, a certain degree of conflict of interests and a lack of institutionalisation of new laws and regulations. The degree of organising of the *chavistas* is still limited and suffers from several flaws, but elections have given the government a strong mandate for change. Meanwhile, the government's room for manoeuvre has increased since the nationalisation of oil company PDVSA, and though many social programs have a profound effect on the life of millions of people they are ad-hoc in character. The country's external policy is ambiguous, has a lack of focus and the multiple aims have hurt its effectiveness. The external policy serves as legitimacy for the internal policy, but several discrepancies between discourse and practice have been damaging. The study has pointed out that the focus of the Marxist theories of state is too statist and the theories cannot grasp the case of Venezuela and mainly serve for its original purpose of explaining Western European affairs. It also shows that analysing discourse is necessary and complements the study of geopolitical practice.

Resumen

Este trabajo ha analizado la gestión interna y externa de Venezuela bajo el Presidente Hugo Chávez para determinar hasta que punto las teorías marxistas del estado y la geopolítica crítica explican a las dos respectivamente. La gestión interna ha sido examinada a través de analizar la amplitud de *transformación del estado*, con la ayuda de ocho indicadores seleccionados por las teorías marxistas del estado, como en la obra de Bob Jessop. El análisis de la gestión externa tiene dos partes que forman el fundamento teórico, de un lado la *práctica geopolítica*, a través de la cual se investigan las redes oficiales del gobierno, y de otro lado el *análisis del discurso*, que examina el discurso de Chávez. En la conclusión se sostiene que hay una limitada transformación del estado y limitadas reformas institucionales y estructurales. A pesar de algunos cambios positivos, la sociedad y el estado con sus burocracias, sufren corrupción, malversaciones financieras, ineficaz, polarización social y política, un cierto nivel de conflictos de interés y una falta de institucionalización de las nuevas leyes y regulaciones. El gobierno tiene mejores posibilidades para maniobrar gracias a la nacionalización de la empresa del petróleo PDVSA. Los programas sociales tienen un efecto

profundo y positivo para millones de venezolanos, pero son de caracter ad hoc. La organización de los chavistas está limitada y sufre de algunos problemas graves, pero al mismo tiempo las elecciones han entregado al gobierno un mandato fuerte para realizar cambios. La gestión externa está ambigua y no obstante tenga muchos objetivos oficiales, su efectividad está perjudiciada por la falta de enfoque. La gestión externa sirve para dar legitimidad a la gestión interna, pero las discrepancias entre discurso y practica han tenido efectos dañosos. La tesis aclara también que el enfoque de las teorías marxistas del estado es demasiado estatista y que las teorías no pueden explicar bien el caso de Venezuela porque son mejor dispuestas para explicar la situación del Europa Occidental. También es cierto que para analizar la política externa de un país es necesario complementar la practica geopolitca con el análisis del discurso.

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Foreword

In September 2007, my first ideas for the Master thesis came about and my main interest was to uncover why Latin America had made an apparent swing to the left, a sudden break from the past as it seemed from the outset. This rather grand idea of wanting to catch all what was happening on the continent stemmed from several reasons. Being a student in Human Geography, specialising in domestic and international conflicts and having a profound interest in geopolitics and international relations, for me it was rather obvious that I wanted to dive into Latin America. With conflicts raging in the Middle East and several deep-rooted conflicts in Africa resurfacing in the first years of the new millennium, in my opinion Latin America remained understudied, at least in Europe. Ever since the civil war in Guatemala more or less formally ended in 1996, attention has slowly drifted away from the continent towards the Middle East. Geographically Africa and the Middle East are closer to Europe than is Latin America and this might explain the difference in attention the region has received, especially compared to the United States where its southern neighbours were indeed better considered, though the George W. Bush administration had neglected the continent in its foreign policy. While Latin America may have faded from the news, it still remains ever as important to study, as its extreme inequality levels, its economic potential and vast, ample resources give it all the merit for renewed interest.

Latin America was not an obvious choice for writing a thesis in a Master specialisation programme titled “Conflicts, Territories and Identities” when considered from the surface. However, those mere three words are very apt when speaking about the region. There are multiple conflicts throughout the region, being economic, social, environmental, civil or political in nature and being intrastate, interstate and extra-regional in character. In this geopolitical game of power, dozens of questions of space and time are prominent, ranging from natural degradation to minority rights and from globalisation to cross-border-crime. While Samuel P. Huntington made a disturbing and wholly unrealistic statement by defining the region as a single ‘civilization’, a region that in his earlier work was even considered as a corruption of the Western Christian civilisation. The continent is a unique mix of identities that has shaped over the ages, from prehistoric settlement to modern-age colonisation and mass emigration from Europe, Asia and Africa, producing multinational or pluri-ethnic societies that differ markedly within the national borders and between the continent’s nations.

It is this complex, but fascinating region that became the early focus of my thesis, though as said before my initial ideas were wholly unrealistic and had to be scaled down to human proportions, without ever losing any bit of my enthusiasm, motivation and dedication. My supervisor, Dr. Olivier Kramsch, immediately realised my grotesque aims and quickly persuaded me to save myself from ending up in an endless academic journey. With left-wing governments coming to power all over South America, a focus on one case would prove to be easier to handle. Venezuela under Chávez would, so it seemed, be the best-known and most studied case. Little did I know at the time that it would exactly prove to be a thoroughly under-analysed case. With Hugo Chávez being among the first left-wing leaders to be sworn into office, it quickly became my aim to dissect the Bolivarian Revolution.

When I first started digging into Venezuela it was merely shallow information from the world's largest media sources that had shaped my image of the country. There is an extensive coverage of the country in the media and in a polarised society as that of Venezuela this wealth of information, and mainly disinformation, made this research a lengthy and tough one. It is on the Internet, not in books and journals, where the liveliest discussions and debates take place and where the two main competing camps, the pro-Chávez and anti-Chávez, publish their 'information'. It was surprising to find a disturbing quantity of incorrect and biased information in articles in leading journals and in reports from governmental organisations and NGO's. Several examples stand out where the international media and international organisations are not always objective, impartial and neutral (see Appendix).

While the initial phase of the thesis started in September 2007, the real work on this case started after the completion of the research proposal in March 2008. A durable and intensive period of research followed, with the gathering, filtering, selecting and processing of the available information taking up much more time than anticipated. In May, when the work had barely kicked-off, I left for Madrid to do an internship at the Instituto de Estudios Políticos de América Latina y Africa (IEPALA), where I participated in setting up a 'conflict meter', a database for students and professionals, where one can find all necessary information and news on peace and conflicts. Upon my return, the work had to restart quickly as it proved very difficult to do both the internship and the thesis at the same time. It was in the months of the new academic year that I could dedicate myself to writing my work. While my case study proved much more intensive and time-consuming than I ever imagined, I was nevertheless never in doubt about the end-result and always kept my interest and strong commitment towards this study. With hindsight I can say that even this study was very ambitious in its aim and scope, but having chosen to make a comparison between Venezuelan's internal and external policy, I aimed to keep the size within proportions, without losing sight of my main question. While a general study always lacks some depth when compared to very specific research, I do believe that I managed to grasp the case of Venezuela's Bolivarian Revolution in all its facets.

In those months of devotion I might not have had the regular contact with Dr. Olivier Kramsch as hoped for, but I did not want to present semi-finished work and preferred to set high standards. I thank Dr. Kramsch for his faith in my work, for giving me the chance to elaborate on how to make such an extensive Master thesis and for giving me essential advice whenever I felt I needed it or felt to be on a dead end. He realised from the start it was going to be difficult and longer than expected but he gave me the chance to discover how things work for a young academic, without letting it spin out of control. I thank Ms. Maria Pilar of IEPALA for her guidance and for the new insights she gave me whilst I was there. It was a pleasure to be a part of a research institute and to be involved in setting up such a project. Furthermore, my thanks go to all those others that gave me inspiration, incentives, hints, as well as laughter and fun. I thank Mr. Pedro Pérez Herrero of the Universidad de Alcalá de Henares for his interesting course on social exclusion in Latin America and the new perspectives he showed me. On a different level, I would not have managed to conclude this project without all the words of trust and faith of my parents and sister. Last but not least I thank my girlfriend Elena who was by my side during this entire journey and who comforted and supported me during all those difficult moments of inevitable deadlocks and setbacks, but who always managed to bring me back on track.

List of abbreviations

ACILS	American Center for International Labor Solidarity
ACN	Andean Community of Nations
AD	Accion Democrática
ALBA	Alternativa Bolivariana
ALCA	Área de Libre Comercio de las Américas
ANC	Asamblea Nacional Constituyente
CANTV	CA National Teléfonos de Venezuela
CAPEL	Centro de Asesoría y Promoción Electoral
CEFTA	Central American Free Trade Agreement
CIMA	Consortio Iberoamericano de Investigaciones de Mercados y Asesoramiento
CIPE	Center for International Private Enterprise
CNE	Consejo Nacional Electoral
COPEI	Comité de Organización Política Electoral Independiente
COPRE	Comisión Presidencial para la Reforma del Estado
CTV	Confederación de Trabajadores de Venezuela
ECLAC	Economic Commission for Latin America and the Caribbean
FARC	Fuerzas Armadas Revolucionarios de Colombia
FBT	Fuerza Bolivariana de Trabajadores
FEDECAMERAS	Federación de Cámaras y Asociaciones de Comercio y Producción de Venezuela
FTAA	Free Trade Agreement for the America's
FONDEMI	Fondo de Desarrollo Microfinanciero
IMF	International Monetary Fund
IRI	International Republican Institute
IVAD	Instituto Venezolano de Análisis de Datos
MAS	Movimiento al Socialismo
MERCOSUR	Mercado Común del Sur
MVR	Movimiento Quinta República
NATO	North-Atlantic Treaty Organization
NDI	National Democratic Institute for International Affairs
NED	National Endowment for Democracy
NGO	Non-Governmental Organization
NUDE	Nucleo Desarrollo Endogeno
OPEC	Organization of Petroleum Exporting Countries
PCV	Partido Comunista de Venezuela
PDVSA	Petróleos de Venezuela, S.A
PPT	Patria Para Todos
PROVEA	Programa Venezolano de Educación-Acción en Derechos Humanos
PSOE	Partido Socialista Obrero Español
PSUV	Partido Socialista Unido de Venezuela
SACN	South American Community of Nations
SPU	Socialist Production Units
SUNACOOOP	Superintendencia Nacional de Cooperativas
UNASUR	Unión de Naciones Suramericanas
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNT	Union Nacional de Trabajadores
URD	Unión Republicana Democrática
USCRI	United States Committee for Refugees and Immigrants
WTO	World Trade Organisation
YPFB	Yacimientos Petrolíferos Fiscales Bolivianos

Introduction

"I'm generally not in favor of term limits... I believe in one form of term limits. They're called elections"

- Barack Obama

Hugo Chávez is approaching his 10th anniversary as head of state of Venezuela and recently won the referendum that abolishes term limits and gives him the opportunity to stay in the Miraflores Palace in Caracas for many years to come... Does that make him another Latin American *caudillo*?

Chávez has gained widespread attention in Venezuela as well as abroad for his Bolivarian Revolution. He has repeatedly vowed to create a Bolivarian and socialist Venezuela, as a reference to the great Liberator Simón Bolívar. International pariahs like Iranian president Ahmadinejad, Lukashenko of Belarus, Assad of Syria and former Iraqi president Saddam Hussein either visited Venezuela or welcomed Chávez at home. Chávez has not hesitated to show his interest in the affairs of other countries in Latin America and frequently gives oil to 'friends' like Cuban President Fidel Castro, Evo Morales in Bolivia, Daniel Ortega in Nicaragua and Rafael Correa in Ecuador. As ever more supposedly left-wing presidents are voted into office all over Latin America, currently concluded with the election of Mauricio Funes in El Salvador, Hugo Chávez tries to be the unchallenged leader of this group and indeed the region as a whole. His firm, militant rhetoric against the US – termed by Chávez as the imperialists – and the Washington Consensus has severely strained relations with many western countries and especially with the United States under the Bush administration. Chávez appears firmly in power, having effectively marginalized an already fragmented internal opposition, and seems to grow ever more confident of exporting his revolution outside Venezuela. A US-backed coup d'état, a crippling economic sabotage and an ongoing media campaign of slander against his government have not been able to remove him from power.

A landslide victory brought this former Lieutenant-Colonel Hugo Chávez Frías to power in late 1998 with over 56% of the vote. The "Punto Fijo Pact", a power dividing pact agreed upon by the main post-war political parties of Venezuela in 1958, the social-democratic *Acción Democrática* (AD) and the social-Christian *Comité de Organización Política Electoral Independiente* (COPEI), came to a dramatic breakdown at the beginning of the 1990s. Until this point the two main parties had competed for power in a country that was seen as a positive exception in Latin America. While military regimes were established in Chile, Argentina, Brazil and most other countries in Central and South America were confronted with authoritarian regimes, the military in Venezuela only intervened for brief periods. This lead observers to argue for the 'exceptionalism these', describing Venezuela as an example in a region of great political turmoil. But the party system collapsed in February 1992 when a group revolving around Hugo Chávez staged a badly organised coup against the government of President Carlos Andrés Pérez. The coup failed and Chávez and his collaborators were put in jail. While a coup had been defeated, the party system did not survive the political turmoil. Venezuela had achieved unprecedented economic growth in the 1960s and 1970s and a for Latin American standards extensive welfare state was established. Widespread corruption, widespread poverty, increasing inequality and growing unemployment delegitimized the party system. The global economic downturn brought down the currency, the Bolívar, and triggered inflation, leading to mass dissatisfaction.

President Rafael Antonio Caldera was the first president since the signing of the Punto Fijo Pact who was not elected on the ticket of either one of the two main parties. He issued an amnesty law for the 1992 *putschists*, who then sought to obtain power through the electoral process. In late 1998 Hugo Chávez assumed power through democratic elections and he consolidated his grip on power in all the subsequent elections.

But what does his Bolivarian Revolution imply and to what extent is it being executed? How is Chávez trying to transform the state? Who are the *chavistas* that vote for him and support him on the road to socialism? Does he have any concrete plans to export the Bolivarian Revolution? In this research an answer to these and other questions concerning the Bolivarian Revolution will be given. The aim is to assess to what extent the internal policy of the Bolivarian Revolution differs from the external policy of the Chávez governments. In order to explain this external feature of the Bolivarian Revolution, first the internal features of Venezuela under Chávez are analysed by using Marxist theories of state transformation to test whether the Venezuelan type of socialism that is being developed by Chávez fits these theories. After this analysis, attention turns to the external element by using practical geopolitics and discourse analysis and understand Venezuela's foreign policy by focusing on the government's foreign policy objectives and on Hugo Chávez' discourse.

The first part of the thesis is the *operationalisation*, which contains an elaboration on the central question and the central goal, and serves as the theoretical foundation. The theories of state transformation and geopolitics are elaborated on in the *theory chapter*. The *third chapter* is the analysis of Venezuela's internal policy, while the *fourth chapter* examines the country's external policy. The *fifth chapter* is a conclusion, in which the chapters are linked, the theories are discussed and recommendations for further research are provided.

1. Methodology

1.1. Operationalisation

In the operationalisation the research goal, research question, sub-questions and the concepts of internal and external policy will be elaborated upon.

1.1.1. Research goal and research question

The research goal is to: *Analyse the conduct of Venezuela's internal and external policy since 1999 to determine to what extent state transformation is taking place and the Bolivarian Revolution is being exported.*

The main research question is formulated on the basis of the aforementioned central goal and is the following: *"To what extent can the theories of state transformation and critical geopolitics explain the internal and external policy of the Chávez government?"*

To complete this goal, a thorough analysis of the internal and external aspects of the Bolivarian Revolution will be made, with the theoretical basis for the internal policy being Marxist theories of state transformation, while the analysis of the external policy centres around discourse analysis and practical geopolitics.

The first part of this research focuses on the internal aspects of the Bolivarian Revolution, meaning the specific policies of the Chávez government to reform and ultimately transform Venezuela. Because the Bolivarian Revolution is branded by Hugo Chávez as socialist in nature, Marxist theories of state transformation will be used to test whether the 'Bolivarian' and supposedly socialist transformation of the state follows the path of these theories. The assumption is that these so-called socialist policies of the Chávez government are indeed 'socialist' or 'Marxist' in character. These theories of state transformation help to determine whether this assumption is correct.

One should note that these theories of state transformation originate from the capitalist societies of post-war Western Europe, a fundamentally different context. A direct transposition of the main concepts into the societies of Latin America is anything but desirable if one wants to avoid *eurocentrism* and undertake a serious attempt at understanding 'Bolivarian' Venezuela. The uniqueness of Latin American states and their multiplicity of societies, all with specific underlying cultural, linguistic, sociological, psychological, economical, social and political (to name just a few) notions makes it all the more likely that the case of Venezuela is indeed an aberration from the Western European or Anglo-Saxon situation as described by these Marxist theorists. The different *time frame* is also an element to keep in mind, as some scholars (like Poulantzas) were active in the 1970s, in the midst of the Cold War, a whole world apart from the globalised world in which Venezuela operates at present. In this perspective, one can point at socialist Cuba, having survived for several decades in this changing environment, self-evidently having its origins in a wholly different context. Despite the limitations of these theories when applied to different time frames and political geographical contexts, they are nevertheless very valuable in the field of human or social geography. As Hugo Chávez refers to Cuba and European socialist and social-democratic ideas as examples for

the Bolivarian Revolution, it is reasonable and indeed necessary to use these established theories for the analysis of his regime. In the process, by using the Marxist theories of state transformation as the pivotal *explanans* of the case of Bolivarian Venezuela, the similarities with the theory will become apparent, while the obvious anomalies will also be uncovered. The discrepancy between theory and case merits an explanation, but should mainly serve as subject for future research on the Bolivarian Revolution.

Once the issue of state transformation is dealt with, the focus shifts in the second part of this study to the external aspects of the Bolivarian Revolution: the analysis of the foreign policy of the Chávez government. Besides dealing with regional and extra-regional state actors it is required to analyse the stance of the Venezuelan government towards different regional organisations such as MERCOSUR, ALBA (Alternativa Bolivariana), ACN (Andean Community of Nations) and UNASUR (Union of South American Nations), as well as important international ones like OPEC.

To critically assess Venezuela's external policy, geopolitical theories prove the most useful. While *critical geopolitics* is a broad theory that aims to shed light on foreign relations, within a context of space and time and from a different and a (so it claims) more complete angle, one has to be aware of the fact that only certain elements will be taken out to for this particular case study. Both *discourse analysis* and *practical geopolitics* can shed light on the question of *how* the government tries to export practical elements of the revolution or the ideology behind it. They can also show in *which* ways this revolution manifests itself and *which* aspects are important, *where* the government tries to export its revolution to and *why* the government deems it indispensable to have a considerable, active foreign policy. This should make clear to what extent its foreign policy has its roots in the domestic policy.

What this means in practice is that the Bolivarian Revolution has to be assessed in various ways. One needs to analyse the degree and type of 'socialism' that Chávez adheres to, the sort of revolution he is pursuing, the constituency (*chavistas*) that supports the revolution, and the degree of state transformation that is taking place. After almost 10 years in power, it should be possible to see some of the contours of the Bolivarian Revolution, whether in the form of changes, reforms or an outright transformation. It is important to understand the *content* and *extent* of the Bolivarian Revolution, before the external policy of the Chávez government can be analysed. Whether the foreign policy of the regime is significantly influenced by its internal policy, and is in line with it, can only be determined by assessing the latter first.

1.1.2. Sub-questions

There are several sub-questions that will assist in answering the central question and explain Venezuela's internal and external policy.

1. *What are the main internal policy aims of the Chávez government?*
2. *How does the government try to achieve its internal policy aims?*
3. *To what extent does the pursuit of its internal policy aims enhance or undermine democratic institutions?*
4. *To what extent does the opposition play a role in the current direction of the Venezuelan government?*
5. *To what extent has the internal and external policy changed between 1998 and 2008?*

6. *What are the main external policy aims of the Chávez government?*
7. *What kind of tools does the Chávez government use to influence other governments in the region?*
8. *To what extent is oil an aspect of Venezuela's foreign policy tools?*
9. *In what ways does the Venezuelan government attempt to foster regional integration?*
10. *What role do the United States, Colombia and Cuba play in Venezuela's foreign policy aims?*

1.1.3. The concepts of internal and external policy

In this work the internal and external policy of the Chávez government will be thoroughly assessed, but several other interesting questions will unfortunately remain open for analysis. There are several limitations to the thesis that have to be recognised beforehand. As the focus is on the Chávez government and the Bolivarian Revolution it will not be possible to thoroughly explain the rise to power of Hugo Chávez in 1998 (although that will be dealt with briefly), nor can an explanation be offered for the emergence of left-wing governments in Latin America. While this 'rise of the left' comes after several decades of policies inspired by the IMF and World Bank, some have concluded that this wave heralds the end of neoliberalism in the region. This assumption is far from accurate and does not grasp the complex reality of the continent. While Hugo Chávez has always said he decided to take part in the electoral game because of the brutal repression of protesters in 1989 (the Caracazo) who demonstrated against harsh structural adjustment packages of President Pérez and against the 'betrayal' of the people by this 'corrupt regime', this cannot be seen as a valid conclusion. Chávez' journey towards the Presidency is worthy of a separate study and as such this thesis cannot offer an explanation of this point. This means '1998' will be mainly taken as a starting point, an independent variable that subsequently is the basis for this research. This limitation should nevertheless not interfere whatsoever with the analysis of the first ten years in office of the government. Whilst grassroots organising and the forming of cooperatives, Bolivarian Circles and other groups has not started with the rise of Chávez and precedes his presidency and actually originates from the (two) turbulent decades before 1998, an analysis of the past decade is still the most appropriate one for grasping the *political change* that has taken place.

The ties and linkages between Chávez and other countries in the region are part of the external policy and will thus be of interest to me, but an explanation of the contexts of the other countries, such as Bolivia and Ecuador, is obviously far beyond the scope of this work as that would mean making an assessment of all the different countries in Latin America (qualitatively and quantitatively). Another limitation is that it is not possible to give a complete and detailed account of all the aspects of the internal policy that is being conducted in Venezuela. The focus will be on the most important policy and its consequences and impact on the country. The local policy implications, as well as the very important initiatives at grassroots level and bottom-up organising should be left to anthropologists, developmental scientists, economists to deal with. This research is a more broad assessment of the two main aspects – internal and external – and for the sake of comprehensibility it is not feasible, nor desirable to go into all the details (however important they are) of the internal and external policy. What is important for this research is a thorough assessment of the broad outlines of

the internal and external policy of the Chávez regime. By establishing similarities and discrepancies between both aspects, the focus can shift to why there are differences and resemblances and how this can be explained from this angles, which is material for further research. Therefore the results of this research should lead to a growing number of new questions. Only by establishing a broad outline, can specific questions address various aspects of the Bolivarian Revolution that arise out of this study.

One of the main problems in Venezuela is *measuring* the Bolivarian revolution as clear and objective facts and figures are not easy to encounter. A significant part of the data does not analyse the situation until present and only has information until 2004 and 2005, even though a lot of changed and reforms have been implemented after this period. Furthermore, information is easily manipulated and does often not give a balanced overview of the state of affairs.

In a time of globalisation and ever more complicated state structure, with governments taking on ever more tasks and being related and dependent on a growing number of national and international actors, a clear separation of internal and external policy does not seem viable anymore. Carlos Romero states that this rigid dichotomy of two unrelated spheres is impossible to uphold in the present era. This undoubtedly is true and points out that the present complexity of states makes the analysis of the 'big' picture only more difficult. However, this challenge of relating both formerly distinguishable concepts is one that should be taken up in order to understand the Chávez phenomenon. The rise to power of Chávez cannot be understood in a purely Venezuelan context and has to be seen in a regional and indeed global context. While recognising the difficulty of the task, in this Master thesis the aim is to present a broader picture of this political and social case of Venezuela. Venezuela is not a common case in the study of Conflict Studies, but the three terms of the specialisation of this Masters program, "conflicts", "territories" and "identities" describe the Venezuelan case very well. Venezuela's deeply polarised society has not seen a sudden rise of *conflict*, but has its roots in the flawed, but nevertheless praised, Punto Fijo pact that was in function from its signing in 1958 roughly until 1992 when President Pérez was impeached on charges of corruption and Rafael Caldera, a pact signatory who ran as independent, won the Presidential election. The decades long economic and social crisis had culminated in the 1989 *Caracazo* riots, a more symbolic end of this pacted elite type of 'representative democracy'. This conflict has to be seen beyond Venezuela's *territory* and the long championed 'exceptionalism these', that presented the country as an exception from Latin America's post-war history of brutal dictatorships as seen in Chile, Argentina, Paraguay, Uruguay and Brazil, escaping the political turmoil these countries and Peru, Ecuador, Bolivia and Colombia, is based on persistent myths. A country rich in resources but having suffered from a "resource curse" and "Dutch disease" since the discovery of oil at the start of the 20th century was on a healthy course towards the "first world", as former President Pérez jubilantly claimed in the 1970s. Currently, the presence of Venezuela in the region is one of activity and new impulses, with Chávez aiming at Latin American integration and speaking out against the US government. Regarding *identities*, Venezuelan society has been characterised by a deep-rooted culture of racism, with the country being led by a white elite from European descent that is very much oriented towards the United States, while an increasing part of the population fell into poverty since the economy started to come down in the mid 1970s. A society as polarised as that of Venezuela, where the 'ni-ni's' (neither

pro-Chávez nor anti-Chávez) are squeezed in between a group of hard core *chavistas* and a US-backed opposition, has to be seen and identified in this context. The formerly excluded part of the population, the majority, has seen a reverse of fortunes and has gained a voice, while the former elites have lost *political* (though not economic) power, something they have found very hard to swallow.

It is in this context that it is important to recognise this wider picture in analysing Venezuela's internal and external policy. It is exactly in a globalised world that the internal and external policy cannot be separated and can be seen as an interrelated whole. However, to assess the wider implications of the Bolivarian Revolution a distinction between both policy aspects has to be made. This is not just for the sake of simplicity, but mainly for distinguishing those elements that are central to the developments in Venezuela, the region and the rest of the world. While it goes far beyond this thesis to analyse the *identity* question (though it will be briefly touched upon), the elements of *conflict* and *territory* in the sense of state transformation and the rocky roads of Venezuela's foreign policy are central to answer the central question. With Hugo Chávez being one of the first of these new leaders that has been elected, analysing the Bolivarian Revolution in Venezuela and its implications abroad would be a first step in assessing that wider issue of "the rise of the left" in Latin America.

1.2 Research type

The research will mainly be one of qualitative research. As it can be mainly typified as desk research, gathering information comes down to searching articles in scientific journals, books, documents, news archives, media sources (speeches, radio shows like "Alo Presidente") and reports from NGO's, IGO's and government institutions. Through content analysis and search methods this can be achieved. The internship at the Instituto de Estudios Políticos para América Latina y Africa (IEPALA) in Madrid has helped to gain more information and get in touch with experts. Furthermore, a course at the Universidad de Alcalá de Henares has served the same purpose.

2. Theories

This research deals with two dimensions of the Bolivarian Revolution by making an assessment of the governments internal and external policy. In this first part the internal aspects will be dealt with through using numerous issues that concern state transformation. Several aspects of these theories, concerning state power, redistribution, centralisation and democracy, will be analysed through indicators taken from the Marxist theories of state of influential scholars as Bob Jessop. The regime of Hugo Chávez is widely regarded as being 'socialist' in character and therefore these theories will be used to analyse whether the Chávez regime follows the path as described by these scholars. From these theories several indicators will be derived that are later used to analyse the case of Venezuela. What these Marxist theories offer is that they are comprehensive analyses of the state and while they are primarily dealing with (Western-)European states, their concepts can be adapted to Venezuela to grasp whether the country is currently following this set of variables of state transformation.

In the second part of this chapter geopolitics will be the focus. First a concise historic background to geopolitics will be given, before the main aspects of the field of geopolitics, and mainly critical geopolitics, are explained.

2.1. State transformation

"First comes thought; then organization of that thought, into ideas and plans; then transformation of those plans into reality. The beginning, as you will observe, is in your imagination"

- Napoleon Hill (author, 1883-1970)

Without going into the history of the evolution of the state, it is nevertheless necessary to define some central terms. The terms "sovereignty" and "state" first have to be described. Hereafter the next sub-paragraph offers a concise background of the Marxist theories of state and relates the theories to the case studies. The final sub-paragraph goes into the measurement of state transformation.

According to King and Kendall *sovereignty* signifies "supreme power or authority, including the authority of a state to govern itself".¹ Internal sovereignty means that the state has the sole right to political authority within the defined borders of that state. States have the supreme power to "enjoy popular compliance with their decisions and policies, if necessary, by exercising a legal or justified monopoly over the deployment of the police and the military".² This authority can be vested in one institution, or spread out among several different institutions. External sovereignty signifies that a state is equal to other states in the international state system and that it can operate independently when entering into economic agreements, military alliances or relations and treaties with other states. It means that there is no higher authority that has the right to direct this state. Through various international, mainly supranational, institutions this power is somewhat constrained through many laws, procedures and directives.

¹ King & Kendall, p.9

² King & Kendall, p.9

The *state* “is comprised of those permanent institutions within a country through which supreme authority is exercised. Its scope...is defined and limited by territorial borders”.³ The state should treat everybody in the same way and is thus supposed to be impartial, in order to avoid corruption and clientelism. The modern state is mainly a nation state and the nation is defined in “terms of common and longstanding sentiments, habits and language”.⁴

2.1.2. Marxist theories of state

Bob Jessop argued in his 1982 book “The Capitalist State”, there is no all-encompassing Marxist state theory, but rather a multiplicity of differing works, but since Jessop is one of the few scholars that carried forward the work of Poulantzas, he is the main focus of attention in this research.

In the 1970s and 1980s the Marxist theories of state were in their heydays, writing in a context of a Western Europe that had to deal with the constant Soviet threat, but saw its capitalist economies thrive. The Marxist theorists considered that while neoliberalism was seen as strong in last two decades of the end of the Cold War, it was clearly in demise. They saw a rearrangement of capital, space and labour coming about as the state was being transformed. The end of neoliberal capitalism would lead to decentralisation, cross-borderisation, regionalisation, new networks and the rise of new public and private actors. For Nikos Poulantzas, only a national road to socialism, that was essentially democratic in nature, could succeed and indeed be called truly socialist.

Bob Jessop claims that globalisation is a spatio-temporal process as “[g]lobal capitalism weakens national states through its adverse impact on their claims to time sovereignty as well as to territorial sovereignty”.⁵ He claims that the state is and will remain to be strongly involved and as states still regulate the economy, economic globalisation depends on politics, while the state apparatuses “interiorize the interests of foreign capital as well as project the interests of national capital abroad”, there are non-market mechanisms at work as well and “specificity of many economic assets and their embedding in extra-economic institutions mean that much economic activity remains place- and time-bound”.⁶

According to Jessop the assumption that the globalisation puts the sovereign nation state under pressure is false because sovereignty is only one aspect of the modern state. Furthermore, not the state itself is under pressure but certain state models are, like the Keynesian Welfare State. Globalisation is so multi-faceted and multi-scalar that there are various pressure at work, while some aspects of globalisation rather strengthen than weaken state capacities.⁷ However, Jessop, contrary to other theorists, recognises that “Whilst not denying the continued importance of the state to capital accumulation and social cohesion,

we should recognize that the state system is embedded in a wider set of systems, institutional complexes, and ‘civil society’”, with the state being political society plus civil society.⁸ Jessop argues that the state is a social relation and that there “is no unconditional guarantee that the modern state

³ King & Kendall, p.10

⁴ King & Kendall, p.13

⁵ Jessop (2003a), p.19

⁶ Jessop (2003a), p.13-14

⁷ Jessop (2003a), p.14-15

⁸ Jessop (2003b)

will always (or ever) be essentially capitalist".⁹ In his opinion "a state could operate principally as a capitalist state, a military power, a theocratic regime, a representative democratic regime answerable to civil society, an apartheid state, or an ethico-political state".¹⁰

Jonathan Joseph states that "the state is a strategic terrain for the unfolding of political hegemonic projects. It is the site of political struggles and social cohesion. These two aspects combine in that the state must try to meet the general interests of capital, but also is a terrain of struggle between different groups".¹¹

Brenner, Jessop, Poulantzas and others were primarily concerned with European or Anglo-Saxon societies and their analysis is therefore from a different context and time frame, as was pointed out in the theoretical framework. This could create problems in transposing these theoretical notions into Latin America and applying them on the case of Venezuela. However, while Venezuela has a great number of specific, unique characteristics that make it wholly different from the European context, the indicators that can be analysed are still mainly the same. Hugo Chávez and other government officials have spoken out various times about issues such as economic redistribution, popular participation in politics, nationalisations and equality and social justice, taking Cuba, Leninist Soviet Union, but also the European Union as examples in the official discourse. While Latin American society is complex, the Marxist theories of state are perhaps one of the few grand theories on socialism that offer a complete account of state transformation. Considering Venezuela is, at least according to the official discourse, being transformed from a neoliberal capitalist one into a socialist one, the *begin stage* and *end stage* are the same. The transposition of this discourse into this end stage of socialism, may (and is likely to) be wholly dissimilar from earlier attempts towards socialism, but the theories of state transformation are the most apt to deal with this process of state transformation. The advantage is that it could bring about results that can adapt the theory or show where Venezuela and 'Europe' diverge.

One has to note that the main indicators may be similar, but that beneath this superficiality lies a unique reality. It is nevertheless necessary to try to avoid euro centrism and make clear limitations beforehand. A 'Western' theory that has been applied on Europe cannot simply be 'put on' a Latin American society. In this case elements such as redistribution, nationalisations and elections do seem *relatively low on bias*. Furthermore, as they will be compared over a span of ten years, one can make an assessment of the discrepancy between *begin stage* and *end stage* so as to make less of a normative judgement *whether* and *to what extent* there really is redistribution, social justice, equality, nationalisations, fair elections and so forth. This research is obviously limited in scope, but through this approach an important question can be answered without falling openly in the trap of euro centrism and a Western bias.

It is very likely that the outcome will be that Venezuela indeed differs from the theory, but the question is how much this is the case. The main question is; *to what extent do the theories explain the case of Venezuela?* Or, to reason from the other end; *where does the case of Venezuela differ from the assumptions of the theory?*

⁹ Jessop (2008), p.8

¹⁰ Jessop (2008), p.8

¹¹ J. Joseph, p.186

2.1.3. Measuring state transformation

State transformation in the case of Venezuela refers to the *extent to which state structures and the political, economical and social aspects of society have been modified and altered between 1998 and 2008*. Considering that Venezuela under Chávez is going through a self-proclaimed 'Bolivarian revolution' and a 'socialism of the 21st century' it is important to look at socialist, Marxist theories of the state to find out whether Venezuela is transforming and reforming the state according to these theories.

It is open to debate which concepts of state transformation should be measured but in this research they will be selected from the Marxist theories of state. The four main components of state transformation are *political, civil, economical and social*. For analysing the *political* aspect of state transformation, the degree of democracy and respect of basic universal human rights, the functioning of electoral politics, the new Bolivarian constitution and the reforming of the political bodies and institutions should be examined. The *civil* dimension includes an analysis of the constituencies of government support (the Chavistas), the opposition and the degree of organising and institutionalising at the grassroots level. When it comes to the *economical* component, a closer look at economic and financial policy through the measurement of the country's recent performance on various indicators, a focus on the extent of state nationalisations of the private sector and an analysis of the reforms in the economic institutions of the country is necessary. The governments' *social* policy will be assessed by measuring the extent of the 'misiones', other forms of redistribution and by taking a look at indicators concerning education and health care among others.

To find out whether state transformation in Venezuela follows a specific path, the questions that have been posed in the operationalisation can be used as a guide in the analysis of the four different dimensions and the various indicators. To explain whether the case of 'Bolivarian' Venezuela fits this pattern, several indicators are derived that are later used to analyse the degree of state transformation.

1. Social democratic theory, mainly by Hobson, also offers some useful insights. He claims that social-democratic intervention is necessary and that income has to be distributed more equally through progressive taxation and more social spending.¹² Keynes' vision is also useful, because of the aim to create a mutually supportive relationship between economy and society and thus the making of a mixed society.¹³ Michael Mann claims that economic redistribution is one of the four main state functions, as it has the "authoritative distribution of scarce material resources between different ecological niches, age-groups, sexes, regions, classes, etc."¹⁴

This can be used to analyse the following indicator:

1. *The degree of economic distribution through progressive taxation and social spending in Venezuela.*

¹² King & Kendall, p.79

¹³ King & Kendall, p.80

¹⁴ Mann, p.59

2. Proponents of Elite theory pose that a ruling elite governs in all societies and that elites never disappear and are not solely economically based. Therefore there are always two classes, the rulers and the ruled. The elite in power is not necessarily the most able one and there is always the possibility of them being overthrown by a counter-elite.

Within Elite Theory, Robert Michels had “reservations about the possibilities and desirability of classical participatory democracy” and he saw the necessity of an elite.¹⁵

This can be used to analyse the following indicator:

2a. The extent to which Venezuela is establishing participatory democracy.

Jessop says that “socialists must seek to transform the separation between the economic and the political through the introduction of a coordinated system of industrial self-government and democratic economic planning and to reorganize the state itself through the extension of democratic accountability”.¹⁶

2b. The extent to which there is an extension of democratic accountability of state institutions and state officials in Venezuela.

2c. The extent to which there is democratic economic planning in Venezuela.

3. Marxism views capitalism as “exploitative and systematically conflicting relationship between the private owners and controllers of production, on the one hand, and wage-labourers, on the other”.¹⁷

The state in Marxism cannot be independent because everything is determined by class relations. Impartiality and neutralism on behalf of the state does not exist. In capitalism, the state defends private property and therefore becomes tied to certain economic interests. Also, “justice” is seen as an unnecessary notion in post-capitalist communist societies (p.61). Egalitarian notions like that of Rawls (1972) is rejected by Marxism. Therefore the elimination of private property, instead of equalisation is the only way to achieve ‘justice’. It is in Marxist revisionism that we find an approach that seems closer to the reality in Venezuela. Jessop thinks that the national state will prevail and is of key importance in organising the economy, the polity and civil society and “it is being reimagined, redesigned and reoriented in response to these challenges rather withering away”.¹⁸

This can be used to analyse the following indicator:

The degree of nationalisations of former private companies in Venezuela.

4. According to Michael Mann, the maintenance of communications infrastructures is one of the four main state functions.¹⁹

This can be used to analyse the following indicator:

4a. The degree of maintenance of communications infrastructures.

¹⁵ King & Kendall, p.74

¹⁶ Jessop (1990), p.189

¹⁷ King & Kendall, p.59

¹⁸ Jessop (2002), p.9

¹⁹ Mann, p.59

Another related variable is the extent of industrialisation of the country.²⁰

4b. The extent of the development of state infrastructure.

5. Michael Mann analyses the 'territorial centrality of the state' and argues that "[t]erritorial centralization provides the state with a potentially independent basis of power mobilization being necessary to social development and uniquely in the possession of the state itself".²¹

This can be used to analyse the following indicator:

The extent of state centralisation.

6. According to Peter J. Taylor "[T]he threat to the state comes not from the cause of globalization, and economic one world, but the consequence, the destruction of the environmental one world. It is not only the fact that pollution is no respecter of boundaries: the whole structure of the world-system is predicated on economic expansion which is ultimately unsustainable. And the state are directly implicated as 'growth machines' – it is unimaginable that a politician could win control of the state on a no-growth policy. The people expect more, that is the essence of progress".²²

This can be used to analyse the following indicator:

6a. The extent to which Venezuela's environmental policy is leading to long-term sustainability.

7. As Nira Yuval-Davis says "[a] figure of a woman, often a mother, symbolizes in many cultures the spirit of the collectivity, whether it is Mother Russia, Mother Ireland or Mother India". Also, "ethnic, class and gender differences play particularly important roles in constructing and delineating the spaces".²³

This can be used to analyse the following indicators:

7a. The extent to which gender plays a role in the Bolivarian Revolution.

7b. The extent to which class plays a role in the Bolivarian Revolution.

7c. The extent to which ethnicity and race play a role in the Bolivarian Revolution.

8. Nicos Poulantzas claims that "[o]nly a national transition to socialism is possible: not in the sense of a universal model simply adapted to national particularities, but in the sense of a multiplicity of original roads to socialism, whose general principles, drawn from the theory and experience of the workers' movement, cannot be more than signs on the road".²⁴

8a. The extent to which Venezuela is making an original, national transition to socialism.

Recognising the limitations of analysing state transformation in all facets, the list of dimensions and indicators is not complete and exhaustive and as such cannot go into all aspects of Bolivarian Venezuela. The four dimensions and the several indicators that are selected should be sufficient in the sense that they encompass roughly the main aspects of Venezuela's internal policy. Through a

²⁰ Gill, pp.127-139

²¹ Mann, pp.60-64

²² Taylor, p.112

²³ Nira Yuval-Davis, p.313, 322

²⁴ Poulantzas, p.81

thorough assessment of the aforementioned indicators an overview of the extent of changes under the Chávez governments can be revealed that is ample and adequate to answer (this part of) the main research question.

2.2. Critical Geopolitics

“All that this country desires is to see the neighboring countries stable, orderly, and prosperous[...]Our interests and those of our southern neighbours are in reality identical[...]In asserting the Monroe Doctrine, in taking such steps as we have taken in regard to Cuba, Venezuela, and Panama...we have acted in our own interest as well as in the interest of humanity at large”

- Theodore Roosevelt

The term geopolitics was first coined by Rudolf Kjellen, a Swedish political scientist and politician who was a student of Friedrich Ratzel. At the end of the 19th century several developments in the political and socio-economical realm brought forward new ideas in the field of state theory. Industrialisation led to modernisation and development in many different ways. Several new ideologies emerged, ranging from communism to liberalism and from socialism to anarchism, all changing the global context. Heffernan describes the changes that took place and calls this the “geopolitical panic” which proved to be the breeding ground for a new scientific discipline.²⁵ In 1904 Halford John MacKinder wrote an article, “The new Geographical Pivot of History” in which he described his heartland theory, a geopolitical analysis of the world.²⁶ Europe and Asia were forming the centre of the world, with the Americas, Africa and Australia forming the periphery. The huge heartland can form the basis of a world empire if certain vital areas are conquered. His future predictions centred around this ‘pivotal area’. MacKinder described the political divisions in Europe and Russia and explained its connection to geography, thus determining the central and peripheral areas in the world. This combination of a political geographical vision of the world combined with aspects of international relations. His theory, now over a century old, was one of the first described analyses of international politics on a global scale.

