

Venezuela's international projection post-Chávez

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»» Venezuela's presidential elections, held on 14 April 2013, have laid the foundations for the post-Chávez era. Nicolás Maduro won over his opponent Henrique Capriles by a narrow margin of 1.5 per cent of votes, but the opposition has still not recognised the results. A recent violent clash between both sides in the National Assembly has highlighted the country's tense domestic situation. President Nicolás Maduro is in a fragile position and whether he will be able to remain in power until the end of his term in 2019 will depend on his ability to form alliances and on how he handles relations with the opposition. Domestic instability also leads to uncertainties regarding the international projection of Chavism. First, due to a lack of clear leadership and reduced external support; and second, given a potential radicalisation of the official discourse. In addition, post-election tensions with Spain and diplomatic spats with the United States suggest that relations with two of Venezuela's important partners are likely to become more difficult. Meanwhile, close relations will continue with Cuba and other members of the Bolivarian Alliance for the Americas (ALBA) and the Union of South American Nations (UNASUR), as well as with China, Iran and Russia.

THE BOLIVARIAN REVOLUTION AND DOMESTIC CONFLICT

In the post-Chávez era, international concern over the political violence stemming from discrepancies between government and opposition over the electoral results is growing. The opposition requested an audit

HIGHLIGHTS

- Venezuela's unstable domestic situation has weakened the government at the regional level, at the same time as complaints from the opposition are being echoed in Latin American political circles.
- Relations between the United States and Venezuela are currently cold and face a diplomatic paralysis.
- The EU's comparative advantage lies in its capacity to maintain good relations with the government and a fluid dialogue with the opposition.

»»»»» before the National Electoral Council (CNE), which was partially accepted. A 'citizen verification' audit of 46 per cent of the electronic voting machines was thus carried out, but the opposition has rejected it and in May it presented two appeals to the Electoral Chamber of the Supreme Court of Justice for the complete and partial annulment of the presidential elections. It has further threatened to present new allegations to the CNE.

The President of the National Assembly, Diosdado Cabello, had warned that while opposition members refused to recognise Maduro's victory, they would not be allowed in the presidencies of parliamentary commissions or be able to speak in plenary. When this happened, on 30 April opposition members unfolded a banner accusing Maduro of perpetrating a 'parliamentary coup' and fighting broke out between government and opposition. This conflict points to a radicalisation of the Bolivarian project, which until now had shifted between anti-Americanism and pragmatism.

Hugo Chávez headed a leftist revolution in an oil-producing and consumerist country, where the masses were controversially trained into the socialist creed and taught to profess faith in a charismatic leader, who achieved an international and regional projection not seen since Fidel Castro. Chávez was the driving force of a group of politicians, intellectuals, military officers, businessmen, and labour and social leaders, which in 1999 had ousted the traditional elites that had governed the country for four decades.

During his time in office, President Chávez maintained diplomatic and commercial relations with many countries. Some were allies, such as Cuba, Iran, Syria, China and Russia; others, including most world economies, were 'silent' customers, and others were countries with which he had enormous problems, such as the United States. From a critical viewpoint, Chávez's legacy is one of high social costs: the country's polarisation, an ideologically and psychologically divided population, his omnipresence in the media, his

aspiration to govern indefinitely, frustration among those excluded from his policies, and his tendency towards an exacerbated statism.

In the development of a radical political project Venezuela stood between ideological positions (anti-imperialism, and the promotion of twenty-first century socialism and a multipolar world) and a pragmatic behaviour. It incurred in some diplomatic mistakes by supporting contentious causes: defending Saddam Hussein's Iraq, Gaddafi's Libya, Iran and Assad's Syria. It was also involved in far too many issues, such as in the 2010 Honduras case, which led to serious accusations about alleged interference in the country's internal affairs. Furthermore, Venezuela has not been as successful as hoped in exporting the Bolivarian revolution. Aside from Cuba, no other country has implemented such a model. Another limitation is having gone too far in its relationship with Havana.

THE FUTURE OF THE CUBA-VENEZUELA AXIS

Two weeks after Nicolás Maduro assumed the presidency, Venezuela and Cuba signed in Havana new sector agreements (food, health, energy, infrastructure and communications) to seal the bilateral alliance which will remain in force as long as the current Venezuelan administration is in power. Cuba has been Venezuela's main strategic ally for over a decade. TV and radio transmissions from Havana during the final stages of Chávez's life demonstrated how Cuba and Venezuela were 'one single nation', as described by the late Venezuelan president. Similarly, in a post-election interview, Nicolás Maduro described the relationship between Fidel Castro and Hugo Chávez as that of 'father and son', and referred to the former Cuban president as 'a living legend of the fight for independence and freedom across the continent'.

There are currently 45,000 Cubans working in Venezuela, mostly in the health and education sectors. Chávez's personal security and health were also in the hands of Cubans. Both countries

signed numerous agreements, designed missions (social programmes) and formed the central axis of the ALBA regional bloc. In 2012, they developed 47 cooperation projects, amounting to 1.6 billion dollars.

