



IPRIS Viewpoints

MARCH 2013

Venezuela: Where Now?

SEAN GOFORTH

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The post-Chávez era began sometime after the 2008 oil price crash, and sometime before El Comandante's reelection in October of 2012. In that span, Hugo Chávez lost the ability to finance lush foreign aid programs, which, more than any other factor, bolstered Venezuela's influence in Latin America; he also found out that he had pelvic cancer, which led to his death at age 58 on March 5. This article looks beyond the internal dynamics involved in next month's presidential election, ordered by Article 233 of the Venezuelan Constitution when a President dies in office, and seeks to address the following questions about Venezuela's future: Can chavismo survive? What role will the United States play? Will Cuba remain as much a force in Venezuela as it was during Chávez's illness?

Can Chavismo Survive?

Chavismo was an amalgamation of personal and political elements. Obviously Hugo Chávez created the movement through force of personality – charisma and 18-hour days, to be exact. So, from the outset, Chávez's potential successors, from Henrique Capriles to Nicolás Maduro, have a problem in that each lacks charisma.

But the more important point is that chavismo is more tied to the individual who started it than any other successful movement in Latin American history. Simón Bolívar relied on the Argentine general José de San

Martín to shake the region free of Spain. Juan Domingo couldn't have been Perón were it not for his wife Eva's balconied pleas of "Compañeros!" to turn the jilted crowds back in his favor. (Nevermind that her untimely death from cancer created the sympathy Juan needed to extend his political life.) Now try to imagine Fidel Castro without Che Guevara.

Chávez, by contrast, had no sidekick, only the faceless cronies whom he appointed to replace seasoned government ministers. Chávez was a one-man show, both before the cameras and behind them.

As a project, chavismo's defining characteristic is populism, a de-institutional approach to politics. Specifically, a populist president bypasses the legislature and courts, and marshals the masses to advance his agenda. Also, as Rudiger Dornbush and Sabastian Edwards pointed out in their seminal research on the phenomenon in Chile and Peru, populism ignores inflation and fiscal deficits in favor of income redistribution and short-term economic growth.¹ In this, all that should be required of a successor is to ape Chávez's anti-American fervor and continue with outreach programs to help the poor.

Even this will be deceptively difficult. For sure, Nicolás Maduro, who Chávez picked as his successor, has done

¹ Rudiger Dornbush and Sabastian Edwards, "The Macroeconomics of Populism in Latin America" (World Bank, PPR Working Papers, December 1989).



his best to capture the rhetoric and grand symbolism of Chávez by, for instance, announcing that Chávez would be embalmed, and also by accusing the United States of poisoning Chávez.

Further complicating the tried-and-failed recipe of populism, Chávez added one ingredient: what he termed “radical” democracy. In fact, Chávez accumulated power through hyper-political democracy. Chávez mobilized the masses and kept them mobilized, shattering the democratic opposition and consolidating power in the executive branch. All told, Chávez managed 15 elections or referendums over his 14 years in office. This eventuated in unlimited presidential terms, the near-eradication of independent media, and Chávez’s ability to pull money out of PDVSA coffers within hours.²

However, Chávez’s successor faces acute economic and political problems. First, oil output is declining, and many experts think it will take a decade of ongoing state investment to restore PDVSA to its former glory. Also, although PDVSA does not disclose production costs, in 2010 the head of the company said that getting oil out of Venezuela’s tar sands in the Orinoco Belt cost about US\$ 4 a barrel; in fact, according to a Wikileaks cable, the production costs are 4-8 times that figure.³ In short, Chávez’s successor will have to make do with less oil revenue.

The second major problem involves “the selectors”. Political scientists Bruce Bueno de Mesquita, James D. Morrow, Randolph M. Siverson and Alastair Smith identify the selectorate as the groups that the government must pay off in order to avoid a coup and stay in power. This is better known as the electorate in a democracy, but in an autocracy it is a smaller group of military and business elites.⁴ Identifying these men won’t be hard, they’re already well known in Venezuela as the Bolivarian bourgeoisie – “boliburgueses”.

The rub here is Venezuela has a semi-authoritarian political system. Thus, carrying on chavismo will involve satisfying the inner circle – who, if Bueno de Mesquita and co-author’s research holds true, will soon enough switch sides as soon as they sense that Capriles’s opposition coalition looks to win out – and a frenzied mob – whose loyalty hinges on the continued to payout from record oil revenue.