German geopolitician Karl Haushofer aptly described the term geopolitics by saying that “[n]ot by accident is the word Politik preceded by that little prefix geo. This prefix means much and demands much. It relates politics to soil...Geopolitik demonstrates the dependence of all political developments on the permanent reality of the soil”.²⁷ The term is hard to define but Sprout and Sprout describe geopolitics as the geography of international politics, which is the relationship between the physical environment (including resources and territory) and the implementation of foreign policy.²⁸

Ó Tuathail describes that “Geopolitics addresses the big picture and offers a way of relating local and regional dynamics to the global system as a whole”.²⁹ He makes a distinction between four different discourses of geopolitics, being Imperialist geopolitics, Cold War geopolitics, New world order

²⁵ Heffernan, pp. 28-32

²⁶ MacKinder (1904)

²⁷ Haushofer, quoted in Ó Tuathail (1998), p.33

²⁸ Ó Tuathail and Agnew, p.79

²⁹ Ó Tuathail (1998), p.1

geopolitics and Environmental geopolitics.³⁰ Over the decades the theory of geopolitics and 'new' aspects like ecology (ecopolitics), economy (ecopolitics, like globalisation) and security have come forward.

A famous example of geopolitics is the Monroe Doctrine that was set out in 1823 by US President James Monroe to counter the colonial aspirations of the European powers in the Western hemisphere. The Monroe Doctrine would become an important part of the young nations' foreign policy, which signified that European countries should not expand their influence in the Americas. Less than a century later US President Theodore Roosevelt added the Roosevelt Corollary to re-enforce this notion of non-intervention by other nations in the affairs in the Western hemisphere. Roosevelt declared that "[i]n asserting the Monroe Doctrine, in taking such steps as we have taken in regard to Cuba, Venezuela and Panama...we have acted in our own interest as well as in the interest of humanity at large...But in extreme cases action may be justifiable and proper".³¹

Geopolitics is subject to constant change and alteration. Geopolitical theorists like Ratzel, MacKinder, Haushofer and Kjellen could hardly be seen as 'objective', because they were involved in politics and decision-making themselves. Geopolitical writing is therefore ideological and politicised, whereby the assembled knowledge and experience is used in practice by political leaders and politicians to enhance foreign policy and state power. Geopolitics is a particularly broad concept that encompasses more than one would be inclined to think. A seemingly 'neutral' notion like 'western hemisphere'ⁱ is imaginary and part of a certain geopolitical vision. The American image of Latin America as its 'backyard' and the product of this reasoning, the Monroe Doctrine, is construction and geopolitical perception. Taking Venezuela as the obvious example one can say that the foreign policy of Venezuelan governments has, for decades, been based on this same notion of an alleged connection with the United States. In the 1970s Venezuela was seen as the most stable democracy in the region, as an example for the region, while the capital Caracas was perceived as the most westernised and modern in the region. The Venezuelan elite and middle class frequently went on shopping trips in Miami and the political leaders mirrored the country with their neighbour up north. Venezuela's foreign policy was one of close ties with the United States. The country's leaders preferred to look at the United States for comparison than at the rest of Latin America, let alone its former Iberian master Spain. That perception was certainly not unique for Venezuela, but for decades Caracas was the United States' entry into South America. With the rise to power of Hugo Chávez a clear rupture can be perceived, even though it took a few years before Chávez' government really turned its eye away from the United States. Geopolitics is not neutral, objective or unbiased, but rather politicised.

2.2.1. Discourse analysis and practical geopolitics

Critical geopolitics "seeks to reveal the hidden politics of geopolitical knowledge".³² Ó Tuathail and Agnew claim that geopolitics is both about practice and discourse. The practice is the action taken by

³⁰ Ó Tuathail (1998), p.5

³¹ Theodore Roosevelt, quoted in Ó Tuathail (1998), p.32

³² Ó Tuathail (1998), p.3

political leaders, but this action needs to be based on discourse and 'thought'. Certain understandings and convictions of leading politicians are what drives the foreign policy of a country.³³

According to Ó Tuathail there is a certain paradox in the concept of critical geopolitics; on the one hand it claims to go beyond existing state-centric thinking by putting world politics in a new geographical context and offering the "politicization" of geography, challenging some of the fundamental premises of geopolitics, but on the other hand geopolitics is based on exactly this state-centric focus of restricted territoriality.³⁴ However, critical geopolitics cannot be seen as separate from traditional geopolitics, but complements the existing work. According to its theorists, discourse is not simply revealing and clear-cut, but has its own reality behind those words. As such the conduct of foreign policy (practical geopolitics) is not neutral and logical and goes beyond the notion of states as central actors.

Practical geopolitics is above all the analysis of the actual foreign policy practice of a government or other actors. Some studies focus on the small core of policymakers that draft a government's foreign policy. Sylvan and Majeski pointed out in their research of US foreign policy in the Vietnam War that there is a big discrepancy between the 'problem solving' mentality in this small influential group of policymakers and the discourse of theorists at universities and research institutes who have a "policy relevant" attitude. They claim that, when the State Department has to deal with practical problems, theories of international relations like political realism, are of minor importance.³⁵ In order to grasp the conduct of foreign policy, a realistic approach that aims to understand this practical problem-solving is essential.

2.2.2. Analysing Venezuela's foreign policy: practical geopolitics and discourse analysis

The analysis of Venezuela's foreign policy is essentially two-folded. Critical geopolitics has several components, but the two that are used here are geopolitical practice and discourse analysis. Geopolitical practice looks at the government's own policy goals and analyses to what extent they are being achieved, while discourse analysis does the opposite by examining discourse to see what is behind this rhetoric and what are the real goals and aims of a government. They are thus complimentary and both needed for a full examination of Venezuela's external policy.

The *geopolitical practice* is one focus in which Venezuela's foreign policy practice will be analysed with regards to the central components of the governments own aims, which are the promotion of a multipolar world, Latin American integration, the diversification of the international relations, the strengthening of the position of Venezuela in the international economy and the promotion of a new integral hemispheric security order. It is beyond the scope of this Master thesis to provide a detailed analysis of Venezuela's foreign policy and the focus can therefore not be on the drafting, formulating and making of policy but mainly on the analysis of the results and consequences of this policymaking (its actual foreign policy). The elements of Venezuela's foreign policy, as

³³ Ó Tuathail and Agnew (1992)

³⁴ Ó Tuathail (1994), p.525

³⁵ Ó Tuathail (1994), p.539

formulated by the government, are therefore taken as fixed, independent variables. One should nevertheless be aware of the problems of generalisation and the projection of established theories of foreign policy on this specific case (realism, restricted territorialised geopolitics), and avoid a *eurocentrist* analysis of placing elements in pre-established boxes.

The second focus is discourse analysis, which also falls under the header of *discourse analysis*. A small aspect of its conceptualisation is taken out for the analysis of Venezuela's foreign policy. The discourse of Hugo Chávez will be taken as a dimension of foreign policy by analysing three of his speeches. In the conclusion the both types of analyses can help to point to possible major discrepancies between the official government discourse and its actual goals. Chávez is known for his inflammatory rhetoric and his speeches are inspiring and hopeful for his supporters and threatening for his adversaries.

Critical geopolitics aims to offer a better analysis than the classic state-centric geopolitical reasoning and practice and can be seen as being opposed to the traditionalist vision of geopolitics. The aim here is to use these two different focus points that describe and analyse Venezuela's foreign policy to give, in spite of the limited scope of this research, a more thorough overview of the complexity of the Venezuelan realities and place the supposedly socialist project in a more specified context. The analysis of foreign policy (practical geopolitics) and discourse (discourse analysis) are complementary and to gain real insights into the foreign policy of a country, both are needed. The traditional analysis of foreign policy is still valid and essential for grasping the existing realities, but needs to be complemented by these new forms of study. Critical geopolitics is without a doubt the most apt to achieve that aim.

3. The Bolivarian Revolution in Venezuela

"Venezuela es un país petrolero. Lo es hasta tal punto que prácticamente es más petrolero que país"

- Raul Zelik³⁶

After the most important concepts of state transformation have been outlined, this theoretical knowledge can now be used to analyse 'Bolivarian' Venezuela and dig into its internal aspects such as the economic, social, civic and political situation and address redistribution, economic policy, centralisation and nationalisations, democracy, elections and organising and institutionalising. The policy that has been conducted since the rise to power of Hugo Chávez in late 1998 to further the Bolivarian Revolution will be examined in order to measure the depth of state transformation.

3.1. History of the pre-Chávez period

"History is fables agreed upon"

- Voltaire

After independence at the start of the 19th century, not much changed for the majority of Venezuelans when compared to the previous Spanish colonial rule. It would take over a century before some form of democratic rule was established. The difficult road towards becoming a functioning republic can be aptly illustrated by the fact until 1963 a staggering 18 constitutions came and went.³⁷

At the beginning of the 20th century, oil was discovered in Venezuela but it was not until the 1930s that oil constituted for the great majority of its exports. However, in 1920 Venezuela was already the largest oil exporter of the time. A country that relied on agriculture now became one of oil production, commerce and services. The traditional elite lost power because of this economic change and the absence of a powerful national industry prevented the rise of a strong new elite. Thus the main economic power was in the state itself. Whoever controlled the government, controlled the oil and thus the economy and by that the country. Foreign companies were in charge of most of the oil production until its nationalisation 1974.³⁸ The discovery of oil led to the so-called 'Dutch Disease' because industrialisation and diversification of the economy never effectuated (the former caused by a fixed interest rate that made imports cheaper) and therefore all other economic sectors (mainly agriculture) failed to develop, leading to mass urbanisation and a string of new problems. Venezuela became the second most urbanised country in Latin America while import substitution made Venezuela the only net importer of food in the region.³⁹

After the Second World War democracy was short-lived, with the government of the Acción Democrática (AD) that was in power between 1944-1948 being the only example. After a period of military rule democracy was restored in 1958 with the signing of the Punto Fijo Pact between the three

³⁶ Zelik, p.177

³⁷ Lozada, p.22

³⁸ Wilpert (2007), p.10-11

³⁹ World Bank (2000)

largest parties of the moment, the social-democratic Acción Democrática (AD), the Christian-democratic Comité de Organización Política Electoral Independiente (COPEI) and a smaller leftist party Unión Republicana Democrática (URD), that would soon disband leaving only AD and COPEI in power.⁴⁰ The reasons for the pact were to share power and exclude others (mainly the radical left) as to ensure political stability. The AD and COPEI were closely related to major business, the military and the church.

Despite all the problems that Venezuela encountered after the discovery of oil, the two decades between 1958 and 1978 were absolute boom years and many politicians even dared to claim that Venezuela would soon be among the rich, 'first world' countries. The existence of mass poverty was seen as unacceptable in a "rich" country that had high revenues coming from the oil sector and in the 20th century this has been a common discourse among Venezuelan politicians.⁴¹ In these years income distribution improved, poverty declined and many social indicators in education, health and life expectancy saw a steady progress.⁴²

Because the state distributed wealth thanks to oil revenues it was the political elite and the political parties that controlled this wealth. Through a system of corporatism and clientelism this system was upheld until the economic collapse in 1979, which heralded the start of a prolonged crisis. When President Herrera arrived at the presidential palace he inherited a country with a crippling 11 billion dollar debt, to increase to 30 billion at the end of his term.⁴³ Big problems emerged when the oil boom years were over, starting in 1979, despite revivals during international conflicts (like the Iranian Revolution and the Gulf War). The oil price plummeted, the population grew rapidly and years of mismanagement and irresponsible money borrowing led to a high public debt, a decline in per capita GDP, increasing inequality and the growth of the *nuevos pobres*.⁴⁴ The public sector increased from 6.7% of GDP in 1950 to 19.1% in 1971 and 24.4% in 1981.⁴⁵ Between 1979 and 1999 per capita income declined by 27%⁴⁶ and real industrial wages in 1996 were at less than 40% of its 1980 levels⁴⁷, while another study pointed out that wages of employers, professionals/technicians, micro-entrepreneurs, formal workers, waged labour workers, informal workers and domestic servants decreased by an average of more than 50% between 1981 and 1997.⁴⁸ Adding to that, poverty increased from affecting 17% of the population in 1980 to a staggering 65% in 1996. The decreasing oil income caused major problems for the clientelistic system, which eventually could not be sustained. As Gregory Wilpert strikingly states, "[I]oyalty to the system had been essentially bought with hard cash rather than earned through political persuasion, so when the money ran out, so did the loyalty".⁴⁹ The sustained period of redistribution with an expanding welfare state had created mass expectations among the population. The strong surge in poverty and the incapability of the state institutions to live up to the expectations dashed the hopes of the poor, but also of the middle class, that was suddenly

⁴⁰ Wilpert (2007), p.12

⁴¹ Gómez Calcaño, p.92

⁴² Levine, p.251

⁴³ Carrasquero Aumaitre, p.400.

⁴⁴ Korzeniewicz & Smith, p.8-19

⁴⁵ Crisp (2000), p. 170

⁴⁶ Wilpert (2007), p.13

⁴⁷ ILO (1998), p.43

⁴⁸ Portes & Hoffman, pp.62-64

⁴⁹ Wilpert (2007), p.13

swept away^{50 ii}, leading to “exclusion, segregation and fragmentation” and impoverishment of not a minority, but the majority of the population.⁵¹ A big contrast emerged between what Bonfil Batalla called the “imaginary Venezuela” of the wealthy elite and the “profound Venezuela” of the great majority.⁵²

Despite these economic problems, the mayor political parties managed to stay in power during the 1980s. During these decades AD and COPEI had drifted away from their ideological bases and were virtually indistinguishable.⁵³ The easy victory of Jaime Lusinchi in 1983 led him to launch the Comisión Presidencial para la Reforma del Estado (COPRE), aimed at reforming the government and modernising the state.⁵⁴ The corrupt judiciary⁵⁵ was reformed and the election of mayors and governors was initiated. It proved too little too late. A society that was “increasingly characterized by social apartheid in the form of severe economic exclusion, cultural gaps, and differentiated individual and collective identities, institutional political reforms could make only a partial and limited contribution to the achievement of a nationally integrated political system”.⁵⁶

Carlos Andrés Pérez’ second term in 1989 led him to neglect his campaign promises and introduce structural adjustment reforms that were sponsored by the IMF. The massive budget cuts led to a decline in social investment and the corrupt, corporatist system was eroded. On February 28 of the same year the state of emergency was declared and ensuing mass protests (the so-called Caracazo) led to harsh repression from the governmentⁱⁱⁱ (in the form of the ‘anti-insurgency’ Plan Avila), leaving hundreds dead.⁵⁷ While economic indicators showed a few good economic results, the authoritarian presidency was very unpopular and on February 4 1992 suffered from a coup intent by a then quite unknown Hugo Chávez Frías.

Table 1: Popularity of political leaders, 1989-1992

Name	January 1989		May 1992	
	Favorable	Unfavorable	Favorable	Unfavorable
Carlos Andrés Pérez (AD)	79%	15%	25%	69%
Eduardo Fernández (COPEI)	48%	41%	35%	56%

Source: Applied with some modifications from Gómez Calcaño (p.89)

The attempt of this young lieutenant failed and together with some other co-conspirers he was jailed. He gained national prominence by admitting defeat and assuming responsibility on national television, something unusual among Venezuelan politicians. A second coup attempt, on November 27, was initiated by other disgruntled members of the military. The Perez government was severely weakened and little later his own party, the AD, approved a vote to impeach him for corruption. In 1994 the banking system collapsed and more than \$10 billion disappeared because of corruption and

⁵⁰ Levine, p.253

⁵¹ Lander (2008), p.114-115

⁵² Lander (2008), p.116

⁵³ Hidalgo Trenado, pp.77-130 ; Gómez Calcaño, p.88

⁵⁴ Carrasquero Aumaitre, p.401

⁵⁵ See Ojeda (1995)

⁵⁶ Lander (2005), p.28

⁵⁷ Lander (2008), p.117

mismanagement, costing about 20% of GDP, but with no one ending up in jail.⁵⁸ The COPRE reforms had also led to the devolution of several powers to the regions and this process of decentralisation debilitated the government because of the enormous pressure executed by the regions on the national government.⁵⁹ Decentralisation, 'restructuring' of main union CTV and the privatisation of the electricity and telecommunications sectors as well as national oil company PDVSA, led to several strikes. The subsequent negotiations with the government produced several concessions.⁶⁰ However, by the beginning of the 1990s the party system was unravelling and had become "unresponsive and brittle[...]as they lose their capability to innovate when they confront crisis".⁶¹ The "Venezuela imaginaria" had become a whole world apart from the "Venezuela profunda".

3.2. Rise to power of Hugo Chávez

"Any country which displays more than one statue of a living politician is a country which is headed for trouble"

- Paul Theroux

After Carlos Andrés Pérez and Rafael Caldera reneged on their campaign promises in their second term as President and switched to supporting neoliberal policies, Hugo Chávez was the first elected Latin American president since Alan García (Peru) who defied the reigning neoliberal world order, thus breaking the thesis that presidents cannot escape reality and will eventually give way to neoliberal forces.⁶²

In 1993 it was for the first time since the signing of the Punto Fijo Pact in 1958 that an outsider won the elections. Rafael Caldera ran on his own (for his Partido Convergencia), despite having signed the by then infamous pact a few decades before. His vote total and that of runner-up Andrés Velasquez of the Causa R (Causa Radical) ensured that AD and COPEI did not get a majority for the first time, amidst a record abstention of 40%. Rampant corruption and the inability of the main parties to innovate and reform the system from within ultimately led to the dramatic collapse of the existent democratic order. Caldera was elected by appealing to the discontent in society, but he too only resisted the economic changes for just two years and was forced to implement a program of adjustment and stabilisation.⁶³ After having been given amnesty by Caldera, Hugo Chávez started travelling through the country and decided to try to gain power through the electoral process. Chávez managed to inspire disillusioned militants of the major political parties, as well as people that had been excluded under the faltering pact.⁶⁴ He was part of the Movimiento Bolivariano Revolucionario-200, that in 1997 decided to form a daughter organisation for the electoral process: Movimiento Quinta República (MVR). Until 1997 he was not very popular in the polls, but that started to change dramatically a few months before the elections. The coalition grew steadily and on a strong anti-

⁵⁸ Scheman, p.131

⁵⁹ Carrasquero Aumaitre, p.403

⁶⁰ Victoria Murillo, p.206

⁶¹ Dietz & Myers, p.77

⁶² Ellner (2002), p.88

⁶³ Gómez Calcaño, p.93

⁶⁴ Gómez Calcaño, p.94

establishment platform, with on the background the disappearance of 200 thousand million dollars⁶⁵, he won the 1998 elections with 56% of the votes, with an abstention of 37% of the electorate. The opposition parties AD and COPEI had put their own candidates forward but their unpopularity in the polls forced them to give eleventh-hour support to Henrique Salas Römer. In the end the two parties only managed to muster a meagre 11% of the votes between them, signifying the complete defeat of the old political order. The opposition did not seem to have realised that a *mestizo* could seriously win, still believing in a “divine right to rule the country”⁶⁶, but being completely removed from reality.

3.3 Socialism

“Quando dou comida aos pobres chamam-me de ‘santo’. Quando pergunto por que eles são pobres chamam-me de ‘comunista’”

- Brazilian Bishop Hélder Câmara

Government policy between 1999 and 2002, with the aim of finding a third way between capitalism and socialism and the pursuit of Keynesian economic policies without confronting the pillars of capitalism, is a whole world apart from the Chávez of 2008. The experiences in 2002 and 2003 of the coup d'état and economic sabotage have first radicalised the discourse and later also the actual policies of Hugo Chávez and his government. As Chávez said, “en una época llegué a pensar en la tercera vía...Hablé y escribí mucho sobre un “capitalismo humano”. Hoy estoy convencido de que es imposible”.⁶⁷ Many authors point to the “tree of three roots” when talking about the influence of the three inspirers of independence and liberation of Venezuela and South America, Simón Bolívar, the national hero and Liberator of what is now known as Colombia, Panama and Venezuela, Simón Rodríguez, the teacher of Simón Bolívar and the intellectual who wrote about social civilisation and popular education, and Ezequiel Zamora, a military leader active in fighting the established classes in the years after independence. Apart from the mystification of these figures, Chávez says he wants to continue their legacy, claiming they have been forgotten and neglected by post-colonial Venezuela. The ideas of a social and ‘humanist’ economy that is self-sufficient and competitive are based on these three figures. Chávez also includes elements of Christianity, classical socialism (Marx and Lenin) and the ideas of generals like Peruvian Velasco Alvarado and Panamanian Omar Torrijos. The influential Argentinean thinker Norberto Ceresole, who is said to have been the intellectual inspiration for the 1992 coup d'état that Chávez led, is also often named in this respect.⁶⁸

The five motors of socialism are the *ley habitante*, the enabling law that is often claimed as giving authoritarian powers to the president but is common in Latin America and has not been used until 2005,⁶⁹ the “reforma socialista de la constitución”, the educational and spiritual transformation of society by new values, popular education and grassroots involvement, the new geometry of power by evading the economic disequilibrium and the revolutionary explosion of communal power by direct

⁶⁵ Ali, p.55

⁶⁶ Ali, p.58

⁶⁷ Díaz Rangel, p.206

⁶⁸ Medina, pp.31-44

⁶⁹ Lander (2005), p.34

influence of the people through participation, articulation and integration. However, considering the structure of Venezuelan society, it can not be seen as a “worker revolution”.⁷⁰

Early in his Presidency Chávez said that it is to “inventar el socialismo del siglo XXI”. In his Sunday radio talk show *Aló Presidente* Hugo Chávez said that Venezuelan socialism has to be constructed in concordance with the original ideas of Karl Marx and Friedrich Engels⁷¹, but also spoke about a “socialismo cristiano”.⁷² While the President and other high-ranking officials have spoken on socialism on multiple occasions, but clear ideas of what that means in practice have never been set out. Writers like Carlos Escarrá Malavé, Amílcar J. Figueroa S. and Heinz Dieterich have all developed their version of what 21st century socialism would be like, but the official discourse has never published anything concrete on the topic. According to Dieterich there is no Latin American socialist programme rooted in the masses, nor are there organised social subjects that can make this happen.⁷³ Figueroa realises that a major challenge for the Venezuelan version of socialism is to escape from state paternalism and “the culture of a petrol state” and works towards endogenous development and self-sufficiency and away from excessive consumerism.⁷⁴

3.4 Economic policy

“Es el neoliberalismo el camino? Sí, el camino al Infierno. Ese es el camino al Infierno”

- Hugo Chávez

In the past years the Venezuelan and international opposition to the Chávez regime has cried foul about the governments’ economic policy, claiming it is running the country into the ground. While communist Cuba has managed to survive for 50 years and even overcame the damaging 1990s when international support in the form of the Soviet Union quickly withered away, the ‘socialist’ – continuously repeated by Venezuelan and international opponents of the Chávez regime – project in Venezuela is completely different. While “capitalism” is at times attacked in words by Hugo Chávez and his supporters, the capitalistic market-oriented system is firmly in place and has become more entrenched rather than being rolled back in the past nine years. As Venezuela depends a great deal on its oil exports, its position in a globalised world has been fomented rather than diminished. To determine the degree of transformation in the economic sphere, which in the case of ‘socialist’ projects generally signifies the expansion of the state, one has to be aware of this interdependent globalised context, a whole world apart from the more isolated ‘socialist’ projects throughout the world. In this economic sphere comparisons with Cuba, the former Soviet Union or North Korea, completely miss the point. To evaluate the economic situation of Venezuela one has to divide the Chávez years in roughly two periods; between 1998 and 2003 and after 2003, the year when the national oil company PDVSA was nationalised. The Venezuelan economy before 2003 was rather fragile and did not have many options for conducting social policy, but when control was gained over PDVSA this changed

⁷⁰ Figueroa, p.26

⁷¹ Isaías Baduel, p.vii

⁷² Dieterich, p.10

⁷³ Dieterich, p.134

⁷⁴ Figueroa, p.xiii, 45-50

quickly. During the 2003 sabotage of the economy the country was in deep trouble as PDVSA was in the hands of the opposition.

In these years the much criticised Washington Consensus clearly lost popularity and most of its credit in the region, despite some scholars claiming they did not fail at all.⁷⁵ The long championed one-fits-all-approach of the Washington Consensus has undoubtedly failed completely on the continent⁷⁶ and former Chief Economist of the World Bank Joseph Stiglitz underwrote this vision.⁷⁷

In recent years opponents of the regime repeatedly state that the Venezuelan economy is a bubble that will burst as soon as oil prices drop, but the situation cannot be compared to that of the Asian crisis in 1997 or Argentina in 2001. While Venezuela is still highly dependent on oil prices, the government has been very conservative in budgeting revenues, projecting prices at a much lower level than they are in reality. For 2008 oil prices were assumed at a price of \$35 per barrel. As prices have been much higher than these conservative projections throughout the years (despite them dropping rapidly from over \$120 per barrel in the summer of 2008 to less than \$40 in December), the government has made a habit of spending far beyond its budgeted expenditures.⁷⁸ In the same period the government has significantly increased its international reserves, totalling between 10 and 15 billion US\$ between 1993 and 1999 and now at a comfortable 34 billion US\$.⁷⁹ Despite earlier projections from the IMF, economic growth does not seem to come to an end and the current economic boom does not seem to end any time soon, despite the financial crisis in late 2008.⁸⁰ The IMF has come under fire for its consistently wrong reporting on the Venezuelan economy and seems to have political considerations at the heart of its predictions, considering its open support for Pedro Carmona's 2002 coup regime.⁸¹ In August 2007, the American congressmen D. Kucinich, R. Grijalva, J. Serrano, B. Lee and T. Baldwin asked for an inquiry into the questionable nature of IMF support for the coup plotters.⁸² The fund's political stance in the midst of a coup d'état, as well as other conflicts with the IMF and World Bank, led the Chávez government to pull out of both organisations in May 2007. After average economic growth in 1999 and 2000, the years 2002 and 2003 produced an economic decline because of the domestic tensions, but as can be seen in most indicators, the Bolivarian revolution has gathered pace hereafter, noting 18% economic growth in 2004, 10% in the following two years and 8.5% in 2007.⁸³ In the period from 1999 to 2007 GDP has therefore risen 41%.⁸⁴

At the same time, the external debt has gone up more rapidly from \$35 billion at the beginning of 1999 to \$56 billion at the start of 2008, a 60% increase, while internal public debt rose 75% and private debt 20%⁸⁵, yet the external debt constitutes still only 16% of GDP, slightly lower than in 1998.

⁷⁵ Lozada, p.18

⁷⁶ Pilger (2007)

⁷⁷ Stiglitz (2002)

⁷⁸ Weisbrot & Sandoval (2008), p.15

⁷⁹ Banco Central de Venezuela, "Reservas Internacionales"

⁸⁰ Weisbrot & Sandoval (2008), p.23

⁸¹ Rosnick & Weisbrot (2007), p.10-12 ; Weisbrot, 4 May 2007, <http://www.commondreams.org/archive/2007/05/04/959/>

⁸² Kucinich, Grijalva, Serrano, Lee and Baldwin, 16 August 2007, http://www.justforeignpolicy.org/issues/IMF_coup_Letter.pdf

⁸³ Banco Central de Venezuela, "Gross Domestic Product"

⁸⁴ Ibid

⁸⁵ Banco Central de Venezuela, Deuda Externa a Valor del Mercado.

More worrying signs are that in 2007 Venezuela had an inflation rate of 22%, the highest in Latin America⁸⁶, increasing to 25.6% in 2008.⁸⁷ While inflation levels have been high, they are lower than in the pre-Chávez years of the mid 1990s and are not comparable to the phenomenon in western countries. At the moment inflation does not reduce real growth and there are several options for the government in order to fight inflation.⁸⁸ The most serious issue that Venezuela faces is the unrealistic and unsustainable fixed exchange rate, about 48% overvalued compared to the dollar, which “discourages the development of non-oil sectors, especially manufacturing. It makes imports artificially cheap and the country’s exports more expensive on world markets, thus putting the country’s tradable goods at a serious disadvantage in both international and domestic markets”.⁸⁹ The *Bolivarian* aims of endogenous development could be seriously hurt if the exchange rate continues to be unaltered for too long.

The claims about the government scaring off investment do not correspond with the figures as capital formation has risen sharply since 2003. Between 1997 and 2007 Venezuela has witnessed a 35% increase of international investments, even though overall foreign direct investments have decreased from 6.7 billion in 1997 to 0.64 billion in 2007 according to central bank figures.⁹⁰ Rather remarkably, USAID information points out that US direct investments have remained high and are about twice as much as in 1997.⁹¹ However, in the Global Competitive Index⁹² and Business Competitive Index⁹³ of 2005, 2006, 2007 and 2008 Venezuela has slowly slipped down the global rankings.

In a supposed ‘socialist’ country one would expect the public sector to increase in comparison with the private sector but that is not the case in Venezuela. While there has been a modest increase in the GDP growth of the public sector (16% increase from 1999 to 2007), the private sector has seen a much sharper rise (49% increase from 1999 to 2007).⁹⁴

For the Bolivarian Revolution to have a lasting effect it is necessary to diversify the Venezuelan economy and be less dependent on petroleum. Government aims to further industrialise the country, a seemingly rather ‘socialist’ aim, have resulted in investments in mining and manufacturing and the expansion of the industrial city ‘Ciudad Guayana’, but interestingly the trade, communications and service sectors have increased more rapidly.⁹⁵

A closer look at some of these indicators point out that the contribution to GDP of non-petroleum activities has seen a growth of 50% between 1999 and 2007, while the contribution of petroleum activities has witnessed a decrease of 9.3% in the same period.⁹⁶ In 2007 GDP change of

⁸⁶ Janicke, 7 May 2008, <http://www.venezuelanalysis.com/news/3419>

⁸⁷ Suggett, 7 March 2009, <http://www.venezuelanalysis.com/news/4273>

⁸⁸ Weisbrot & Sandoval (2008), p.19

⁸⁹ Weisbrot & Sandoval (2008), p.19-20

⁹⁰ Banco Central de Venezuela, “Posición de Inversión Internacional & Balanza de pagos: Inversión Directa”

⁹¹ USAID (2008), p.141

⁹² World Economic Forum, Global Competitive Index,

http://www.weforum.org/pdf/Global_Competitiveness_Reports/Reports/gcr_2007/gcr2007_rankings.pdf,

<http://www.weforum.org/pdf/gcr/2008/rankings.pdf>

⁹³ Business Competitive Index,

http://www.weforum.org/pdf/Global_Competitiveness_Reports/Reports/gcr_2006/BCI.pdf

⁹⁴ Banco Central de Venezuela, Gross Domestic Product per sector

⁹⁵ Banco Central de Venezuela, Gross Domestic Product per type of economic activity

⁹⁶ Ibid

the oil sector was a decline of over 5%, while the non-oil sector reported a positive 9.7% change.⁹⁷ Revenues have risen sharply since 2003. In order to increase revenues the government has intensified its efforts to increase the collection of taxes on businesses and combat tax evasion, a common practice in most of Latin America.⁹⁸ In the meantime oil is still by far the largest export product and because of the high prices, the biggest source of income. At the same time, for oil exports Venezuela's dependence on the American market has actually increased since 1997 while the United States has become less dependent on Venezuelan oil. Paradoxically, the relative value of exports to other Latin American countries has diminished during Chávez' presidency.^{iv99} In the meantime oil production, measured as the number of barrels produced per day, has decreased from its 2000 peak and is back at 1995 levels at around 2.8 million bbl/d of oil in 2006.¹⁰⁰

As can be seen in table 2, the value of oil exports has risen exponentially in the last few years, while the value of non-petroleum activities barely augmented, which brings the value of oil exports to around 90% of total exports. Simultaneously, electricity generation is clearly on the rise, a step forward in the bid to become energy autarkic.¹⁰¹

Table 2: Value of exports in billion US\$

Year	Oil exports	Non-oil exports
1997	18,3	5,5
1998	12,1	5,5
1999	16,7	4,2
2000	27,9	5,7
2001	21,7	4,9
2002	21,5	5,2
2003	22,0	5,2
2004	32,9	6,8
2005	48,1	7,6
2006	58,4	6,7
2007	62,6	6,6
Change 1997- 2007	242%	20%

Source: Banco Central de Venezuela

Also, while between 1976 and 1993 66 cents of every dollar of oil exports ended up in state coffers, between 1993 and 2002 this was only 33 cents, a result of the *apertura*, the opening up of the company to the private sector. When the government took full control of PDVSA, in line with the 2001 Hydrocarbons act, benefits again mainly went to state coffers.¹⁰² For years PDVSA mainly seemed to care about output level instead of following OPEC-quota and since 1994 it officially went over those quota.¹⁰³ After taking control of PDVSA in 2003, royalties to be paid by private companies went up to 30% and guaranteed PDVSA a share of at least 51% in new production and exploitation.

⁹⁷ Parra Luzardo, "Year-End Address", Banco Central de Venezuela

⁹⁸ Weisbrot & Sandoval (2008), p.11

⁹⁹ Espinosa, p.51, 62-69

¹⁰⁰ Energy Information Administration, <http://www.eia.doe.gov/cabs/Venezuela/pdf.pdf>

¹⁰¹ Ibid

¹⁰² Kozloff (2006), p.10-11

¹⁰³ Gluck, 24 June 1995

Nevertheless, with diminishing energy resources in the world, but at the same time increasing production in some Latin American countries and the discovery of new oil fields in Venezuela, there are indeed enough prospects for the region and Scheman even argues that “[t]he center of gravity of world oil has shifted from the Middle East to Venezuela and Canada”.¹⁰⁴

The boom of the value of exports has also covered up the quick rise in the value of imports, steady at around \$17 billion between 1998 and 2004^v but \$24 billion 2005 and \$45 billion in 2007.¹⁰⁵ This could bring the country in balance of payment troubles if oil exports or oil prices fall and the value of imports remain at these high levels, but so far the large international reserves and conservative oil price projections give the country a good cushion. The chances of economic collapse by dropping oil prices are small.¹⁰⁶

There have recently also been strong rises in production in other sectors, such as in cement, fertilisers, steel, car production and construction.¹⁰⁷ Industrial development has been given a boost by an agreement with China for expansion of Venezuela’s railway system, a deal worth \$9 billion, which includes the use of Chinese technical expertise and practical experience.¹⁰⁸ The *Ciudad del Acero* (City of Steel) has also been constructed and will host several industrial facilities.

The government has taken up a central role in improving the country’s infrastructure and recent years have seen abundant investments in roads, trains and energy facilities.¹⁰⁹ The national railway system is being greatly expanded and the National Railway Development Plan aims at 15 new lines, executed with Chinese and Italian technology, while underground systems are under construction in Barquisimeto, Valencia and Maracaibo.¹¹⁰ Steve Ellner says that “to its credit, the Chávez government has greatly expanded public transportation. Venezuela is one of the few countries in the world building out its rail system”.¹¹¹ Smaller infrastructural projects include the establishment of the MetroCable that connects the people living in the poor *barrios* on the hills with Metro stations around the capital. The project began in March 2007 and the first lines are in operation in November 2008.¹¹² Another one is the start of trolleybus services in Mérida, in the Andes.¹¹³ Despite the initiation and inauguration of several infrastructural projects, critics say that many projects are started but are not finished on time due to corruption, disorganisation, the bad setting of priorities and the ever-inefficient bureaucracy. For these construction and industrialisation plans Venezuelan firms have been used, but a large part of specific technology has come from companies in Europe, China, Russia, Japan and Latin America, which is not in line with the oppositions accusations of the country becoming another Cuba, isolated from the world and against globalisation. The main official goal of the government is still the aim of “endogenous development”.

¹⁰⁴ Scheman, p.203

¹⁰⁵ Banco Central de Venezuela, “Balance of Payments”

¹⁰⁶ Weisbrot & Sandoval (2008), p.7

¹⁰⁷ CEPAL, Anuario Estadístico de América Latina y el Caribe, 2007, p.301-304 ; Banco Central de Venezuela, Gross Domestic Product

¹⁰⁸ Locker & Hancock, 16 October, <http://www.venezuelanalysis.com/analysis/2010>

¹⁰⁹ Lander (2008), p.135

¹¹⁰ Carlson, 28 June 2008, <http://www.venezuelanalysis.com/news/3675>

¹¹¹ Ellner, 28 August 2007, <http://www.venezuelanalysis.com/analysis/2572> ; Sperling, 24 March 2009, <http://www.venezuelanalysis.com/news/4316>

¹¹² Carlson, 28 June 2008, <http://www.venezuelanalysis.com/news/3675>

¹¹³ Ellner, 28 August 2007, <http://www.venezuelanalysis.com/analysis/2572>

The governments' intentions at diversification have been somewhat interfered by the increase in oil prices. While the economy is slowly being diversified, the sharp rise in oil prices throughout Chávez' tenure in power, coupled with the unfavourable exchange rate could seriously interfere further diversification in the future. As described by several authors the problem of oil states is that the population becomes dependent on the state and expects the state to solve all its problems and is seen as solution for all problems.¹¹⁴ The 'resource curse' argument is often explained with the 'political Dutch Disease', that supposedly affects countries that witness a sudden rise in revenues for some sectors, mainly gas and oil.¹¹⁵ This oil dependency works against the competitiveness of the country and slows down industrialisation. In the debate between 'resource scarcity' and 'resource abundance' several scholars have claimed that resource abundance is indeed related to civil war and conflict.¹¹⁶ Cramer has said that between 1940 and 1975 Venezuela managed to escape this economic law because the revenue boom was coupled with the stimulation of the non-oil sectors¹¹⁷ and "at least for a substantial period Venezuela managed effectively to combine a Ricardian strategy of integrating into the world economy by exploiting its comparative advantage in oil production with a Kaldorian strategy of integration through structural change and industrialisation exploiting the greater economies of scale and scope and the greater productivity gains generally available".¹¹⁸ Political Scientist Terry Karl has pointed to the "Paradox of Plenty" of petrol states, which despite mass development projects creates a paternalist state of high dependence.¹¹⁹ This raises parallels with the 1960s and 1970s when subsequent Venezuelan governments massively increased spending and indebted the country. However, corruption itself is no obstacle to development because despite some "studies showing how corruption curbs economic development in this or that country, other nations (say China, or more recently, the United States) have experienced prolonged periods of growth even under questionable governmental or business practices."¹²⁰ It remains to be seen whether Venezuela's '21st century socialism' can escape this resource trap.

Regarding the perceptions of the people, the Latinobarometro 2006 mentions that Venezuelans are most satisfied with the economic situation of the country, with 43% compared to a regional average of just 18%¹²¹, in 2007 this increased to 52% and 21% respectively.¹²² In 2006, 59% of Venezuelans considered their situation better than 12 months before and 62% thought the situation would improve be better, the highest regional average, though in 2008 Venezuelans were a less confident (49%), while the region noted in general was even less confident(38%).¹²³ This is interesting to note considering that Venezuela suffers from the highest inflation rates in all of Latin America. The government subsidies on food to support the poor (Mission Mercal), the distribution of wealth by the Missions and other government projects largely explain this relatively high figure. A majority of

¹¹⁴ Latinobarómetro 2007, p.30

¹¹⁵ Cramer, p.119

¹¹⁶ See De Soysa (2000) and Le Billon (2001)

¹¹⁷ Di John, pp.1-27

¹¹⁸ Cramer, p.119

¹¹⁹ Karl, <http://chicagosociety.uchicago.edu/petroleum/Terry%20Lynn%20Karl.pdf>

¹²⁰ Lozada, p.20

¹²¹ Latinobarómetro 2006, p.36

¹²² Latinobarómetro 2007, p.17

¹²³ Latinobarómetro 2006, p.37, 38 ; Latinobarómetro 2008, p.31

Venezuelans is nevertheless unsatisfied with the economic situation, despite high economic growth rates as a result of skyrocketing oil prices.

When it concerns their personal economic situation, 57% of Venezuelans consider theirs as good or very good, compared to 36% in Argentina, 76% in Brazil and a regional average of 46%.¹²⁴ Trust in banks is highest in the Dominican Republic (60% of respondents) and Venezuela (59%) and lowest in Ecuador (31%) and Guatemala (25%), while trust in private companies, despite a President speaking about socialism, is high (50%), only high in Paraguay and the Dominican Republic (both 58%)¹²⁵. At the same time between 2003 and 2008 54% of Venezuela respondents think that the market is “the only system to become developed”, around the regional average of 54%.¹²⁶

3.4.1. Nationalisations and centralisation

“The better the state is established, the fainter is humanity”

- Friedrich Nietzsche

When compared with the rest of Latin America, privatisation in Venezuela has not been pursued in a very radical fashion. However, when the economic crisis hit the country at the end of the 1970s neoliberal policies were introduced and several rounds of privatisation followed. While the assumption is that the public sector suffers from inefficiency and the private sector is by nature efficient, this does not seem to be naturally true as mass corruption and the lack of strong institutions impeded a smooth privatisation process and in Venezuela, as some have claimed, the private sector is actually very inefficient and suffers from a lack of labour security.¹²⁷ The social costs in increasing inequality and poverty of the process are rarely mentioned, if at all.¹²⁸

Chávez has been quickly criticised for his nationalisations and fear has spread among the opposition for a further ‘socialisation’ of the private sector. The telecommunications sector was nationally owned before its privatisation in the 1990s and the companies were compensated fully, and CANTV has been known for its market monopoly and inefficiency of services.¹²⁹ On the nationalization of the telecommunications company CA National Teléfonos de Venezuela (CANTV) Chávez said that “more important than economic gain is the social gain – social service for the integral development of all inhabitants of Venezuela” and that the state CANTV is “not seeking profit, even when with a good management there will not be economic losses”.¹³⁰ The aim is to lower prices and increase service to unreached areas, as only 45% of the country’s households (a large difference further between lower and upper classes) has access to land telephone lines. The ‘socialist’ character of CANTV is the formation of “Communal Telecommunications Committees”, in line with the thousands of existing local committees that are supposed to help improve public services and cooperate with the Missions and state companies.

