National Defense University
Institute for National Strategic Studies

COLLEAGUES FOR THE AMERICAS SEMINAR SERIES

"The Bolivarian Revolution at Home and Abroad."

September 22, 2005

Featured Speaker: David J. Myers, Ph.D, Professor of Political Science, Penn State University, State College, PA

Commentator: Miguel Diaz, former Director, South America Program at CSIS now living in El Salvador

David Myers has watched and analyzed events in Venezuela for over thirty years. His extensive scholarship, more than 50 articles and books, reflects numerous interests including political party systems, public opinion, and urban policy making. His most recent publication, authored with Jennifer McCoy, Ph.D., is entitled *The Unraveling of Representative Democracy in Venezuela* (Johns Hopkins University Press, 2004). Professor Myers has taught extensively in Venezuela, visited there often as an election observer, and worked closely with the International Republican Institute and other U.S. agencies, the private sector, and political parties. In the latter capacity, working as a polling consultant for another Venezuelan party, he became acquainted with Hugo Chávez during his initial presidential campaign in 1998.

A summary of the seminar follows.

President Hugo Chávez believes that his country's forty-year experiment with western democracy resulted in 80% of the society living in poverty rather than transforming Venezuela into a capitalist country that looked like the United States or a Western European country. The belief in Venezuela's petroleum-based wealth producing the living standards of the "West" for all classes was misguided. The goal was neither feasible nor desirable. In its place today, President Chávez argues that the state must work to satisfy the basic needs of poor people and raise them to an attainable standard of living. To accomplish this end, he must disassemble many of the representative democratic institutions that he views as blocking progress. His vision also needs an adversary who symbolizes the "failed" democratic experiment: President Bush and the United States is that target.

President Hugo Chávez's anti-Americanism is not new. It stems from two sources: a strong communitarian tradition fostered by his parent's involvement with the radical faction of the Christian Democratic political party (Comité de Organización Política Electoral Independiente - COPEI), and exposure to militant communist mythology that always makes North America the enemy. In Venezuela, however, the United States could be a serious obstacle. It has influenced Venezuela (economy, armed forces, culture, sports) more than in any other South American country. President Chávez claims that the United States has *too much* presence and that this

cripples his efforts to build twenty-first century socialism in Venezuela. He seeks, therefore, to embarrass his northern neighbor at every opportunity and reduce its influence.

The Bolivarian Vision

As Myers views it, 'Bolivarianism' seeks to create a new national ideal based on revolutionary self-expression. Leaders of the inner circle that staged the unsuccessful military coup of February 4, 1992 guide the "new majority" of very poor Venezuelan voters toward a better life. They in turn sustain the Fifth Republic Movement (Movimiento de la Quinta Republica –MVR). Traditional political parties, such as the formerly dominant Acción Democrática (AD) and COPEI, have been shown to be incompetent, insincere, and defunct. Class conflict has returned as the majority that was marginalized seeks revenge for what President Chávez characterizes as 40 years of nepotism and corrupt governance. The new Bolivarian vision has four main themes:

- *Reject western style consumption society*. Bolivarianism rejects the use of Venezuelan wealth to emulate living standards in the "West." Reliance on neo-liberalism's free market economy favored the middle class and provided no safety-net for the poor. Venezuela must abandon this approach to produce an equitable society.

- *Make the urban slums livable by financing projects with oil money*. The Bolivarian vision provides for basic human needs. It makes education, health care, housing and culture available to all. Wealth from petroleum revenue is transferred through the Office of the president to "misiones" that seek to improve standards of living in the slums. The high price of oil today gives Chávez flexibility the country's presidents have not enjoyed since the halcyon days of the 1970's "Petrobonanza." A drop in the price of oil, however, will impact implementation of his programs.

- *Replace bureaucrats with ideologues*. Chávez distrusts bureaucratic structures and legal procedures long associated with previous governments which can be used to restrict his flexibility in the pursuit of his vision. On many occasions, he has replaced institutional experts with revolutionary ideologues. They are paid by the state oil company, at the President's direction, rather than through the bureaucracy where they work. This technique ensures loyalty to the revolution but stimulates corruption. In other cases, the Bolivarians have incorporated pliable sectors from the old liberal state directly into the new order.