Venezuela repays Cuba by sending between 100,000 and 130,000 oil barrels to Havana every day. This barter trade not only guarantees

energy supplies to the Castro regime but also its economic survival, since medical and other professional services constitute Cuba's main export sector, and Venezuela is Havana's main trading partner. This economic relationship is clearly more beneficial to Cuba, which exercised considerable political

influence during Chávez's presidencies. In his last respects to Hugo Chávez, Fidel Castro said he was 'the best friend that the Cuban people have had throughout history', and expressed his wish that Maduro continue such beneficial relations.

Given the bilateral alliance based on the Chávez-Fidel friendship, Nicolás Maduro was also Cuba's preferred candidate for the elections. An electoral victory by Henrique Capriles would have implied a review of all existing cooperation agreements and mechanisms between both countries and, probably, the expulsion of many Cuban workers from Venezuela. Maduro's presidency means continuity, and the bilateral alliance will last at least as long as the current Venezuelan administration.

ALBA AND LATIN AMERICAN INTEGRATION

In recent years, Venezuela has become more relevant in the regional sphere. Both in Latin

America and in the Caribbean, Venezuelan initiatives (Petrocaribe, Petroandino, Telesur) have had positive results. At the same time, however, there have been continuous accusations of domestic interference, as well as discrepancies with some governments over the relationship with the United States and the European Union and over Venezuela's socialist development model, which is not accepted – or only partially accepted – by friends and allies of Caracas.

Venezuela's crucial role in ALBA and its participation in UNASUR, MERCOSUR and the Community of Latin American and Caribbean States (CELAC) have brought it numerous benefits. Raúl Castro is CELAC's *pro tempore* president, Venezuela will assume the next *pro tempore* presidency of MERCOSUR, and the Venezuelan Alí Rodríguez is UNASUR's outgoing secretary general. ALBA, UNASUR, MERCOSUR and CELAC have endorsed Venezuela's electoral results and have often supported the country *vis-à-vis* the United States. This support stems, in part, from generous oil subsidies and Venezuelan government procurement.

All in all, several countries have disagreed with Caracas over some difficult issues on the world agenda, as Iraq and Libya in the past and Iran and Syria now. Many governments such as Mexico, Colombia, Argentina, Brazil and Chile do not share Venezuela's support for those countries and prefer to have a normal and/or close relationship with Washington. Furthermore, Venezuela's unstable domestic situation has also weakened Maduro's government at the regional level, at the same time as complaints from the Venezuelan opposition are being echoed in Latin American political circles.

IDEOLOGICAL ALLIANCE WITH CHINA, IRAN AND RUSSIA

Hugo Chávez was the first Venezuelan president to create a special relationship with China, Iran and Russia. This was primarily motivated by these governments' marked anti-Americanism and their search for greater autonomy from the United States.

In the last decade, the weight of Asia and the Pacific in Venezuelan exports has doubled, accounting for 16 per cent of the total. Venezuela sends 600,000 oil barrels to China per day, six times more than to Cuba. During his presidencies, Chávez made six visits to the Asian country and signed 305 agreements, including a strategic alliance in 2001. In the international sphere, China and Venezuela defend a multipolar world against US hegemony and the European Union's global influence. The two countries also coincide in their support of the authoritarian regimes in Iran and Syria, with which they both maintain important ties.

The presence of Iranian President Mahmud Ahmedineyad at Chávez's funeral and at Nicolás Maduro's inauguration ceremony indicates that Iran has become an important international ally for Venezuela. The two countries have signed around 300 sector agreements (including in science and technology and house building), they share common interests in the energy sphere, and coordinate their policies in the Organisation of the Petroleum Exporting Countries (OPEC). They also have clear ideological affinities. Mutual visits between Chávez and Ahmedineyad were frequent and as contentious as their marked anti-American discourses. During the Chávez era, the most controversial aspect of Venezuela's relations with Iran was its express support for the country's nuclear programme.

Venezuela's close cooperation with Russia relates to Moscow's membership of the BRICS together with Brazil, India, China and South Africa – which the Venezuelan regime perceives as the main bloc of a new multipolar world – but also to arms sales and energy interests. Although a Bilateral Business Council was created in 2007, trade with Russia is insignificant and the existing agreements do not have real weight. Thus Venezuela's rapprochement with Russia primarily has ideological motivations, with a view to demonstrating its independence from Washington.

There is no indication that Caracas is going to change its collaboration with criticised regimes in

Washington and Brussels, since this is seen as part of its project to create a multi-centric world against what President Maduro defined as 'a unipolar imperial world'. The close relationship with China, Iran and Russia is also a very controversial issue domestically. As such, the Venezuelan opposition would change these new alliances in favour of greater rapprochement with the United States and the EU.