¹²⁴ Latinobarómetro 2008, p.32

¹²⁵ Latinobarómetro 2008, p.33

¹²⁶ Latinobarómetro 2008, p.35

¹²⁷ Velasco Castro, pp.116-121 ; Naím & Piñango (1988)

¹²⁸ Velasco Castro, p.116

¹²⁹ Weisbrot & Sandoval (2008), p.22

¹³⁰ , Venezuela Analysis, 23 May 2007, <http://www.venezuelanalysis.com/news/2395>

The cement sector was nationalised in June 2008, but despite the fact that it was achieved by Presidential decree, it was agreed that they would be paid according to market prices. In the fall of 2008 one of the three cement companies, CEMEX, declared it will seek international arbitration before the International Center for Settlement of Investment Disputes, as the Venezuelan government denied the former's request for compensation.¹³¹ According to Swiss Holcim – the second largest cement producer in the world – the Venezuelan government ceased communications over the terms of the agreement in October of that year and on 23 March 2009 the company also announced it would start international arbitration against Venezuela to obtain “full compensation for the expropriation” as it claims it has not been paid.¹³²

The steel plant “SIDOR” was also taken over by the state in June 2008 and Chávez declared that “[w]e have placed one more stone in the construction of a world model of Socialism of the 21st Century”.¹³³ Nationalisation in the steel sector has been a long-term aim of the government to further the industrialisation of the country and boost the expansion of the rail infrastructure.

The Venezuelan government has so far also taken over seven hotels that it considered to be in a state of neglect and deterioration, while the Ministry of Tourism says it is targeting three other hotels.¹³⁴ In 2008 Chávez announced that the Banco de Venezuela (owned by Grupo Stander) would be nationalised as well, but in early 2009 the take-over had still not effectuated. In March 2009 the President declared that a rice factory of Cargill – who still has a dozen of other factories in Venezuela – would be expropriated for evading price controls and at the same time warned the biggest food producer, Polar, that it better follow regulations or face the consequences of nationalisation.¹³⁵

To better organise the nationalisations, the government launched the Ministry of the Popular Economy in 2004 to assist people in forming cooperatives, by providing loans and training. Some cooperatives seem to be successful and make a difference at the local level by providing educational and health facilities and distribute the cooperatives profits among the company's workers. Despite being grassroots initiatives they depend heavily on the state for credits and tax exemptions. In 2006 the government announced that the official number of cooperatives was 140,000, but a 2007 census indicated only 48,000 of them were actually working. Many cooperatives never functioned in the first place, others are ‘ghost’ cooperatives that received money but do not actually function. It started as top-down policy and as in so many cases, there is not a stable built-up of projects and a high fluctuation in activities.¹³⁶ As a reaction to the problems, Chávez called for a cultural transformation of society as a reference to Che Guevara's New Socialist Man.¹³⁷

These nationalisations have often been criticised, though it does constitute a right of sovereign nations to do so, while the financial crisis has made clear that developed nations in North America and Europe are certainly not reluctant to nationalise banks when it suits them. The Venezuelan government is very sensitive about issues in the food sector however and considers food of vital national importance, as it aims to become self-sufficient in food production.

¹³¹ Cemex, 20 August 2008, http://www.cemex.com/qr/mc_pr_082008.asp

¹³² Holcim, March 23 2009, http://www.holcim.com/CORP/EN/id/1610648307/mod/6_1/page/news.html

¹³³ Suggett, 13 June 2008, <http://www.venezuelanalysis.com/news/3551>

¹³⁴ Pearson, 24 March 2009, <http://www.venezuelanalysis.com/news/4317>

¹³⁵ Suggett, 5 March 2009, <http://www.venezuelanalysis.com/news/4267>

¹³⁶ Ellner, 28 August 2007, <http://www.venezuelanalysis.com/analysis/2572>

¹³⁷ Ibid

The new Bolivarian Constitution still considers Venezuela a “decentralised Federal constitution” but in recent years the government has attempted to acquire more competences at the national level, as the effective decentralisation of the 1980s and 1990s is slowly being rolled back.¹³⁸ In 2009 the government took control of the country’s ports and airports, after parliament had reformed the law on Law on Decentralisation, Limitation, and Transfer of Public Power to allow the government to “to allow the national government to take control of ports, airports, and highways that had deteriorated and become dominated by drug trafficking and contraband mafias”.¹³⁹ However, most centralised ports and airports are so far the ones located in states and cities that are currently governed by members of the opposition, though ultimately all of them will be taken over and brought under the control of government companies. Chávez said in a response that “This is a process of great strategic importance for us to continue constructing the new Venezuela, the new geo-politics”.¹⁴⁰ This increasing centralisation has brought some regions, especially the oil-rich state of Zulia, to seek further autonomy from the government.

3.5 Social policy

“crime comes from poverty; terrorism comes from poverty; fanaticism comes from poverty; fundamentalism comes from poverty. No society can succeed when large numbers of its people are mired in poverty”

- Shimon Peres¹⁴¹

Latin America and especially Venezuela has suffered from the empty-box syndrome, which holds that economic growth has been coupled with permanent reductions in poverty and inequality.¹⁴² With poverty having increased dramatically since the late 1970s, the welfare state having declined also in that period¹⁴³, and with globalisation in the era of neoliberalism having led to greater income inequality and deteriorating conditions for the less privileged¹⁴⁴, rising oil prices provided an opportunity for Chávez and his government.

The government started on February 27 1999 – exactly ten years after the brutal military repression of the Caracazo – with Plan Bolívar 2000, made up of Proyecto País, Proyecto Patria and Proyecto Nación, to foment civic-military relations and give a positive role to the army. It was a ‘quick-fix’ program to include the military in repairing schools and roads and do all types of community work. While it was a symbolic change for the role of the army in the country, the program also suffered from corruption and ‘fake’ services that were paid but never delivered.¹⁴⁵ Another program of the first years of government is the Fondo Único Social (FUS), which was set up to concentrate and administer resources to strengthen sustainable development.

¹³⁸ Brewer-Carías, March 23-26 2004, <http://www.venezuelanalysis.com/news/4328>

¹³⁹ Suggett, 25 March 2009, <http://www.venezuelanalysis.com/news/4328>

¹⁴⁰ *ibid*

¹⁴¹ Scheman, p.134

¹⁴² Korzeniewicz & Smith, p.8

¹⁴³ Rudra, pp.411-455

¹⁴⁴ Stiglitz (2002)

¹⁴⁵ McCaughan, p.76

Though in the period until 2002-2003 not much had been achieved in alleviating poverty a great deal changed with the acquisition of PDVSA. Per capita social spending has risen by 170% between 1998 and 2006, but when one includes PDVSA's expenditures in social matters, the rise is 314%, with social spending accounting for 20.9% of GDP in 2006, against 8.2% in 1998.¹⁴⁶ In 2006 the company alone was already responsible for \$13,3 billion in social expenditures. Nationalisation of the oil industry was necessary for the government in order to finance its social and infrastructural projects.

Social gains in recent years have been encouraging for the government, after having experienced a slow start. According to the National Institute for Statistics (INE) poverty has increased from 42.8% in 1999 to 54% in 2003 and to 53% in 2004, during the period of economic sabotage by the opposition. In the first years of government the Chávez administration did not manage to fight poverty and implement significant reforms. However, after the economy started to get back on track the government launched the so-called Missions to fight poverty. Poverty decreased to its 1999 levels at the start of 2005, further to decrease to 33% in 2006 and 28.5% at the end of 2007.¹⁴⁷ The Nielsen Company, a private company dealing with global information and media, calculated that between 2003 and 2006 the poorest sectors in Venezuela have seen their income rise by 130%.¹⁴⁸ Due to the demographic changes in Venezuela – which has the highest population growth in Latin America – absolute poverty levels have witnessed a rise though relative poverty levels have steadily diminished. Most figures, however, do not show the real improvement that has been made in recent years. As measurement of poverty only takes cash income into account and does not include improved access to education, health clinics and sanitation facilities, the decline in poverty is even more substantial than the official poverty figures show. While the Instituto Nacional de Estadísticas (INE) has been accused of changing its poverty methodology, so far no evidence has been presented to substantiate these claims.¹⁴⁹

Unemployment was around 8-9% halfway the 1990s, but rose to 15% in 2001 and even 19% in 2003, to decrease to around 8% at the beginning of 2008, while the activity rate has hovered between 65% and 70% of the population since Chávez' first year in office.¹⁵⁰ In the meantime, the percentage of inadequate housing has risen.¹⁵¹ Housing has always been a grave problem in Venezuela as severe shortages and inadequate housing made it one of the main government objectives for radical action. The current deficit is said to be 1.8 million houses and several billions of US\$ have been assigned for rapidly building more public housing.¹⁵² Because of rapid population growth, a lot of housing construction has to be carried out to even steady the deficit, let alone diminish it.

The 2008 figures of USAID show that inequality has decreased remarkably in the years after the 2002 and 2003 crises. Venezuela's inequality level is on par with that of Chile and higher than

¹⁴⁶ Weisbrot & Sandoval, p.11

¹⁴⁷ INE, Hogares en situación de pobreza, según línea de ingreso, 1er semestre 1997-2do semestre 2007

¹⁴⁸ The Nielsen Company, 14 May 2007, p.18

¹⁴⁹ Weisbrot, Sandoval, Rosnick (2006), p.1-10

¹⁵⁰ INE, "Indicadores globales de la fuerza de trabajo, según situación en la fuerza de trabajo"

¹⁵¹ INE, "Hogares en situación de pobreza, según indicador de necesidades básicas insatisfechas, primeros semestres 1997-2007"

¹⁵² Venezuela Analysis, 14 August 2008, <http://www.venezuelanalysis.com/newsbrief/3717>

Uruguay, but lower than the other South American countries.¹⁵³ According to the information from ECLAC, Venezuela has a Gini-coefficient of 0,427, down from 0,498 in 1999, the lowest in Latin America and the Caribbean.¹⁵⁴

Regarding education and health care policy, the Chávez government has a relatively high approval rate among the population¹⁵⁵ and the percentage of students that do not attend school, while the percentage of families without access to basic community services have dropped. Most of the figures from international organisations like ECLAC, IMF, World Bank, UNDP and others do not (yet) show the improvements made in recent years, mainly since 2004, although some reports do contain recent data that show the first results of the mass investment in health care.¹⁵⁶ Poverty indices and the most recent health data (2004 and 2005) do not yet show that the number of doctors has seen a massive increase of roughly twelvefold between 1998 and 2007, with the number of emergency rooms and rehab centres also rising significantly. One of the most famous achievements in recent years has been the establishment of about 6,500 small primary health care centres.¹⁵⁷ As many Venezuelan doctors refused to work for low salaries in these centres in poorer neighbourhoods, Cuban medical personnel was brought in, though barely receiving payment and not in all cases being there on a voluntary basis. Nevertheless, according to the Instituto Venezolano de Análisis (IVAD) support for the Missions and the government policy in social affairs is high.¹⁵⁸

There is criticism that despite the construction of new schools and development of new school programs, existing schools are being neglected: “en el área pública...[e]xiste una desidia generalizada con el estado de las instalaciones, las cuales se mantienen en el mas notorio deterioro”¹⁵⁹ The brain drain of young intellectuals leaving the country (not just in Venezuela, but all over Latin America), a lack of debate and investigation at universities and the deficiencies of the new universities are nevertheless critical issues that have to be addressed in order to develop the country.¹⁶⁰

3.6 Redistribution

“Education has to become the essential element in the entire process of development”

- Fernando Henrique Cardoso¹⁶¹

One of the main aims of the government is redistribution of income and decreasing income inequality, at least according to the official discourse. The first focus is on the perceptions of Venezuelans in comparative perspective, while the Missions will be dealt with later.

According to Sylvia and Danopoulos serious redistributive policies requires taking the perspective of the poor, co-opting the elite and deal with the technocrats who control the economic

¹⁵³ USAID, September 2008, p.11, 14

¹⁵⁴ ECLAC, March 2009, p.79

¹⁵⁵ CIMA, Iberoómetro 2008, p.16

¹⁵⁶ Pan American Health Organization (WHO), pp.1-12

¹⁵⁷ Weisbrot & Sandoval, p.10

¹⁵⁸ IBID, “Indicadores Generales y Coyuntura Política”, June 2008

¹⁵⁹ Guarisma Álvarez, 30 July 2008, <http://www.analitica.com/va/sociedad/articulos/6232147.asp> ; Pérez

Martínez, 20 December 2007, <http://www.analitica.com/va/politica/opinion/5169494.asp>

¹⁶⁰ López Maya, “Gobierno y sociedad a cuatro años del referendo revocatorio”, Últimas Noticias, 6 July 2008

¹⁶¹ Scheman, p.137

system.¹⁶² The last two points are hard to obtain as extreme polarisation makes cooptation hard, if not impossible for the time being. The technocrats have slowly been replaced by *chavistas*, but for new bureaucrats to take their place training and education is needed, while at the same time it takes time before experience is acquired.

The many form of redistribution is the setting-up of the Missions in late 2003 (see 3.6.1.) and before this period there was little room for redistribution, also considering the Venezuelan state only really acquired PDVSA after the 2003 strikes. Plan Bolívar 2000 was the main driver of the execution of quick-fix programs.

In the 2006 Latinobarometro 56% of Venezuelan respondents said that the distribution of wealth was fair, a figure sharply contrasting with the regional average of 24%.¹⁶³ At the same time, support for the market as solution for the problems has decreased, although that has not lead to more support for 'socialism'. In Venezuela 49% of the population considers the market economy as best for the country, compared to 74% in Colombia and a regional average of 52%, while support between 1998 and 2007 has decreased in all countries except Colombia, Mexico and Uruguay (though still a mere 49% in the latter).¹⁶⁴

Also, 47% of Venezuelans thinks there is equality of opportunity to escape poverty, which is highest in the region and much higher than in Argentina (19%), Uruguay (20%), Chile (21%).¹⁶⁵ At the same time an evaluation of previous privatisations learns that in Venezuela this is more positive than in other Latin American countries.¹⁶⁶

Regarding civil and political liberties and social and economic guarantees Venezuela comes off positive in comparison with the rest of Latin America, with equality between sexes, protection of private property, equal opportunities, protection of the environment, solidarity with the poor, social security, the distribution of wealth and a fair distribution of wealth, higher valued by the people than in other countries.¹⁶⁷

These are *perceptions* of the people and can obviously be a distortion of reality. Objectively evaluating these concepts is nearly impossible and is subject to a bias, especially when it concerns a country as polarised as Venezuela. Popular perceptions can give a good *indication* of the present state of affairs in the country, even though a certain positive or negative mood in a country can influence ALL figures instead of them truly being evaluated separately. The figures of the Latinobarómetro, while to be read and analysed with caution, do make clear that Venezuelans are generally more satisfied with the distribution of wealth and their personal economic situation, as well as that of the country than their counterparts in other Latin American countries. While the government Missions and other state programs are (still) characterised by a significant degree of inefficiency, clientelism and corruption, the Venezuelan poor have definitely benefited from these redistributive state policies.

¹⁶² Sylvia and Danopoulos, p.74

¹⁶³ The Economist, 15 November 2007,

http://www.economist.com/world/americas/displaystory.cfm?story_id=10136464

¹⁶⁴ Latinobarómetro 2007, p.26-27

¹⁶⁵ Latinobarómetro 2006, p.51

¹⁶⁶ Latinobarómetro 2007, p.27

¹⁶⁷ Latinobarómetro 2007, p.65

However, one cannot speak of *state transformation* because for years the ministries were still made up of party affiliates from AD and COPEI, which brought the Chávez government to bypass the existing bureaucratic structure and organise a parallel state structure of ad-hoc Missions and institutions. The above mentioned figures do suggest that Venezuelans believe there is 'equality' and 'fair redistribution', two important (economic) pillars of the Bolivarian movement. If oil revenues stay relatively low after the financial crisis in 2008 it remains to be seen if the existing redistributive state structure can be preserved. In March 2009 the government announced it would not cut down on social spending, but is nevertheless forced to cut down spending in some other area's, although the large national reserves are sufficient to bridge the gap for a limited period of time.

If the significant redistributive policies cannot be continued because of the oil crisis the Latinobarómetro might show a wholly different situation and make clear that satisfaction is nothing but a temporal phenomenon, another myth of Venezuelan exceptionalism and exclusiveness. Reforming and transforming the existing state structures and integrating the ad-hoc parallel bureaucracies into the State Ministries, as well as drastically increasing efficiency, effectiveness and reducing corruption, is vital to preserve the achieved changes and thus preserve public support. As the report correctly states "[a] couple of boom years are not enough to convince them [the people] that the situation will last and to change basic attitudes, and the impact of stability and progress remains to be seen. This is clear in Chile where, despite a strong economic performance over the last 15 years, Chileans remain skeptical [sic] and basic attitudes towards the economy are changing only slowly."¹⁶⁸

3.6.1. Missions

"If the misery of the poor be caused not by the laws of nature, but by our institutions, great is our sin"

- Charles Darwin

In order to determine to what extent the government is transforming society, it is vital to analyse the Missions because they are the most known programs that execute these reform plans. They have been set-up by the Venezuelan government and are extensive social programs through which the most urgent needs of the population are addressed. The steady, dramatic decrease of living standards that was set in motion in the 1980s has not been reversed in the 1990s, despite the implementation of neo-liberal policies by Carlos Andrés Pérez. Massive social spending cuts in education and health were carried out to keep a sound fiscal policy in Venezuela. This retraction of the state in these public areas has led to a division in the country, with an increasing number of private health clinics and private schools on the one hand and the deterioration of public health care and education on the other hand. Access to the basic state infrastructure was denied to a growing number of Venezuelans throughout the years, leading to a steady growth of illiteracy and poverty and a downward trend towards greater income inequality. In no other Latin American country has the pauperisation of the population been so dramatic as in Venezuela in the last two decades.

¹⁶⁸ Latinobarómetro, p.55

Because of the mass corruption and clientelism, as well as the presence of opposition members in the state bureaucracy (which Chávez sees as deliberately obstructing his work), the Missions are functioning parallel to the official ministries. These social projects influence the people on the local level, in a visible and tangible way. By simply addressing their concerns, listening to their problems and just paying attention to the poor – who have been largely neglected by subsequent governments for decades – the efficiency and effectiveness of the Missions do not seem the main concern in times of high oil revenues.

Chávez sees Jesus Christ as the first socialist and his *Mission Christ* is the foremost Mission, aimed at fighting poverty, eradicating malnutrition, as well as ‘strengthening the spirit’ of the poor. *Mission Barrio Adentro* (Inside the Neighbourhood) aims to provide basic health care for people in the poorest *barrios*.¹⁶⁹ To advance the Mission, Consultorios and Clínicas Populares have been set-up to provide round the clock medical attention. In December 2003, Hugo Chávez opened the first 20 Consultorios Populares and Casas de la Salud y la Vida and this number is steadily climbing to over several thousands. This Mission claims to be different in that it encompasses a vision of Salud Integral, which offers a wide range of health care and goes beyond the old concept of mere medical assistance. The number of consultations has steadily grown and its access has increased over the years, with roughly 18.5 million visits per year and a budget of \$5 billion.¹⁷⁰ *Mission Barrio Adentro II* has recently been developed and also includes specialized health care. Because of the lack of sufficient Venezuelan medical personnel, thousands of Cuban doctors and dentists have been brought into the country to help operate the program. Part of this Mission is the possibility for obtaining a new medical degree at Venezuelan universities in order to increase the number of Venezuelan doctors. In the long run they should replace their Cuban counterparts. *Mission Barrio Adentro III and IV* aim to improve the quality of rural hospitals by providing them with modern medical equipment and built new hospitals.¹⁷¹ A part of *Mission Barrio Adentro* is focused on sports and improving the participation of people in sports and building and improving sports facilities.

In the educational realm the concept of Bolivarian Schools has been developed. This program wants to counter the deterioration of public education that was set in motion since the 1980s. The national budget for education has increased steadily, but is actually higher than the funds given to the official Ministry of Education. The goal of the project is the building of new Bolivarian Schools, turn existing schools into Bolivarian Schools and implement a new educational system. The government has abolished enrolment fees in order to increase school access and decrease the traditional high number of drop-outs. Part of this program are three Missions related to education, namely Robinson, Ribas, Sucre and Simoncito. *Mission Robinson*^{vi}, recognised by the United Nations, is based on the famous Cuban literacy method “Yo sí puedo” of Leonela Realy and has seen 129,000 literacy tutors being instructed by Cuban educators¹⁷², has as its goal the eradication of illiteracy, which at the time of its initiation in July 2003 was around 6 percent of the population, equivalent to 1.5 million people. By April 2005 over 1.4 million Venezuelans had learned to read and write and on October 28 2005

¹⁶⁹ Misión Barrio Adentro, Gobierno Bolivariano Venezuela, <http://www.barrioadentro.gov.ve/>

¹⁷⁰ Boudin, González & Rumbos. p.66-67

¹⁷¹ Carlson, 27 May 2007, <http://www.venezuelanalysis.com/news/2407>

¹⁷² Márquez, 28 October 2005, <http://www.globalexchange.org/countries/americas/venezuela/3558.html>, 28 October 2005

Venezuela was officially declared “illiteracy free”. Even though there is criticism¹⁷³ as it seems unlikely that all these people have really become functionally literate, the recognition of illiteracy and the decades-long exclusion of the poor from society is paramount. According to UNESCO special envoy María Luisa Jáuregui “Venezuela is the first and only country to meet the commitments adopted by the region's governments in 2002 in Havana to drastically reduce illiteracy.” The success of *Mission Robinson*^{vii} made the government decide to open *Mission Robinson II* gives the people that have received their literacy diploma the opportunity to achieve a primary school diploma as well. The objective of *Mission Ribas*^{viii} is to incorporate all people that have not yet obtained their high school diploma and currently has over 800,000 enrolled people.¹⁷⁴

Mission Sucre^{ix} gives the opportunity for Venezuelans to enrol in higher education, such as universities. This free program of mass education gives people the chance to obtain a university diploma in relatively few years – three as compared to the regular five years.

It is said that around three million people are currently enrolled in one of the education Missions.¹⁷⁵

For this reason *Mission Habitat* has been launched to counter the severe housing problem and improve the quality of housing in the poor *barrios*. It aims to construct hundreds of thousands of new living spaces, which in later years means the construction of so-called “Petro Casas” made of polyvinyl chloride (PVC) plastic, produced by petrochemical company Pequiven and that are built in merely eight days.¹⁷⁶ This currently leads to the annual construction of 18.000 houses, but should increase rapidly, though construction has been lower than expected. With a housing deficit of over two million dwellings there is a long way to go. The Bolivarian Constitution states that all Venezuelans have the right to housing. Part of this housing project is the provision of credit and subsidies to assist people in improving their housing situation or obtaining a new house. Of all the Missions this one has probably received most criticism, because its achievements are well behind its goals.¹⁷⁷

Mission Vuelvan Caras was initiated in January 2004 to combat the levels of unemployment and underemployment in the country. Central to its aims is the concept of “endogenous development”, the development of Venezuela from within by relying on the country's own strengths and capabilities. An important part of this is the diversification of the highly oil-dependent economy. In areas like industry, infrastructure, tourism, agriculture, services and other strategic government industries, millions of Venezuelans are being trained to contribute in these fields.¹⁷⁸ The Mission is also set-up to develop a growing number of cooperatives.

A Mission to counter the countries' problems with malnutrition and hunger is *Mission Mercal*, which was launched in 2004. The economic strikes in recent years have paralysed the economy at several moments and brought severe problems for markets and supermarkets. The government has set-up large markets that were operated by the military to provide subsidised food for the population. In 2006 more than six thousand so-called Casas de Alimentación exist in all but four of Venezuela's 400 municipalities, up from six ‘casas’ at the beginnings of 2004, that has over 900,000 direct

¹⁷³ Asamblea de Educación, 17 October 2006, <http://www.analitica.com/va/politica/opinion/2572620.asp>

¹⁷⁴ Boudin, González & Rumbos, p.69

¹⁷⁵ Boudin, González & Rumbos, p.71

¹⁷⁶ Pequiven Petroquímica de Venezuela S.A., http://www.pequiven.com/pqv_new/petrocasa.php

¹⁷⁷ Boudin, González & Rumbos, p.71

¹⁷⁸ Boudin, González & Rumbos, p.72

beneficiaries.¹⁷⁹ At the moment about 15,000 stores that offer food and some non-food products are functioning.¹⁸⁰ Figures from the Instituto Nacional de Nutrición show that the nutrition of the population has steadily improved since the rise to power of Hugo Chávez, but especially since the initiation of the program in 2004. Malnutrition has decreased, which was at eleven percent of the population in 1990, and has decreased from its high in 1998 of 21 percent to eighteen percent in 2003 and down to just six percent in 2006. Severe malnutrition among children has also dropped significantly since the 1990s, but still concerns about 1.2 percent of Venezuelan children.¹⁸¹ Regarding the number of people that make use of the national “Mercal” network the years between 2003 and 2008 have seen a steady increase of 12% at the end of 2003 to its peak of 72% at the end of 2005 and down to 64% at the end of 2007.¹⁸²

Mission Guaiacupuro^x was launched on 12 October 2003 – declared the National Day of Indigenous Resistance – and aims to follow up on the promises that have been made towards the indigenous peoples, as defined in the Bolivarian Constitution. The number of indigenous peoples is said to be between 300,000 and 500,000 and the government has pleaded to provide them with equal rights and opportunities.¹⁸³ Through subsidies the indigenous peoples are supported in their “ecologically conscious development efforts” and being assisted to become fully incorporated in the national economy, as well as public life and politics. Issues ranging from vaccination to the reclaiming of communal land titles are dealt with.

Mission Identidad is a smaller and is devised to assist all Venezuelans (as well as immigrants) to more easily obtain identity cards, in order to ease access to official government programs such as the Missions.¹⁸⁴ Article 56 of the constitution states that “toda persona tiene derecho a un nombre propio, al apellido del padre y al de la madre, y a conocer la identidad de los mismos.”

Mission Miranda^{xi} concerns the creation of a training program (academic and physical) for the national military reserves. The reserves are taught to assist in the defence of the country, maintaining of law and order and the active participation in the national development.¹⁸⁵

A small in 2003 founded project is *Mission Piar*^{xii}, which is an integral plan of the sustainable development of the mining communities, to improve the quality of life of the miners, which is supposed to improve social indicators like literacy, hygiene and lower crime and mortality. Diversification of production, regional and local development, improve production and productivity and generate employment, along with an improvement of the environment are other goals.¹⁸⁶

¹⁷⁹ Guevara, Ministerio del Poder Popular para la Comunicación y la Información, Gobierno Bolivariano Venezuela, <http://www.alopresidente.gob.ve/entrevistas/las-casas-de-alimentacion-cubren-necesidades-nutricionales-de-900-mil-personas.html>

¹⁸⁰ Weisbrot & Sandoval, p.10

¹⁸¹ Instituto Nacional de Nutrición, “Las Políticas Alimentarias y Nutricionales en la Revolución Bolivariana”, August 2007, <http://www.inn.gob.ve/>

¹⁸² INE, “Hogares que compran al menos un producto en la red Mercal, según estrato social”.

¹⁸³ Mosonyi, E. E., Gobierno Bolivariano Venezuela, http://www.gobiernoenlinea.ve/venezuela/perfil_historia6.html

¹⁸⁴ Misión Identidad, Ministerio del Poder Popular para Relaciones Interiores y Justicia, http://www.onidex.gov.ve/Mis_ident/mision_ident.php

¹⁸⁵ Misión Miranda, Gobierno Bolivariano Venezuela, <http://www.gobiernoenlinea.ve/miscelaneas/misionmiranda.pdf>

¹⁸⁶ Misión Piar, Gobierno Bolivariano Venezuela, <http://www.gobiernoenlinea.ve/miscelaneas/misionpiar.pdf>

Another important Mission is *Mission Zamora*, which is a program for the redistribution of land, the execution of land reform and the eradication of the last vestiges of the *latifundio*.¹⁸⁷ Illegally acquired, unused or underutilised private lands are the three categories of land that are to be distributed. There are certain conditions that to be met before expropriation can take place and the redistributed lands are compensated by the government at market prices. As many land titles have been illegally acquired, this had led to resistance and public outcry by large landowners. The land distribution program has been one of the most controversial aspects of the Bolivarian Revolution and has met with fierce opposition, especially in the first few years of the Chávez government. The land reform has been criticised for not respecting property rights and expropriating private lands. However, an evaluation of the first year of the program has made clear that expropriation is only used as a last-resort measure.

The program is implemented through the provision of subsidies and credits and mission aims at stimulating sustainable agriculture by improving the socio-economical conditions of farmers, increasing productivity and offering more jobs so as to stimulate migration to the countryside. In order to achieve this, the government wants to promote the organisation and collective work of peasant families by helping them form cooperatives.

As the name indicates *Mission Vuelta al Campo* is a government attempt to reverse, or rather halt, the migration from rural areas to the big cities, mainly Caracas. It was implemented in mid 2005 and as part of Mission Zamora it has to make the rural regions of the country more interesting by providing adequate housing and jobs and stimulate agriculture. Venezuela's urbanisation rate is far higher than that of most countries in Latin America. The country is a net importer of food and this became clear in 2003 when the strikes that paralysed the economy led to severe food shortages. This Mission is a vital component of the government plan of endogenous development and diversification of the economy, but it has proven not easy to stimulate migration to the countryside, because of many unexpected difficulties.

A smaller project is *Mission Arbol*, which commenced in June 2006 and has as its goal to recover Venezuela's forests and stimulate sustainable agriculture and biodiversity.¹⁸⁸ The government says it is highly committed to durable development and claims to respect the environment, but FAO stats show a less flourishing reality. Deforestation increases 0.6% annually between 2000 and 2005, the same as between 1999 and 2000 and slightly lower than the 1% per year between 1982 and 1995^{xiii}, but also slightly above the South American average of 0.5% annually and among the top-10 countries worldwide.¹⁸⁹ Mission Arbol is supposed to fight deforestation and has clear goals: collect 30 tons of seeds, plant 100 million plants and 'reforest' 150,000 hectares of land, with the help of Conservation Committees.¹⁹⁰ With agricultural expansion the number one cause of deforestation, the

¹⁸⁷ Misión Ciencia, Ministerio del Poder Popular para Ciencia y Tecnología, Gobierno Bolivariano Venezuela, <http://www.misionciencia.gob.ve/view/enlacesShow.php?idJ=72>

¹⁸⁸ Misión Árbol, Ministerio del Poder Popular para el Ambiente, Gobierno Bolivariano Venezuela http://www.minamb.gob.ve/index.php?option=com_content&task=view&id=12&Itemid=57; Misión Arbol, Ministerio del Poder Popular para la Comunicación y la Información, Gobierno Bolivariano Venezuela <http://www.alopresidente.gob.ve/reportajes/mision-arbol.html>

¹⁸⁹ FAO, "Situación de los Bosques del Mundo 2007"

¹⁹⁰ Fox, 23 June 2006, <http://www.venezuelanalysis.com/analysis/1801>

plans might conflict with *Mission Vuelta al Campo*, which assists Venezuelans in returning to rural areas and increase agricultural output.

Mission Madres del Barrio was set-up to counter extreme poverty and include women and housewives in all areas of life, mainly through the formation of *Comités de Madres* and the provision of social security.¹⁹¹ With 640,000 households living in a situation of extreme poverty there is a long road ahead.¹⁹² *Mission Ciencia* was launched in February 2006 and aims to stimulate scientific research and train people in so-called open source software, so as to avoid dependence on software like Microsoft.¹⁹³ According to the government scientific technological knowledge is necessary for the sustainable development of the country and assuring technological autonomy.¹⁹⁴ *Mission Cultura* is rather nationalist as it aims to strengthen national identity and teach the people about Venezuelan culture. A newly launched program that was launched in 2007 is *Mission Alma Mater* that provides more free higher education through the large-scale construction of new universities and dramatically increasing their capacity, despite criticism about the accessibility of these universities¹⁹⁵.

3.7 Environmental policy

“There is a sufficiency in the world for man's need but not for man's greed”

- Mohanda Karamchand Gandhi

The government has made the environment one of its top priorities and sees it as one of the main pillars of the Bolivarian, socialist revolution. The Chávez government has inherited a very bad environmental situation as illegal mining, deforestation, the degeneration of green areas, the decontamination of rivers and the increase of CO2 emissions have all had a profound impact.¹⁹⁶ Yet at the same time Venezuelans pay the least for their petrol, something that runs against government aims.

In order to achieve a complete transformation of society educating the people towards an environmental mentality is necessary. As the environment has been largely neglected in recent decades and the government has an increasing amount of oil money to spend, achieving progress seems possible. The first few years of government did not see an improvement in many environmental indicators. Actually, the execution of many developmental projects and massive construction, increasing prosperity that have led to a boom in car sales, and the government refraining from introducing taxes on polluting cars (as the purchase of cars is free of taxation) are indications that the environment will continue to suffer.¹⁹⁷ Even though around 44% of the Venezuelan population

¹⁹¹ Misión Madres del Barrio, , Gobierno Bolivariano Venezuela, <http://www.misionmadresdelbarrio.gob.ve/quees-objetivos.php>

¹⁹² Misión Madres del Barrio, , Gobierno Bolivariano Venezuela, <http://www.misionmadresdelbarrio.gob.ve/quees-pobreza.php>

¹⁹³ Misión Ciencia, Ministerio del Poder Popular para Ciencia y Tecnología, Gobierno Bolivariano Venezuela, <http://www.misionciencia.gob.ve/>

¹⁹⁴ Misión Ciencia, Ministerio del Poder Popular para Ciencia y Tecnología, Gobierno Bolivariano Venezuela, <http://www.misionciencia.gob.ve/view/79509t6s1.php> & <http://www.misionciencia.gob.ve/view/8ss3oogg4.php>

¹⁹⁵ Vasquez de Parra, <http://www.orestesenlared.com.ve/politecnico/ponenciaeventointernoraiza.pdf>

¹⁹⁶ Golinger, 27 February 2007, <http://www.venezuelanalysis.com/analysis/2244>

¹⁹⁷ Ellner, 28 August 2007, <http://www.venezuelanalysis.com/analysis/2572>

approves of the governments' policy in this area (above the regional average)¹⁹⁸, it remains to be seen if the new initiatives are able to produce a lasting change. The above-mentioned *Mission Arbol* is a step in the right direction but the industrialisation of the country seems to even out these positive effects. For reforms to have a lasting effect there is a long way to go.

3.8 Political situation

"In every republic there are two different dispositions, that of the populace and that of the upper class...all legislation favourable to liberty is brought about by the class between them"

- Niccolò Machiavelli

Over the past ten years political and social polarisation has become more entrenched, though polarisation pre-dates Hugo Chávez and has been characterising Venezuela ever since the economy started to falter at the end of the 1970s. While the opposition, as well as the private media and a part of the academic literature have claimed that Chávez is the cause of this polarisation, one has to keep in mind that because of the slow, but long process of deterioration Chávez is really more of a consequence of this situation. However, the government and the opposition have radicalised and have not contributed to easing the present cleavages, especially not after the 2002 coup and the 2002 and 2003 national strikes and economic sabotage.

Up to 2001 there were regular tensions with an ever-growing opposition as more and more former Chávez supporters defected and joined a very diverse opposition. While the government was rather pragmatic in all policy areas, it did come with the land act, fisheries act and the law on hydrocarbons, the latter just like the constitution opposing the privatisation of the oil industry. There is still uncertainty over the exact details of the 2002 coup, but certain is that it was planned several months prior to its actual execution between 11 and 13 April 2002. The US government was certainly involved and the Venezuelan private media, as well as much of the international media, did not present a balanced and accurate view of events.¹⁹⁹ On April 11 demonstrations over the nationalisation of PDVSA led to violence between pro-government and pro-opposition supporters and several people (mainly *chavistas*) died because of shots that were delivered by opposition-controlled sharp shooters on top of surrounding buildings. The private media, constituting 90% of all media in Venezuela, are almost entirely pro-opposition and have played a prominent role in the 2002 coup by providing partial and biased information of the events. A part of the military was left thinking that Chávez ordered troops to shoot innocent demonstrators, but the snipers appeared to have killed people on both sides, even though most supporters were *chavistas*. After Pedro Carmona was sworn in as new, but illegitimate, President he was quick to annul the constitution and sack the members of Parliament and the Supreme Court, surrounding himself only with extreme right-wing elements of the

¹⁹⁸ CIMA, IberoBarómetro 2008, p.17

¹⁹⁹ See Wilpert, "An Eyewitness Account", ZNet Community, 12 April, 2002 ; Corn, August 5, 2002 ; J. Beasley-Murray, "The Revolution Will Not Be Televised", NACLA, July/August 2002 ; Fairness and Accuracy in Reporting, 18 April 2002 ; Lemoine, "A Coup Countered" May 2002; Lemoine, "Coup D'États Sans Frontières", Le Monde Diplomatique, August 2002 ; Lemoine, "How Hate Media Incited the Coup Against the President", August 2002 ; Ramonet, 17 April 2002 ; Weiner, 14 April, 2002

opposition and starting a witch-hunt against suspected *chavistas*, leading to exaggerate repression, while he intended to rule by decree until the new year.²⁰⁰ These acts quickly unravelled support for the coup by large parts of the opposition and, above all, the army generals – who found out Chávez never resigned and started to understand that the media had helped to manipulate the streams of information. While the coup was failing and Carmona was already out of effective control, the media was completely silent and refused to document on the events by only airing cartoons, movies and other programs, taking away any remaining doubts its impartiality and credibility. However, there still is confusion and uncertainty about what really happened, as different investigations give different versions of events and the media coverage on the events²⁰¹, but the illegality of the coup and the illegal acts of the temporary regime is well documented.

It is certain the US was in some ways involved in the coup and did nothing to hide its open support for the illegal regime that was in power on the 11th of April. Its attempts to destabilise the country and its tireless support for the opposition are well documented, but less known.²⁰² The Bush administration has always denied any involvement in the coup attempt and despite its very swift recognition of the unconstitutional Carmona regime, it claimed it was not aware of the coup plotters' plans. Evidence points to the contrary as at least two American officials, James Rogers and Ronald MacCammon, were actively involved in the preparation phase, something intelligence official Wayne Madsen testified after the events.²⁰³ Also, Assistant Secretary for Latin American Affairs, Otto Reich – who years before was involved in the Iran-Contra affair – was in the forefront of the plot against Chávez. Two months prior to the coup, the CIA Director informed a Senate Committee on Intelligence that if Chávez would not alter his policy "he would not finish his term".²⁰⁴ Prior to the coup, the CIA paid Carmona's visit to Washington and the National Endowment for Democracy (NED) funded his visit to former President Carlos Andrés Pérez in the Dominican Republic.²⁰⁵ McCaughan, noticed the Bush administration's contempt for democracy by concluding that "[t]he current Bush administration is awash with veteran right-wing officials who interpret service to their country as a license to destabilise democratic governments in order to improve investment climate for corporate clients".²⁰⁶ While there are numerous independent, non-profit organisations active in Venezuela, the behaviour of the NED, USAID and officials of the Bush administration have discredited the United States government as it conspired against a democratically elected government and isolated itself in the Organisation of American States.

The American government considered Chávez the sole responsible for the coup, although itself considered the situation a 'power vacuum', claiming Chávez sacked his government before renouncing. However, Chávez never resigned and the question of succession is described in the

²⁰⁰ Wilpert, "Venezuela: Not a Banana Republic After All"

²⁰¹ Van Der Ree, "Urgent Investigation about "Chavez-the coup" by the 5 European TV Corporations who financed the film which presents blatant falsehoods about Venezuela"; Sánchez, 4 November 2003, <http://www.venezuelanalysis.com/analysis/198>

²⁰² Bartley & O'Briain, "This Revolution Will Not Be Televised", 2002 ; Golinger (2006), pp. 37-202 ; Golinger (2008), p.43-154 ; Corn, "Our Gang in Venezuela?", 5 August, 2002 ; Wilpert, "Venezuela: Not a Banana Republic After All"

²⁰³ Campbell, 29 April 2002, <http://www.guardian.co.uk/Archive/Article/0,4273,4403366,00.html> ; Marquis, April 16, 2002, <http://query.nytimes.com/gst/fullpage.html?res=9D0DE3DF1E3CF935A25757C0A9649C8B63>

²⁰⁴ Ali, p.61

²⁰⁵ McCaughan, p.92

²⁰⁶ McCaughan, p.110

constitution and does not allow for the president of Chamber of Commerce FEDECAMERAS, Pedro Carmona, to take power. The Venezuelan opposition paid high sums of money to persuade high-ranking officers to change sides and denounce the President, while FEDECAMERAS, as an employer's organisation, paradoxically paid workers to enter the strikes.²⁰⁷

The Spanish government of José Maria Aznar was definitely a part in the coup preparation and after his defeat in the 2004 elections, employees at the Ministry of Foreign Affairs destroyed evidence of the extend of its coup involvement but forgot to do the same for the ministries' computers, which led to a row when new Prime Minister Zapatero came to office. The new Foreign Minister was forced to apologise to Chávez.²⁰⁸ Pedro Carmona also visited Spain a few days before the coup and then Prime Minister Aznar congratulated him on April 12.²⁰⁹

While the media keeps repeating that Chávez called Aznar a 'fascist' and received his "¿por qué no te callas?" by Spanish King Juan Carlos in October 2007 at the Ibero-American Summit, no one mentions that Aznar openly supported the coup and labelled Chávez a "nuevo dictador"²¹⁰ and his government as a "vuelta al nazismo", "régimen autoritario", "caudillismo populista", "nueva especie totalitaria", "grandísimo peligro para la democracia en América" and "demagogia barata".²¹¹

The American and Spanish governments were quick to recognise the new government, as did US allies Colombia and El Salvador.²¹² Despite American pressure on other states to do the same, other countries condemned the coup and the new regime. Chile and Mexico opposed the attempts by the United States, Spain, Colombia and El Salvador to establish diplomatic relations with Pedro Carmona.²¹³ Despite its illegality, the United States authorised some of the coup plotters visa and residence in the country after the events.²¹⁴ This point outs that in no way did the United States oppose the coup plotters and Carmona's short-lived regime and that it did not wait for the exact details to become public. Washington condemned the coup only when Carmona went against its advice and it already knew things were going awry.²¹⁵ Criticism from the Bush administration and the Aznar government on the lack of democracy can be seen as rather cynical, considering the questionable democratic credentials of the two governments (see Appendix). Therefore the "targeting of a democratically elected government raises serious questions about the objectives and contents of US policies toward Latin America".²¹⁶

When the opposition to Chávez again called for his ouster later on, the US embassy had learned its lesson and said that US would oppose any illegal or violent action against "constitutional and democratically elected government of Venezuela". Throughout the years, the United States government and its agencies have provided financial support for several opposition parties, inviting

²⁰⁷ McCaughan, p.86-88

²⁰⁸ Ali, p.61 ; El Mundo, 23 november 2004, <http://www.elmundo.es/elmundo/2004/11/23/espana/1101172874.html>

²⁰⁹ McCaughan, p.90-92

²¹⁰ Liberad Digital, 12 February 2007, <http://www.libertaddigital.com/index.php?action=desanoti&cpn=1276298894>

²¹¹ Adler, 11 November 2007, http://www.kaosenlared.net/noticia.php?id_noticia=44700 ; Lamrani, 21 November 2007, <http://www.voltairenet.org/article153113.html>

²¹² Avilés, p.49

²¹³ Forero, "Documents show C.I.A. knew of a coup plot in Venezuela", December 3, 2004

²¹⁴ Avilés, p.50

²¹⁵ Clement, p.71

²¹⁶ Clement, p.60

opposition leaders from political parties and organisations like SUMATE and FEDECAMERAS. The US government, through its Embassy in Caracas and the CIA, knew the opposition was planning a coup d'état and rather than refraining from more financial support, it backed up their support.²¹⁷

After the coup, the government did not shut down the opposition media and it was only in 2007, when the broadcasting rights of one TV-station expired, that the government announced they were not going to renew the channel's license for not following the official criteria. The opposition cried foul of media restrictions and the lack of freedom, but while the media openly supported the coup, the government did not act against them in 2002, and therefore had a legitimate reason not to renew the channel's mandate when it officially expired. Some of the coup conspirers were arrested, but they were not found guilty by the Supreme Court and many conspiring generals were sent into retirement. Despite the coup and subsequent attempts to destabilise the government, the Venezuelan government has refrained from using repression and does not have political prisoners.