What Role will the United States Play?

Amid the condolences that poured in to Venezuela on March 5, President Barack Obama’s response was

underwhelming: “At this challenging time of President Hugo Chávez’s passing, the United States reaffirms its support for the Venezuelan people and its interest in developing a constructive relationship with the Venezuelan government. As Venezuela begins a new chapter in its history, the United States remains committed to policies that promote democratic principles, the rule of law, and respect for human rights”.⁵

As expected, right-wing pundits faulted this approach, arguing that Chávez’s death provided a good occasion to warn off any attempt to prevent another strongman arising. Jennifer Rubin wrote: “The president, in his embarrassing and mealy-mouthed statement, offered no such condemnation of Chavez’s past behavior. Obama thereby displayed a number of his greatest failings. He is an irresolute defender of the oppressed. He is too afraid of giving offense to vile regimes and calling out gross abrogation of human rights. He thereby demoralizes democracy advocates and human rights dissidents.”⁶

Or, could it be that President Obama learned from the mistakes of his predecessor, and thus decided not to trample on a dead-man’s grave at a time when dead man’s supporters – who still blame the CIA for a 2002 coup that dethroned Chávez for 48 hours – are looking for any excuse they can muster to blame the United States? I think so.

Obama’s foreign policy rationale must be this: any express signal of US interest in Venezuelan affairs will only ricochet against Henrique Capriles, the democratic opposition candidate. Just as Capriles stands ready to win the April election, a leering eye from Washington could turn the throngs out against him.

Realpolitik also suggests that Washington should remain hands-off from the transition underway in Venezuela: Despite Chávez’s repeated threats to cutoff oil to the United States, Venezuela has been a surprisingly reliable oil exporter. Given that the United States is already getting what it needs from Venezuela, there’s little benefit to more serious diplomacy.

Will Cuba Remain as Much a Force in Venezuela as it was During Chávez’s Illness?

Chávez spent much of his last year in Havana, secretly receiving cancer treatment. As a result of this, and Chávez’s avowed mimicry of Castro, Havana emerged as a clear influence over the transition to a post-Chávez Venezuela. Yet Cuba’s role in Venezuelan affairs may recede in the years ahead, for reasons that weren’t clear until late February. That is, Raúl Castro announced he will not seek re-election when his current presidential term ends in 2018.

2 For a detailed account of how Chavez consolidated control over Venezuela’s oil industry see, for example, Tina Rosenberg, “The Perils of Petrocracy” (*The New York Times Magazine*, 4 November 2007).

3 Wikileaks, Cable reference id: #07CARACAS1157.

4 Bruce Bueno de Mesquita, James D. Morrow, Randolph M. Siverson and Alastair Smith, “Political Institutions, Policy Choice and the Survival of Leaders” (*British Journal of Political Science*, Vol. 32, No. 4, October 2002), pp. 559-590.

5 Matt Spetalnick, “After Chavez, Obama Seeks Constructive Relationship with Venezuela” (*Reuters*, 5 March 2013).

6 Jennifer Rubin, “Obama’s Atrocious Statement on Chavez’s Death” (*The Washington Post/Right Turn*, 6 March 2013).



With the Castro's finally signaling that their revolutionary days are over, it appears likely that they will expend what remains of their political energy trying to shore up a positive legacy for themselves, while also arranging for an orderly transition to post-Castro Cuba. Serving as revolutionary caretaker to Chávez's successor probably won't be high on Havana's agenda.

The Way Ahead

In sum, the overarching international response to Chávez's passing has been expected, in large part because key foreign powers made plans for this event a year ago. The real challenge falls to Chávez's successor, who faces the task of addressing an array of problems – from high inflation to rampant murder and kidnapping – as oil output steadily declines. Tackling these problems will involve a delicate balancing act. Chavistas in the barrio expect not only rhetorical fervor, but continued handouts. At the same time, the military's loyalty to civilian leadership is in question. Given these stressors, it's certainly possible that the Bolivarian bourgeoisie fragments, either because the military and business factions make different short-term calculations based on the April election, or because Chávez's successor calculates that they are no longer needed.

Ironically, after a decade of Chávez roiling international affairs, Venezuela is being stabilized by the outside world as the country unravels from within.

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