- *Emphasize "Equality of Outcome*." The programs are anti-meritocracy. People are not supposed to lead conspicuous lifestyles. The highest priority is making the urban slums livable and not maintaining symbols of the middle class. The result devastates this sector of society.

Implications of the vision

Looking broadly at the significance and impact of the Bolivarian phenonomenon, Myers stressed the following:

The Bolivarian Vision Empowers Chávez.

In fact, the urban poor's quality of life has not further deteriorated. President Chávez's core constituency *believes* that things are better -- in large part they are the focus of his new programs. Trust in Chávez is reflected in strong public opinion polls and favorable ratings, which buys the government time to make more demonstrable improvements. Examples include the popular *Barrios Adentro* project which has brought in highly visible Cuban doctors to the slums and improved housing. Other "missiones" emphasize education, literacy and training. Political groups, called Bolivarian Circles, provide many different programs such as dance, sewing, day care, and record-keeping. Bolivarian circles are beginning to replace traditional middle class organizations such as labor unions and independent community and church groups.

Today's oil market favors Venezuela's international goals. Chávez is willing to work with international capitalists, including the United States, China, India, and OPEC countries, to buy, refine and sell oil. Venezuela often sells its product to developing countries at preferential rates that governments are happy to accept. The oil revenues mainly finance domestic programs that provide make work for the poor and military modernization that is designed to wean the armed forces from dependence on the United States. Only small amounts of revenue have been returned to foster essential infrastructure development in the cities or in the petroleum industry.

The military institution is undergoing dramatic changes intended to make it reflect the values of the Bolivarian Revolution. In July 2005, for example, Chávez changed 75% of the personnel in top positions in the Venezuelan Armed Forces. The National Guard was the most affected —24 of 29 top positions went to Chávez loyalists. To balance the active-duty military, which staged a coup in 2002, the President favors a newly expanded reserve structure (the military equivalent of Bolivarian circles), that reports directly to him, and a transformed National Guard. At the same time, Chávez has launched a badly needed military modernization program affecting all services. The program seeks to purchase only non-U.S. military systems and training. Finally, the President has begun a process to change his nation's defense strategy and military doctrine to respond to an attack from the United States with guerrilla tactics. Military training, text books and manuals have been recast to emphasize the requisites for mounting a successful insurgency, which has been labeled "asymmetric warfare." The War College of Venezuela in Los Chorros was closed for six months to rewrite military doctrine and craft a strategy for conducting "asymmetric warfare."

The changes could constrain Venezuela's long-term prospects.
Critics point out that a Bolivarian education is not sufficient for meeting the challenges of the modern world. To institutionalize the Revolution, Chávez has neutralized or fired a large percentage of the middle class expertise and talent that matured between 1958 and 1998. He is hiring only people with Bolivarian credentials and training, people who are sympathetic with his view of making Venezuela a socialist state. By not employing most of Venezuela's technocrats, he has created structural problems that will haunt the country in the years to come.

As indicated earlier, much of the physical infrastructure needing to support a modern society is beginning to crumble. Bridges are collapsing, highways are blocked by mudslides during rainstorms and safety devices in high-rise buildings (such as fire sprinklers) are in disrepair. Since much of this infrastructure is in middle-class neighborhoods, it is allowed to deteriorate. The core political constituency of the Bolivarian Revolution, the urban poor, has not yet

experienced the negative effects of the deteriorating infrastructure even though most of that infrastructure is more than fifty years old.

Myers also emphasized that Chávez's foreign spending is undermining the government's capability to develop the country. It is difficult to justify major arms purchases and preferential oil deals as the infrastructure falls down. The rearmament program also worries Venezuelans because of the possibility of confrontations with neighboring states.