Polarisation again increased after the coup, despite a short-lived period of government attempts at conciliation and attempts at opening up dialogue with the opposition. The 2002-2003 national strike paralysed the economy and was actually more than just a simple strike. FEDECAMERAS offered to pay the day's wages to workers who attended opposition marches and Supreme Court president Cecilia Sosa asked people to disobey laws, not pay income tax and form civilian councils to combat the Bolivarian circles.²¹⁸ Both sides are said to have bussed in demonstrators "in return for lunch and a few dollars".²¹⁹ Of the 33,000 PDVSA employees in 2003 more than half, 18,000, were fired and oil production went down to only 250,000 barrels and Venezuela having to import oil for a while and the total loss being \$14 billion.²²⁰ After 62 days PDVSA could be recuperated by the government, as former employees had changed passwords, cut cables and messed with computers and systems, sabotaging the company and preventing remaining workers from making it operable again.²²¹

Tensions heightened over the 2004 recall referendum, which was characterised by discord and mutual accusations of fraud. The petition procedure that preceded the referendum led to the publication of a list, the 'Tascón List' – named after legislator Luís Tascón – where information on all signers of the petition against Chávez was revealed, thus giving rise to accusations of political discrimination. There have been claims that opposition supporters were being fired and firms of petition signers were being taxed more than those that did not sign or support the government, among other accusations.²²² Both the government and the private sector pointed to cases where lists are used for politically motivated employment discrimination.²²³ In April 2004 the CNE published a list of the identity card numbers of all petition signers and a website showed whether a person's signature was accepted, rejected or still had to be ratified. The list of petition signers was also put into a

²¹⁷ Golinger (2006), pp.57-85

²¹⁸ McCaughan, pp.112-114

²¹⁹ McCaughan, pp.112-114

²²⁰ Kozloff, p.33

²²¹ Rangell, pp.181-183

²²² Hsieh, C., E. Miguel, D. Ortega, F. Rodríguez, September 2007, p.6

²²³ Inter-American Commission on Human Rights, *Annual Report 2005*,; Human Rights Watch, 22 September 2008 ; *El Universal*, 8 August 2005; PROVEA, 6-19 August 2004 ; Jatar, (2006)

computer program known as the *Maisanta*, which contains detailed information on the signatories of the petition. In this climate of polarisation respect of privacy has given way to political considerations.

A 2007 research by the University of California pointed out that opposition supporters experience a moderate drop in their overall labour earnings, are more likely to leave the public sector and go into the private sector, with a reverse pattern being true for government supporters, who increasingly find employment in the public sector. Pro-opposition firms suffer from declining profits, higher taxes and a lower less access to foreign exchange – something controlled by the government since 2003 – than government supporting or neutral firms.²²⁴ Though the number of problematic cases is rather limited, and despite other factors also possibly attributing for these changes, it is still a very worrying sign of increasing polarisation. Cases have been known where petition signers were discriminated, but this form of clientelism and political favouritism is nothing new in Latin America, nor in Venezuela, as the former ruling parties AD and COPEI used to control the several branches of power and divided jobs among themselves. This practice has thus not changed, but witnessed a reversal in which the former ‘excluded’ are now ‘included’ and vice versa. In a context where opposition supporters slow down and block the execution of legislation in the bureaucracy of ministries at the local level (a reason why the parallel ‘Missions’ were set up to avoid the slow formal bureaucracy full of *ex-adecos* and *copeistas*) this is hardly surprising. At the same time, considering the enormity of employees in the public and private sector, the extent of politically motivated employment discrimination and job dismissals seems relatively small and is perhaps not a systemic policy on the part of the government or the opposition. The Economist has documented how a new economic class of well-off bureaucrats and political entrepreneurs has risen that live lavish lives and profit from the ever-increasing oil wealth.²²⁵

A more worrying issue that the country faces is the sharp increase in crime and it is therefore surprising that Venezuelans consider crime and insecurity as the most important problem of the country, ahead of unemployment (though with significant regional differences).²²⁶ In a polarised society like that of Venezuela the increase in crime and the unhappiness of the population in the fight against crime is alarming (only 19% of Venezuelans think the President is doing a good job in this respect).²²⁷ While between 1980 and 1995 homicide rates went up by nearly 100% (from 11.7 per 100.000 to 22 per 100.000)²²⁸, the situation worsened even more after Chávez’ rise to power. As cities in Venezuela (or indeed all of Latin America) are a haven of criminal gangs and violence, the government is constructing new modern “humanist” prisons to alleviate the huge problems in the nation’s jails^{xiv}. Venezuela has even surpassed Colombia in homicide rates and this disturbing development can jeopardise the democratic process if nothing is done to dramatically bring down crime rates.

Various dubious reports of international organisations like Freedom House and the Democracy Index of The Economist document an alleged decrease in civil liberties in Venezuela, as the government is supposedly curbing freedom more and more every year. Most of these reports quickly

²²⁴ Hsieh, C., E. Miguel, D. Ortega, F. Rodríguez, September 2007, pp.2, 13-15, 22-26

²²⁵ The Economist, August 2007

²²⁶ Latinobarómetro 2006, p.43, Latinobarómetro 2007, p.21 ; CIMA Iberoarómetro 2008, p.13

²²⁷ CIMA Iberoarómetro 2008, p.14

²²⁸ Portes & Hoffman, p.67

forget that the opposition media, making up 90% of the total media in Venezuela, participated in the coup attempt in 2002 and in 2008 are still freely operating in the country without restrictions, despite continuing to give unbalanced “information” and actively supporting the opposition cause. Accusations of the curtailing of freedom also easily ignore the fact that the government is actually involved in building “info centres” to increase free internet access for Venezuelans, with “no indication of Internet censorship” according to the Open Net Initiative.²²⁹

Since Chávez’ rise to power the role of the army has increased. To the question who has most power in the country, Venezuelans like most Latin Americans, believe it is the government, but in second comes the military, contrary to other countries where large companies, political parties, parliament and even banks are named.²³⁰ The introduction of the Civil-Military union by Hugo Chávez and the important positions of members of the military in the government are explanations for this perception of power. The army “has re-emerged as a political actor” and there has been a great amount of reshuffling in the military, especially after the 2002 coup.²³¹ Notable constitutional changes are that the army officially has a role to play in the development of the country, the parliament’s no longer has the right for approving promotions and officers have been given the right to vote.²³²

The President has not been rigid in admitting some errors and showing democratic credentials, by revoking a controversial law, issued by decree, to defend national security.²³³ However, the lack of incorporating the opposition into the “Bolivarian Revolution”, also because of their radicalisation, creates a very dangerous tendency when it is being legitimised through the claim representing the majority. The subsequent exclusion of large parts of the population and thus by relying on the will of the majority creates, as J.S. Mill once observed, the possibility for a “dictatorship of the majority” under the guise of democracy. While Chávez has a popular mandate, his autocratic tendencies and firm rhetoric puts the Bolivarian Revolution in jeopardy. It slowly re-creates a country of ‘included’ and ‘excluded’ groups, which is exactly the accusation he made against the “Pact of Punto Fijo”, essentially making the same mistakes as others did before him. The lack of any common understanding between both sides makes executing the aims of the revolution almost impossible. The opposition still accounts for a very large part of the population, albeit a minority, and cannot and should not be neglected.

²²⁹ Open Net Initiative, <http://opennet.net/research/profiles/venezuela>

²³⁰ Latinobarómetro 2006, p.80

²³¹ Trinkunas, p.207

²³² Trinkunas, p.210-211

²³³ Ingham, 11 June 2008, <http://news.bbc.co.uk/2/hi/americas/7447558.stm>

3.9 Democracy

"Hoy, la promesa es la democracia, no la izquierda"

- M. Lagos²³⁴

In order to understand the transformations, reforms and changes in the field of democracy and elections it is necessary to quickly analyse the situation before the rise to power of Hugo Chávez. Hereafter, an analysis of the country's functioning of democracy under Chávez can be undertaken.

Since the signing of the Punto Fijo pact in 1958 Venezuela has been a so-called representative democracy with more or less regular elections every five years. Between 1958 and 1998 eight presidential elections took place, with six different presidents having resided in the Miraflores palace over the course of these 40 years, Carlos Andrés Pérez and Rafael Caldera both serving two terms in office. The two main political parties built links with society and set up an increasingly unsupportable system of loyalty buying. The AD was the dominant party but it was in the interest of the smaller COPEI to uphold the pact, be able to gain concessions and restrain the dominance of AD.²³⁵

Looking at these mere figures Venezuela looks different from the rest of Latin America. The army remained in the barracks and elections have not been suspended during this period. Venezuela's apparent democratic system gave rise to the so-called 'exceptionalism' these, which presented the country as a stable oasis of democracy in an unstable, hostile region. Reality, however, is different. Weyland admits that neoliberalism helped to "erode and limit the quality of democracy", while restricting citizens' choices, weakening important civil and societal organisations (including political parties) and increasing external constraints.²³⁶ Limited government responsiveness, because of IMF and World Bank restraints, causes diminishing political participation. As people feel betrayed and voters turn cynical, politics becomes devalued and democracy grows less vibrant.²³⁷ The exceptionalism thesis is slowly being unravelled by several scholars, who claim that Venezuela's democracy was never a European-style democracy and contained deep flaws from the outset.²³⁸ Michael Durham traces this exceptionalism thesis to American policy-makers (and even scholars) and is clear in his statement that "[t]he myth of a popular, fully representative Venezuelan democracy has been created by an alliance between self-interested democratic politicians and foreign (mainly US) scholars and 'mentors'".²³⁹ He goes further by saying that "American scholars and politicians could identify with Venezuelan two-party democracy, where there are few differences between the parties ideologically".²⁴⁰ Slowly it became clear that "what had seemed deeply rooted ideas about democracy and society had to be questioned"²⁴¹ and so the old system proved to be very hollow in a context of

²³⁴ Lagos, p.100

²³⁵ Corrales (2001), p.98

²³⁶ Weyland, p.143-144

²³⁷ Weyland, p.146

²³⁸ Durham (2002) ; García-Guadilla (2005)

²³⁹ Durham, p.271

²⁴⁰ Durham, p.272

²⁴¹ Lander (2005), p.28

socio-economic collapse. Venezuela was maybe an electoral democracy, but it lacked a true democratic political culture.²⁴²

While some commentators foment the myth that the abstention rate is a sign of discontent with the government and that polarisation started after Chávez gained power²⁴³, reality is that abstention at presidential elections slowly increased every decade (see table 3). The lowest electoral participation is still found in the poorest *barrios*, where Chávez tends to gain most support.²⁴⁴

Table 3: Abstention rates presidential elections

Year	Rate	Mutation
1958	6,58%	
1963	7,79%	1,21
1968	3,27%	-4,52
1973	3,48%	0,21
1978	12,45%	8,97
1983	12,25%	-0,2
1988	18,08%	5,83
1993	39,84%	21,76
1998	36,55%	-3,29
2000	43,69%	7,14
2006	25,30%	-18,39

Source: CNE

When the economy went off track at the end of the 1970s, abstention rates increased fourfold, reaching record rates of around 40% in 1993, 1998 and 2000, to decrease significantly only really at Chávez' third election in 2006. What often goes unmentioned is the low turnout rates in Western countries like Portugal, Switzerland or the United States. During the 2006 presidential elections in Colombia – the Bush administration's sole staunch ally in Latin America – President Álvaro Uribe received a mere 27% of support of the total number eligible voters as turnout was only 45 and in 2002 these figures were 24% and 46% respectively. Support from the population is essential to keep Venezuela's Bolivarian process on track and give it the necessary legitimacy, but in the light of the country's history and the extreme polarisation and extreme discontent among a large part of the (excluded) population in the 1990s, high abstention rates are not that surprising.

Venezuela's so-called democratic politicians have been more unpopular than is usually admitted and the fact that former dictator Pérez Jiménez (a widely popular figure) was overwhelmingly elected for a Senate seat in 1967 can hardly be regarded as evidence for a deeply-entrenched representative democracy. The system never functioned that well, as military uprisings, guerrilla wars and political party splits took place even during the early economic boom years. The situation has been presented by many scholars and politicians as one of radical change between the pre-1958 dictatorship and the post-1958 democracy, but clientelism, corruption and a loss of personal security did not disappear, making dissatisfaction more entrenched than is usually claimed.²⁴⁵ Though

²⁴² García Guadilla, pp.111-113, 120

²⁴³ See for instance Canache, p.85

²⁴⁴ Hellinger (2005), p.19

²⁴⁵ Derham, p.281-283

polarisation has increased in recent years, it has actually never been absent and characterises the entire period after 1958. Indeed, during these 40 years of supposed democracy the parties in charge, whether AD or COPEI, increasingly resorted to undemocratic practices, repression and electoral fraud to maintain authority and stay in power.²⁴⁶ The old Punto Fijo Venezuela was not a proper democracy and the old Organic Law of Suffrage distributed election funds on the basis of results in previous elections (thus favouring the reigning parties), while the CNE relied on the Ministry of Social Affairs and the Immigration and Naturalisation Service to update the electoral registry. Cases are known that 400.000 deceased people appeared in the registry and fraud, gerrymandering and the changing of electoral districts were common while previous some governments also managed to gain more votes than actually registered voters.²⁴⁷

Incidents of human rights abuses and extra-judicial killings increased in the 1990s and for a period President Caldera (1993-1998) even suspended constitutional guarantees.²⁴⁸ Furthermore, despite the opposition's claim of Chávez being authoritarian, at no time did the government have recourse to the kind of authoritarian political measures that the opposition maintained the government would apply.²⁴⁹

Chávez' adversaries tried to qualify him as undemocratic, pointing to his coup participation in 1992, but he replied that what others called democracy was false democracy and that he was heading the country towards true democracy. One of his mayor successes was that he managed to convince enough people that he was not a threat to democracy.²⁵⁰ Interestingly, in the last nine years support for democracy has gone up remarkably, making Venezuelans behind Uruguayans the firmest supporters of democracy among Latin Americans. The Latinobarómetro also revealed that Venezuelans consider their country as very democratic (a 7,6 among the correspondents, on a 1-10 scale), which is the highest national average of the respondents and compared to the rest of Latin America confidence in democracy is very high in Venezuela.²⁵¹ The dashed trust in political parties has not recovered and in 2008 parties are still seen with suspicion by the people and trusted by only 15% of Venezuelans, while trade unions barely fare better with a mere 21%.²⁵² However, Western media, politicians and the Venezuelan opposition are very firm in their evaluation of the Chávez governments and do not let an opportunity pass without denouncing the current democratically elected regime. While some authors²⁵³ are quick on downplaying these poll results, the outcome is still interesting.

Opinion polls and surveys in developing countries can nevertheless be tricky because a lot depends on the conceptualisation of 'democracy' by the respondents. Furthermore, some people assess democracy in terms of their personal social and economic situation and therefore do not directly answer the question. It does serve as an interesting indication of the state of affairs in a country. Those Venezuelan respondents that have heard of the term 'democracy' tend to widely

²⁴⁶ Ali, p.169 ; McCaughan, p.2

²⁴⁷ McCaughan, p.36, 37

²⁴⁸ Buxton, p.334

²⁴⁹ Buxton, p.335

²⁵⁰ Molina, p.237

²⁵¹ Latinobarómetro 2007, pp. 69-70

²⁵² CIMA, Iberobarómetro 2008, p.25

²⁵³ Notably Canache

support it and consider their country as democratic. In a situation where political turmoil and polarisation is among the highest in Latin America, where 2002 and 2003 brought a coup d'état and an economic downturn as a result of the oppositions economical sabotage, this is indeed a remarkable turnaround. More than most other Latin Americans, Venezuelans define democracy as "civil and individual liberties" (63%) and only later as "equality and justice" (10%)²⁵⁴, which means that two important pillars of the Bolivarian revolution, 'equality' and 'social justice' are not seen as most important for democracy, pointing out that the idea of 'participatory democracy', despite many elections, has not yet gained firm ground among the people. At the same time, 38% of Venezuelans think they have equal opportunities for access to the judiciary, the highest regional average (which is 22%).²⁵⁵

Canache questions whether support for democracy is not just more than a momentarily phenomenon, though support for democracy has steadily risen in the country. As a matter of fact the Latinobarómetro points out that it is precisely in countries like Bolivia, Ecuador and Nicaragua, (along with Costa Rica and Panama) where support for democracy is on the rise. In Argentina, Colombia, Mexico, El Salvador and Honduras the situation is to the contrary and support for democracy has diminished.²⁵⁶ The Independent opinion of the Consorcio Iberoamericano de Investigaciones de Mercados y Asesoramiento (CIMA) and the Iberobarómetro, show that in 2008 the approval rating of Hugo Chávez among Venezuelans is around 54%, lower than the domestic rating of his counterparts Álvaro Uribe in Colombia (85%^{xv}), Lula in Brazil (67%) and Tabaré Vázquez in Uruguay (67%), but better than most other Presidents in the region²⁵⁷ and more or less the same as in 2007²⁵⁸ (59%) and 2006 (57%)²⁵⁹ (57%) and certainly higher than in 2004.²⁶⁰ Mexican polling firm Consulta Mitofsky's survey showed an approval rate of 54% for Chávez in April 2008, overall broadly in line with CIMA.²⁶¹ Another reliable polling organisation, Venezuelan Data Analysis Institute (IVAD) showed in June 2008 that the approval rating of Hugo Chávez was 73,9%.²⁶² The Latinobarómetro 2007 shows that confidence in government and the president is highest among Venezuelans with 61% and 60% respectively.²⁶³ Despite evidence to the contrary, the opposition media keeps pointing to the supposed decreasing popularity of Chávez and accuses the independent polling firms of being funded by the government, without giving evidence.

Of Venezuelans 56% believe elections in their country are 'clean', highest behind Uruguay (83%) and Chile (69%), ahead of countries like Colombia (29%), Brazil (44%) and Mexico (40%)²⁶⁴, but at the same time the perception of vote buying in Venezuela (27%) is slightly above the regional average of 21%,²⁶⁵ and 54% (the highest in the region) think judges are being bribed.²⁶⁶ Also, 71% of

²⁵⁴ Latinobarómetro 2006, p.56

²⁵⁵ Latinobarómetro 2007, p.98

²⁵⁶ The Economist, 15 November 2007,

http://www.economist.com/world/americas/displaystory.cfm?story_id=10136464

²⁵⁷ CIMA, Iberobarómetro 2008, p.11

²⁵⁸ CIMA, Iberobarómetro 2007, p.10

²⁵⁹ CIMA, Iberobarómetro 2006, p.11

²⁶⁰ CIMA, Iberobarómetro 2004, p.6

²⁶¹ Consulta Mitovsky, June 2008, p.4

²⁶² IVAD, "Indicadores Generales y Conyuntura Política", June 2008

²⁶³ Latinobarómetro 2007, p.90

²⁶⁴ Latinobarómetro report 2006, p.19

²⁶⁵ Ibid, p.20

Venezuelans and Uruguayans consider voting as the most effective way to change things, the highest percentage in Latin America.²⁶⁷ Trust in the police is very low and trust in the judiciary, the Constitutional Court and the Supreme Court of Justice are also low but nevertheless average in the regional context.²⁶⁸

A group called the “Venezolanos por la Transparencia Electoral” wrote a report that stated that in recent years the right to vote has been restricted by the government. It points towards the new voting machines, the steep growth of the electoral registry, the lack of proper measures against fraud, the lack of openness of the CNE during elections and CNE’s announcement of incomplete and uncertified results.²⁶⁹ Since 2003 the CNE board has been changed in favour of pro-government members and has come under criticism mainly since the recall referendum in 2004. However, the strong increase in the electoral registry is not strange considering the launch of *Mission Identity* that aims at increasing the number of voters and. It is precisely the poor that never bothered to register. However, until now there has been a long debate over electoral fraud in 2004, 2005 and 2006, with both sides presenting evidence and even independent analyses contradicting each other. Electronic voting opens up new ways for electoral fraud and the current observer missions by the OSCE are currently not yet qualified to detect this type of fraud and therefore it remains a mystery whether voting fraud was used in the 2004 recall referendum, the 2005 parliamentary elections and the 2006 presidential elections. The lack of transparency, with the CNE refusing in some cases to let votes be counted by independent observers and the lack of ballot secrecy because of the publication of the Tascón List are certainly worries, though opinion polls all suggest the government enjoys firm support and does not need fraud to gain majority support in elections. However, it is suggested that dwindling support in 2002 and 2003 – before the Missions were launched that would benefit millions of Venezuelans – could have been a reason for fraud during the 2004 recall referendum.

Other worrying tendencies are the high degree of presidentialism, the constant change of ministers and thus the lack of coherence. According to Gómez Calcaño, the high rotation in parliamentary leadership positions, the exclusion of Congress from participating in the National Constituent Assembly, party discipline (lack of freedom) and party line voting are problematic, as well as the obligatory broadcast of *cadenas* (broadcasts of government announcements that have to be broadcasted on all TV-channels), though the latter not being uncommon in Latin America.²⁷⁰

²⁶⁶ Latinobarómetro 2008, p.49

²⁶⁷ Ibid, p.23

²⁶⁸ CIMA, Iberoobarómetro 2008, p.22

²⁶⁹ Venezolanos por la Transparencia Electoral, July 16, 2007, pp. 2-21

²⁷⁰ Gómez Calcaño, pp.103-106

3.10. Elections

“A democracy is nothing more than mob rule, where fifty-one percent of the people may take away the rights of the other forty-nine”

- Thomas Jefferson

Two Marxist journalists covering a Venezuelan electoral campaign once said that “[it] is clear that the electoral front is not the most favourable field for the revolution to advance”^{271 xvi}, posing the question as to what kind of ‘socialism’ the Bolivarian variant really is. Elections are not easily associated with earlier ‘socialist’ experiments, but form a central element in the Venezuelan process of transformation.

Venezuela’s electoral system has been adapted several times in the country’s post-war history and it suffices to quickly look into it. Molina’s analysis of the electoral reforms during the first Chávez years (1998-2000) point out that the plurality system is still in place, but proportionality has decreased because of a reduced average district magnitude. Parties favoured by the system (i.e. parties that get more seats than proportionate to their % of the vote) and the number of parties in the legislature has decreased.²⁷² A continuity between the situation before and after 1998 is vote concentration and an increasing tendency towards polarisation between the two mayor candidates at Presidential elections. A major change on the other hand is that in each election the main parties are different, while presidential elections focus increasingly on personalities instead of parties. There have been many claims about the government adopting this very non-proportional system to make sure a minority of votes can still be enough for a majority of seats²⁷³ but though to be observed with caution, gerrymandering and the changing of constituencies and even the whole electoral system is not uncommon to countries like the United States and Italy either.

Other weak points of the electoral system are the low level of party legitimacy, the weak organisational structure of political parties, their weak links with society and their strong emphasis on personalities instead of programs.²⁷⁴ A situation of negative party identification surrounded the 1998 elections and voters seemed to vote mainly *against* the main AD and COPEI parties, instead of voting *in favour* of certain other parties. While there have been some changes in the electoral system the differences with the pre-Chávez period are not the cause of the rise power of Chávez, but the result of the collapse of the old party system in the beginning of the 1990s. It would also be too easy to suggest that Chávez increased the polarisation of the Venezuelan political landscape because the rise of the Bolivarian movement is perhaps more a reaction to the developments of the 1980s and 1990s.

Because Chávez’ reign can be divided into two main periods, before 2003 and after 2003, this dichotomy will also be used in the following analysis of the elections in those two periods.

²⁷¹ Hellinger (2005), p.10

²⁷² Molina, p.226-228

²⁷³ Corrales (2006), p.39

²⁷⁴ Molina, p.228-229

3.10.1. Elections 1998-2003

Since 1998, Hugo Chávez and the wide range of allied parties won most elections, losing only the election on the reform of the Bolivarian Constitution in 2007. The 1998 election was more of a “referendum on the status-quo”²⁷⁵ as resentment with the present situation was about to culminate in the final blow for the old Punto Fijo order. In 1998 Hugo Chávez came out winning by a wide margin: 56% versus 40%. The main opposition parties were drawing parallels with Hitler and Mussolini and did not recognise the victory as legitimate, calling instead for civil obedience, regime change and new elections.²⁷⁶

In his inauguration speech the President set out plans for a National Constitutional Assembly (ANC). Chávez decreed a referendum on convening an ANC and it was approved by 87.5% of the votes. A few months later Chávez’ Polo Patriótico, won 121 out of the 130 ANC seats (95%). After debate and discussion on the referendum, dominated by the Polo Patriótico because of the opposition boycott of the referendums, the new Bolivarian Constitution was approved on 15 December 1999 with almost 72% of the votes, with abstention at a high 55.62%, and entering into effect on 20 December. As the President intervened personally in the campaign for the ANC and financial resources that should have been directed to the regional states of opposition governors were blocked and concentrated in more ‘friendly’ regions, the suspicion of clientelism and the lack of separation between *state* and *government* looms large.²⁷⁷

The new constitution dictated that new presidential elections had to be held in the upcoming year and in July 2000 Hugo Chávez’ mandate was extended by the voters in elections that were branded as free and fair²⁷⁸, gaining a slightly higher percentage of the vote (nearly 60%) beating his former ally Francisco Arias Cárdenas, who worked with Chávez during the 1992 coup attempt but had now gone into opposition.

The newly approved constitution has abolished the Senate, with the National Assembly now consisting of just one Chamber. This legislative body has a total of 171 deputies, of which 165 are elected through national elections according to proportional representation, while three seats are reserved for representatives of indigenous peoples (a unique quota in Latin America) and three on a state-by-state basis. In the 2000 elections for the National Assembly the MVR again came out as the largest party (44.38%), only a few percent away from a majority. When all the parties of the Polo Patriótico are put together, they formed a comfortable coalition that easily controlled parliament. However, with parties and politicians occasionally defecting into the opposition, the final make-up of parliament can change overnight.

3.10.2. Elections 2004-2009

With Chávez back in power again after the 2000 Presidential elections the opposition was dealt a firm blow, but since the new constitution provides the possibility of revoking the mandate of all elected officials (the president, governors, mayors) halfway through their term, they were given a lifeline in 2003. While the opposition vehemently rejects all Bolivarian institutions, they did not hesitate to use

²⁷⁵ Canache, p.81

²⁷⁶ Buxton, p.330

²⁷⁷ Gómez Calcaño, p.98

²⁷⁸ UNDP, “Democracy in Latin America” , p.81, 82

the options the new constitution provided by opting for a referendum on revoking the mandate of the president.

For a referendum to take place the opposition needed to collect signatures of 20% of the electorate, then accounting for about 2,4 million people. However, because a part of the 3,2 million gathered signatures had been collected before the halfway term of the president the National Electoral Council (CNE) branded them invalid and the tally of valid votes came under 2,4 million. The opposition had the possibility to reaffirm the invalid votes (the so-called *reafirmazo*) and did so in the following two months. The 3,6 million votes that apparently had been gathered in a mere four days were again considered to be in majority invalid (only 1,9 million signatures were branded legitimate), with 1,1 million dubious signatures and about half a million completely invalid signatures. The invalid signatures included those of foreigners, infants and deceased people, while problems also aroused with the authenticity of the signatures and the handwriting. The petitioners went to the Electoral Chamber of the Supreme Court who reaffirmed about 800.000 signatures that the CNE considered invalid. However, the Constitutional Chamber of the Supreme Court ruled that the Electoral Chamber does not have jurisdiction over these matters. The CNE offered a compromise to the opposition by allowing the signatories to reconfirm their signatures, in a *reparo* process. At the third attempt the CNE confirmed that the threshold had been met and a referendum could be held.

The plebiscite had the possibility to vote on the revocation of the term of Hugo Chávez on 15 August 2004. For the recall to be successful it had to meet three conditions. Turnout had to be at least 25% of the total number of registered votes, the “yes” had to get more votes than the “no” and the “yes” needed to have more votes than the number of votes the President received in the last election (2000). The yes-vote, to recall the mandate of the President gained 41%, against 59% for the no-vote, with an abstention rate of 30% of the electorate. Allegations of fraud were raised immediately but the Carter Center confirmed and verified the results. Nevertheless, the introduction of new electronic voting machines, restrictions placed on European Union observers and allegations of fraud reported by scientists and newspapers that conducted investigations into the election all did not help in lowering controversy. The opposition made many different claims of electoral fraud as it appeared that the voting computers did not guarantee anonymity as a data file, containing voting behaviour of Venezuelans, became public and allegedly led to politically based dismissals of those who voted for the opposition and accusations arose over possible hard-to-detect fraud, which ESDATA tried to uncover.²⁷⁹ Despite these very worrying tendencies, researchers from the John Hopkins and Princeton universities considered it “unlikely” that fraud occurred because of “statistical anomalies” during the electronic voting process, but also said that other types were not researched and are thus possible, as fraud is much easier when electronic voting is applied.²⁸⁰

In the regional elections of 2004, the Polo Patriótico won 20 of 22 governor posts and the overwhelming majority of mayor posts (226), with abstention at 54%, higher than in the same elections in 2000 when it stood at 44%.²⁸¹

²⁷⁹ ESDATA, <http://esdata.info/>

²⁸⁰ ScienceDaily, 6 September 2004, <http://www.sciencedaily.com/releases/2004/09/040903085826.htm> ; Felten, Rubin & Stubblefield, <http://www.venezuelan-referendum.com>

²⁸¹ CNE, <http://www.cne.gov.ve/regionales2004/>

The 2005 elections for the National Assembly produced consternation and ultimately a boycott of the elections by some opposition parties. While a combination of electoral voting together with paper prints was to be used to secure the fairness of the elections, the opposition claimed that the electoral machines recorded the votes, while fingerprint scanners gathered information of voters. The opposition claimed it was thus not anonymous and secret and feared that combining electoral voting and paper prints could bring voter details to the open. The fingerprint scanners were removed by the CNE, but main opposition parties Primero Justicia, AD, COPEI, Proyecto Venezuela and Un Nuevo Tiempo had already decided to boycott the elections. Dozens of parties participated and in the meantime the Movimiento al Socialismo had moved into the opposition camp, but it was all to no avail. The MVR won a majority of the votes (60%) and 116 seats, with a total of 12 parties gaining representation in parliament, 8 of those only having 1 or 2 seats.²⁸² However, abstention was at an astonishing 74.74%, clearly undermining the legitimacy of the National Assembly. The 2008 Iberobarómetro shows that 42% of Venezuelans (still) trusts Congress, only higher in Uruguay (55%) and Spain (45%).²⁸³ While the opposition claims there is a lack of popular support for Hugo Chávez, reality seems different. In previous elections (and again in later elections) participation was much higher and as most opposition parties were giving poor showings in the polls leading up to the election, it looks more like an opposition tactic to undermine the election and democratic process and focus on low turnout instead. While many opposition voters did not go to the polls, it is plausible that the ongoing debate about the voting machines also disillusioned *chavistas*, while the opposition boycott convinced other *chavistas* that the Chávez movement would easily win anyway, with or without their votes.

At the 2006 Presidential election the opposition was divided over the question whether to participate or not, but in majority decided to participate and give support to Manuel Rosales. Hugo Chávez again managed to slightly increase his vote tally, banking 63% of the votes. In previous elections the opposition offered radically different programs from that of the Chávez camp but this time around Rosales focused on promoting his own social program of poverty alleviation and redistribution of land, which in earlier elections was the domain of the Chávez campaign. Nearly all polls showed, not surprisingly, a clear lead for the incumbent President, though one has to note that these opinion polls have difficulties reaching a random and balanced number of voters.

After the elections the opposition again cried foul and claimed it had not lost by such a wide margin and yet again took the streets. Observers (of which the Carter Center was one) had learned from the past controversy (mainly in 2004) and performed more audits and checks. Fraud allegations did not, like in 2004, focus on voting machines, but rather on the supposed invalidity of the Electoral Registry. Accusations were voiced that the registry had grown substantially and included deceased and 'ghost' (non existing) people²⁸⁴, but one has to acknowledge that in developing countries these registries are almost never accurate. The CNE conducted an audit to update the registry and Costa

²⁸² CNE, http://www.cne.gov.ve/int_divulgacion_parlamentarias/index_principal.php

²⁸³ CIMA, Iberobarómetro 2008, p.25

²⁸⁴ Oppenheimer, <http://andresoppenheimer.blogspot.com/2006/07/venezuela-if-true-this-will-be-first.html>

Rican watchdog CAPEL claimed there were only minor 'inconsistencies'.²⁸⁵ The registry does not appear to be less correct than in previous elections since 1958 and it would certainly not have altered the final outcome of a Hugo Chávez victory. Plus, just as in 2004, the mayor polls predicted a Chávez victory and it would therefore have been very unintelligent to risk an electoral triumph by carrying out fraud.

In 2007 Hugo Chávez lost his first real election, when the people said no to a dazzling 70 articles for two blocks of proposals (from the President and the National Assembly) that were on the boards for revision, with the abolishment of Presidential term limits the most famous one. A narrow defeat of just above 50% of the votes was the outcome, with abstention hovering at between 37% and 44%.²⁸⁶ From this result one cannot simply conclude that the opposition, but rather that many chavistas did not bother to show up.

The 2008 regional elections again handed Chávez a victory (a majority of the votes) but in comparison with 2005, some posts for state governors were and mayor were lost to the opposition (mainly autonomy driving Zulia and the mayor of the capital Caracas). The PSUV candidates won 77% of the governor posts and 80% of mayor posts, with abstention at 35%.²⁸⁷

In the 2009 referendum for amendment of five articles of the constitution, of which abolishing the Presidential term limit was the most prominent, the yes-vote won almost 55% of the vote, with abstention down to 30% of the electorate.²⁸⁸

3.11 The Bolivarian Constitution

"I prefer a man who will burn the flag and then wrap himself in the Constitution to a man who will burn the Constitution and then wrap himself in the flag"

- Craig Washington

The initiative of Hugo Chávez for a new constitution was not completely new and various other politicians had put forward proposals for constitutional reform before.²⁸⁹ The differences with the 1968 constitution are numerous and in many ways the new constitution is a very big step forward in comparison with its predecessor. As said before, a constitution in itself is no guarantee for the correct execution of and compliance with the constitution, but copies of this main Bolivarian document have been handed out to all Venezuelan families and its content is at least much better known than the 1968 constitution. Articles of the constitution are also printed on the wrapping of products in the state supermarkets.

Cameron and Major have criticised the constitution for not defining the armed forces as apolitical and not obliging them to be constitutional and democratic, but only to be nonpartisan and

²⁸⁵ IIDH-CAPEL, <http://www.sumate.org/democracia-retroceso/attachments-spanish/T3%20ST05%20P11%20V1capel.pdf> : see also, Thompson, 2006, http://www.votobit.org.mx/ponencias/Jose_Thompson.pdf

²⁸⁶ CNE, http://www.cne.gov.ve/divulgacion_referendo_reforma/

²⁸⁷ CNE, http://www.cne.gov.ve/divulgacion_regionales_2008/

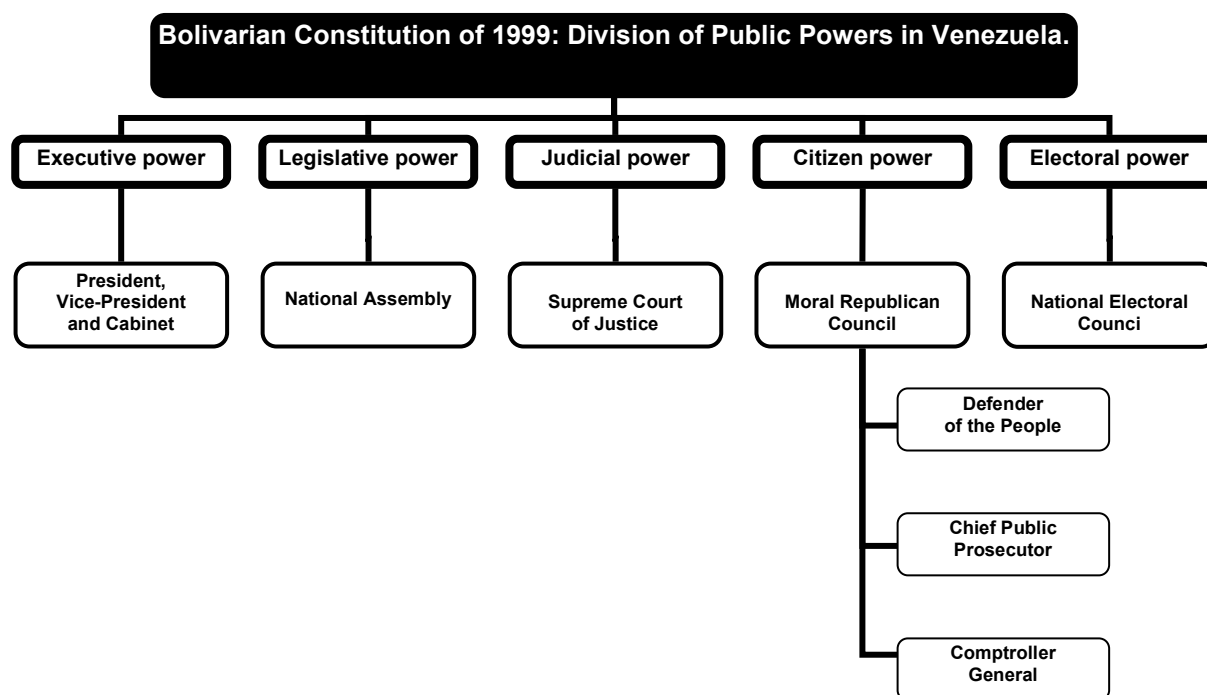
²⁸⁸ CNE, http://www.cne.gov.ve/divulgacion_referendo_enmienda_2009/

²⁸⁹ Levine (2002) p.265

obedient.²⁹⁰ The constitution of 1961 attributed to the state the responsibility of social welfare of all Venezuelans. The state had to guarantee the right to work, a living, education, health care and social security. In these years the idea of a wealthy country that had the unlimited capacity of taking care of its people was present in the spirit of the legislators of the country.²⁹¹

The Bolivarian Constitution is based on the “moral patrimony and values of liberty, justice and peace in the doctrine of the Liberator Simón Bolívar” (article 1). It also changed the name of the country to “the Bolivarian Republic of Venezuela”. While the old Constitution officially described the system as a trias política of a President, bi-cameral parliament and Supreme Court, the 1999 Constitution reduced parliament to a unicameral Congress (National Assembly) and added the *Electoral Power* (Poder Electoral), exercised by the *National Electoral Council*, as well as the *Citizen Power* (Poder Ciudadano), exercised by the *Moral Republican Council*. The latter is composed of the *Defender of the People* (Defensor del Pueblo, like an Ombudsman), the *Chief Public Prosecutor* (General Fiscal) and a *comptroller general* (Contralor General).

Figure 1: Public Powers in Venezuela according to the 1999 Bolivarian Constitution



The Presidential term has been extended to six years (article 230), while there are provisions for recalling all elected officials (the President, governors and mayors) and the power of the president has been strengthened and in some cases is now able to dismiss parliament, but while there has been criticism over the use of Presidential decrees, this is nothing new in Venezuela.²⁹² The Venezuelan Central Bank now has the moral obligation of “public responsibility”, which has sparked criticism about the lack of autonomy for the bank.

²⁹⁰ Cameron & Major, p.257

²⁹¹ Carrasquero Aumaitre, p.398

²⁹² Lander, p.117

Regarding political, economic and social rights, like the 1963 constitution, the new Bolivarian constitution gives certain social responsibilities to the state, obliging the state to guarantee universal health care, proper housing, education and the protection of human rights, while also guaranteeing that justice should be accessible and free for all citizens. It also introduces a minimum wage and makes education free for all citizens up to university. A novelty and unique characteristic is that an entire chapter has been dedicated to the rights of the indigenous peoples and minorities, recognising their languages and allowing for bi-lingual education, as well as assigning a fixed quota of indigenous representation in parliament.

3.12. Polarisation: chavistas and opposition

“Any revolution has to start with the transformation of the individual, otherwise individuals are corrupted by the power they get if their revolution succeeds.”

- Wes Nisker

The polarisation and fragmentation of Venezuela is not a new phenomenon, but it has definitely increased since Hugo Chávez has been in power. The country has dozens of political parties and coalitions tend to be temporal and unstable. To grasp the political and societal climate in Venezuela, a look at the *chavistas* and the opposition is necessary, but the concepts of inclusion and exclusion are also dealt with to explain the origin of the polarisation.