REBUILDING RELATIONS WITH THE US?

Relations between the United States and Venezuela are currently cold and face a diplomatic paralysis. When the illness of President Chávez became known, there was hope in US diplomatic circles that tensions might be somewhat eased off. President Obama sent a message to the then Foreign Affairs Minister Maduro expressing his hopes for Chavez's recovery. Prior conversations even took place among diplomats of both countries to negotiate the normalisation of relations. The US hopes to resume these negotiations with the naming of a new Venezuelan *chargé d'affaires* in Washington in April 2013.

However, the relationship is still one of mutual distrust. Links with the US government are frozen, and the majority of US legislators and the media are against Chavism, as are some Venezuelan groups in both Washington and Miami who block a rapprochement between the two governments. On the other hand, it is important to note the Chavist perception that the US, together with some Venezuelan opposition members, allegedly intends to reverse the Bolivarian revolution, given its clear energy interests and through a non-institutional exit or even a military invasion.

Before being elected president, Nicolás Maduro hinted at a possible dialogue with Washington. But after winning the elections, the now president has tensed relations with the United States and Spain, reflecting his difficult position domestically, especially before Chavism's most revolutionary sector. Unless this position changes,

diplomatic relations will remain stagnant, and Washington and Caracas will continue sending each other contradictory messages, as has been the case since 1999.

EUROPE: TENSIONS WAX AND WANE

Adding to these tensions, the declarations by Spanish Foreign Affairs Minister José Manuel García-Margallo recommending a vote recount and not immediately recognising Venezuela's new leader led to clashes between Maduro and the Spanish government. Maduro responded with threats and considered Spain's actions as interference in his country's domestic affairs. The diplomatic incident shows that relations with Spain could be much more strained than during the Chávez government.

In spite of the diplomatic spat when the King of Spain exclaimed 'Why don't you shut up?' to Chávez, relations between both countries had been very cordial and fluid. Led by the company Repsol, with 12 per cent of foreign direct investment (FDI) flows in the first half of 2012, Spanish investments are the second most important in Venezuela and over 121 Spanish companies operate in the country.

To protect its interests, Spain does not belong to the circle of EU countries most critical of Chavism. The *de facto* expropriation of Repsol by Argentina and the previous threats by President Chávez to do the same with Spanish companies in Venezuela are still very fresh. A radicalisation of the post-Chávez project would negatively affect Spanish investments in the Andean country, whose relationship with other EU member states and the European Commission is rather limited.

For the moment, Minister García-Margallo has managed to lower tensions by recognising Nicolás Maduro's election victory, in line with the EU. Spain has thus shown that regardless of who is in office, it is more interested in having a fluid relationship with the post-Chávez administration than in getting involved in Venezuela's domestic

affairs. The price to pay is not devoting the same attention to the opposition which, apart from its current case (for a review of the electoral results), demands greater international support and is emerging as an alternative power.

There are also glimpses of tensions with the EU. Venezuela's full participation in MERCOSUR and its reluctance to sign free trade agreements constitute yet another obstacle in the difficult negotiations between the EU and the Southern Common Market. These will continue in the second half of the year, during the Venezuelan presidency of MERCOSUR. In view of the country's domestic situation, the EU's high representative for foreign affairs, Catherine Ashton, has advocated for dialogue to overcome the 'worrying polarisation of Venezuelan society'. The EU's comparative advantage lies in its capacity to maintain good relations with the government and a fluid dialogue with the opposition. As it has done successfully in other cases, the EU should thus assume a role in facilitating dialogue so as to prevent an open conflict in Venezuela and potential threats to Venezuelan democracy.

CONCLUSIONS

Nicolás Maduro faces three dilemmas. First, what direction will his government take? One possibility would be to step backwards and return to a reformist line. This would involve reconciling with the opposition and the private sector, improving Venezuelans' quality of life, and inviting private foreign capital to invest in Venezuela, as well as relaxing exchange rate policies. However, signs point to an acceleration of Maduro's radical line taken during his interim presidency.

A second dilemma relates to the military. Will Maduro maintain the military's material and symbolic privileges, or will he reduce their power? Will the military accept Maduro's leadership?

A third dilemma regards the population. How will the new president garner support without

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»»»»» Chávez's charisma and with half of the country against him? And, in the external sphere, will Maduro be able to count on the same regional and international alliances that supported Chávez? Or will he have to seek a new pact with the United States and the European Union?

Maduro has not yet consolidated his domestic position and so problems will arise sooner rather than later with some international governments and other global players. As domestic polarisation increases, the US and Spain are being used by the government to stir up a discourse centred on the existence of an external threat to the revolution, and by the opposition to demonstrate its

commitment towards the West. Amidst this dynamic, coupled with insecurity and a delicate economic situation, the EU should maintain its neutral position, which enables it to build bridges to reduce tensions between both sides and to help guarantee the rule of law in Venezuela.

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