3.12.1.Chavistas

“No, I’m not part of any organized political party, I’m a democrat”

- Will Rogers

After analysing democracy and elections in the past nine years, one of the main remaining questions in this section concerns the support for Hugo Chávez. Which people vote for Chávez? Do the *chavistas* differ from the opposition supporters? Do these Chávez supporters come from certain social and economic backgrounds? How diverse are these *chavistas*? Is the movement concerted or does it have different factions?

Ellner and Salas investigated the classification of Chávez supporters, regarded by various authors and politicians as “lower-class, ill-informed, or simply an ignorant mass that wilfully succumbs to the whims of an all-powerful charismatic leader”.²⁹³ The Venezuelan private media have described the Chávez voters as “ignorants”, “delinquents” and the constituency as “dangerous classes” and “red zones”.²⁹⁴ But the recent electoral victories of the *chavistas* “call into question easy characterizations of his supporters as “the poor” or the “popular masses” and attendant notions of spontaneous, uninformed political actors”.²⁹⁵ Some reports note that he gets support from the “young, poor and

²⁹³ Ellner & Salas, p.5

²⁹⁴ Lemoine, August 2002

²⁹⁵ Valencia Ramírez, p.79

politically unsophisticated”.²⁹⁶ Underlying these simple classifications is deep rooted racism and discrimination.

Ramos sees four different Chavista factions: a broad popular democratic front, adherents of a military dictatorship, adherents of a revolutionary, Leninist regime and revolutionaries of the government party (at that time, the MAS).²⁹⁷ Valencia Ramírez typifies the *chavistas* as a peaceful, “counter-hegemonic social movement” that has strong links with the state and are organised on different socio-economic levels and who’s aims are not only ensuring the consolidation of the Chávez regime, but also carrying out social work at the local level.²⁹⁸ Organisations of the “classic left” and the “alternative left”, as well as the organised middle class, are also said to be important components of the coalition of *chavistas*.²⁹⁹ Support is not only concentrated in Venezuela itself, but also the initiative *Hands Off Venezuela* (and its Spanish equivalent *Manos Fuera de Venezuela*), a support campaign launched by Marxist intellectual Alan Woods and with branches in the United States, the United Kingdom, Italy, Spain, France, the Netherlands, Sweden, Norway, Denmark, Germany, Austria, among others. Support also comes from former London mayor Ken Livingstone and British MP John McDonnell, as well as dozens of scholars.³⁰⁰

There have been a few studies into voting patterns in Venezuela and they highlight interesting variations. Differences can be noted between elections and in 1998, after decades of economic and political mismanagement and a collapse of public trust in politicians, political parties and the functioning of democracy, it is rational to expect that people who hold a poor evaluation of the previous government, the present national situation and the functioning of democracy had a higher tendency to vote for Chávez.³⁰¹ Whether a substantial part of the electorate voted *in favour of Chávez’ political program* or mainly *against the old structure and parties*, thus casting a protest vote, is difficult to judge. Molina analysed voting behaviour at the presidential elections of 1998 and 2000 and found that support for Chávez is greater for people in favour of the modification of the Constitution by the ANC, those with a negative view of AD and COPEI, those further to the left, people from the lowest social strata and those who negatively evaluated the previous Caldera government.³⁰² In 1998 Chávez managed to gain the great majority of ‘non-democrats’ (85% of that group voted for Chávez), as well as a minority of democrats (38%), but he would never have won without the support of democrats, as they constitute 62% of his total vote.³⁰³

Differences between 1998 and 2000 were also found. In 1998 ideological placement (left-right) was one of the main variables of voting intention, but this did not hold in 2000.³⁰⁴ In 2000 the evaluation of the Chávez government was the main predictor of voting behaviour, with other significant factors being negative party identification towards AD and COPEI and income.³⁰⁵ However, most of the variables were not very strong and even income (of those who made over 700.000 Bolívars

²⁹⁶ Handelman (2000), in Canache, p.78

²⁹⁷ Arvelo Ramos pp.33-51

²⁹⁸ Valencia Ramírez, p.80-96

²⁹⁹ Valencia Ramírez, p.84

³⁰⁰ See Serrano (2004), “Mirando a Venezuela”

³⁰¹ Molina, p.236

³⁰² Molina, p.241

³⁰³ Molina, p.237

³⁰⁴ Molina, p.242

³⁰⁵ Molina, p.242

monthly and less, 51% to 62% tended to vote for Chávez) was a quite small indicator. The typical stereotype of *chavistas* as 'poor and unemployed slum dwellers' do not properly describe support for Chávez and the Polo Patriótico at the 1998 and 2000 elections. An interesting factor in 1998 and 2000 was support for democracy. While the attitude towards democracy was important in 1998 elections, it lost significance in 2000. According to some figures support for democracy went up from 79.2% in 1998 to 94.5% in 2000.³⁰⁶

Apart from voters, what constitutes the Chávez movement? Several authors point to the fact that at least in the first two years of Chávez government a part of the middle class and business supported Chávez against the failing traditional parties, but they were alienated from the government several months after the victory in the 2000 elections.³⁰⁷ In addition, Venezuelan politics has always been characterised by a wide range of political parties, and while some parties survived the turmoil of the 1990s and exist until today, every election produces a string of new names, mostly small parties centred on an individual. The Polo Patriótico that brought victory in 1998 united Chávez' Movimiento Quinta República (MVR) but the Movimiento al Socialismo (MAS) and parties from the far left such as Patria Para Todos (PPT) and the Partido Comunista de Venezuela (PCV), as well as several smaller parties.

In 1977 the *Ejército de Liberación del Pueblo de Venezuela* was founded, which in 1982 became the *Ejército Bolivariano Revolucionario-200* (EBR-200) and later the *Movimiento Bolivariano Revolucionario-200* (MBR-200). In 1997, After Chávez' release from prison, the MVR was founded as the successor, or political arm, of the MBR-200 movement. The MVR contributed around 40% of the 56% of the total number of Chávez votes in 1998. In 2000 that increased to 48% of 60% of the Chávez vote. In a 2000 survey conducted by Elena Martínez Barahona with members of several of Venezuela's party's, one can conclude that the *emeverristas* (MVR members) are, like other parties, quite highly educated, mainly catholic and with few having a background in other parties like AD and COPEI. 87% of them think that poverty and marginalisation are the main threats to democracy, 65.2% consider the militancy of the MVR as high or very high, 48.9% thinks the internal party democracy is low or very low, 61.7% joined the MVR because of Hugo Chávez and the majority of the *emeverristas* is less than 45 years old and has a slightly lower socio-economic level than members of other parties.³⁰⁸

A total of 24 parties threw its weight behind Hugo Chávez in the 2006 presidential elections, but the biggest contributor was again the MVR (41,66% of the Chávez votes), while Podemos (6,53%), Patria Para Todos (5,13%) and Partido Comunista de Venezuela (2,94%) were the only three others to win more than 1% of the Chávez vote while other national parties, as well as labour parties and a party of indigenous peoples (Tupamaro) were part of this coalition. The elections for the National Assembly give the same picture, but with even more parties participating. After those first elections it became clear that Chávez lacked a close-knit party with disciplined cadres because the MVR had always been organisationally and ideologically ill-defined.³⁰⁹ It is rather contradictory that on

³⁰⁶ Molina, p.243

³⁰⁷ Ellner, The Radical Potential of Chavismo

³⁰⁸ Martínez Barahona, pp.149-160

³⁰⁹ Ellner (2001) ; Hellinger (2005), p.9

the one hand a participatory democracy is championed, while on the other hand the MVR is a vertical hierarchy.³¹⁰ The highly centralised MVR suffers from a destabilising internal cleavage between military and civilian sections and there are no strong links with the electorate.³¹¹ While the MVR had a Patriotic National Assembly, Patriotic National Council, National Executive and National Tactical Commando and had 'círculos bolivarianos' and 'círculos patrióticos' at the basis of its structure, it nevertheless did not satisfy Hugo Chávez.

Chávez never hid his intention for uniting all these parties into one *Partido Socialista Unido de Venezuela* (PSUV) and the internal struggles between the several currents of the MVR movement only accelerated this process.³¹² The PSUV was launched by Chávez after his re-election in 2006, but even though the different parties have been incorporated into this new unitary structure³¹³, internal struggles between left-wing and right-wing currents remain. In August 2008 only 34% of the electorate identified with the PSUV, while 35% said they were not interested in party politics.³¹⁴ However, in 2008 respondents of the Latinobarómetro in Venezuela mentioned 85 different parties, far higher than in second-placed Dominican Republic (22 parties mentioned) and extraordinary compared to Uruguay (4 parties mentioned)³¹⁵, indicating the extreme polarisation and fragmentation in the country.

During the years many political parties defected from the Polo Patriótico and joined the opposition, such as MAS, PPT and the PCV. Chávez has made a habit of lashing out at those who abandon his coalition or even question the direction in which the Bolivarian coalition is heading and the at times authoritarian and exclusionary behaviour of some elements of the government could jeopardise the process.³¹⁶

Apart from setting up a new political party, a new *trade union* was also founded, as the CTV (the main trade union of the Punto Fijo times), a vehicle of AD, suffered a clear loss in the 2001 union elections, giving rise to the vision that it had been upheld for decades by electoral manipulation, corruption, clientelism and fraud and was bound to collapse once AD marginalised.³¹⁷ However, the new *chavista* labour unions of the MVR have not been able to quickly replace the institutionalised CTV. Though the new trade union UNT tries to avoid too much political commitments and dependency on the government, the increasingly polarising political landscape, makes that ever more difficult.

³¹⁰ Ellner (2001), pp.17, 19, 25, 28

³¹¹ Buxton, p.344-345

³¹² Gindin, 26 April 2005, <http://www.venezuelanalysis.com/news/1088>

³¹³ Federico Fuentes, 20 February 2008, <http://www.venezuelanalysis.com/analysis/3173>

³¹⁴ IVAD, August

³¹⁵ Latinobarómetro 2008, p.12

³¹⁶ See: E. Martínez Barahona, p.134

³¹⁷ Ellner (2005), p.68-70 ; McCaughan, p.44

3.12.2. Opposition

The opposition is indispensable. A good statesman, like any other sensible human being, always learns more from his opponents than from his fervent supporters"

- Walter Lippmann

The opposition is a loose and incoherent temporal coalition of parties that spans the entire political spectrum. If Chávez' Polo Patriótico was a makeshift coalition, that is even more so for the opposition. While the opposition was disconcerted and divided whether to support one single candidate or abstain from participating in the 1998 and 2000 presidential elections, in 2006 a whopping 43 parties threw its weight behind Manuel Rosales.³¹⁸ They are currently united in the *Coordinadora Democrática* and their sole objective is to get rid of President Chávez, without offering clear political solutions of their own.³¹⁹ This is not strange considering the various adherents that are part of this coalition, which includes parties to the left of the government like *Bandera Roja* and *Tercer Camino* that accuse Chávez of "favoring neoliberal formulas to the detriment of the social classes that he purports to represent"³²⁰, other former leftist but now centrist parties like *Causa Radical* and the MAS, as well as parties to the extreme right such as *Primero Justicia*. Opposition has also come from three leading figures of the 1992 coup who left the government coalition before the 2000 elections from within the *Polo Patriótico*. One of those is the MAS, that split-off from the Communist Party in 1971 and preferred conventional electoral politics over a non-electoral struggle, and obtained ministerial posts in the Caldera government and defended its neoliberal policies.³²¹ The *Movimiento por la Democracia Directa*, a split off from the MVR is currently also in the opposition.³²² To the question who is the leader of the opposition, one member of the coalition once jokingly: "Hugo Chávez".³²³ It is the shared aversion of that one man in the presidential palace that keeps this unlikely *coordinadora* together. In recent years more and more former allies of Hugo Chávez have departed the government coalition to go into opposition. In spite of the sheer number of parties, the opposition does not represent the majority of the electorate, contrary to its own belief. AD and COPEI were and are discredited and Primero Justicia and Proyecto Venezuela are regionally based and have little national support. It is the role of the private media, with its coverage of large anti-government demonstrations, the financial disbursements from USAID and the National Endowment for Democracy (NED) and the overt support from the Bush administration that gives this "wholly misleading interpretation of Venezuelan democracy and the Chávez government".³²⁴

What makes the situation tragic is that the opposition does not represent the majority and if the *chavista* movement loses power it is very hard to see where a stable coalition can come from. Paradoxically, the moment Chávez loses power and the quest for power starts the *Coordinadora*

³¹⁸ CNE, http://www.cne.gov.ve/divulgacionPresidencial/resultado_nacional.php

³¹⁹ Buxton, p.341

³²⁰ Ellner, (2001), p.7

³²¹ Ellner, (2001), p.14-15.

³²² Gómez Calcaño, p.100

³²³ McCaughan, p.111

³²⁴ Buxton, p.342-343

Democrática will certainly cease to exist. The main question is maybe not what happens during Chávez' time in power but what happens after his (at some point) inevitable departure.

3.12.3. Including the excluded

"Everything great and talented is in the minority"

- Johann Wolfgang von Goethe

Ronald Scheman once wrote that many countries in the Americas are in reality two nations, because of the sharp distinction of a rich elite of mainly European descent and the poor of mixed race.³²⁵ Asked about the extent of social cohesion, Venezuelans and Uruguayans reported a high social cohesion and a low perception of conflict between races, with 43% and 34% considering there is a situation of conflict respectively, which contrasts with 75% in Ecuador, 71% in Bolivia and 70% in Brazil³²⁶, not surprising considering the strength of the indigenous movement (CONAIE) in Ecuador, the Morales government in Bolivia and the MST in Brazil. The perception of racial conflict is low in Venezuela and this might be attributed to recent inclusionary policies that favour the lesser off (generally not of European descent) and the previously marginalised indigenous peoples. The country also scores well regarding the perception of conflict between men and women, which 43% of Venezuelans thinks exist, behind Argentina (34%) and Uruguay (36%), but far better than the regional average of 57%.³²⁷

Nonetheless racism still appears to be of high significance in Venezuela³²⁸, despite 85% of Venezuelans thinking there is no racial discrimination, second lowest in Latin America.³²⁹ The popular sectors are described by upper and middle class groups as criminals, delinquents and are characterised as "vermin", "mixed-breeds", "Indians", "barefoot" and "rabble".³³⁰ According to Herrera Salas there is a clear engrained political economy of racism, because "racism is an ideology and a practice closely linked to economic and social inequalities,³³¹ and he goes on by saying that "racism in Venezuela is alive and well".³³²

Racism in Venezuela has historic roots and a few decades ago several politicians and intellectuals even claimed that European immigration was necessary to "improve the race" and that mingling of blacks and indigenous was undesirable.³³³ In order to understand the extreme polarisation in the country it is essential to deal with this phenomenon. Polarisation in Venezuela "is not only geographic but also class related"³³⁴, while the spatial conflicts are not ethnic and racial, but mainly political and social.³³⁵ The upper classes that have held economic and political power in Venezuela have now lost its political power and as can also be seen in Bolivia and Ecuador, this leads to a highly

³²⁵ Scheman, p.133

³²⁶ Latinobarómetro 2007, p.70

³²⁷ Latinobarómetro 2007, p.71

³²⁸ See Hardy (p.152-155), Lander (2008), p.141-142

³²⁹ CIMA, Iberobarómetro 2008, p.19

³³⁰ See Hardy (p.152-155) ; García Guadilla, p.119

³³¹ Herrera Salas, p.72

³³² Herrera Salas, p.73, 87

³³³ Herrera Salas, p. 75-76

³³⁴ García Guadilla, p.115

³³⁵ García Guadilla, p.116

divided national landscape as the “haves” in terms of political power are now the “have nots”, and vice versa. Racism can therefore be considered a “rational” response in defence of lost privileges. As Robert Archer says it is a general rule that racism and discrimination serve to protect the political and economic interests of those who discriminate. Oppressed minorities are frequently denied access to land or to other means of economic development as a matter of policy. Areas occupied by such groups receive little investment. Members of these groups are screened out from the best schools, from the best medical treatment, and from better housing. The benefits of discrimination are systemic: it is in the interest of privileged groups to maintain such political and economic discrimination. In this sense, racism and racial discrimination can be described as rational responses within rational systems.³³⁶

The government has acted against racism and reigning *eurocentrism* in several ways, such as recognising new political and socio-economic rights for indigenous peoples, ratifying the International Labour Organisation convention 169 and reversing the *eurocentric* form of teaching by placing the emphasis on the autochthonous people of Venezuela, illustrated through several symbolic changes like the renaming of “The Day of the Discovery” (of America) to the more politically correct “The Day of Indigenous Resistance”.³³⁷

3.13 Organising and institutionalising

“Those who make peaceful revolutions impossible will make violent revolutions inevitable”

- John Fitzgerald Kennedy

The very active and vibrant civil society in Venezuela has deep roots and many grassroots organisations and community councils already existed before Chávez’ victory in 1998.³³⁸

A wide range of forms of organising are or have been active in Venezuela, with different aims and objectives. The *Comando Político de la Revolución* was active from 2000 to 2001 to organise *Círculos Bolivarianos* and confront the opposition, while other *Commandos* and *Unidades de Batalla Electoral* (Electoral Battle Units) were set up for directing and organising the electoral campaigns.³³⁹

The *Círculos Bolivarianos* were active units at the local level that existed until about 2004. Their aims are increasing local level participation, mobilising against the opposition, addressing social needs and strengthening *chavista* civil society. As the Missions were not able to reach all sectors of the population, these small groups of *Círculos* (officially between 7-11 persons) have been used for two types of work, community work to address local needs in health, education, infrastructure and construction (though they at times conflicting with traditional NGOs) and politics (i.e. campaigning).³⁴⁰ They also tried to receive government programs for their communities and create

³³⁶ Archer, p.23

³³⁷ Herrera Salas, p.81

³³⁸ Cruz, “Escaleras al Cielo”

³³⁹ Álvarez, p.267

³⁴⁰ Hawkins & Hansen, p.121

cooperatives. Government financing is said to be only a small part (10%), the rest coming from member contributions, sales and raffles.³⁴¹

Several authors have described the *Círculos* as armed criminal groups^{342 xvii}, but most scholars that have analysed them did not find evidence for violence, nor for the opposition claim that state funding is massively used to construct local level units of government support by bribe them with this financial support.³⁴³ Researchers Hawkins & Hansen concluded that members of the *Círculos* are generally higher educated and living in better conditions than the average Venezuelan.³⁴⁴ A common error is to think that the *Círculos* are a creation of the Chávez government, because they existed before as the base units of the MBR-200 movement.³⁴⁵ While its members are said to have a high degree of democratic values, most of the members that have been interviewed by Hawkins & Hansen did not held the view that they form a new form of participatory democracy.³⁴⁶ After 2002 the *Círculos* became more actively involved in the defence of the Bolivarian revolution³⁴⁷ but since 2004 the *Círculos* have seen an important decline in activity, though they once were one of the most vital elements of *chavismo* and contributed much more to Venezuelan democracy than has been suggested. Their members now continue to participate in other organisations like the Missions, urban and rural land committees, *mesas técnicas* and others.³⁴⁸ The lack of financing of *Círculos* contrasts with the well funded recently set-up programs and organisations and it is suggested that internal strife and a weak foundation and institutionalisation have also contributed to its steady demise. Officially there were more than 200,000 *Círculos*, with a total of over 2 million members, but the majority did not actively function and only about 10,000 *Círculos* or 110,000 members were said to be really active.³⁴⁹ As the *Círculos* were said to have a quite clientelistic nature by providing programs and community work in pro-Chávez neighbourhoods and only giving benefits to Chávez supporters, this can be seen as an indication of dependence on Chávez.³⁵⁰

Other forms of organising are the new *Union Nacional de Trabajadores* (UNT), as well as other forms of worker unions and committees. They hope to increase participation of workers in the political process and on the work floor and raise consciousness by educating workers. The *Fuerza Bolivariana de Trabajadores* (FBT) claims that “[l]a Revolución Bolivariana no es socialista, el proyecto constitucional que le sirve de base establece la propiedad privada – esencia del capitalismo – sólo que en nuestro caso, el texto constitucional la acompaña con otras formas de propiedad: estatal, cooperativa y mixtas, entre otras...[E]l Socialismo es, en esencia, propiedad colectiva de los medios de producción y gobierno de la clase trabajadora...[L]a economía alternativa, es la economía que conduce a la economía socialista”.³⁵¹ Co-government of companies like PDVSA and the recently nationalised industries are said to be future element of this ‘new’ socialist experiment.

³⁴¹ Hawkins & Hansen, p.109

³⁴² Oxhorn, July/August 2003, pp.9-13; Ungar, September/October 2003, pp.30-36

³⁴³ Valencia Ramírez, p.85; Hawkins & Hansen, p.104, 109

³⁴⁴ Hawkins & Hansen, p.110

³⁴⁵ Lopez Maya (2003), p.80

³⁴⁶ Hawkins & Hansen, p.104

³⁴⁷ Valencia Ramírez, p.85, 86

³⁴⁸ Hawkins & Hansen, p.103, 104, 124-126; Álvarez, p.266

³⁴⁹ Gable, 9 February 2004, <http://www.venezuelanalysis.com/analysis/350>; Hawkins & Hansen, p.107d

³⁵⁰ Hawkins & Hansen, p.118

³⁵¹ Piñate, 18 October 2005, <http://www.fbtvenezuela.com/opinion.asp?page=27>

The *cooperatives* are still the most popular form of organising and despite their recent rise in numbers they are not a new phenomenon^{xviii} (existing already since the 1950s and 60s in Venezuela). In 1999 910 cooperatives were in function and in 2007 this has risen to a current number of 228,000 according to the main organisation SUNACOOOP. They are said to represent 14% of GDP and 18% of employment and are active mainly in the service sector (61%) and the production sector (27%).³⁵² Related to this are the *Nuclei of Endogenous Development* (NUDE), a program that gives communities the opportunity to get funding for local projects and to re-use abandoned land or factories. Currently about 100 NUDES are in function, with more than 950 active cooperatives.³⁵³ The *Socialist Production Units* are (mainly agricultural) companies run by the government, but with the aim of involving the communities. Its profits are to be invested in local projects. Formerly private (agricultural) companies that went out of business because of a drop in world market prices have been turned into SPUs. As many SPU are created in areas where there is few activity and where there are many unused factories and industrial plants, the question is whether they really can become viable as socialist state-run companies or are, like the Missions, more emergency methods to create short-term employment. In the long run the government Missions have to organise themselves in these SPUs.³⁵⁴

Yet another type of organising are *Communal Councils* that aim to carry out development projects and improve the communities. It has a financial counterpart, the *Communal Banks* which are funded by FONDEMI (Fund of Microcredit).³⁵⁵ The over 20,000 councils (according to official figures) are funded by the government. The *Banco de Desarrollo de la Mujer* (and the *Instituto Nacional de la Mujer*) is another initiative, founded in 2001 and with the aim of giving loans and credit to low-income women and formerly excluded small-size organisations. It competes with the micro-finance NGOs, asking lower interest rates but expecting in return participation with the Bank through educational projects.³⁵⁶

While Chavistas do depend in many ways on Hugo Chávez and the government, many organisations already existed prior to 1998 and an interview with several Chavistas pointed out that they described themselves first as supporters of the Bolivarian Revolution and only after as supporters of the current President, but most did say that an overthrow of Chávez or an election loss of Chávez would put the continuation of some of its work in jeopardy.³⁵⁷

³⁵² Albert, 25 June 2008, <http://www.venezuelanalysis.com/analysis/3670>

³⁵³ Ibid

³⁵⁴ Pagina Digital, 5 April 2007, <http://www.paginadigital.com.ar/articulos/2007/2007prim/educacion1/misiones-educacion-j-050407.asp>

³⁵⁵ Albert, 25 June 2008

³⁵⁶ Valencia Ramírez, p.90

³⁵⁷ Valencia Ramírez, p.93-94

3.14 Conclusion

“The mother of revolution and crime is poverty”

- Aristotle

The ‘exceptionalism thesis’ of Venezuela as a model democracy in Latin America has been unravelled as a clear myth and though elections were held every five years, the system was rotten from the inside. Corruption and clientelism have always been part of the inflated government bureaucracy, something that characterises all petroleum states. Regarding the extent of “democracy” the country has certainly transformed under the Chávez government. A modern, egalitarian, progressive constitution with a long list of social and economic rights, as well as equal rights for women and indigenous peoples has been implemented. Of course, history is replete with modern constitutions being written in developing countries and the execution of and compliance with the constitution is a different case. However, after ten years the country has experienced a deepening of democracy through elections, at least compared with the pre-1998 period, with many referendums and elections having been carried out in the last ten years. Despite allegations of irregularities and fraud, there has not been a substantiated proof that counters the validity of the elections. The perception of Venezuelans regarding democracy, state institutions and elections has risen and is among the highest in Latin America.

While inroads have been made, one should recognise that there is a long way to go and experiences throughout the world show that elections and ‘democracy’ cannot be imposed, because to become entrenched it needs to have a grassroots basis. Bottom-up initiatives have been supported by the government – although that in itself is somewhat contradictory – in the form of cooperatives and Bolivarian Circles, in order to foment this process of deepening democracy. The general question, though, is whether one can speak of ‘democracy’ in a country where a large minority lives in poverty (as is the case for the entire Latin America). Samuel Huntington used the term “fourth wave of democracy” to describe the process in Latin America at the beginning of the 1990s, but one should ask oneself whether these developing countries can be branded as ‘democracies’, at least according to the reigning European standards. Democracy is not just the holding of elections, but includes the existence of a large and active civil society and the participation of the population in public life. Also, the extreme polarisation that characterises Venezuela undermines the quality of democracy. In a country where the opposition boycotts elections and is barely represented in parliament and where street demonstrations are of far more significance than political or societal debate, there are serious obstacles for the establishment of a true democracy open to all citizens. Furthermore, the constitution has given increasing power to the president, fomenting presidentialism and weakening parliament, making the country depend strongly on the president. While strong presidentialism and the use of presidential decrees to make policy is nothing new in Venezuela (contrary to popular belief) and Latin America, it slows the democratic process. In western countries, like in the United States and Italy, similar democratic deficits with respect to gerrymandering, electoral fraud, conflicts of interest, clientelism and bribery arise but Venezuela lacks a true democratic tradition and has much larger social and economic problems to easily overcome these obstacles. Despite these flaws, contrary to

the opinion of some scholars^{xix}, the end of the Punto Fijo pact did not lead to the end of democracy. Jorge Castañeda claims that Chávez “threatens to roll back the region’s most important achievement of recent years: the establishment of democratic rule and respect for human rights”³⁵⁸, but suffers from the same bias as many other scholars, still upholding the ‘exceptionalism thesis’ despite the facts proving otherwise.

It is a nonsensical claim to suggest that the end of the Punto Fijo pact was the beginning of the end of democracy in Venezuela, as the old pact was indeed all but dead and buried at the start of the 1990s, had lost support of the masses and could not prevent the dramatic deterioration of government services, leading to the impoverishment of the masses. The symbolic end of the elite pact came in 1989 when the *Caracazo* uprising was brutally repressed by the regime, which lost its last credentials in human rights protection. The extent of human rights violations during the alleged stable years of this ‘model democracy’, between 1958 and 1998, was bigger than in the Chávez years, where opposition candidates have not been thrown in jail, the private media still largely operates in its traditional biased way and demonstrations have not been repressed, unlike the repression that unfolded in the short-lived unconstitutional Carmona regime in 2002. The typical dichotomy between the supposed democratic features of the Punto Fijo pact and the authoritarian features of the years after the end of it blur the illiberal features of the pre-1998 period, where censorship was not uncommon.³⁵⁹ It was exactly these authoritarian features of the old elite pact that generated a legitimacy crisis and lead to the election of Chávez.³⁶⁰

During the last nine years *reforms* of the state and its institutions have been carried out, but that is a clear world apart from state *transformation*. The ‘old’ problems of Latin America like mass corruption, clientelism, large-scale impoverishment of the population, and sharp income inequality have not been resolved. As long as the social and economic situation of the population does not keep improving in a dramatic and sustained way, a true state transformation cannot take place. To meet this condition, more is needed than holding regular elections and using instruments of direct democracy. This chapter has shown that the present reality is complex and that authors like Castañeda, who claims that “Chávez is driving his country into the ground”³⁶¹ are clearly off mark and do not recognise the slow, but important advances that have been made.

Hugo Chávez is certainly no authentic European-style democrat and there are several deep-rooted problems that are addressed in a way that is unheard of in present-day Europe. One should not forget that none of the countries in Latin America have a European-style democracy and all face important issues to deal with, from human rights to extreme poverty and clientelism to a lack of accountability. The Punto Fijo political system was never that much of a model democracy and to blame Chávez for all present problems is forgetting, or worse, denying, the persistent structural flaws of the Venezuelan democracy. Despite the extreme polarisation of society, supposedly ‘socialist’ or ‘Bolivarian’ Venezuela is currently (still) more democratic than Punto Fijo Venezuela. However, for a country to be regarded a participatory democracy it is necessary that the entire population is able to

³⁵⁸ Castañeda, p.8

³⁵⁹ Carruyo, p.106

³⁶⁰ Buxton, p.334

³⁶¹ Castañeda, p.7

participate in all aspects of public life. The selective spread of the wealth³⁶² and worrying tendencies of exclusion of parts of the population that do not support the present government have to be addressed to further democratise the country. The extreme polarisation of society, which manifests itself also in the fragmentation at the local level where politicians only seem to govern for their own constituencies, is a very critical problem that has to be overcome in order for the government to become a dictatorship of the majority, as John Stuart Mill once formulated it. A country en route towards socialism cannot exclude a large minority of the population, unless it resorts to less democratic actions. If these obstacles are not surmounted the present democratic system will not be any better than its undemocratic, exclusionary Punto Fijo predecessor.

Whether Venezuela is being transformed into a 'Bolivarian' or 'socialist' state depends on many factors, but the political party system is one of the aspects to take into consideration. With the launch of PSUV a unifying process of the Bolivarian movement has been initiated, but to really incorporate and integrate the different factions, as well as to keep the internal currents in line, a very long and uncertain way lies ahead. Experiences from the MVR have shown that a political party is something clearly different and more complicated than a mere electoral vehicle aimed at gathering votes. MVR was a bureaucratic political party with a weak organisational structure and weak links with society and its voters. The question is whether this new unified political party will be different from AD and COPEI, which also started as differing political parties but slowly became part of the state and after several decades were nothing more than patronage-clientelistic vehicles distributing jobs and benefits to its core while excluding others. An important function of any serious political party is that it keeps its distance from the government and checks government behaviour in parliament. Whether the PSUV, in a time of high distrust towards political parties, can become a grassroots based political party, with a democratic organisational structure and not suffering the same fate as the delegitimised AD and COPEI, remains to be seen. The new trade unions and the new socialist party of Venezuela are seen as instruments of the new social economy and the latter even as the 'driver' of the socialist economy.

Private property has not been abolished in Venezuela and several of the new forms, like cooperatives, are not even uncommon to capitalism and have even been championed by the Peruvian *neoliberal* Hernando de Soto. The process of institutionalisation – necessary in order to consolidate the Bolivarian Revolution and achieve a long lasting 'socialist' Venezuela – has only just begun and will undoubtedly be accompanied with typical teething troubles and practical problems, let alone that in order for them to have support among the people a process of awareness and consciousness is needed. The sudden abundance of financial resources from the state, something less obvious before 2004, points to the 'paradox of plenty' and 'resource curse' and has created a dependent mentality and might kill off creativity on the part of local community workers and activists.³⁶³ A shift can be seen between on the one hand the pre-2004 period when resources for cooperatives, Círculos Bolivarianos and other forms of organising were scarce and on the other hand the post-2004 period of resource abundance and direct state funding. At least for the time being they are contributing more and more to GDP and give employment to a growing number of Venezuelans.

³⁶² Corrales (2006), p.36

³⁶³ Ross, "Venezuela: Revolution From the Inside Out"

Little by little small steps towards the organising of *chavistas* are being taken but the old system has not been replaced and only partial reforms can be uncovered. A process of institutional change and *state transformation* has been set in motion, but it will take decades rather than years of sustained effort for it to really change the foundations of the country. For the time being the opposition fear of a *Cubanisation of the country* does not hold ground as a complete overhaul of the system has not been achieved (and will not be achieved in the near future). Furthermore, the process of change is rather democratic in nature and the supposed radical and violent character of the *chavistas* and 'popular masses' have been grossly exaggerated.

While several important challenges for the Venezuelan economy remain, the state of affairs is more stable than usually admitted by the opposition, the IMF and the American government. Mark Weisbrot of the Center for Economic and Policy Research (CEPR) does not share their pessimistic vision on the economic situation of Venezuela and claims that "[t]he probability of an economic collapse brought on by falling oil prices...appears to be very small".³⁶⁴ While the increase in government spending has been large – though still lower than in countries like Sweden and France – the increase in revenues has been even bigger, which leaves left the country with a solid and balanced budget. Consumer confidence is still among the highest in Latin America.³⁶⁵

The economy of Venezuela, with its self-proclaimed "21st century socialism" still centres on the rapid alleviation of the most pressing needs of the poor, though at the same time more durable development projects have been initiated. In the first years of the new government some sectors were even privatised and as such the country was not out of line with other capitalist countries by correctly paying its debt and having a rather orthodox economic policy. It was after the 2002 coup d'état and the paralysation of the economy in 2003 that the political landscape further polarised and the opposition and government radicalised. The government started to officially use the word "socialism" and this could be seen in new laws and presidential decrees. It was then that old "socialist" themes like "industrialisation" and "nationalisation" became part of this new experiment. In a globalised world, of which Venezuelan is clearly part, capitalism still reigns in Venezuela. New forms of worker participation and worker committees have been launched, while the typical repression and the curbing of freedom and liberties that characterised the Soviet Union and still characterises Cuba, are absent. While Congress approved decree number 2086 that suspended all guarantees after the 1992 coup attempt – something that Pedro Carmona's short-lived regime in 2002 repeated – the Chávez government did not resort to these options during the past ten years. Changes, reforms and new laws proceed with an ever more increasing pace, but *state transformation* has not taken place in the economic sphere either.

The Bolivarian Revolution has been running steam since roughly 2004 and at present the situation is far too chaotic to be seen in terms of *state transformation*. As of yet the country's new 'model' is not a clear alternative to capitalism, but rather a modification of some damaging aspects of *neoliberalism*. It is mainly the symbolic changes that create an overall picture of resistance against "capitalism". An example is the 2004 announcement that the Venezuelan government will switch to "free software" to achieve technological and informational independence^{xx}, challenging Microsoft by

³⁶⁴ Weisbrot & Sandoval (2008), p. 7

³⁶⁵ The Nielsen Company, "14 May 2007, p.19

adopting Linux.³⁶⁶ Hugo Chávez championed “national scientific independence, so that we do not depend on privately owned software. If knowledge does not have owners, then intellectual property is a trap set by neo-liberalism”.³⁶⁷ For the moment these are small symbolic acts of anti-neoliberalism, but in the long run they are to contribute to the wider goals of state transformation in order to be independent of (foreign) corporate interests and thus eliminate external resistance and foreign obstacles to domestic reforms.

Many of the bottom-up plans might be well-intentioned but before they can have a lasting effect the cooperatives’ independence from the government needs to be enlarged and through education a culture of participation has to be created. The positive aspects of the working cooperatives have to be taken into account because as in the long run these co-ops can lead to more participation, solidarity and social cohesion as people do useful work in their neighbourhoods.

With regards to social and socio-cultural reforms, one can say that it takes time before investments in health care and education take effect and are shown in figures. There is a large deficit in education and health care and therefore a very long way to go. In spite of the large social problems that remain in Venezuela, important steps forward have nevertheless been achieved. Improving access to education and health care and including non-*chavistas* and opponents of the regime as well is a vital requirement for any country that considers itself democratic and egalitarian. The Missions are an important component of the Bolivarian transformation of the state and it certainly has some aspects that can be termed ‘socialist’. Addressing the needs of the poorest sectors of the population (albeit a majority in Venezuela) is not socialist in itself, but its redistributive character is definitely a clear break from the past. Its focus on equal access, the reliance on subsidies and the intervention of the state by setting prices are examples of this new, socialist vision. However, the reforms implemented by the Venezuelan government cannot simply be compared with the old European definition of socialism. The hand of the state is clearly visible, but it is less clear whether this can be branded socialist. If the indicators of state transformation as defined in the theoretical chapter are taken into account, some characteristics of ‘socialism’ are visible.

Because the Missions have different objectives they also have a variable efficiency and efficacy. Mission Habitat has been criticised for being a far cry from living up to its goals, while many others are plagued by financial waste and corruption. Most of the Missions run separately from the government ministries and even though all of them are slowly being incorporated into the official state bureaucracy, it currently leaves the country with a double administration. Some critics say that the state bureaucracy, in some sectors and some parts of the country controlled by the traditional parties AD and COPEI and other opponents, is simply replaced by a separate bureaucracy dominated by the government parties.

While it is undoubtedly true that a too large part of the development projects is characterised by squander, disorganisation, inefficiency, corruption and clientelism, this fact is not a big surprise considering the rapid growth in resources in recent years. More importantly, despite these problems the (poor) population has clearly benefited from the many social and developmental projects. Despite persisting corruption in Venezuela, sustained economic progress is well possible even with high

³⁶⁶ Marson, 31 December 2004, <http://news.zdnet.co.uk/software/0,1000000121,39182957,00.htm>

³⁶⁷ Wilpert, 29 September 2004, <http://www.venezuelanalysis.com/news/715>

corruption rates and dubious governmental and business practices as has been showed in Italy, China and the United States.³⁶⁸ While targeting corruption is popular among politicians all over the world, rampant corruption persists all over the globe and is not easy to bring down in a few years, especially in an oil dependent state like Venezuela.

In the sense of *state transformation*, the noticeable changes of the past ten years cannot simply be attributed to the Bolivarian movement *per sé* as some forms of organising were already present or in development before Chávez' rise to power. The degree of state transformation is therefore very limited, though in some cases reality does correspond with the theoretical notions of the Marxist theories of state. Some indicators indeed show a development towards a slow, but continuing reform of the state institutions, that can in the long run be considered a transformation of parts of the state.

3.14.1. Evaluation of the indicators

Table 5 gives an overview of the indicators that have been derived from the Marxist theories of state and the scheme outlines what has been described before.

Table 4: Evaluation of indicators

	Indicators	Evaluation
1	The degree of economic distribution through progressive taxation and social spending in Venezuela	+/-
2a	The extent to which Venezuela is establishing participatory democracy.	+/-
2b	The extent to which there is an extension of democratic accountability of state institutions and state officials in Venezuela	+
2c	The extent to which there is democratic economic planning in Venezuela	-
3	The degree of nationalisations of former private companies in Venezuela's	+/-
4a	The degree of maintenance of communications infrastructures	+
4b	The extent of the development of state infrastructure	+/-
5	The extent of state centralisation	+
6	The extent to which Venezuela's environmental policy is leading to long-term sustainability	+/-
7a	The extent to which gender plays a role in the Bolivarian Revolution	+/-
7b	The extent to which class plays a role in the Bolivarian Revolution	+
7c	The extent to which ethnicity and race plays a role in the Bolivarian Revolution	+
8	The extent to which Venezuela is making an original, national transition to socialism	+/-

Indicator 1: one can argue convincingly that progressive taxation and social spending have increased (+) but there also is a lack of coherence and low degree of institutionalisation in this field (-) and as such there is only a moderate degree of economic distribution.

Indicator 2a: Venezuela has certainly moved towards a participatory democracy, at least in comparison with its predecessor (Punto Fijo) and despite suffering from some flaws is indeed more participatory, but yet not much beyond elections and regular referendums.

³⁶⁸ Lozada, p.20

Indicator 2b: there is certainly a high degree of accountability of officials considering the option for a recall of all elected officials.

Indicator 2c: democratic economic planning has not (yet) been established as trade unions and political parties still suffer from a hierarchic form of decision-making.

Indicator 3: the degree of nationalisations is low and despite nationalisations in several sectors, it does not concern all industries and only those that were inefficient private run companies. While it has been agreed with the concerning companies that the expropriations will be compensated for, in two case at least a company claims not to have been paid for the take-over.

Indicator 4a: the maintenance, and even increase of communications infrastructures has been achieved thanks to high oil prices.

Indicator 4b: a new state infrastructure is not yet in place and the old system is mainly reformed, patched and adapted, rather than developed independently.

Indicator 5: the government has tried to roll back decentralisation and increase the role of the central government, leading to clashes with the opposition that controls governor and mayor posts throughout the country and want more autonomy from the central state.

Indicator 6: Venezuela's environmental policy and the aim of endogenous, sustainable development have been given some boosts but are at the same time hampered by increasing industrialisation and pollution, symbolised for instance by a booms in car sales.

Indicator 7a: several developments have increased emancipation and the role of the woman in society, though a long road lies ahead. It is definitely a factor of importance.

Indicator 7b: class is playing a clear role in the Bolivarian Revolution as political and social polarisation is related to deep-rooted class differences.

Indicator 7c: ethnicity and race are related to class as the country's rich economic elite tends to be of European descent, while the poor are mostly of a mixed heritage, making polarisation an entrenched phenomenon.

Indicator 8: Venezuela is different from earlier models of socialism (most notably Cuba and the Soviet Union) and because it operates in a different time context, there are many innovations, but also several similarities. It is not a completely autonomous process, but one that is based on the Bolivarian tradition, and is most notably influenced by the links between Chávez and Castro.

4. Exporting the Bolivarian Revolution?

"There are only two forces in the world, the sword and the spirit. In the long run, the sword will always be conquered by the spirit"

- Napoleon Bonaparte

Now that the main internal aspects of the Bolivarian Revolution are outlined, it is time to turn to its external aspects. As said before, a separation of internal and external, or domestic and foreign policy is not straightforward in an ever more globalising world, in which Venezuela is a clear interdependent actor. One could say there has been an 'internationalisation of internal phenomena' and a 'domestication of external phenomena'.³⁶⁹ After an analysis of practical geopolitics, namely Venezuela's foreign policy goals, its regional policy, its extra-regional policy and the relations with the United States, Colombia and Cuba, discourse analysis will be the focus of the second section of this chapter. In the conclusion an overview assessment of the foreign policy of the Chávez government will be made according to the indicators of practical geopolitics and the results of the discourse analysis.

The main characteristics of the foreign policy that has been conducted under Hugo Chávez are the focus of this chapter. In the theoretical chapter the study of geopolitics and critical geopolitics has been introduced, which will be the guide for analysing Venezuela's foreign policy through practical geopolitics and discourse analysis. The governments' policy is for a large part based on "oil diplomacy" and this has shaped relations with the United States, regional partners and OPEC member states. Furthermore, Chávez has never downplayed his admiration for the pan-South American dreams of the 'Liberator' Simon Bolívar. Throughout the years several plans for closer regional integration have been launched and therefore Venezuela's policy towards existing and new initiatives like ALBA, MERCOSUR, UNISUR and CAN is also a main component of this chapter. Relations with important actors like the United States, neighbouring Colombia, as well as ally Cuba also need to be assessed. After this focus on the regional policy, the scope will be broadened by shifting attention towards the extra-regional policy, especially with regards to the OPEC, as well as relations with other states and organisations.

4.1. Practical geopolitics

"The first requirement of a statesman is that he be dull"

- Dean Acheson

The analysis of Venezuela's foreign policy by focusing on the government's own aims is the focus in the next paragraphs. The second part of this chapter focuses on discourse analysis.

³⁶⁹ Romero p.211

4.1.1. Aspects of Venezuelan foreign policy

"Strong people don't need strong leaders"

- Ella Baker

In the first years of the Chávez government, Venezuela pursued a foreign policy that did not have clear objectives and distinguishable line of policy. Its first national development plan of 2001-2007 mentioned five main aspects of its foreign policy:

1. Promote a multi-polar world
2. Promote Latin-American integration
3. Consolidate and diversify the international relations
4. Strengthen the position of Venezuela in the international economy
5. Promote a new integral hemispheric security order

The national development plan for 2007-2013 of the government mention several strategies and policy aims³⁷⁰:

1. Maintain sovereign relations in the international arena.
2. Develop the integration of Latin American and Caribbean countries.
3. Favour relations of solidarity with other countries
4. Advancing in the transformation of multilateral systems of cooperation and integration
5. Construction of a new order of economic integration and the establishment of fair trade.
6. Deepen cultural exchange and scientific and technological independence.
7. Create a new international communicational order.

Venezuela's active foreign policy has historic roots and is obviously related to its generally large oil revenues and its independent foreign policy is mainly sustained by its financial windfall. Carlos A. Romero, Venezuela's foremost writer on Venezuela's foreign relations, sees three main premises regarding Venezuela's foreign policy: Globalisation has consolidated actors and themes that go beyond the traditional geopolitical considerations, in an interdependent world separating internal and external policy is not viable, and the international role of Venezuela has changed substantially in recent years. According to Romero, the main aims of Venezuela's active external policy are the promotion of OPEC, the support of a multipolar world, its faith in absolute national sovereignty and supporting continental 'revolutions' in Latin America like championed by Simón Bolívar.³⁷¹

To achieve a multi-polar world the Chávez government aims to reform the United Nations and the Security Council and supports the further development of Russia, China, India and also the European Union in order to diminish the US relative power. While Venezuela is undoubtedly a small actor that cannot *achieve* a multi-polar world, it does aim to form coalitions and increase ties with countries that oppose the current American hegemony. In 2004 Venezuela assumed the presidency of the G15, in 2002 it led the G77.

³⁷⁰ Republic Bolivariana de Venezuela, September 2007, Caracas

³⁷¹ Romero (2006), p.103

Venezuela's foreign policy has often been described as "oil diplomacy" and that is a correct statement if you consider the financial possibilities the country has in conducting a relatively independent, autonomous external policy. With 78 billion barrels of light crude oil and 235 billion barrels of crude heavy and very heavy oil, as well as 150 tcf (trillion cubic feet) of gas, Venezuela has the largest oil reserves in the Western Hemisphere and the second highest gas reserves in the Western Hemisphere, after the United States.³⁷² Between 1928 and 1970 Venezuela was the biggest oil exporter in the world and produced a historic maximum of 3,7 million barrels per day, though after that the country was overtaken by Saudi Arabia, Iran and Iraq.³⁷³ Venezuela currently has 22 refineries, of which six in Venezuela, six in the United States, nine in Europe and one in the Caribbean.³⁷⁴ However, the suggestion that the Chávez government simply buys influence through its oil revenues is a negation of Venezuelan history as the country "ha sostenido una diplomacia activa de un país pequeño con una política exterior grande y extensiva" and "todos los gobiernos democráticos desde 1959, todos, absolutamente todos, unos más, otros menos, han utilizado el petróleo como un instrumento económico para lograr sus objetivos políticos".³⁷⁵ The current energetic make-up of the country has seen the expansion of oil trade, the utilisation of PDVSA as a direct instrument of government (social) policy and the ideological use of international cooperation.³⁷⁶

Despite the strong economic links with the United States, Venezuela's foreign policy has become every day more anti-western.³⁷⁷ In many ways it tries to follow the principle of "the enemy of my enemy" is my friend, following for example the Russian line on Kosovo by not recognising its independence and being quick in supporting Moscow concerning South Ossetia and Abkhazia. This can be interpreted as a pragmatic approach towards international relations by acting in line with allies like Russia and China.

Under the Punto Fijo Pact the country had a very active foreign policy based on economic integration, pacifism, international cooperation and the promotion of democracy.³⁷⁸ The discretionary behaviour of the President has made way for a high degree of presidentialism, with the figure of the President highly visible in external relations and being far more important than the Minister of Foreign Affairs. However, this hyper-activist and at times contradictory foreign policy is not new to Venezuela and can also be found in many earlier presidencies.³⁷⁹ The aforementioned general principles of Venezuela's external policy have not changed, neither has there been a major change in its identity of either Andean, Caribbean, Hemispheric, Thirdworldish and Amazon, according to its needs.³⁸⁰ However, some important aspects of Venezuela's foreign policy have changed with the rise to power of Hugo Chávez, mainly the use of oil as the main policy instrument, the promotion of a new model of democracy (participatory democracy) and a new economic model (endogenous development and

³⁷² Romero (2006), p.14

³⁷³ Romero (2006), p.112-113

³⁷⁴ Romero (2006), p.187

³⁷⁵ Romero (2006), p.186

³⁷⁶ Romero (2006), p.187

³⁷⁷ Romero (2006), p.74

³⁷⁸ Romero (2006), p.99

³⁷⁹ Romero (2006), p.101

³⁸⁰ Romero (2006), p.99

socialism), and the development of a 'social' diplomacy supported by political, social and cultural organisations.³⁸¹

4.1.2. Latin American integration

"Well, I learned a lot... I went down to Latin America to find out from them and (learn) their views.

You'd be surprised. They're all individual countries"

- Ronald Reagan

In the last decades there have been numerous attempts at further integration in Latin America, such as the ALALC (Asociación Latinoamericana de Libre Comercio) in 1960, the Andean Pact in 1969 (now the Andean Community of Nations), SELA (Sistema Económico Latinoamericano y del Caribe) in 1975, the Amazon Cooperation Treaty in 1978 and the Latin American Association of Integration in 1980, but none of them have led to intensive cooperation or general convergence on policy areas.

Promoting Latin American integration is mentioned in the preamble of the Bolivarian constitution of 1999. There is a lot to win for the Chávez government as integration on the continent has been partial, highly fragmented and is not very broad and deep, especially when compared with the European Union, which is seen by many (including Chávez) as an example. On the basis of pure population size, Latin America could form a very significant trade block, but there is a long way to go. The Venezuelan government has started with setting up preferential oil relations with other Latin American and Caribbean countries through the unified petroleum consortiums like PetroCaribe, PetroAmérica and PetroSur.³⁸² Through these organisations Venezuela has built up a scheme of economic solidarity of around \$26 billion in the form of an anti-poverty fund for the America's. It also provides long-term Venezuelan oil under preferential rates to more than twelve countries in the region, gives special aid to Cuba and makes available oil for heating in poor American communities.³⁸³ Nevertheless, integration might be popular in Chávez' rhetoric, he has also not hesitated to adopt protectionist measures.

In December 2003 an agreement between the Community of Andean Nations (ANC or CAN in Spanish) and Mercosur was concluded, with the Chávez government being the main driver behind this proposal.³⁸⁴ This agreement has the goal of establishing a free trade zone in the whole of Latin America by 2015. However, the signing of the Free trade Agreement for the America's (FTAA or ALCA in Spanish) by Colombia, Peru and Mexico led to Chávez government to decide to leave the Andean Community of Nations (CAN) and the Group of Three (consisting of Venezuela, Colombia and Mexico). More symbolic than real, while Venezuela left the ACN and thus does not participate in its institutions anymore, it has continued to use the ACN's external tariffs for imported goods. The ACN-Mercosur agreement is supposed to lead to the South American Community of Nations (SACN, or CSN in Spanish) but attempts to achieve a wider block are thus undercut by Venezuela's decision to leave the ACN. Furthermore, on several occasions Chávez has clashed personally with Peru's

³⁸¹ Romero (2006), p.102

³⁸² Romero (2006), p.16

³⁸³ Romero (2006), p.190-191

³⁸⁴ Wilpert (2007), p.154

President Alan García, Mexico's former president Vicente Fox³⁸⁵, Colombia's Álvaro Uribe and many other leaders of bigger and smaller nations in the region.

Regarding economic integration, the foreign expansion of Venezuelan state-owned companies only began to take shape in late 2004, despite many strategic plans stemming from the beginning of Chávez' government.³⁸⁶ PetroAmerica was already launched in 2001 when PDVSA formed a joint oil company with Argentina's Enarsa and later PetroBras (Brazil), PetroEcuador and PeMex (Mexico) also became part of this agreement. It aims to increase the group's bargaining position vis-à-vis the large transnational oil companies and plans to build refineries and start oil drills in the participating countries. PetroAmerica unites the three existing regional organisations PetroCaribe, PetroAndina and PetroSur.

The launch of PetroCaribe, which has the most far-reaching set of proposals and is also associated to ALBA, in June 2005 was carried out to intensify the older Energy Agreement signed in Caracas in 2000 and has been a success in so far as it has led to all Caribbean countries except Trinidad & Tobago and Barbados to subscribe. Prime Minister Patrick Manning of the former feared for the unity of the Caribbean Community and the erosion of his country's economy if they would join.³⁸⁷ In June 2008 Costa Rica and Guatemala also joined PetroCaribe.³⁸⁸

To implement its policies PDV Caribe S.A. has been created as a subsidiary of PDVSA.³⁸⁹ About 170,000 barrels of oil are being provided at preferential prices on a daily basis.³⁹⁰ On Jamaica PDVSA constructed a refinery that can process 36,000 barrels of oil daily, while there have been plans for similar initiatives in Dominica, Nicaragua, Uruguay, Argentina and the Dominican Republic, while a 1995 plan for a refinery in Brazil is also being re-studied.³⁹¹ The objective of PetroCaribe is to "contribute with the transformation of the Latin American and Caribbean societies, making them more just and cultured, more participative and more supportive with regard to domestic as well as regional issues. Petrocaribe's is a comprehensive proposal, aimed at eliminating existing social inequalities and fostering high standards of living as well as promoting effective citizenry participation in shaping their own destiny".³⁹² While the words "socialist" and "Bolivarian" do not feature, PetroCaribe's association with ALBA and Dominica's 'example' by having joined both organisations might open the door for the oil venture becoming part of ALBA. The ALBA Caribbean Fund has been set up by Venezuela and financed with \$50 million to develop several social, economic and oil infrastructural projects in the member states.

³⁸⁵ González Urrutia, p.169

³⁸⁶ Wilpert (2007), p.159

³⁸⁷ Serbin, p.87, 88

³⁸⁸ A. Elzufon, 22 June 2008, <http://www.coha.org/2008/07/the-growth-of-petrocaribe-a-win-for-venezuela-foreign-policy/>

³⁸⁹ Ministerio del Poder Popular para la Energía y el Petróleo, Gobierno Bolivariano Venezuela, http://iiicumbrepetrocaribe.menpet.gob.ve/index.php?tpl=interface.en/design/Union_Energetica/Petroamerica/PetroCaribe/Intro.html

³⁹⁰ Márquez, 21 July 2005,

http://www.mo.be/index.php?id=63&tx_uwnews_pi2%5Bart_id%5D=14756&cHash=0bb5114561 ; Márquez, 30 September 2008, [http://www.mo.be/index.php?id=63&tx_uwnews_pi2\[art_id\]=22606&cHash=5cd1f83bc7](http://www.mo.be/index.php?id=63&tx_uwnews_pi2[art_id]=22606&cHash=5cd1f83bc7)

³⁹¹ Márquez, 30 September 2008,

[http://www.mo.be/index.php?id=63&tx_uwnews_pi2\[art_id\]=22606&cHash=5cd1f83bc7](http://www.mo.be/index.php?id=63&tx_uwnews_pi2[art_id]=22606&cHash=5cd1f83bc7)

³⁹² Ministerio del Poder Popular para la Energía y el Petróleo, Gobierno Bolivariano Venezuela, http://iiicumbrepetrocaribe.menpet.gob.ve/index.php?tpl=interface.en/design/Union_Energetica/Petroamerica/PetroCaribe/Intro.html

At the XVI Andean Presidential Council, held in Lima, Peru, on July 18 2005 Colombia, Peru, Bolivia, Ecuador and Venezuela agreed to form PetroAndina, which also provides oil at preferential prices. It has led to the launch of a social investment fund to combat poverty and support health care and education projects. To bolster Bolivia's financial possibilities and strengthen this ally, Hugo Chávez agreed with Evo Morales to form YPFB-PetroAndina, which is controlled for 60% by Bolivia's national oil company YPFB and for the remainder of 40% by PDVSA. For Ecuador, a country that exports *crude* oil because of a lack of refineries, a deal has been struck with Venezuela for the construction of a refinery capable of processing 300,000 barrels of oil daily, which could lead to higher revenues and Ecuador becoming a refined oil exporter.

With PetroSur countries Argentina, Uruguay and Paraguay Venezuela also agreed to sell oil at preferential prices, while the other partners contribute manufactured products, 'petrocasas' and food in return.³⁹³ When Nestor Kirchner was elected president of Argentina Venezuela has helped to buy off the country's debt while many investment programs, energy accords and other economic and non-economic agreements have been concluded with Argentina, Brazil, Bolivia, Ecuador and Uruguay. Despite rhetorical clashes with Brazilian senators over Venezuela's entry in Mercosur, relations with Lula and his government have been rather cordial and mainly concern energy issues.

Another noteworthy regional development is the formation of *La Nueva Televisora del Sur* (Telesur), which was founded in July 2005. It is financed for 50% by Chávez, while the other shareholders are Argentina, Bolivia, Cuba, Ecuador, Nicaragua and Paraguay and aims at breaking the hegemony of CNN Español.^{xxi}

The *Banco del Sur* is an idea that was born out of disagreement over the 'unjust' World Bank and IMF loans in several countries across Latin America. The agreement of the Banco del Sur was signed by the Presidents of Argentina, Brazil, Bolivia, Ecuador, Paraguay, Uruguay and Venezuela in June 2007, while Colombia has stated it would want to be included as well if it did not simply mean a rejection of the IMF and World Bank. Despite several negotiation rounds, the last one in April 2008, the exact design of the Banco del Sur remains particularly vague and "[o]verall, a successful Banco del Sur will require the member countries to leave rhetoric aside and rally behind a more grounded vision for the bank's future. The Banco del Sur has real potential to foster development, but must resolve the outstanding issues".³⁹⁴

At last, an ambitious plan for a 8000 kilometre gas pipeline from the North of South-America to the south of Argentina failed because of its costs, along with several other less significant proposals by Chávez and his government.

4.1.2.1. Caribbean and Central America

Relations with the Association of Caribbean States (ACS) and CARICOM have been intensified and these small Caribbean islands are ideal breeding grounds for exporting the Bolivarian Revolution.

³⁹³ Marquéz, 30 September 2008, [http://www.mo.be/index.php?id=63&tx_uwnews_pi2\[art_id\]=22606&cHash=5cd1f83bc7](http://www.mo.be/index.php?id=63&tx_uwnews_pi2[art_id]=22606&cHash=5cd1f83bc7) ; Latin American Regional Report, September 2007, p.7

³⁹⁴ Alvares de Azevedo e Almeida, May 27 2008, <http://www.coha.org/2008/05/still-on-the-drawing-board-the-banco-del-sur-a-half-year-later/>

Venezuela has intended to spread ALBA membership among these small countries, but their dependence on the United States hampers a Venezuelan breakthrough. Already in the 1970s the Caribbean was seen as a vital zone of interest, but in recent years the steady loss of American interest in the region has provided new opportunities. The use of oil as a foreign policy instrument for buying support and influence is not a recent phenomenon and has been used by Venezuelan governments before Hugo Chávez, though the rise in oil power has risen to new heights.³⁹⁵ The aim of the ACS to work together and bundle their negotiation power against outsiders has not been very effective and the tiny island of Dominica joined ALBA in January 2008. As US aid slowly diminished, Venezuela has filled the void in Dominica by financially backing the construction of an oil refinery and oil storage, while Cuba has provided its usual health care projects.³⁹⁶ However easy it might seem to buy support, several political, economical and cultural considerations make the task less easy than it appears at first glance. As the United States, France, the United Kingdom and the Netherlands still have overseas territories in the region, the room to manoeuvre is quite limited and conflicts between some of the regions countries, as well as Venezuela's border dispute with Guyana, make the situation a complicated one.³⁹⁷ Despite Dominica being ALBA's sole Caribbean member (apart from co-founder Cuba), Bush's ALCA has been questioned in the region as well and the coming years could produce an interesting battle for influence and power in the region, especially in the light of the current financial crisis that has hurt the United States and produced a drop in oil prices that detracts Venezuela. While a majority of these small states welcome Venezuelan support, at the same it is also true that "los gobiernos de América Latina y el Caribe, que aceptan con alegría la cooperación venezolana y están deseosos de vender sus bienes y servicios a un país con dinero en efectivo, pero que se rehúsan a acompañarlo en su enfrentamiento directo con Washington".³⁹⁸

4.1.2.2. Organisation of American States

A host of organisations currently serves to improve coordination and cooperation between countries in Latin America but only one, the Organisation of American States (OAS), includes all states (except Cuba) in the Western Hemisphere. During the 2002 coup and the economic sabotage of the remainder of the year until its end in 2003, the OAS spoke out against the unconstitutional developments in Venezuela and supported Venezuela's democratic institutions, while in May 2003 it mediated between the government and the opposition to accept a sort of peace agreement³⁹⁹, which despite being short-lived is still a significant achievement for an intergovernmental organisation like OAS. While the United States may seem a hegemon and the OAS as "a simple instrument of US policy toward Latin America and the Caribbean"⁴⁰⁰, Washington does not always get its way in the OAS, like the examples of Nicaragua in 1978 and Venezuela in 2002 point out.⁴⁰¹

³⁹⁵ Serbin, p.80-82

³⁹⁶ The Dominican, 25 January 2008, <http://www.thedominican.net/articles/alba.htm>

³⁹⁷ Serbin, pp.75-91

³⁹⁸ Romero, November-December 2006, p.88,

³⁹⁹ McCaughan, pp.123, 136

⁴⁰⁰ Suarez Salazar, p.105

⁴⁰¹ Shaw, pp.78-80

4.1.2.3. Mercosur

The Venezuelan government's aims to advance Latin American integration turned into practice when the country joined Mercosur in July 2006 at a formal meeting of the Heads of State of Uruguay, Argentina, Brazil and Paraguay. Its entry was quickly ratified by Uruguay and Argentina, but to become a full member it still has to be accepted by the Brazilian and Paraguayan parliaments, a request that is still pending. However, the long pending of ratification by Brazil and Paraguay has created anger in the Chávez government and the Venezuelan president has said that "[w]e won't wait any longer than that. The Brazilian and Paraguayan Congresses have no reason not to approve our entry: no political, legal, economic or moral reasons," he said.⁴⁰² At the same time he complained about Mercosur and the Andean Community of Nations saying that "Mercosur is an outdated mechanism and is leaking like a sieve. The Andean Community and Mercosur were founded in the context of a free- market economic model and offer integration for the élites, for business, for transnational companies, not integration for the peoples", further jeopardising its entry into the former. At the same time one should acknowledge that trade between the Mercosur countries has increased dramatically since 2003, with Argentina's exports to Venezuela growing by 475 percent in this period, rising in value from 137 to 790 million dollars a year, and Brazil's exports to the country multiplying by a factor six, from 606 million dollars in 2003 to 3.55 billion dollars in 2006.⁴⁰³ Venezuelan exports to these countries is much lower, giving Venezuela a large trade deficit with its two big Latin American trade partners.

4.1.2.4. Andean Community of Nations

Regarding the Andean Community of Nations (CAN), which comprises Bolivia, Colombia, Ecuador and Peru, Venezuela undermined its attempts to foster regional integration by leaving the community in April 2006 as a protest against the signing of the FTAA by Colombia and Peru, though the organisation was already suffering from the lack of coherence between the economic policies of its members, and Venezuela declaring it dead and buried.⁴⁰⁴ Whilst this may be interpreted as an attempt by Venezuela to try and abandon organisations that it considers not beneficial compared to the more recent integration plans, there are few positive effects of this unilateral move. As Chávez said in 2006 about the possibility of a new meeting of the presidents of the CAN countries: "Cuál Comunidad Andina? Se acabó, no existe".⁴⁰⁵ However, in 2007 the Presidents of Bolivia and Ecuador asked Chávez to consider rejoining the CAN.⁴⁰⁶

4.1.2.5. UNASUR

The Constitutive Treaty for the formation of the *Unión de Naciones Suramericanas* took place in Brasilia, 23 May 2008. During the negotiations the starting sign was given for talks on a Defence and Security Council for Latin America. Already in 1999 Chávez thought there should be a "South

⁴⁰² Marqués, 5 July 2007 <http://ipsnews.net/news.asp?idnews=38441>

⁴⁰³ Ibid

⁴⁰⁴ Romero (2006), p.117

⁴⁰⁵ Camel Andeson, 3 April 2006

⁴⁰⁶ Latin America Regional Report, September 2007, p.7

American Treaty Organisation”, as some sort of a southern NATO. On 10 March 2009 the Defence Ministers of all South-American nations, including Guyana and Surinam, signed the declaration for setting up the South American Defence Council. It is supposed to be a diplomatic forum to avoid future conflicts on the continent and cooperate on various levels, but should not be seen as a southern “NATO”, as Brazilian Defence Minister Nelson Jobim said. The United States cannot join and can obtain observer status if it changes its policy towards Cuba, the group has also announced. This rather historic agreement obscures the issues that still lie ahead on the continent, as several countries (mainly Colombia and Venezuela) have seen their defence expenditures rise rapidly in recent years.⁴⁰⁷ The idea for UNASUR was put forward by the Brazilian government and came after Colombia's violation of Ecuadorian territory. Therefore one should wonder whether the plan does not lead to discord and polarisation between countries like Venezuela, Ecuador, Bolivia and perhaps Brazil on the one side, and Colombia on the other side.

4.1.2.6. Alternativa Bolivariana

Hugo Chávez first coined the Alternativa Bolivariana (ALBA) as a response to the Free Trade Agreement for the Americas in December 2001 at the Association of Caribbean States Summit, but one could say it was effectively launched three years later in December 2004 with the signing of a declaration by Cuba and Venezuela. In December 2004 Castro and Chávez signed the “Tratado de Comercio de los Pueblos”, also known as ALBA, as opposed to the “Tratado de Libre Comercio”, which points towards the close relationship between the two governments. What Venezuela holds against the FTAA is that it mainly benefits large corporations, stimulates the dollarization of the continent, harms the environment, takes away the decision autonomy of the regions' governments, increases poverty, puts weak economies at risk and while considering the market as central in economic affairs puts the US in charge of making the rules of this ‘market game’.⁴⁰⁸ Chávez himself has said that “no habrá libre comercio mientras las principales potencias continúan aplicando ruinosas políticas de subsidio y apoyo a su producción”⁴⁰⁹ and “si no se concretan las acciones necesarias para mejorar las condiciones del entorno social y productivo, países muy desiguales serían tratados como iguales y se verían obligados a competir bajo las mismas reglas a pesar de sus rezagos y debilidades” and “un trato de iguales a economías profundamente desiguales no puede sino favorecer a los más fuertes a costa de los más débiles”.⁴¹⁰

ALBA started off as a Venezuelan-Cuban agreement where the former would receive 15,000 doctors and numerous experts for the construction of small health clinics all over the country, while the latter would sell oil at preferential rates. In order to prevent being seen as a merely Cuban-Venezuelan agreement between two governments, Operation Miracle was launched to provide free surgery for cataracts and other eye diseases for citizens from all over Latin America and has benefited over one million people by June 2008.⁴¹¹ This gave the organisation some positive credentials despite fierce

⁴⁰⁷ Ayuso, Le Cour Grandmaison, Hurtshouse, 12 March 2009, <http://www.venezuelanalysis.com/analysis/4291>

⁴⁰⁸ Baéz in: Ministerio de Comunicación e Información, “Sobre el ALBA”, 35-38

⁴⁰⁹ Chávez, 2004, “Venezuela Bolivariana”, p.77

⁴¹⁰ Chávez, 2004, “Venezuela Bolivariana”, p.78-79

⁴¹¹ Tejeda, June 2008, http://www.caribpro.com/Caribbean_Property_Magazine/index.php?pageid=377

criticism from the United States and some Latin American governments who were worried by this new 'socialist' axis.

The organisation is aimed at encompassing a wide scope of issue areas^{xxii}, 19 in total of which oil and energy, land, food sovereignty and land reform, education, health and protagonist and participatory democracy are the main ones. For all these 19 issue areas, policy proposal have been put forward that aspire to create new "institutions, centres, networks, commissions, funds, banks, campaigns, corporations, universities and confederations of all kinds".⁴¹² Other elements of the ALBA-accords are the launch of TeleSur, Bank of the South and the launching of a development fund and other projects such as the "yo, si puedo" literacy programs. The exchange of scientific and technological know-how, the acquisition of a majority interest in strategic companies like oil and gas companies and schemes of mutual investment are to be further developed in the near future. As said before, the initiation of PetroAmerica through PetroCaribe, PetroSur and PetroAndina is an important tool to widen the scope of ALBA, bring resources together and foster cooperation to increase bargaining power. The most recent proposal is launching a regional currency, the SUCRE (Sistema Unificado/Unico de Compensación Regional) for the six Member States of ALBA, as well as Ecuador.

While the FTAA mainly favours American economic interests, ALBA is, according to the official version, to promote fair, equitable trade between countries and should stress the gradual removal of tariff barriers. Where it differs radically from the FTAA is its *emphasis* on solidarity, the social economy and endogenous development, focusing on the elimination of poverty, promoting social justice and combating the widespread social exclusion in Latin America (something that is not an official part of the FTAA). The Venezuelan government conceives FTAA as unfair because the US economy cannot be placed on par with those of Latin American countries, as it is larger than that of all other Latin American and Caribbean countries put together. Instead of focusing on intellectual property rights (patents) that benefit few large transnational companies that control the market and drive up prices, subsequently making them too expensive for most developing countries and thus excluding ever more people, ALBA claims to support the right of people to have access to medication and alimentation of good quality.⁴¹³ Venezuela and other Latin American countries also fear that the FTAA proposed liberalisation and privatisation of sectors such as education, health care, social security severely restricts the possibility of state intervention, increasing prices of services and the rise of monopolies, as has happened in some other developing countries. ALBA resists privatisation of essential public services. Instead it proposes compensatory commercial conventions and strategic alliances focusing on oil.⁴¹⁴

In 2005, at the World Social Forum in the Brazilian city of Porto Alegre, as well as at the third Americas People's Summit in November 2005, ALBA (though rather unknown at the time) was received positively by key social movement representatives.⁴¹⁵ In January 2006 at the World Social Forum in Venezuela several delegates of social movements tried to improve its relations with the governments. On April 29 2006 ALBA got a big boost as the recently elected President of Bolivia, Evo

⁴¹² Azzi & Harris, p.15

⁴¹³ Ministerio de Comunicación e Información, "Sobre el ALBA", p.12-14

⁴¹⁴ Valencia in: Ministerio de Comunicación e Información, "Sobre el ALBA", p.28

⁴¹⁵ Azzi & Harris, p.13-14

Morales, signed on to the set of accords and became the organisation's third member and immediately visited Vienna for the "Linking Alternatives 2" meeting that also aims at deepening the level of cooperation between ALBA's governments and social movements.

Daniel Ortega, Presidential candidate in Nicaragua, said before the election in November he would join ALBA if he was to win the election and followed up on his promise after his victory by signing the declaration in January 2007, while the tiny Caribbean state of Dominica did so a year later. On August 25 2008 President Manuel Zelaya of Honduras signed on to ALBA, becoming the sixth member of the organisation. With Honduras the second country in Central America to join Alba, the Central American Free Trade Agreement (CEFTA) is being placed in further jeopardy. During the years several ALBA offices have been opened even in countries that are not a member of the pact, like in Peru where a regional president, Hernán Fuentes, opened an office and publicly opposed his government's policy, which led Peru's prime minister Jorge de Castillo to accuse Venezuela of meddling in its internal affairs.

ALBA aims to foster popular participation through the provision of a 'participatory budget at the local level'. It has three public mechanisms for transparency (referendums, budget declarations and plebiscites), and aims to strengthen the Latin American parliament in São Paulo through direct elections of its members.⁴¹⁶ While it claims to involve the people and promote participatory democracy, so far the masses have barely been involved in any of its initiatives⁴¹⁷, despite the undeniable tangible benefits some of its programs have had for thousands of Latin Americans.

Opposition within the Member States is at times fierce because of the explicit link the accords have with Cuba. To truly become a pillar of Latin American integration the organisation has to become institutionalised and shift away from the current ad-hoc proposals – regardless of how positive some of those initiatives may be. It is not unlikely that membership of ALBA depends on who is in the Presidential palaces of the region's countries and if Morales, Ortega or Zelaya lose power, their successors might think otherwise about membership. Furthermore, to become a pillar it has to attract a much stronger following and incorporate some of the larger nations on the continent, such as Brazil and Argentina, but given the launch of UNASUR it again seems that the multiplicity of integration attempts undermine each individual project, and indeed ALBA. The effects of the current financial crisis – such as a prolonged drop in oil prices and a regional recession – could put the project in jeopardy.

4.1.2. Relations with Cuba, Colombia and the United States

"Los Estados Unidos de Norteamérica parecen destinados por la Providencia a plagar la América toda de miserias en nombre de la libertad"

- Simón Bolívar

While Venezuela has slowly but vastly expanded its diplomatic corpus and has established and intensified relations with ever more countries, some states deserve to be dealt with in more detail.

⁴¹⁶ Azzi & Harris, p.13

⁴¹⁷ Azzi & Harris, p.11-13

From the outside Cuba seems the obvious partner and ally of Venezuela, but relations are not as straightforward as often depicted. The United States is still a major trading partner of Venezuela and economic relations are flourishing, but political tensions have worsened quickly after 9/11. Colombia is seen as a brother nation that was united with Venezuela in the Gran Colombia that followed independence from Spain.

4.1.2.1. Cuba

A few years after the 1992 coup attempt, when Chávez was released from prison, he already met with Cuban president Fidel Castro and ever since relations can be characterised as one of close personal friendship. Not much after his rise to the presidency Hugo Chávez sought to intensify relationships with Cuba, trying to release the country of its isolation and helping it overcome the Special Period that existed after the fall of its Muscovite ally. Venezuela's rapprochement towards Cuba met with deep concern in Washington.

The Caribbean island has always been of importance to Venezuela and despite the pro-American leanings of subsequent governments in Caracas, relations were far from hostile. Indeed, relations were slowly restored in the 1970s after they had been broken off in 1961 and during some periods were interrupted in diplomacy. A full restoration of diplomatic relations occurred in 1989. Relations between both countries were founded on three premises: bilateral oil trade, Venezuela's position against the economic embargo and the moderation of both governments when it concerns mutual interests.⁴¹⁸

In the first Chávez years, when the country was faring a rather conservative fiscal policy and pursuing a Keynesian economic policy and the word 'socialism' did not slip from Chávez' lips, the state of relations was already quickly improving. Visits between the two heads of state increased rapidly since 1999. Despite the very different nature of the Cuban and Venezuelan revolution, Hugo Chávez did not hesitate to stress that "what you call socialism in Cuba, we call Bolivarianism in Venezuela".

In several ways the Chávez government attempted to improve the Cuban situation. On the economic side a trade agreement – the Energy Accords – was established in October 2000 that brought the country Venezuelan oil for preferential prices. This agreement would make Cuba receive 53,000 barrels of oil daily in 2004, a figure rapidly increasing to 80,000 and 90,000 barrels daily in 2005, which is half the domestic consumption.⁴¹⁹ On the island a commercial office of PDVSA and one of the Banco Industrial de Venezuela has been opened. Other agreements concerning financing and credits, health, education, sports, construction, tourism and agriculture have also been signed in the same year.⁴²⁰ In return for Venezuela's aid, Cuba sent more than 40,000 doctors and health experts of its renowned health care system to work in the new Venezuelan health programs and Missions, leading to the improvement of life for millions of people.⁴²¹ The Cuban-Venezuelan oil company PDV-Cupet has also been launched and PetroCaribe has been found to boost the oil exploitation and production of Cuba and other Caribbean countries. In April 2005, Chávez and Castro signed 49

⁴¹⁸ Romero (2006), p.157

⁴¹⁹ Dilla Alfonso, p.144

⁴²⁰ Romero (2006), p.159

⁴²¹ Dilla Alfonso, p.154

economic agreements on issues like oil, nickel, agriculture, furniture, shoes, textiles, toys, lingerie, tires, construction materials, electricity, transportation, health, and education.⁴²² Other agreements provide credit for several projects worth around \$300-500 billion and investment in reviving the Cienfuegos oil refinery.⁴²³ US estimates are that Venezuelan subsidies to Cuba values around \$2 billion, though if true does not resemble the \$4-6 billion (inflation corrected) Soviet aid the island received.⁴²⁴ Together with China, Venezuela is currently the island's main trade partner, with bilateral trade going from \$450 million in 1999 to \$2.2 billion in 2005, rising to \$3.5 billion this year.⁴²⁵ The 2000 agreement was expanded into other fields by agreements in December 2004 and April 2005. Tariff barriers for Cuban imports were abolished in 2004, 10,000 Venezuelan students would be trained in medicine on Cuba and more Cuban doctors and experts would go to Venezuela.⁴²⁶

Joint military operations have also been carried out between both countries. On the political side Venezuela tried to lift a part of the island's isolation by supporting the re-entry of Cuba into the Organisation of American States, a move that has not effectuated and has met with fierce US hostility.

While Chávez may have been inspired by the Cuban revolution and sees Fidel Castro as his guide, Hans de Salas-del Valle of the Cuba Transition Project says that "other than Raúl, there is no one more than Chávez who will influence the future of Cuba".⁴²⁷ Despite Hugo Chávez saying "Cuba y Venezuela dos banderas y una revolución"⁴²⁸, the two revolutions in both countries differ more than they resemble because of the completely different context and time frame they take place in, and the radically more liberal and democratic character of the Bolivarian Revolution. Interestingly, it is the old socialist, isolated moribund Caribbean state that has been revived by Venezuela. Cuban 20th century socialism was all but washed out in 1990 and barely a decade later self-proclaimed Venezuelan 21st century Bolivarian socialism has the advantage of being able to fare on oil abundance and being awash in financial resources. On more than one occasion Chávez has stated he admires Castro and the Cuban revolution. Venezuela frequently makes use of Cuba's advanced education and health care programs, as well as its expertise in several areas. While Venezuela may have imported certain aspects of Cuba's socialist revolution, it is certainly exporting oil and credit to support its first and foremost ally and has indirect and direct influence over Havana. The paradox of this relationship is that while Venezuela claims its Bolivarian Revolution is democratic in character, by giving Cuba a lifeline necessary economic and political reforms might be slowed down in that country.⁴²⁹

4.1.2.2. Colombia

Despite regular tensions between Venezuela and Colombia, throughout history relations have been quite positive. However, some border disputes have still not been settled and date back to 1833 in the

⁴²² U.S. Department of State, "Background Note: Cuba", <http://www.state.gov/r/pa/ei/bgn/2886.htm>

⁴²³ Robles & Dudley, 30 August 2006, http://www.flacso.org/hemisferio/al-eeuu/boletines/01/38/reg_04.pdf

⁴²⁴ Ibid

⁴²⁵ Romero (2006), p.159-160 ; Robles & Dudley, 30 August 2006, http://www.flacso.org/hemisferio/al-eeuu/boletines/01/38/reg_04.pdf

⁴²⁶ Wilpert (2007), p.163

⁴²⁷ Robles & Dudley, 30 August 2006

⁴²⁸ Romero (2006), p.160

⁴²⁹ Dilla Alfonso, p.148

days of La Gran Colombia.⁴³⁰ Differences over the demarcation of the national waters between the nations, cross-border drug trade, the status of Colombian refugees in Venezuela and the issue of Colombian immigrants in Venezuela, among other problems, have not led to mutual understanding and agreement.⁴³¹

Under Álvaro Uribe Colombia has become a staunch ally of the United States (though this process began under the Andrés Pastrana presidency) and it is therefore not surprising that tensions between Venezuela and Colombia have boiled up several times in recent years. Venezuela accused the Pastrana government of supporting the Carmona coup and mutual accusations between both countries has cooled the relations. Venezuela has tried to mediate between the FARC and the Colombian government and has entered into negotiations with the guerrilla's, something the Colombian government refuses to do herself. According to Romero, "Venezuela se convirtió en el actor internacional más comprometido con los procesos de paz de Colombia".⁴³² Hugo Chávez has achieved some successes in bringing about the release of several hostages, but Colombia, with the support of the United States, has been annoyed in what it considers as 'interference' in its domestic affairs. The United States has often accused Chávez of supporting the FARC and the Colombian army claims to have found laptops with evidence of this Venezuelan support, though this has never been proven and so far seems a clear manipulation of the facts.⁴³³ Despite US complaints about Venezuela not protecting the 2,200 kilometre long border, the country has 20,000 soldiers on the Venezuelan-Colombia frontier, three times Colombia's number despite the latter having a much larger army.⁴³⁴ On her part Venezuela has accused Colombia of not acting against paramilitaries crossing the border and causing violence in border towns.

After an initial request for UN support in resolving the conflict in Colombia, the government of Uribe backed the US unilateral action against Iraq, which in return was welcomed and rewarded by the Bush administration.⁴³⁵ The subsequent militarisation of Plan Colombia and the violent military response to FARC has radicalised the Uribe government, leading to occasional clashes between officials of the Venezuelan and Colombian government and mainly between the two presidents.

The Colombian operation on Ecuadorian soil in March 2008, where the second most important FARC person Raúl Reyes was killed, created a diplomatic row in which Ecuador and Venezuela recalled their ambassadors from Bogotá, sparking off temporal heightened tensions that were only resolved in a peace conference on the Dominican Republic. However, damage had been done and Hugo Chávez has left no opportunity untouched by criticising the violence and repression of the Colombian army, the curbing of freedom, the violation of human rights and the collaboration of what Venezuela considers a 'país hermano' with the United States. The liberation of dozens of hostages, most notably Ingrid Betancourt, has almost brought FARC to its knees and has improved the rating of Uribe, but Betancourt and others have been quick to thank Chávez for his efforts. Betancourt said that

⁴³⁰ Wilpert (2007), p.167

⁴³¹ Romero (2006), p.139-141, 148

⁴³² Romero (2006), p.144

⁴³³ Martínez & Serrano, 16 mayo 2008 <http://www.venezuelanalysis.com/analysis/3448>;

Bates, 20 June 2008, <http://www.venezuelanalysis.com/letter/3573>

⁴³⁴ Wilpert (2007), p.167

⁴³⁵ Romero (2006), p.139

"[t]he voice of President Chávez was the voice which gave us hope" and "in our darkest moments in captivity, it was the light at the end of the tunnel".⁴³⁶

Despite the differences and conflicts, economic trade between both countries is firm and in July 2006 plans were launched for a gasoduct going from Venezuela to Colombia. The construction of an *oleoducto* to reach the Pacific, and thus China, in a bid to combat Venezuela's dependence on exports to the US is also a high-profile discussion point between both governments.⁴³⁷ Furthermore, a commission have been set up to evaluate the impacts of Venezuela leaving the CAN, the Santa Maria agreement on Colombian-Venezuelan border issues has been revitalised and a Presidential commission on negotiations on the pending issues between both countries has been installed.⁴³⁸

An important outstanding issue is the large number of Colombian refugees in Venezuela, of which about 10,000 are said to be registered and up to 100,000 non-registered, though others say this figure is well over three million, being illegal immigrants and refugees alike. The USCRI estimates there are 252,000 Colombian asylum seekers and refugees in Venezuela⁴³⁹, while the National Institute for Statistics (INE) considers the number of people in Venezuela that have been born in Colombia around 610,000, at least according to the 2001 census.⁴⁴⁰

Recent visits in late 2008 and 2009 have greatly improved bilateral relations but with two governments having very different visions on many issues, new incidents are likely to occur. Differences and disagreements are many but Plan Colombia, that in recent years can also be seen as an American Plan for Venezuela, the differing visions on democracy (representative vs. participatory), the commercial struggle between ALCA and ALBA, the deadlock in the Andean Community of Nations, the war on drugs, the war against terror, the status of refugees and the way of dealing with the FARC guerrilla's lead to most friction.⁴⁴¹

4.1.2.3. United States

With the Cold War over, Cuba being the sole threat to US interests and Latin America docilely following the neoliberal formulas of the Washington Consensus, there was little to worry about in the Western hemisphere, as problems obviously lay elsewhere. However, the rise to power of Hugo Chávez slowly started to change the once so benevolent atmosphere in South America. Relations between Washington and Caracas have always been strong for the beneficial oil policy of AD and COPEI towards the United States, but that did not immediately change with Chávez' arrival at the Miraflores palace. In the first few years relations were rather cordial and normalised, despite yearly incidents between the Clinton administration and the Chávez government. But already in 1999 Venezuela was among the eleven countries that received most funds from the NED and that

⁴³⁶ Grant, 9 December 2008, <http://news.bbc.co.uk/2/hi/americas/7773643.stm>

⁴³⁷ González Urrutia, p.168

⁴³⁸ Romero (2006), p.198

⁴³⁹ USCRI, <http://www.refugees.org/countryreports.aspx?id=2178>

⁴⁴⁰ INE, <http://www.ine.gov.ve/demografica/PobNacExteriorAñoLlegadaPais.htm>

⁴⁴¹ Romero (2006), p.149

increased quickly hereafter.⁴⁴² US foreign policy towards Venezuela has not been to “preserve democracy but undermine it”, as other interests weighed more heavily.⁴⁴³

In Washington one already knew that the old Punto Fijo pact was swept away by a former *putschist* and the United States was therefore cautious about the new President but the Clinton administration was confident that global developments would make Chávez either ‘rectify’ his policy or face the consequences of internal unrest and his inevitable downfall.⁴⁴⁴ In the Clinton years, apart from a visa row and Venezuelan anger over unrequested US aid after the natural disasters of late 1999, relations were rather normal but this worsened quickly when a new American president entered the White House. Between 1998 and 2001 Chávez expressed reservations about the FTAA, but in April 2001, during the Summit of the Americas in Canada, the President openly opposed to the outline of the FTAA, heralding the start of more widespread aversion against the trade proposals. From 2001 to 2003 FTAA was criticised but not yet rejected and amendments were proposed to make the trade agreement more ‘social’ and ‘human’, but after the 2002 coup alternatives were developed and Chávez spoke out firmly against the FTAA.⁴⁴⁵

Just before the 9/11 attacks the Venezuelan government decided not to renew a 50 year old bilateral military agreement with the United States⁴⁴⁶ and after the American invasion in Afghanistan the Venezuelan government refused to give information to US authorities about Venezuela’s sizeable Arab community.⁴⁴⁷ It then immediately ordered the closure of the American military basis in the country and openly opposed the “war on terror”, with Chávez saying that “terror cannot be fought with terror”. The American government also turned against the Venezuelan proposals of land reform, the reform of existing institutions, the acquisition of PDVSA and other for Washington worrying proposals.

The 2002 coup d’état, with clear US support, marked a low point between the two governments and relations would never recover, as the US government kept meddling in Venezuela’s internal affairs, with Chávez increasingly using inflammatory, anti-American rhetoric to denounce the Bush government. After the oil prices showed a significant rise and more oil profits started to flow into the state coffers, the government could start to have a more active foreign policy, with the intention of fomenting Latin American integration by supporting and launching various proposals that openly went against American interests. While some of these proposals are more symbolic than real threats to US hegemony in Latin America, the rise to power of left-leaning Presidents all over the continent has certainly alarmed Washington.

As a major oil exporter, the frozen political relations between Venezuela and the United States are a clear break from the past where an Americanised elite in Venezuela made sure that Caracas was the bridge between Washington and the southern part of the Western Hemisphere. While most leaders in South America, mainly Lula in Brazil and Bachelet in Chile, are leftist in name but nevertheless adhere to the principles of the Washington Consensus of being friendly to business and paying off IMF and World Bank loans, only Colombia can be considered a true ally of Washington.

⁴⁴² Clement, p.64 ; Teresa Romero, p.114 ; Golinger (2006, 2008)

⁴⁴³ Avilés, p.33-36

⁴⁴⁴ Ellner (2002), p.89

⁴⁴⁵ Briceño Ruiz, pp.35-39

⁴⁴⁶ Golinger (2006), pp.29-35

⁴⁴⁷ Avilés, pp.48, 51

With ALCA (FTAA) stagnant, ALBA slowly gaining new members and US interests being threatened – contrary to the relatively quiet 1990s – it is necessary to place Venezuela's active foreign policy in the right context and understand the role of the United States, the country that dwarfs the entire continent economically and militarily.

Venezuela is increasingly trying to export some of its 'Bolivarian' ideals and while principles often lose out to pragmatism in the bargaining process with other governments, it is the threat to American economical and political interests rather than fear for a renewed rise of 'socialism' that really upsets Washington. Though often misinterpreted, another 'socialist' (from the perspective of the American government) *state* (rather than government) is not a major problem for the United States, as there is no perspective for a counter-hegemonic Socialist block of states, it is rather the fear of unrest and instability and thus the threats to its (economic) interests and present economic hegemony as well as the possibility of (temporal) contamination and spread to other regions, that unseats the United States. Therefore the American government has "systematically employed ideological elements such as manifest destiny and the Monroe Doctrine to achieve expansionist, counterrevolutionary and counter reformist goals".⁴⁴⁸ In the words of Heinz Dieterich, "Chávez ha sido, hasta ahora, la espada regional de la liberación anti-monroeista de la América Meridional".⁴⁴⁹

The foreign policy of the United States is characterised by the rather euphemist concept of 'democracy promotion', which involves support for organisations that it considers to enhance US interests, but also includes the possibility of pro-democratic intervention. This American policy is "premised on the ideological assumption that democratic governance optimizes global capitalism and international stability"⁴⁵⁰, however US policy seems more "driven by self-interest rather than grandiose notions of democracy promotion"⁴⁵¹ and the United States has a "subjective and contingent conception of democracy that occasionally leads it to behave aggressively toward other democracies".⁴⁵² In a recent research on US military programs in Latin America and the extent of Military and Police Aid a large four-fold increase can be observed, and aid to Colombia has totalled around \$5 billion between 1997 to 2007, dwarfing that of all other countries in the region.⁴⁵³ At the same time, since 1999 37,000 individuals have received US military training, while Venezuela has seen a sharp decrease in this training since Chávez' ascent to the presidency.⁴⁵⁴ The 1998 Defense Authorization Law has been amended in recent years to give Colombia and other Latin American countries a much expanded role in fighting crime and narcotraffic, which "raises serious concerns about transparency, human rights, and civilian, diplomatic control over military assistance".⁴⁵⁵

Geopolitically Venezuela is of high importance for the United States because of its strategic position near the Caribbean and its great oil and gas reserves. According to Steve Ellner, differences

⁴⁴⁸ Suarez Salazar, p.103

⁴⁴⁹ Dieterich, p.18

⁴⁵⁰ Clement, p.73

⁴⁵¹ Ellner & Salas, p.5

⁴⁵² Clement, p.74

⁴⁵³ Latin America Working Group Education Fund, "Below the Radar: U.S. military programs with Latin America, 1997-2007", pp.1-27

⁴⁵⁴ Latin America Working Group Education Fund, "Erasing the Lines: Trends in U.S. military programs with Latin America", pp.1-20

⁴⁵⁵ Latin America Working Group Education Fund, "Below the Radar: U.S. military programs with Latin America, 1997-2007", p.10

over Venezuela's support for Cuba's re-entry in the OAS, criticism on the unilateral American policy in the War on Drugs, negotiations with the FARC, rejections of US flights over Venezuelan territory, the North-South dialogue on foreign debt and American accusations of Venezuela granting asylum to Colombian guerrillas, have been the major causes for the growing rift between the two governments.⁴⁵⁶ For the Bush administration Venezuela was "un Gobierno semidemocrático, cercano al régimen cubano, capaz de exportar la revolución al hemisferio y con pocas pruebas de apoyar las políticas prodemocráticas, prolibreempresa, antiterroristas y antinarcóticos promovidas por Washington a escala mundial, regional y subregional. En concreto, Washington percibe a Venezuela como un país que busca un orden mundial donde el poder de Estados Unidos se vea disminuido, a la vez que impone un régimen con características no democráticas, limitante de los derechos humanos y proclive a establecer alianzas con países que sostienen serias diferencias con Estados Unidos".⁴⁵⁷

Several Senators, like Mel Martinez and Pat Roberts, have accused Chávez on multiple occasions of interfering in other states and while the United States government continuously interferes in the domestic affairs of countries in Latin America, supporting its favoured candidates during election campaigns, Washington does not want to see other governments doing the same. Venezuelan interference in the domestic affairs of other countries is not different from that in previous presidencies and is related to the hyper-activism of the government and has frequently annoyed allies and put opponents' backs up.⁴⁵⁸

The Monroe Doctrine is thus still firmly in place and Latin America is considered as a natural sphere of interest of the United States, with the continents' states regarded as secondary in importance. In January 2005 Condoleezza Rice declared before the Senate that Venezuela belongs to the Latin American axis of evil, together with Cuba, while Donald Rumsfeld referred to Chávez as a "negative force" in the region. In an open letter independent human rights organisation PROVEA addressed U.S. ambassador to Venezuela William Brownfield to protest against the radical language used against the Venezuelan government by Bush officials and employees of the think tank Center for Security Policy.⁴⁵⁹ The top Latin America advisor of the Bush administration during its first term was Otto Reich, who wrote an article titled "Latin America's Terrible Two", referring Cuba and Venezuela.⁴⁶⁰ His more diplomatic successor Roger Noriega showed his aversion against anti-American sentiment in Latin America by saying that "Latin Americans need to stop making excuses for their problems and get busy about solving them on their own. And the essential obstacles to development have absolutely nothing to do with the United States".⁴⁶¹ When American reverend Pat Robertson publicly called for the assassination of Chávez^{xxiii} he hardly rebuked by the US government.

American provocations such as sending military planes over Venezuelan territory under the excuse of 'navigational problems' and the re-activation of America's Fourth Fleet (unused since 1942) have increasingly lead to firm rhetoric from Hugo Chávez.⁴⁶² Eva Golinger has conducted extensive research on US intervention in Venezuela and uncovered, through the Freedom of Information Act,

⁴⁵⁶ Ellner (2001), p.21

⁴⁵⁷ Romero (2006), p.167

⁴⁵⁸ Romero (2006), p.177

⁴⁵⁹ Correo, C. et al, Provea, 25 May 2005

⁴⁶⁰ Reich, 11 April 2005

⁴⁶¹ Noriega in: "Is the U.S. Losing America?", Aida Akl's Focus Report, 30 November 2006

⁴⁶² Kozloff, 21 May 2008, <http://www.counterpunch.org/kozloff05212008.html>

how millions of dollars have been used to give aid to parts of the opposition that not much later instigated a putsch.⁴⁶³ The Venezuelan opposition has been supported financially through NED, USAID, the Center for International Private Enterprise (CIPE), the American Center for International Labor Solidarity (ACILS), the International Republican Institute (IRI) and the National Democratic Institute for International Affairs (NDI), among other official non-governmental organisations. Because of the official legality of this aid as it comes under the guise of supporting ‘civil society’ the funds are not controlled by Congress. NED, founded during the Cold War, has a neoconservative agenda which made it a useful tool for Washington in its battle against communism and can hardly be seen as favouring democracy and former CIA employee Philip Agee bluntly stated that “in the CIA we didn’t give a hoot about democracy”.⁴⁶⁴ Ample financial aid from these organisations did not stop after the 2002 coup, as the State Department was quick to issue special Venezuela funds to NED, again under the guise of promoting democracy, but disbursing them instead to the same people and organisations that participated in this very attempt of undermining a democratically elected government.⁴⁶⁵ USAID had by then launched a new initiative, the Office for a Transitional Government that continued its earlier policy.

In 2003 the American government accused Venezuela of harbouring FARC rebels and having training camps for these guerrilla fighters on its soil. This happened just in the period when the signature gathering process for the 2004 recall referendum was taking place, which can be regarded as an American tactic to create a negative image of the Chávez government and influence public opinion. Support for organisations that were to ‘independently’ oversee the process for the 2004 recall referendum continued despite the dubious credentials of some of the beneficiaries.^{xxiv} The quick built-up in American support for Colombia has made that country “una punta de lanza para desprestigiar, amenazar o confrontar el Gobierno del presidente Chávez”.⁴⁶⁶ The surge in financial support for Colombia is mainly directed at the military and has heightened tensions between Venezuela on one side and Colombia and the United States on the other. In recent years Venezuela has been banned in arms sales by the U.S. government as it accuses the Chávez government of not cooperating in the fight against drugs and terrorism.

US policy has been characterised by several contradictions with regards to Venezuela. Its guise of ‘democracy promotion’ has led to outright support for the opposition and participation in an illegal and unconstitutional coup d’état. Furthermore, while Chávez was denied a visa to the US for having participated in a coup attempt in 1992, Washington was quick to provide a visa for Pedro Carmona after his failed coup in April 2002. Despite the political conflicts between both governments, economic relations between are intensive and firm and this is the main reason why an escalation of the conflict into a military confrontation, as some people fear, seems very unlikely.

⁴⁶³ Golinger, (2006), pp.134-202

⁴⁶⁴ Pilger, “The War on Democracy”

⁴⁶⁵ Golinger, (2006), p.82-83

⁴⁶⁶ Romero (2006), p.137

4.1.3. Extra-regional policy

"Politics is too serious a matter to be left to the politicians."

- Charles De Gaulle

Apart from Chávez' aim of Latin American integration and promoting Bolivarian ideals abroad through ALBA and several other projects, the President also envisions other developing countries to form blocs and help create a multipolar world. Relations with most non-Latin American countries can mainly be seen in terms of oil. Quickly after his ascent to power Hugo Chávez intended to drastically improve relations with OPEC, realised by a September 2000 OPEC summit in Caracas. Previous Venezuelan governments did not adhere to OPEC quota and kept increasing their production to satisfy Washington, but Chávez immediately broke with this policy by trying to persuade OPEC members, including non-members like Mexico and Russia, to follow production quota and accept a band system to make prices hover between \$22 and \$28 a barrel, as well as push for the incorporation of Angola, Ecuador and Sudan in the organisation. Only by visiting all OPEC nations he could foster unity and therefore visits to international pariahs like Iraq and Libya, in the media presented as a move of solidarity with the 'Arab cause' and as support for international terrorism, can be realistically considered as rational.⁴⁶⁷ Venezuela's efforts in revitalising OPEC were rewarded when government minister Alí Rodríguez was elected OPEC secretary general in late 2000. Venezuela has played an instrumental role in the recovery of the oil prices since 1998.⁴⁶⁸ Rather than accusations of supporting terrorism, the move should be seen as an attempt to encourage OPEC unity, drive up oil prices and strengthen the bargaining position of the group of oil exporting countries vis-à-vis the industrialised world. Instead of ideological, the visits need to be seen in the national interest (business and political) and are primarily pragmatic and realistic.

Through tolerance, pragmatism and friendly relations Chávez tries to establish relations with the rest of the world, carefully avoiding to make the same mistakes as Fidel Castro did in the 1960s who called for insurgency but now advised Chávez and Morales to take a more pragmatic stance.⁴⁶⁹

Spain, France and especially Portugal are the main bridgeheads between Venezuela and the European Union. While relations with Madrid were full of tensions when the Aznar government was in charge, especially with Aznar meddling in the internal affairs of Venezuela and his governments' open planning and support for the 2002 coup, things improved after José Luis Zapatero of the PSOE won the elections in 2004. After the "Por qué no te callas" incident with Spanish King Juan Carlos, relations again suffered a blow, but in a visit to Spain in July 2008, an agreement for preferential oil was signed between both governments and the personal relationship with the Spanish King was stretched. With regards to Spain's Iberian neighbour, PDVSA provides Portugal with a third of its oil consumption, while the Portuguese oil company GALP supplies technical support to PDVSA and might participate in the exploitation of the Orinoco oil belt.⁴⁷⁰ Relations with The Netherlands were strained in March 2006 because of Chávez' comments on the status of Aruba, Bonaire and Curaçao that he said are lying in

⁴⁶⁷ Ellner (2002), p.90

⁴⁶⁸ Medina, p.145-147, pp.215-223

⁴⁶⁹ Ellner (2007), p.21

⁴⁷⁰ De Queiroz, 4 October 2007,
[http://www.mo.be/index.php?id=63&tx_uwnews_pi2\[art_id\]=19287&cHash=738fcd1a57](http://www.mo.be/index.php?id=63&tx_uwnews_pi2[art_id]=19287&cHash=738fcd1a57)

Venezuelan waters (because of fears over a possible US invasion through the islands) and his insults of German Chancellor Merkel and British Prime Minister Blair were also damaging. Not to create a complete row with the “West”, cordial relations with European countries are in the interest of both Venezuela and Europe.

Relations with Asia, African and Eastern- and Central European countries have been given new impetus. China and India have agreed to participate in exploring and exploiting the Orinoco oil belt, while oil exports to China have increased from 12,000 barrels a day in 2003 to 150,000 in 2007, while Chávez hopes to increase this figure to 1 million by 2012.⁴⁷¹ Venezuela launched its first satellite, *Simón Bolívar*, into space from China and it should provide TV, radio and internet access to remote areas in the country, while being made available to other Latin American countries in order to provide continental tele-education and tele-medicine.⁴⁷² Venezuelan relations with Arab countries have witnessed an intensification and his popularity there has risen in recent years.⁴⁷³ At the same time Chávez has not hesitated to criticise Israel and its invasion of Lebanon in 2006 but at the same time he has also spoken out against anti-semitism to assure the Venezuelan-Jewish community.⁴⁷⁴ In the light of South Africa’s energy crisis, a strategy agreement was struck for preferential oil exports and plans have been made for cooperation between PDVSA and South Africa’s PetroSA national oil company, among which are South African investments in Venezuela’s Orinoco Belt.⁴⁷⁵ Cordial relations have also been established with Iran, as several state visits of both Presidents point out and a host of different agreements ranging from economy to culture have been signed between Ahmadinejad and Chávez. To counter US sanctions against Iran, the *Banco Internacional de Desarrollo* was founded in September 2007, while in May 2008 the *Banco Binacional Irani-Venezuela* was established, leading to the contribution of \$600,000 of both countries for the former and \$500,000 for the latter.⁴⁷⁶

During his presidency Chávez has visited many heads of state and most of these visits have been undertaken to strengthen bilateral relations, increase trade and establish firmer diplomatic relations. However, while championing participatory democracy and social justice at home, his praise for leaders with dubious credentials like Viktor Lukashenko of Belarus and Robert Mugabe of Zimbabwe undermines this rhetoric, and moreover the Bolivarian revolution, and makes the situation for the opposition in those countries more difficult.⁴⁷⁷

On the economic side, despite Venezuela’s dependence on the United States for its oil exports, the continent is slowly diversifying its trade routes as exports to Asia are rising rapidly, while trade with the European Union and the United States is diminishing.⁴⁷⁸ According to Uziel Batista the

⁴⁷¹ Ellner (2007), p.16

⁴⁷² Daniels, 29 October 2008, <http://news.bbc.co.uk/2/hi/americas/7697130.stm>

⁴⁷³ Ali, 32

⁴⁷⁴ Ellner (2007), p.22

⁴⁷⁵ Denis, 3 September 2008,

[http://www.mo.be/index.php?id=63&tx_uwnnews_pi2\[art_id\]=22330&cHash=d14b9a8213](http://www.mo.be/index.php?id=63&tx_uwnnews_pi2[art_id]=22330&cHash=d14b9a8213)

⁴⁷⁶ Narula & Quiles, 12 August 2008, <http://www.coha.org/2008/08/the-united-states-and-venezuela-the-gun-show/>

⁴⁷⁷ Wilpert (2007), p.189-181

⁴⁷⁸ Valente, 7 October 2008,

[http://www.mo.be/index.php?id=63&tx_uwnnews_pi2\[art_id\]=22676&cHash=02eb7c6cc9](http://www.mo.be/index.php?id=63&tx_uwnnews_pi2[art_id]=22676&cHash=02eb7c6cc9)

financial crisis of late 2008 will stimulate economic integration and further diversification. These developments could bolster Venezuela's attempts for a multipolar world and economic diversification.

To advance the construction of a new order of economic integration, Venezuela has re-launched the idea of the Bank of the South and though first proposed in the early 1980s by the G77, it was again put on the table during the 2004 Caracas summit of the G15, to form counterweight against the World Bank and IMF.⁴⁷⁹ The idea advanced little since the Caracas summit, but the loss of credibility of the IMF and the World Bank and the limited possibilities of the regional development banks have given the idea a fresh impetus.⁴⁸⁰

In 2005 Venezuela created a national reserve, while at the same time increasing its armed forces to around 130,000 members. The army has received several forms of support from Russia and mutual understanding between Russia and Venezuela has only increased since in 2006 an agreement was struck over a €2,2 billion weapon deal, the construction of two weapon factories and a €1-3 billion weapon deal in June 2007⁴⁸¹ in order to modernise Venezuela's old equipment and find replacement for its American military material, necessary because the United States refuses to sell parts and equipment to Venezuela. In many ways Venezuela has sought to reinforce relations with Russia and plans are under way for some form of cooperation between PDVSA and Russia's oil companies. Alex Sánchez says that "[t]he overall feeling is that South America is certainly en-route to a new arms race, as not only Venezuela, but also countries like Brazil and Chile are stepping up their arms purchases. The current security situation in the region will be one of the first tests for UNASUR and its recently created security agency, the Southern Defense Council (CSD)...".⁴⁸²

4.2. Discourse analysis

"Reading makes a full man, meditation a profound man, discourse a clear man"

- Benjamin Franklin

In this section, three speeches of Hugo Chávez will be analysed in order to unmask some of the real goals behind his discourse. As the President has given countless numbers of speeches and lectures, it is important to take out only a few fragments in order not to compromise comprehensibility. Moreover, the ample analysis of Venezuela's foreign policy already offers a more thorough overview. It is impossible to touch upon all his major speeches or go into all aspects of the three selected lectures, something that would suffice a study on its own. The discourse analysis is complementary to practical geopolitics (foreign policy analysis) and will highlight a few key features of his speeches, which will strengthen the overall analysis of Venezuela's external policy.

⁴⁷⁹ G15, June 2007, p.2

⁴⁸⁰ G15, p.3, 4

⁴⁸¹ A. Sánchez, 18 September 2008, <http://www.coha.org/2008/09/venezuela%e2%80%99s-military-in-the-hugo-Chávez-era/>

⁴⁸² Sánchez, *ibid*

1. President Chavez's Speech to the 6th World Social Forum – Americas, 27 January 2006⁴⁸³

- “One of the conventions that we already signed and we are poised to begin fulfilling now, has to do with all the fuel that Bolivia is importing. This is one of the realities of our colonial economies: Bolivia, which has so much energy, has to import fuel; just like Ecuador, Blanca. Ecuador exports crude petroleum and imports fuel. See, Colonialism!”.

As said before, some of the countries with leftist Presidents (mainly Ecuador and Bolivia) are awash in natural resources, but their problem is that they do not yet have the facilities to export their resources and as such are importers instead of exporters. Chávez knows that these presidents can be strengthened relatively easily by making sure they can become oil and gas exporters. This will give them more resources and money to spend, most probably giving them higher support. If they manage to stay in power it benefits Chávez directly, giving him necessary support in the region, a sense of legitimacy and beneficial trade relations. For the Bolivarian Revolution to have success it needs a strong sense of credibility and legitimacy, something he can get by strengthening relatively poor and small countries like Bolivia and Ecuador.

Chávez also deliberately talks in first person plural, aiming at shaping a sense of common identity and a shared history among the people of Latin America. By talking about “our colonial economies” he suggests they have been subjected to that ‘arrogant imperialism’ that he keeps mentioning. This sense of Pan-Americanism is a direct reference to Simón Bolívar.

- “So, look how much we have advanced. I remember that in the Canada Summit in Québec, Venezuela was alone against the FTAA; because Cuba, Cuba was excluded from these meetings, very “democratic”, right? [laughs] Very democratically they excluded Cuba. Which is a point of reflection that I always mention to the Presidents and people of Latin America. The day will come. I am sure the day will come when the governments of Latin America have reached such a level of unity that we will not accept imposition such as this. Because the exclusion of Cuba is simply an imposition by the empire, that’s all”.

Chávez again already seems to speak for others by saying that the imposition of the FTAA is unacceptable. While FTAA can be seen as some sort of a ‘unitary’ idea, what Chávez claims is that a certain level of Latin American unity, where the United States is excluded, benefits the ‘south’.

The exclusion of Cuba can provide Chávez with an extra sense of legitimacy and higher morality. It serves as a good excuse and can justify some aspects of his foreign policy because it points out that the system is ‘unfair’, ‘moribund’, ‘evil’ and needs to be replaced. In the beginning Chávez did not openly reject the FTAA and favoured reforms until it became clear that there would be alternatives better suiting Venezuela’s interests (something not that obvious in 1999 and 2000). Chávez said himself he changed from some sort of a ‘social-democrat’, who looked for a third way between capitalism and socialism, to a socialist, rejecting capitalism all together. While this could

⁴⁸³ Venezuela analysis, <http://www.venezuelanalysis.com/analysis/1728>

indeed be a genuine change of personal political thought and ideology, what could lie behind it is that the 2002 coup and the events of 2003 have made clear that until that point Venezuela was extremely vulnerable. The government was weak and could have been toppled, had it not been for the acquisition of PDVSA. Only when the state oil company was nationalised and the old 'anti-Chávez' workers were fired, the government could claim to be stronger and relatively independent. Political ideology hides the truth, but Chávez' support for Cuba does also seem to be partially based on the personal relationship between both Presidents. However, while Havana needs Caracas to survive, Venezuela needs Cuba for legitimacy.

- "I warn the government of the U.S. that the next time that we detect U.S. military or civil personnel, especial U.S. military personnel trying to obtain information from our Armed Forces, we are going to throw them in jail..."

Chávez has often used threats towards the American government and while spying is considered as a criminal act all over the globe, it convinces others that Chávez is not a true democrat who believes in the country's official political institutions. However, after ten years in power the President has refrained from jailing people on political grounds.

2. Speech at the UN General Assembly, 16 September 2005⁴⁸⁴

- "Ladies and gentlemen, we are facing an unprecedented energy crisis in which an unstoppable increase of energy is perilously reaching record highs, as well as the incapacity of increase oil supply and the perspective of a decline in the proven reserves of fuel worldwide. Oil is starting to become exhausted. For the year 2020 the daily demand for oil will be 120 million barrels. Such demand, even without counting future increments, would consume in 20 years what humanity has used up to now. This means that more carbon dioxide will inevitably be increased, thus warming our planet even more".

Chávez points towards the energy crisis and the consequences of increasing fuel usage for the environment and does not directly say that something has to be done. He merely states the problem, because more than anybody else Hugo Chávez knows that Venezuela is sitting on the largest oil reserves in the Western hemisphere, while also having vast other natural resources on its territory, such as natural gas, iron ore, gold and bauxite. Throughout history this has given the country huge revenues (though not spread wealth) and can be considered the country's lifeline. Depletion of resources would be disastrous unless Venezuela manages to achieve a total diversification, which it is attempting. While speaking about humanity on the one hand, he knows that Venezuelan voters want tangible benefits, and the export product that really brings money into state coffers is oil. This paradox makes his words hide a realistic truth. Venezuela would currently not benefit from the development of clear alternatives to oil and this reality has to be duly recognised.

⁴⁸⁴ Information Clearing House, <http://www.informationclearinghouse.info/article10315.htm>

"It is unpractical and unethical to sacrifice the human race by appealing in an insane manner the validity of a socioeconomic model that has a galloping destructive capacity. It would be suicidal to spread it and impose it as an infallible remedy for the evils which are caused precisely by them".

He then makes a link between the energy crisis and the current socioeconomic model. While that link can be considered to hold ground to some extent, Venezuela is a part of this international system and profits from the benefits and innovations of the capitalist world order. Venezuela is dependent on oil exports to exactly the "evils" (the US) he speaks out against, but can precisely act so independent because it depends less than other countries on the IMF, World Bank and other international institutions. On the one hand Venezuela has sufficient oil to lash out against the US, but also contributes to the capitalist world order by selling and exporting oil. This discrepancy between rhetoric and reality shows how Venezuela is split between official goals – that maybe are also true conviction for Chávez – and real goals. Venezuela needs the present system to survive and grow further. Much of course depends on Chávez' definition of what really is that 'evil' socioeconomic model, but at the moment it seems that this criticism implies setting up counterweights to institutions such as the World Bank, FTAA, NATO, etc.

3. Speech at the UN General Assembly, 20 September 2006⁴⁸⁵

- "First I very respectfully invite all those who have not done so to read the book that I am holding, one of the most recent by Noam Chomsky, who is among the most prestigious American and world intellectuals. The book, *Hegemony or Survival: America's Quest for Global Dominance*, is an excellent work to help us understand what happened in the world of the twentieth century and what is happening now, which is the greatest threat looming over our planet: the hegemonistic claims of American imperialism, which threaten the very survival of the human species. We continue to warn about this danger and to appeal to the people of the United States and the world to halt this threat, which is like the sword of Damocles hanging over our heads[...]As Chomsky says here clearly and in depth, American imperialism is doing all it can to consolidate its hegemonistic system of domination."

Hugo Chávez often makes references to left-wing scholars and historical figures such as former Presidents, activists and of course Simón Bolívar to strengthen his case in front of his audience. It can be regarded as a tactical move to gain legitimacy and recognition for his rhetoric. This particular example perfectly fits his discourse of denouncing the United States, and the cheers, firm applause and silent approval he received all serve to strengthen his case. Of course, this was also the time that Chávez aimed to gain a seat at the Security Council, a bid that ultimately failed because a group of mainly Western countries did not agree and endorsed Guatemala instead. It lead to deadlock and a staggering 47 voting rounds before it was resolved and both sides accepted 'neutral' Panama.

Chávez also tries to dehumanise the United States, implying that it has no value or worth and presenting it as an 'evil' that threatens the very survival of the human species. He therefore dramatises the distinction between 'good' and 'evil'.

⁴⁸⁵ Venezuela Solidarity, <http://www.venezuelasolidarity.org/?q=node/322>

- "The Devil came here yesterday, right here. It still smells of sulphur today."

Chávez has denounced Bush on many occasions, but these words at the UN General Assembly are probably the most quoted from this long list of accusations. With the consternation over a Security Council seat increasing rapidly, this was Chávez' way of speaking out against the failing attempt. His words proved rather counterproductive and overshadowed everything else he said, but can nevertheless not be seen as essentially 'irrational', though very damaging for bilateral relations and diminishing his government's reputation in other parts of the world.

- "Hardly anybody here can defend the United Nations system. Let us be honest and accept that the system born after the Second World War has collapsed. It is worthless. It is true that it serves to bring us together once a year to meet, make statements, prepare long documents, reflect and listen to good speeches[...] But the Assembly has been turned into a merely deliberative organ, with no power to make any impact on the terrible situation in the world[...] Last year we made four modest proposals that we felt were crucially important for discussion by heads of State and Government, ambassadors and representatives. The first—President Lula said this yesterday—is the expansion of both the permanent and non-permanent membership of the Security Council, with developed and under-developed countries of the third world as new permanent members. That is the first step. Secondly, there must be effective methods to address and resolve world conflicts, with transparent debate and decision-making. Thirdly, it is essential that, as everyone demands, there be an immediate end to the anti-democratic mechanism of the veto that is exercised when decisions are made in the Security Council. Let me give a recent example. The immoral veto of the United States, blocking a resolution, allowed the Israeli forces to destroy Lebanon with impunity before our very eyes. Fourthly, as we have always said, the role and powers of the Secretary-General must be strengthened. Yesterday the Secretary-General practically gave us his farewell speech. He recognized that in the past 10 years serious world problems such as hunger, poverty, violence and human rights violations had worsened and become more complicated. That is a terrible consequence of the collapse of the United Nations system and American hegemonistic pretensions."

His proposals for reforming the United Nations give him credentials as someone who really wants to change the institutions, though it has been said many times before him. While he demands transparency, pointing towards the lack of openness in decision-making, it obscures the lack of transparency that Venezuela shows with regards to some sensitive issues and the fact that the country refuses to cooperate with some international organizations to provide data and figures. He denounces the "anti-democratic mechanism of the veto" in the Security Council, though it goes unmentioned that Venezuela is called a 'spoiler' in the Human Rights Council for blocking process. It has valid reasons to act as it wishes, as Western hypocrisy often goes unnoticed, but his real interest lies of course in supporting every aim at reaching a multipolar world, applauding the Brazilian and Indian bids for a permanent seat in the Security Council. In a world where non-Western powers such

as China, India and Russia are more powerful, Bolivarian Venezuela can achieve a strengthening of its power on the continent. The rhetoric to claim morality over the 'immoral' US – implying also that the veto-power of the US is intrinsically immoral – perfectly serves Chávez' interests. At the same time, with the aim of becoming a regional power, a Brazilian seat in the Security Council does not suit Venezuela and so support for other initiatives are more logical.

-“Venezuela joins that struggle, and that is why we are threatened. The United States has already planned, financed and set in motion a coup in Venezuela, and it continues to support coup attempts and terrorism there. President Michelle Bachelet Jeria reminded us a short time ago of the horrendous assassination of the former Chilean Foreign Minister, Orlando Letelier. I would simply add that those who perpetrated that crime, in which an American citizen also died, are free. And they are Americans themselves, CIA terrorists.”

Chávez highlights the threat to Latin America he perceives from the United States, by pointing towards the 2002 coup attempt. He can again claim 'moral superiority', especially because a world power is always easy to criticise, this only strengthens his argument. The immorality of “coup attempts and terrorism” seems obvious and while Venezuela has not instigated coups around the continent, it has filled the American power vacuum in the region by providing ample support to the region's left-leaning governments. The strong support for Bolivia is in Venezuela's interest and an election loss for Correa in Ecuador, Lula in Brazil and Kirchner de Fernandez in Argentina would be to the detriment of the Chávez government. Meddling in domestic affairs is obviously not exclusively American and is vital for the *defence of national interests* of Venezuela as well. Chávez knows he needs to move ahead with integration on the continent, because the current 'leftist' wave could be over at any moment and that could seriously influence Venezuela's domestic affairs.

4.3. Conclusion

“La unidad de nuestros pueblos no es simple quimera de los hombres, sino inexorable decreto del destino”

- Simón Bolívar

According to Steve Ellner, Hugo Chávez has been converted into a “major actor on the international stage to a degree unmatched by Latin American leftist and radical populist governments in the past”.⁴⁸⁶ However, while Chávez wants to take the lead in Latin American integration, impatience, and provoking remarks by government officials and Chávez himself are damaging rather than improving integration. Leaving the Andean Community of Nations and the Group of Three and threatening to withdraw its short-lived membership of Mercosur could also lead to a throwback of integration. While the current existing organisations might indeed not favour deepening integration, the Venezuelan government will have to deal with the same Latin American leaders when negotiating for what it

⁴⁸⁶ Ellner (2007), p.17

considers better proposals like ALBA and UNASUR. With the current wave of left-of-centre and more clearly left-wing presidential administrations in office, there is an historic opportunity for integration that Chávez can ill-afford to lose by putting these Presidents' backs up. In supporting a multipolar world, it is not rational to accept a proposal like FTAA by the United States and the development of a Bolivarian alternative, ALBA, is therefore a logical development.

Over the years the Venezuelan government has managed to diversify its international relations, improving bilateral ties with a host of countries and being on good terms with governments on all continents, like France and Portugal in Europe, China in Asia, Iran in the Middle East, as well as Russia. This has not made Venezuela less vulnerable to economic and financial shocks, but an active foreign policy has helped to strengthen its position in the world, as well as in some international organisations. Drastically increasing oil revenues have given the government the necessary leeway to operate as a leader of the 'south', the 'third world' and the Non-Aligned Movement, among others. The country's economic relations are still more or less as they were and though it is strengthening and diversifying its ties with non-Western partners, its dependence on the United States is still high and in relative terms trade with Latin American countries is not that big.

The promotion of a new integral hemispheric order and advancing in the transformation of multilateral systems of cooperation and integration is still something that the government has barely managed to escape. This is not surprising considering the ambitious character of these goals, but those attempts that have been made to reach a new hemispheric or world order have often come at a price and at the expense of the other existing structures, which are still supported by most governments inside and outside the region.

It is clear that foreign policy is usually more realistic and pragmatic than domestic policy because of the complexity, dependence and multitude of actors that have to be taken into account. As Carlos Romero says about states that preach revolution, with "the right hand they realise "normal" diplomatic and commercial relations and with the left hand they promote the continental and global revolution".⁴⁸⁷ The socialist character of the foreign policy is therefore much more limited and is not (yet) very visible in most aspects because at the moment "la revolución ya está superando la etapa nacional liberadora para pasar a la etapa socialista".⁴⁸⁸

4.3.1. Evaluation of the indicators

Table 6 gives an overview of the indicators that have been derived from the main official government goals for its foreign policy and based on the theories of critical geopolitics, the scheme outlines what has been described before.

⁴⁸⁷ Romero (2006), p.15

⁴⁸⁸ Romero (2006), p.89

Table 5: Indicators of foreign policy, divided into the periods 2001-2007 and 2007-2013, as done by the Venezuelan government.

Indicators 2001-2007		Evaluation
1	Promote a multi-polar world	+
2	Promote Latin-American integration	+/-
3	Consolidate and diversify the international relations	+
4	Strengthen the position of Venezuela in the international economy	+/-
5	Promote a new integral hemispheric security order	+/-
2007-2013		
1	Maintain sovereign relations in the international arena	+/-
2	Develop the integration of Latin American and Caribbean countries	+/-
3	Favour relations of solidarity with other countries	+
4	Advancing in the transformation of multilateral systems of cooperation and integration	-
5	Construction of a new order of economic integration and the establishment of fair trade	-
6	Deepen cultural exchange and scientific and technological independence	-
7	Create a new international communicational order	-

4.3.1.1. Government aims 2001-2007

Indicator 1: Venezuela has certainly promoted a multi-polar world and while it is incapable of achieving this aim, it has done everything to promote the rise of new powers and denounce the United States. While Venezuela is a small actor on the world stage, in Latin America it has tried its utmost to discredit the United States and undermine Washington's position in the region by supporting left-wing governments and thus making renewed US consolidation of the region ever more unlikely. Considering diminishing American influence in times of the world financial crisis, Venezuela has achieved what appears a sustained period of declining US (political) influence in Latin America.

Indicator 2: while Venezuela has promoted Latin American integration in words, leaving the CAN, the Group of Three, current the problems with entering Mercosur and its focus on too many fronts have hurt the establishment of a successful advance in institutionalised integration.

Indicator 3: throughout the years Venezuela has diversified its relations and established stronger ties with Asian and African countries, which can be seen by a rise in embassies, diplomatic visits and agreements.

Indicator 4: Venezuela has tried to strengthen economic relations with China, India and Russia and attempted to become less dependent on the United States, but this has not yet effectuated. Results are mixed.

Indicator 5: a new integral hemispheric security order has been promoted, but is far from achieved because of slow developments within UNASUR and ALBA and other states' reluctance to turn away from Washington.

4.3.1.2. Government aims 2007-2013

Indicator 1: Venezuela cannot escape globalisation but the country has certainly tried to maintain sovereign relations, though this also depends on its oil windfall, and before PDVSA's nationalisation the Chávez government was rather constrained in this area.

Indicator 2: integration has been given a boost by PetroAmerica and ALBA, but so far there has not been a long-term plan or institutionalisation of the existing structures, while few countries have signed up to the ambitious ALBA project.

Indicator 3: Venezuela has been generous in giving aid to other countries, supplying oil at preferential rates and buying off other countries' debts and although this sign of solidarity seems clear, whether this really is sustainable remains to be seen.

Indicator 4: a true transformation has not been achieved and as said before, most projects are ad-hoc and not institutionalised.

Indicator 5: plans have been presented for the Banco del Sur and fair trade programs have been put forward through ALBA, but they are not (yet) making a difference and can certainly not compete with the WTO, IMF and World Bank.

Indicator 6: some symbolic steps have been taken to sever dependence on the existing technology such as the adoption of a different type of software, while cultural exchange has not yet surfaced as significant. However, the materialisation of this aim is still in its infancy.

Indicator 7: Despite an initiative such as the launch of the satellite Simón Bolívar that should benefit Venezuela and other Latin American countries, it has not been achieved.

4.3.2. Discourse analysis

Hugo Chávez creates greatly mixed feelings among people, but what is one important is that both supporters and opponents always have something to say about him. His firm language is strengthened by using powerful terms such as 'revolution', 'imperialism' and 'colonialism', adding personal experiences, giving a romanticised image of historical figures and events and speaking from different perspectives (I-figure and as a more distant observer). Characterisations of Chávez as 'populist' are easily made but it is important to understand his message, as well the history of Venezuela and Latin America. In a strict sense, every leader, politician or political entrepreneur tends to have populist tendencies (especially when elections are close) but Chávez' discourse on US hegemony, 'lifting the poor', socialist and Bolivarian ideology and being a leader for the 'South' hides a realistic, pragmatic reality, a reality of Venezuelan national interests. This discourse shows the gap between an reality and the discrepancy between ideology and power (politics). Especially for a charismatic leader like Chávez, who inspires many and is despised by many, an analysis of discourse merits and serves as a very important component of external policy analysis.

5. Conclusion

In the decades prior to Hugo Chávez Venezuela has been characterised by steady but serious economic decline that wiped out a large part of the former middle class and led to increasing inequality, poverty, unemployment, political instability and severe polarisation. The first turbulent decade in power of Hugo Chávez and his government has not led to increasing stability and a decline in polarisation and has not brought a radical transformation of society. The age-old problems that have characterised the country and indeed the whole of Latin America have not vanished and are still ever-present.

The country's political and economic institutions have not been replaced by an entirely new structure, but have rather been subjected to ad-hoc adaptations, partial reforms and even parallel institutions. The partisan state bureaucracy was dominated by civil servants associated to the former ruling parties AD and COPEI, and has only slowly been replaced by confidants of the MVR and recently the new PSUV, as well as other parties in the government coalition. In order to avoid deadlock in the ministries and other executive bodies, Chávez has tried to by-pass them by relying instead on programs such as the Missions on new structures. This parallel bureaucracy has created a steady enlargement of public sector workers and has hampered the efficiency and effectiveness of the state services. The large oil windfall, together with the sheer size of all the new state programs that are being implemented, has not led to a decrease in corruption but has rather boosted it, despite government attempts to crack down on fraud and corruption by increasing wages. Chávez' frequent reshuffling of his cabinet, producing an extraordinary rotation of ministers, has weakened state effectiveness even further.

However, many problems pre-date Chávez and while the government has often been blamed for everything in Venezuelan society, many flaws were apparent far before his rise to power and originate from the post-war years when the Punto Fijo pact was being established, while in some cases they can be traced back to colonial times. The grossly unequal distribution of land, one of the main pillars of the Bolivarian Revolution, is a left-over from the days of the great land owners (latifundios), which the government is seeking to fix by providing valuable abandoned fertile land to the people to boost agricultural production, as the country aims to be self-sufficient in food production and aims to break its vulnerable dependency on food imports. This has given rise to criticism of "Soviet-style expropriations", though they are completely misplaced considering the government only expropriates land as a last-resort in those cases where it concerns large swaths of fertile land, and even then the government compensates at market prices. One has to realise that much land has been acquired illegally while countless numbers of landowners have not been able to proof their land titles. In this case there is friction between property rights on the one hand and social rights on the other hand.

Chávez has managed to win most elections by winning a comfortable majority of the vote, losing only the referendum on constitutional reforms in 2007, though rather because of low turnout than a genuine strengthening of the opposition. The 2008 regional elections brought victory for Chávez, although in comparison with the previous regional elections it did lead to the loss of several states and mayors, among which the city of Caracas and the autonomy-seeking oil-rich state of Zulia.

While there have been allegations of fraud, so far nothing has been sufficiently verified and international observers have hailed the recent elections as an example for the region. While the recent computerised elections require a new kind of monitoring, the government does not need fraud, as opinion polls – even those conducted by firms linked to the opposition – consistently show support for the President hovering between 50% and 60% of the electorate.

Extreme polarisation, with *chavistas* and opposition supporters increasingly unlikely to accept reconciliation are a serious problem for the future of the country. There have been a few periods of a relative thaw in the relations but both sides have radicalised in recent years, especially after the ill-fated coup attempt in 2002 and the events in 2003. A few signs of possible cooperation at local level were voiced after the 2008 regional elections, but at national level it seems highly unlikely this will bear any fruit. The inflammatory language of government officials, the President himself and members of the opposition have created a very tense situation. Chávez aims to radically reform the country and often makes references to the Punto Fijo period (of increasing inequality and injustice) to point out that things are changing. While the former “have nots” now have a voice, the former elite (haves) is now politically (though certainly not economically) excluded instead. In this sense nothing has changed, apart from a reverse of fortunes for the former “included” and “excluded”.

In recent years the opposition has grown in the number of parties it claims to represent as more political groups have defected to the opposition, but the latter consistently overestimates its support as most political parties are marginalised and have little support among the masses. A middle way of “ni-ni’s”, a group neither pro-Chávez nor pro-opposition, is under pressure to choose sides, only adding to the polarised, fragmented climate. The former elites do not seem to accept that they can – through democratic means – lose power to the masses and have refused to admit victory for the *chavistas* in most elections. An element of deep-rooted racism among some opposition groups towards *chavistas*, and the very questionable role of the biased and partial media – overwhelmingly openly supporting the opposition – also foment a feeling of class conflict. A peaceful solution through the ballot box is therefore not easy to achieve. The government has refrained from using repression and so far has not jailed opposition members or journalists, even though there have been legal grounds for doing so. However, both sides allegedly pay workers, or force people, to attend rallies and demonstrations, generally massive in numbers and generating hostility from counter-demonstrators. There are cases of human rights violations by police (mainly those of the metropolitan police under opposition command), but generally the government respects human rights.

In the first few years of Chávez’ Presidency the economic situation was rather shaky and for revenues the government depended on oil royalties, but since the acquisition of PDVSA and thus full control of its major source of income financial independence of the state has greatly increased. The 2002 coup d’état, the short-lived Carmona regime the coup produced and the subsequent oil strikes and economic sabotage hereafter have hurt the country dearly. The country plunged into recession and the balance of the first five years was that little had been achieved socially and economically. Economic results were disappointing and the social situation still a precarious one as unemployment was high and poverty even up on its 1999 levels. It is after this uncertain period that the government,

at last established and well in place, could implement its policy. That was well needed as the popularity of the government plummeted and pressing problems had to be addressed quickly.

Since 2003, with the introduction of the Missions, the government has indeed achieved success in combating poverty and has significantly reduced poverty rates. From affecting about 70% of the population, poverty has dropped to less than half that figure, when measuring pure income changes. However, many improvements cannot be seen by focusing merely on the conventional methods of measuring poverty. It is through the various health and education programs, the distribution of food at minimum prices and the construction of new houses, such as so-called 'petro casas', that poverty has really declined. Access to health care, education and sanitation has also greatly improved. These free programs have nearly eradicated illiteracy and have been praised by UNICEF, UNDP and the European Commission. Millions of people have received new opportunities, after having been neglected for decades by an increasingly retrenching state, under pressure from the IMF and World Bank. However, much of these improvements are not easy to uncover in statistical data that simply measure cash incomes rather than the quality of life. Poverty is not just economical, but also social-human, cultural, political, environmental and protective. Inequality has decreased and is one of the least high in Latin America and while not so important as a simple statistical fact, it is very significant in the light of Ted Gurr's elaborations on relative deprivation. After decades of impoverishment, a possible lessening in relative deprivation – compared to those groups that are better off – could prove to be important in easing tensions if the current trend continues.

The adoption of the Bolivarian Constitution has indeed given the people a grip, something to point to as a social right, a sign of recognition. The formal, but also increasingly practical respect for minorities and underprivileged groups, as well as the emancipation of women are all part of this bigger process. In many ways the new constitution has proven an important advancement. It might not have been clear results, but above all hope and a sense of optimism that have been given the people, long overdue in a country that according to a former President was close to entering the 'First World' but crumbled once it stood before its gates. It is this element of hope that should be duly acknowledged.

While many of these programs are making a profound impact on the lives of ordinary and formerly forgotten Venezuelans, their durability and sustainability can be questioned, especially in the light of the financial crisis. The programs lack proper coordination, are subject to frequent changes, lack monitoring and control and suffer from corruption and inefficiency. They are not general programs and are also said to exclude known opponents of the governments and might therefore be exclusive, selective and worse, discriminatory. Their benefit is even recognised by the opposition and has led to the paradox that the government has been criticised by the opposition in recent electoral campaigns for not doing enough to fight these social problems. The Missions are ad-hoc in character and serve more as quick-fix solutions, rather than function as part of a sustainable policy. While undoubtedly necessary, the exact nature of its social policy takes away the incentives for individual creativity as it foments a mentality of dependency on state resources. With the country already being dependent on oil income and suffering from the so-called "paradox of plenty" and the "Dutch disease", this behaviour could prove to be counter-productive. On a positive note, in recent elections even opposition candidates have now vowed to keep, and even improve and expand, the Missions and if this trade-off

leads to a permanent recognition of the Venezuelan poor, it can definitely be considered a win-win situation.

The country's economic situation is relatively strong because of the sharp rise of oil prices since Hugo Chávez came to power in late 1998 and the country has had an important stake in this turnaround. While it generated ever-increasing resources, it naturally also hurts the development of alternatives sources of income and vital diversification. While the government has been successful in making the non-oil sector grow more rapidly than the declining oil sector, oil revenues, a result of high oil prices, are still a staggering 90% of the total export revenues. The focus on endogenous growth has led to industrialisation and positive investments in infrastructure and sectors such as telecommunications, steel, cement and food. The increasing centralisation, and the nationalisation of industries has been criticised, but the sheer inefficiency of the private sector – with one of the worst records in the region – has made that a rational choice towards achieving its aim. The country has experienced the highest economic growth of the region in recent years, though inflation is worryingly high and the currency is grossly overvalued, but overall the country is in a much better position than when Chávez arrived at the Presidential palace, and it is certainly coming off positively compared to most other countries in the region. Yet another paradox of this policy is that this rapid industrialisation has come at the cost of the environment, despite efforts of the government to achieve sustainable growth. Increasing wealth has led to a boom in car sales, but also to an increase in carbon dioxide emissions. These paradoxes reduce the credibility of the government as discourse does not always match reality on the ground.

Most important is the lack of a theoretical background of 'twenty first century socialism' and 'Bolivarian socialism', which makes the analysis of Venezuela's internal policy a study of fragments, patchwork and thus 'socialism in name, not practice'. Despite some innovations, the socialism that is being proclaimed in Venezuela is not original.

Venezuela's foreign policy can be characterised by efforts to support a multipolar world, foment Latin American integration, strengthen independence in political and economic matters and support attempts to reform the international institutions. Results have been mixed, as Venezuela has strengthened its relations with China and Russia, as well as many other countries around the world such as Iran, giving rise to criticism over its support for countries with dubious credentials in human rights. While most of these relations are economic in nature and the government is a realistic and pragmatic actor in foreign affairs, it has not helped the reputation of the country. However, frequent American criticism of state visits to the abovementioned countries, the human rights situation in Venezuela and the electoral process, is rather cynical and hypocritical considering the inconsistent policy of the Bush administration, the case of Guantanamo Bay and the questionable democratic credentials of the US government home and abroad. It was clear from the beginning that relations with the United States would deteriorate, but most problems came after 9/11 when Venezuela questioned the US reply to terrorism. The Bush administration lost much of its credibility after its ill-fated support of the illegal 2002 coup d'état and its aftermath. The US government has aided the opposition for years, even after the 2002 coup. In the Organisation of American States the US government has been

frequently criticised by other Latin American countries for its undemocratic behaviour to unseat a democratically elected President. Hugo Chávez has lashed out against the war in Iraq and has not left an opportunity go unnoticed to speak out strongly against President Bush.

Chávez' inflammatory language has often backfired and reduced Venezuela's credibility abroad. The famous clash of words between Chávez and the Spanish King Juan Carlos has led to criticism in Europe and the US, but gained him sympathy in Latin America. Frequent quarrels with Colombian President Uribe have hurt the brotherly relations between the two nations, but most of these rhetorical collisions have led to a quick improvement in the months thereafter. Relations with most countries are positive and though Chávez expelled the American and Israeli ambassador recently, he also immediately re-assured the Jewish population in Venezuela. Chávez has clashed often with other heads of state, which has given him the reputation of being a firebrand, but ultimately economic relations prevail. His frequent visits abroad, and the economic deals that follow up on these visits, are testament of the intensification of Venezuela's external policy and have enhanced the visibility of the country in the international arena. Economic relations have improved with many countries while trade volume has increased exponentially with its regional partners, as well as China and Russia. Chávez has bolstered the status of Venezuela by being a successful mediator in the conflict between the Colombian government and the FARC. The special relationship with Cuba has led to an extensive scheme of cooperation and economic deals that has seen the provision of oil to Cuba at preferential prices, while Cuban doctors have been sent to work in the Venezuelan shanty towns. Relations with Argentina, Bolivia and Ecuador relations have been close, but also with European partners such as France and Portugal.

While Venezuela works to foster integration, the decision to leave the Andean Community of Nations and the Group of Three have proved counter-productive. Its efforts to strengthen integration by the establishment of ALBA have led to a positive response from some countries, but considering the parallel Brazilian aim at integration, UNASUR, this lack of unity creates discord on the continent. The still pending approval by the Brazilian senate of allowing Venezuela in the Mercosur has angered Hugo Chávez, but with Brazil being an important political and economic partner, it has not deteriorated relations between these two Latin American powers that are vying for leadership in the region.

A very active foreign policy has given Venezuela a certain profile and reputation and its programs to provide free oil in poor US communities and funding eye-surgery and the treatment of cataracts for the poor of the continent have enhanced the image of Venezuela as a partner in solidarity for the less privileged. Overall, increasing oil revenues have boosted the country's foreign policy, but the personality of the charismatic President and the focus on too many fronts at the same time, also demonstrate that a more consistent external policy is required for Venezuela to be taken seriously as a partner in regional and indeed international relations.

5.1. Theories of state transformation

This study has made clear that the theories of state transformation are important in offering explications for certain aspects of the Bolivarian Revolution. However, as the theories limit itself by claiming to be appropriate mainly when dealing with the situation in Western Europe, it does make

clear that some of its main elements also have explanatory power in this particular case, as the indicators have shown. It is nevertheless a weak point of the theories that in a globalised world they still focus too much on the central role of the state, despite the high degree of centralisation of Venezuela under Chávez. This state centrism obscures the presence of intra-state and international actors and ignores the important grassroots initiatives that have changed not just the daily lives of people in material terms but also societal values and norms, the functioning of civil society, the power relations and the processes of interaction between different state and non-state actors.

The theories assume a certain economic structure to be present, but outside Western Europe many countries are completely different from those organised, structured societies. Furthermore, it obscures the importance of personalities and individuals, like states with a strong Presidency, as is clearly the case in Venezuela. A certain balance between different political institutions is not straightforward in Latin America and to fully grasp the Bolivarian Revolution, a focus on the effect of Presidents on policy is essential – something that is currently lacking.

As the country is not *transformed* but rather *reformed* (an essential difference), the theory simply cannot offer an encompassing explanation for what is happening in the country because there is no clear and consistent overhaul of the pre-Chávez institutions into new “Bolivarian” or “Socialist” ones. The extent of adoption of neoliberal policies has also been very different in Western Europe from that in Latin America (or indeed Central and Eastern Europe). While Western Europe was severely, but gradually reformed, the introduction of these policies in Venezuela has been conducted in a rigorous manner – though later and less severe as in other Latin American countries such as Argentina, Ecuador and Bolivia. The impoverishment of the country and the counter reaction that brought Chávez to power, also lead the country’s leaders to lash out firmly against neoliberal policies, while this process has been fought with less vigour in Western Europe. The different time frames and contexts – developed Western Europe versus developing Venezuela – need to be duly acknowledged in this regard. Moreover, the basis of any Western European society is fundamentally diverse from Venezuela, with the former being characterised by a relatively highly educated population, relative equality, established institutions and a deep-rooted acceptance of (some aspects of) the market economy and democracy. Venezuela has come from a disadvantageous position – despite being relatively wealthy in the 1950s – with illiteracy being relatively high before Chávez came to power, a lack of education and opportunities, insecurity, a mal-functioning market economy and only recent experiences with democracy. One can question to what extent Venezuela is a democracy, as elections are frequent and fair indeed (also in the regional context) but the question is whether societies with such a high poverty rate and where more than half the population has thus been effectively excluded, can be classified as a democracy. The mere holding of regular elections does not make a country democratic. These aspects make a one-on-one comparison between both type of societies, or the simple projection of these Marxist theories of state transformation on Venezuelan society rather difficult and subject to conditionality.

Venezuela’s reforms are almost completely funded by its oil revenues and one could say that the country is a regime based on oil, a structure of new social ordering (and bordering) established by oil money. While the theories focus largely on economic (re)distribution, Bolivarian Venezuela cannot

be grasped mainly in these terms, despite giving that impression when observed from the outset. It is as much about educating the people in its broadest sense by instilling new customs, values and norms on the population, slightly resembling Che Guevara's "New Socialist Man". Instead of taking the market for granted, it aims to change society into one of solidarity, social justice and a new economic rationale, at least nominally. The theories therefore miss a sociological approach and disregard the role of education and culture.

Being a theory, explanatory power for particular cases is quite low and because of the relative generalising power, it ignores the historic – in the broadest sense of the word – background of Venezuela and its specific context that is so imperative to understand what is happening in Venezuela, and indeed the whole of Latin America. One should also not consider it as a rational process with a fixed economic or political rationale that can easily explain the path that has been taken by the country.

Finally, the theories do not offer an explanation for the role of ideology in the discourse of Hugo Chávez and others in Venezuela that speak about the transformation of Venezuelan society. An analysis of the extent of false consciousness, with leaders having hidden agendas with their discourse or official ideology mainly being an excuse to cover up other interests, is a task to be taken seriously. The role of power politics is generally overlooked but is a vital element of discourse analysis, as well as for explaining specific policymaking.

In several ways the case of Venezuela therefore deviates from the theories of state transformation. The theories are essentially euro-centric and are unable to grasp the particularities of transformation in non-European societies. They have not been able to offer sound explanations for non-European cases and in the light of a new dynamism in Latin America an attempt to broaden its scope is essential. While attempts have been made by Bob Jessop and others to explain the role of the state in a globalised world, there is still a long way for them to go and to be able to thoroughly analyse the state from this new context.

5.2. Theory of practical geopolitics and discourse analysis

For its mere scope and complexity Venezuela's external policy merits thorough studying and critical geopolitical analysis. Practical geopolitics can be considered as the analysis of the country's foreign policy by taking the government's *own official goals* as focal points for explanation. This perspective is opposite from that of discourse analysis where the discourse of Hugo Chávez is central and is then used to *uncover the real goals behind the words*. These opposing analyses can give a more integrative and complete overview of Venezuela's foreign policy.

Discourse analysis is excellent for its focus on discourse, thereby making clear there is often a gap between rhetoric and reality as the importance of strategic interest often goes unmentioned. Ideology is subject to interests and parallel agendas that operate behind the official discourse. Ideology and discourse hide a more pragmatic truth. However, the assumption that the reality of this real agenda is always rational is a false assumption. It is important that the role of culture and identity in policymaking and the formulation of goals and preferences are better acknowledged.

Analysing a country's foreign policy through a government's own official goals points towards the discrepancy between goals and reality and the difficulty of achieving such goals in an interdependent world. Nevertheless, a proper analysis of foreign policy cannot be achieved without some degree of discourse analysis that separates mere words from the underlying message. On the other hand, exclusively focusing on discourse is neither sufficient to analyse all aspects of foreign policy. While policy is made by individuals and is thus, by nature, about discourse, the state also functions as a body in itself insofar as the relations between all its parts are relatively static and not immediately subject to the behaviour of individuals. Individuals make the state, but one individual does not change the state. Uncovering the interaction of the state body with other actors can show other insights of a country's foreign policy that the mere analysis of discourse analysis is not able to do. Both types of this geopolitical research (practical geopolitics and discourse analysis) are therefore complimentary.

The internal and external policy of a country are intrinsically linked and, as has been pointed out at the beginning of this study, a practical separation of the two is not possible and not desirable in a globalising world with interdependent actors and interlinked structures. The reason for making a dichotomy is to show both parts in a different light. The most appropriate theory for analysing the domestic policy of a supposedly Socialist state are, despite its flaws, the Marxist theories of state. For analysing foreign policy one can use the relatively restrained theories of international relations, or a more complete theory like critical geopolitics. The theories of international relations are not of particular help if one analyses a country's behaviour as a whole (internal and external), but better suited to focus on foreign policy when one wants to simplify domestic policy as 'given' and 'fixed'. Geopolitics offers opportunities to examine external policy from a different lens, one that is more comprehensive and integrative. Using several theories for each of the two parts would be beyond the scope of this thesis and would jeopardise comprehensibility. Dividing policy into even more sections would lead to compartmentalisation and limit the possibility of getting a complete overview of affairs. For this reason, the two selected theories are the most appropriate.

At the beginning of the thesis this separation of the two policy fields has been made to better analyse the case, but the aim has always been to bring them back together. Both theories have explanatory power in the case of Bolivarian Venezuela, but are not capable of grasping all the particularities of the case. When taking the perspective of both theories, Venezuela's case seems rather irrational and does not fit the theories on several points. The specific context, the role of discourse and ideology, the importance of personality and the characteristics of culture, identity and education are not sufficiently acknowledged. Rigorously separating the internal and external *policy* of a state is a challenging undertaking and does not anymore reflect present realities. At the same time the *theories* in this field do still work separately and run parallel to each other. The main challenge for any scholar is to extend beyond the boundaries of his or her own (sub-)discipline and take hold of a problem from as many angles as is both possible and desirable. The Marxist theories of state could offer better explanations for power manifestations in global, international and transnational affairs,

while geopolitics requires a better focus on how foreign policy is formulated and brought about by the dynamic of domestic actors.

5.3. Limitations and recommendations for further research

As this study has been rather general because of its scope and the examination of two big policy fields, specific elements of the case of Venezuela merit further research. For instance, what is the role of grassroots organising for the Bolivarian Revolution? To what extent does the opposition contribute directly or indirectly to current events? How are culture, civil society and individual values, norms and customs affected by the process? A focus on the role of the Missions alone, and aspects of the government's economic and social policy is necessary. Essential is to consider Venezuela's oil policy in the light of the functioning of petrol states by progressing on the work of Terry Linn Karl. A specific look at Venezuela's foreign policy could give further clarification. How do ALBA and UNASUR influence inter-state relations on the continent? How can Venezuela's quest for regional leadership be seen in historical context?

Regarding the theories, a look at *popular geopolitics* is essential to grasp the fluctuation of the "popular" or "public mind", not fixed and indeed subject to change as well. Critical geopolitics is a rather recent subfield of geopolitics and has to be further developed to strengthen its explanatory power. It should be enhanced to offer a more general theory of the politics of space, one that can provide explanations for the behaviour of actors in international politics and analyse the ways in which they pursue their interests. Its elements, practical geopolitics, popular geopolitics and discourse analysis can, when integrated correctly, provide us with a framework and methodology to study all facets of foreign policy. While it already claims to be complimentary and integrative, the different aspects of critical geopolitics are currently not a single coherent model for geopolitical analysis, but rather different notions put together. A case study can help to show that the role of other aspects, such as identity and culture, is important and should be used to widen and deepen the theory. With the *rationality* of geopolitical actors and reasoning not taken for granted, further research has to take into account the bounded rationality that is present in (geo)politics.

For the Marxist theories of state – that have seen positive activities in recent years – attention should shift to the unexplored areas. Examples are establishing the role of non-state actors, analysing alternative forms of economic structuring of the state, explaining different types of political and economical institutions, recognising the significance of personality in policymaking and societal transformation, as well as assessing the effect of the many facets of globalisation – such as cross-border cooperation, intercultural dialogue, transnational trade flows – on the changing role of the state, both domestically and externally. With many South American countries depicted as 'left-wing' by the international media and the recent elections of supposedly left-wing Presidents in Paraguay, Honduras and El Salvador, there is a substantial opportunity for analysing the extent of a changing role of the state in those countries.

These state theories mainly fall short when dealing with the global, international or transnational aspects of state power and state behaviour. In order to get a grip on internal and external policymaking and state behaviour, there is not a theory, or set of closely related theories, that

can offer a satisfying answer. Strengthening of the theories can only be achieved through incremental advancement, through careful studying of the countless aspects of the internal and external dimensions of societies.

Footnotes

ⁱ Other frequently used notions are the “Old World versus New World” distinction or “Eastern Europe” and “Western Europe”.

ⁱⁱ For the causes of the downfall of the old system, see Levine (2002), Molina (2002)

ⁱⁱⁱ It is interesting to note that the student protests in Beijing, China, were world news at the time, but the Caracazo never gained much controversy.

^{iv} One should note that growth in demand in the United States has been higher than in Latin America and that Latin American countries like Brazil and Ecuador have increased their production.

^v Except for 2002 and 2003, when it was much lower at \$13.3 and \$10.5 respectively.

^{vi} The method has been created Cuban teacher Leonela Relys. It is based on three main stages, training, writing/reading teaching, and consolidation.

^{vii} Simon Rodríguez was the teacher of Simon Bolívar and when he was staying on Jamaica he used the pseudonym “Robinson”, based on the story of Robinson Crusoe

^{viii} José Felix Ribas was an important Venezuelan revolutionary

^{ix} Named after independence fighter Antonio José de Sucre.

^x Named after an indigenous leader that led the resistance against the Spanish colonisation.

^{xi} Named after another revolutionary, Francisco de Miranda.

^{xii} Manuel Pilar was a general that led the independence struggle against Spain.

^{xiii} In 1983 ABRAE was launched to combat deforestation and an expert says that deforestation rates have diminished, with 1/3rd of forests being protected under this system, but much seems protected only on paper. See Michael Fox, “Mission Arbol: Reforesting Venezuela”, 23 June 2006.

^{xiv} On the new Comunidad Penitenciaria de Coro (CPC) see for instance <http://venezuela-centro.axxs.org/156> ; <http://www.gobiernoonlinea.ve/cartelera/obras27.html>

^{xv} The figure for Uribe might be skewed because of the recent FARC successes and the rescue of Betancourt.

^{xvi} Hellinger aptly quotes William Robinson about the Nicaraguan case where U.S. involvement obstructed free and fair elections and shifted the balance towards a FSLN defeat.

^{xvii} This has led to fear among middle class citizens and the formation of active defence plans.

^{xviii} Many pre-Chávez cooperatives maintain their autonomy and do not get government funding

^{xix} Mainly Corrales (1999 & 2006) has left no opportunity unused to criticise the government for its authoritarian character under apparent “democratic disguise”. While to be analysed critically in the coming years, the exaggeration, lack of putting the situation in the right perspective and context and the formulation of clear lies is worrying (Corrales (2006), p.35 on the impact of social programs) is all the more worrying. The abolition of the Senate does not influence democracy negatively per se and a two-chamber parliament is not automatically more democratic, the abolition of a two-thirds majority in favour of a simple majority is not strange either when one considers that Congress had been very ineffective for quite a while. Furthermore, PDVSA was the least efficient of Latin America under private rule, and the electoral and judicial branch have never been independent in Venezuela. Even in the United States the appointment of Supreme Court judges is a highly political matter.

^{xx} Something that has also risen in Cuba, as they established the modern Universidad de Ciencias Informáticas, founded in 2002 by idea of Brazilian Oscar Niemeyer, to create software innovators.

^{xxi} Uruguay co-founded Telesur but because its Chamber of Deputies did not ratify the agreement that led to its instalment, Uruguay pulled back from the agreement after criticism on its Anti-American character and is no longer an official member.

(<http://www.americaeconomica.com/numeros4/360/noticias/agtabarekirchnerma.htm>)

For Brazilian viewers, a newscast in Portuguese was set up in February 2008 (<http://www.mathaba.net/news/?x=581646>)

^{xxii} The 19 issue areas are: 1. Oil and Energy; 2. Communication and Transportation; 3. Military; 4. External debt; 5. Economy and Finance; 6. Light and Basic Industries; 7. Natural Resources; 8. Land, Food Sovereignty and Land Reform; 9. Education; 10. University; 11. Scientific and Technological Development; 12. Mass Media; 13. Health; 14. Gender; 15. Migrations-Identity; 16. Habitation; 17. Protagonist and Participatory Democracy; 18. Indigenous Movement; 19. Workers Movement.

^{xxiii} Pat Robertson, said in August 2005 that “I don't know about this doctrine of assassination, but if he thinks we're trying to assassinate him, I think that we really ought to go ahead and do it. It's a whole lot cheaper than starting a war, and I don't think any oil shipments will stop”. In most countries openly expressing your wish for a head of state to be killed can lead to imprisonment, but the U.S. only came with a mild reaction, though Robertson apologised quickly after the incident.

^{xxiv} SUMATE is at the heart of the opposition campaign to produce anti-Chávez information (www.sumate.ve) and has produced and distributed small blue cards that affirmed that voters had signed the petition for the recall referendum. These were to be handed in to employers and not doing so would lead to termination of their contract (Golinger (2006), p.110). Extremist factions of the Coordinadora Democrática had launched the “Guarimba” plan, supporting civil disobedience aimed at provoking repressive reactions from the state that could be used to delegitimise the government for human rights abuses (Golinger (2006), p.113)

Appendix

I. Information or Disinformation: The role of the media in reporting

The international media and international organisations are not always objective, impartial and neutral. In June 2008 a British Journalist from The Guardian discovered that Transparency International, an organisation that says to be dedicated to combating corruption, has a hidden agenda. Its report on corruption in Venezuela in 2008 is “factually inaccurate in almost every respect”⁴⁸⁹. When the author asked for an explanation about these clear lies, the given answer was also completely false. Transparency Internacional has shown to be completely not transparent as its office in Caracas Venezuela has been composed of known members of the countries opposition.

Reporters Without Borders (RWB) is an organisation that is financed by western governments like the National Endowment for Democracy and the “Centre for a Free Cuba” and in an article in Le Monde Diplomatique called “Coup d’Etat sans Frontières”⁴⁹⁰ (and in articles of other journalists) has been criticised for not being impartial⁴⁹¹. UNESCO withdrew its sponsorship for the organisation.⁴⁹² The RWB criticism of the closure of a television channel by the Chávez government simply forgets that the concerned channel has been closed because its license has not been renewed. This channel, like the great majority of the media in Venezuela, collaborates openly and totally with the opposition, as could most clearly be seen in the 2002 coup d’état when it refrained from giving objective, factual information about the events. In every other country where a tv channel collaborates in a putsch against a democratically elected government, it would have been prosecuted and closed, but in Venezuela it was able to continue for more than five years. A new organisation, Media Watch Global, arose to offer an alternative to the biased and politicised RWB and has published documents about Venezuela that give a quite different view of the situation in the country.

Every year the The Economist publishes the ‘Democracy Index’ but the objectivity of this organisation is also highly debatable⁴⁹³. In its 2007 index Venezuela, Nicaragua, Bolivia and Ecuador (accidentally the four countries with governments most removed from the United States) received the lowest classifications in the America’s, after the obvious Cuba. The same pattern can be seen in the “Freedom House” index, another organisation where political considerations seem to be important in its evaluations. The tendency to negatively value the countries with the worst relations with the United States is clear. Freedom House considers Ecuador, Bolivia, Venezuela and Nicaragua (and Cuba) as the least free countries of Latin America, quickly forgetting for example that Colombia has the highest number of assassinations of journalists. Not surprisingly, this organisation is funded by the United

⁴⁸⁹ Tucker, “Seeing through Transparency International”, June 12 2008

⁴⁹⁰ Lemoine “Coup d’Etat sans Frontières”, August 2002, <http://www.monde-diplomatique.fr/2002/08/LEMOINE/16804>

⁴⁹¹ Barahona & 2 August 2006, <http://www.venezuelanalysis.com/analysis/1865> ; Lamrani, “The Reporters Without Borders Fraud”, 13 May 2005, <http://www.zmag.org/znet/viewArticle/6283> ; Harris, 25 June 2007, ; Serrano, 17 April 2008, <http://www.pascualserrano.net/noticias/como-reporteros-sin-fronteras-aborda-el-asesinato-de-un-periodista-por-el-ejercito-israeli> ; Lamrani, “The Reporters Without Borders Fraud”, 13 May 2005, <http://www.zmag.org/znet/viewArticle/6283>

⁴⁹² UNESCO, 12 March 2008,

http://portal.unesco.org/es/ev.php-URL_ID=42051&URL_DO=DO_TOPIC&URL_SECTION=201.html

⁴⁹³ South Asia Human Rights Documentation Centre, <http://www.hrdc.net/sahrdc/hrfeatures/HRF130.htm>

States and represents and serves the interests of this country.⁴⁹⁴ The “Worldwide Governance Indicators” of the World Bank give the same picture of the current situation in Latin America as The Economist y Freedom House⁴⁹⁵. The “Global Peace Index” is also questionable, with Venezuela being surrounded by Zimbabwe, Kenya, Mauritania and Myanmar.⁴⁹⁶

The 2002 coup also showed the complete *demasqué* of the Venezuelan media, as they openly collaborated in the planning of the putsch, as well as the spread of disinformation during the events of 11-13 April.⁴⁹⁷ A few months after the coup Maurice Lemoine of Le Monde Diplomatique wrote that after the rise to power of Chávez in 1998 “les cinq principales chaînes de télévision privées - Venevisión, Radio Caracas Televisión (RCTV), Globovisión, Televen et CMT - et neuf des dix grands journaux nationaux - El Universal, El Nacional, Tal Cual, El Impulso, El Nuevo País, El Mundo, etc. - se sont substitués aux partis politiques traditionnels, renvoyés au néant par les victoires électorales du président.” and that “[j]amais, dans l'histoire de l'Amérique latine, la participation des moyens d'information à un coup d'Etat n'avait été aussi directe”.⁴⁹⁸ Venezuelan commentator described it as follows: “the difference between mindshock ads and regular TV programming is increasingly blurred in Venezuela. Both share some of the same characteristics: Numbing repetition. Relentless slandering and demonizing of Chávez' supporters. Exaggeration, negative spinning and saturation coverage of any minor fact or event that can remotely make the Chávez government look bad. Loud, rapid-fire, invariably negative interviews. Excessive use of panic-inducing words (“Castro-Communism” is a favorite of Venevisión, along with “mobs,” routinely used to describe Chávez supporters). Deliberate use of loaded terms like “crimes against humanity” or “genocide” in the wrong contexts, to describe current events in Venezuela. Exploitation of children in interviews to stir up anti-Chávez sentiment. Venezuelans are being subject to a massive Chávez-aversion therapy program, 24 hours a day, seven days a week, month after month, ad nauseam. People wake up and go to sleep with it.”⁴⁹⁹

Media expert Luis Britto García analysed the behaviour of the Venezuelan media during the 2002-2003 economic sabotage. It is interesting that while the opposition media complained about a lack of freedom they were also the ones who ordered journalists not to report about *chavistas* and set up strict guidelines for reporters, facing dismissal if they would go against the established anti-Chavez editorial line.⁵⁰⁰ Biased reporting has not been confined to the 2002 coup and Tariq Ali laments that “[f]or the overwhelming majority of journalists in the West, leave alone the minority directly linked to the intelligence agencies, there is one principal criterion for evaluating a regime: not its human rights record, but whether or not the state concerned is a friend or an enemy of the WC [Washington Consensus]”.⁵⁰¹ While Chávez did not act against the opposition channels that openly plotted against him, he was still criticised when he started an inquiry into the affairs. Main business leaders, like the Cisneros family, were also clearly involved in the coup attempt and subsequent strikes, as the

⁴⁹⁴ Chomsky (1988) ; <http://mrzine.monthlyreview.org/barahona030107.html>, McKelvey, <http://www.nytimes.com/2007/12/09/books/review/McKelvey2-t.html>,

⁴⁹⁵ World Bank, The Worldwide Governance Indicators project, <http://info.worldbank.org/governance/wgi/index.asp>

⁴⁹⁶ Lendman, May 28 2008, <http://www.venezuelanalysis.com/analysis/3501>

⁴⁹⁷ See Ali, pp. 16-20 ; McCaughan, pp.4, 51, 88-94, 101-104

⁴⁹⁸ Lemoine, “Dans les laboratoires du mensonge au Venezuela”, August 2002

⁴⁹⁹ Rensseler, 20 December 2002, http://www.thegully.com/essays/venezuela/021220_media_mindshock.html

⁵⁰⁰ McCaughan, p.57, 103 ; Zelik, p.30

⁵⁰¹ Ali, p.8

Cisneros Group decided to stop food distribution and production to increase the shortages in the country, in a bid to unseat the Venezuelan government⁵⁰².

The 2002 coup also led the Spanish and US governments to speak out against Chávez and the apparent lack of democracy under his reign. While quick in criticism of the lack of democracy in Venezuela, one quickly forgets that George W. Bush was elected in 2000 thanks to a small majority in the state of Florida, even though thousands of Afro-Americans were not be able to vote for being on a list of 'criminals', not for being criminal but for bearing the same names. Above this, Florida's governor Jeb Bush changed the districts so as to favour the Republicans.⁵⁰³ This can be considered suspicious at the very least and journalist Greg Palast claims that the 2000 election was taken away from Al Gore by outright fraud.⁵⁰⁴ He discovered the same happened in 2004 when thousands of people were not being able to vote in Ohio, a decisive swing state.⁵⁰⁵ Former Spanish Prime Minister, José María Aznar, almost won the 2004 elections with lies about the responsables for the terrorist attacks of 11 March 2004.⁵⁰⁶

II. Results Presidential elections Venezuela

1998-2009

Presidential elections 6 December 1998

Candidate	Votes	Supporting parties and their voting percentage
Hugo Chávez	59,76%	MVR (48,11%), MAS (8,7%), PCV (0,91%), IPCN (0,47%), GE (0,21%) MEP (0,22%), SI (0,70%), AA (0,24%), NRD (0,19%)
Francisco Arias Cárdenas	37,52%	La Causa R (18,95%), ID (2,36%), MIN (1,07%), MDD (1,02%), BR (0,26%) Personal votes (13,87%)
Claudio Fermín	2,70%	Encuentro Nacional (2,72%)
Turnout	56,50%	

Presidential elections 30 July 2000

Candidate	Votes	Supporting parties and their voting percentage
Hugo Chávez	56,20%	MVR (40,17%), MAS (9,0%), PPT (2,19%), PCV (1,25%), IPCN (1,03%), GE (0,86%), MEP (0,84%), SI (0,57%), AA (0,29%)
Henrique Salas Romer	39,97%	PRVZL (28,75%), AD (9,05%), COPEI (2,15%), PQAC (0,02%)
Irene Sáez	2,82%	Encuentro Nacional (2,72%)
Turnout	63,45%	

⁵⁰² Zelik, p.144

⁵⁰³ Fairvote, <http://www.fairvote.org/?page=564> & <http://www.fairvote.org/?page=299>

⁵⁰⁴ Hartmann, 29 November 2004, <http://www.commondreams.org/views04/1129-26.htm>

⁵⁰⁵ Palast, 4 November 2004, <http://www.commondreams.org/views04/1104-36.htm>

⁵⁰⁶ Mitchell, 29 December 2004, <http://www.wsws.org/articles/2004/dec2004/spai-d29.shtml>

Presidential elections 3 December 2006

Candidate	Votes	Supporting parties and their voting percentage
Hugo Chávez	62,84%	MVR (41,66%), PODEMOS (6,53%), PPT (5,13%), PCV (2,94%), MEP (0,81) MIGATO (0,75), UPV (0,68%), CMR (0,59%), others (3,52%)
Manuel Rosales	36,90%	Un Nuevo Tiempo (13,37%), PJ (11,17%), COPEI (2,24%), Unidad (0,85%) VdP (0,74%), URD (0,72%), MR (0,64%), MAS (0,61%), other (6,56%)
Turnout	74,70%	

AA	Alianza Agropecuaria	MVR	Movimiento Quinta Republica
BR	Bandera Roja	NRD	Nuevo Régimen Democrático
CMR	Clase Media Revolucionaria	PJ	Primero Justicia
GE	Gente Emergente	PPT	Patria Para Todos
ID	Izquierda Democrática	PQAC	Por Querer a la Ciudad
IPCN	Independientes por la Comunidad Nacional	PRVZL	Proyecto Venezuela
MAS	Movimiento al Socialismo	SI	Solidaridad Independiente
MDD	Movimiento Democracia Directa	TM	Tupamaro
MEP	Movimiento Electoral del Pueblo	UPV	Unidad Popular Venezuela
MIGATE	Movimiento Independiente Ganamos Todos	URD	Unión Republicana Democrática
MIN	Movimiento de Integración Nacional	VdP	Venezuela de Primera
MR	Movimiento Republicano		

III. Venezuela's GDP per capita in comparative perspective

1. GDP per capita in comparative perspective for a group of selected countries in 1950, 1968, 1978, 1989 and 1998 respectively, which highlight Venezuela's dramatic change of fortunes.⁵⁰⁷

GDP per capita 1950

Rank	Country	GDP per capita
#1	United States:	\$9,573.00
#4	Venezuela:	\$7,424.00
#12	Argentina:	\$4,987.00
#16	Chile:	\$3,827.00
#19	Italy:	\$3,425.00
#22	Spain:	\$2,397.00
#23	Peru:	\$2,263.00
#25	Portugal:	\$2,132.00
#26	Colombia:	\$2,089.00
#27	Mexico:	\$2,085.00
#28	Greece:	\$1,951.00
#30	Brazil:	\$1,673.00

GDP per capita 1968

Rank	Country	GDP per capita
#17	United States:	\$4,491.42
#64	Italy:	\$1,651.93
#81	Venezuela:	\$1,142.80
#82	Argentina:	\$1,136.81
#86	Greece:	\$1,034.73
#90	Spain:	\$951.53
#100	Chile:	\$768.02
#103	Portugal:	\$697.11
#106	Suriname:	\$649.22
#107	Mexico:	\$618.66
#108	Panama:	\$605.58
#113	Uruguay:	\$555.12
#121	Peru:	\$447.57
#129	Brazil:	\$370.98
#136	Colombia:	\$336.74
#139	Guyana:	\$334.12
#150	Ecuador:	\$277.06
#153	Bolivia:	\$268.84

⁵⁰⁷ World Bank and CIA World Fact book

GDP per capita 1978			GDP per capita 1989		
Rank	Country	GDP per capita	Rank	Country	GDP per capita
#21	United States:	\$10,229.35	#16	United States:	\$22,047.33
#43	Italy:	\$5,405.65	#28	Italy:	\$15,788.25
#46	Spain:	\$4,239.86	#41	Spain:	\$10,387.61
#49	Greece:	\$4,120.98	#50	Greece:	\$6,887.49
#59	Venezuela:	\$3,287.99	#56	Portugal:	\$5,831.35
#60	Cuba:	\$3,226.91	#71	Brazil:	\$3,149.03
#67	Portugal:	\$2,349.99	#72	Cuba:	\$2,938.14
#68	Suriname:	\$2,314.09	#75	Uruguay:	\$2,806.08
#74	Argentina:	\$2,130.00	#77	Mexico:	\$2,730.28
#82	Brazil:	\$1,730.33	#80	Argentina:	\$2,385.67
#84	Uruguay:	\$1,698.12	#84	Costa Rica:	\$2,289.93
#85	Mexico:	\$1,595.88	#88	Chile:	\$2,192.21
#86	Costa Rica:	\$1,586.66	#89	Venezuela:	\$2,184.15
#95	Chile:	\$1,417.88	#93	Panama:	\$2,069.07
#100	Panama:	\$1,325.21	#110	Suriname:	\$1,382.01
#113	Ecuador:	\$1,033.40	#115	Colombia:	\$1,153.19
#123	Paraguay:	\$876.18	#118	Paraguay:	\$1,065.67
#125	Colombia:	\$855.48	#125	Peru:	\$965.33
#135	Peru:	\$739.44	#128	Ecuador:	\$949.21
#141	Guyana:	\$674.17	#144	Bolivia:	\$723.51
#159	Bolivia:	\$490.11	#156	Guyana:	\$518.45
GDP per capita 1998					
Rank	Country	GDP per capita			
#6	United States:	\$31,518.85			
#24	Italy:	\$21,385.80			
#39	Spain:	\$15,127.16			
#48	Portugal:	\$11,692.50			
#49	Greece:	\$11,504.28			
#56	Argentina:	\$8,280.67			
#61	Uruguay:	\$6,709.05			
#66	Chile:	\$5,281.49			
#68	Brazil:	\$4,998.63			
#73	Mexico:	\$4,422.15			
#77	Venezuela:	\$3,901.19			
#78	Panama:	\$3,853.65			
#79	Costa Rica:	\$3,761.01			
#91	Cuba:	\$2,781.59			
#94	Colombia:	\$2,419.89			
#95	Peru:	\$2,259.93			
#96	Suriname:	\$2,217.71			
#102	Ecuador:	\$1,946.35			
#115	Paraguay:	\$1,544.05			
#130	Bolivia:	\$1,064.91			
#132	Guyana:	\$970.80			

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