The President tends to discourage foreign direct investment from the United States, preferring instead to attract capital and technical assistance from Brazil and Argentina. While these South American nations have become important industrial powers they are not able to compensate for the decline in foreign investment from the United States and Western Europe. Therefore, the Bolivarian policy toward direct foreign investment from countries in the North Atlantic region may have the unintended consequence of increasing Venezuela's dependence on petroleum income. Global experience indicates that community projects that depend solely on oil revenues do not remain viable. And the petroleum market is fickle.

The Future of Bolivarianism

Domestically, what is left of the traditional political opposition lacks unity and an attractive alternative message. Opponents, while marginalized, are permitted to conduct a limited opposition so as to maintain the fiction that Venezuela under the Fifth Republic is truly democratic. The National Assembly election, scheduled for December 4, 2005, will likely produce an overwhelming victory for President Chávez's MVR political party. Results from recent public opinion polls suggest that forces loyal to the Bolivarian Revolution will capture 80% of the seats in the 187 member National Assembly. This exceeds the level of partisan domination achieved by either AD or COPEI during the forty-year experiment with representative democracy, the so called Punto Fijo regime. With control of 80% of the seats in the new National Assembly President Chávez's supporters will be positioned to rewrite the constitution to allow for indefinite reelection of the president, new restrictions on freedom of assembly and modifications of protections for private property.

Internationally, Chávez's appeal is largely dependent on revenue from the sale of petroleum. Neighbors, such as the Dominican Republic, may not agree with Bolivarianism but will accept cheap oil. Argentina will discuss a pipeline connecting Venezuelan gas fields to consumers in Buenos Aires and accept Venezuela's purchase of millions of dollars of its international debt (as will Ecuador). While most Latin American and Caribbean countries will take his oil and submit to some form of petroleum leverage, no government in the region expects Chávez to control Latin America.

The relationship between Brazil and Venezuela is important, according to Myers. Brazilian companies have many industrial and infrastructure projects in Venezuela, and the economic goals of the two nations seem compatible. Brazil is expanding the subway in Caracas, for example, and developing a Venezuelan "people's car." Brazilian investment, as suggested earlier, is favored by the Bolivarians because it reduces the influence of multinational corporations based in Western Europe and the United States. Brazilian entrepreneurs are happy

for the business. From the US perspective, Brazil should consider how to constrain Chávez's adventures in weakly governed countries and maintain stability in South America.

President Chávez's hostility toward the United States will continue and his support among fringe groups will grow. Rejecting what the United States stands for serves Chávez well, as it has served Fidel Castro in the past. Groups of social activists in Brazil, Argentina and Peru also argue that U.S. style consumption is a formula for disaster, that the poor deserve a decent standard of living, and that the Bolivarian vision is more humane and feasible.

In sum, as Myers put it, the Venezuela that President Kennedy touted as an alternative to socialist dictatorship in Cuba is no more. Social and economic trends suggest that Chávez's hold on his country will strengthen, at least in the short run. But fluctuations in the oil market, frustration within his constituency that conditions have not met its expectation and a series of large corruption scandals within the government could reverse his success.

A Different Perspective

Miguel Diaz's commentary stressed that Venezuela is in its strongest position ever. It has oil money, and has bought the acquiescence of Latin American governments. The United States should focus on two objectives: leveling the electoral playing field, and limiting Chávez's public relations points.

Nurture an opposition. In Diaz's view, support for Chávez is heterogeneous. Many of the poor feel that the free market would benefit them, if only they could enter it on equal footing. It is difficult to determine why members of the lower class voted for Chávez: was this a vote against the corrupt traditional parties or against America? There is growing support among the youth for two nascent political parties SUMATE and Primera Justicia. A united front is beginning to appear among opposition parties. This will help the call for political change. On the down side, the people with money who could fuel the opposition have left Venezuela.

Do not play into his hand. Chávez lacks an ideology, but he understands power. Today anti-U.S. rhetoric resonates with certain Venezuelans, particularly among the intellectual left. Every confrontation with the United States makes Chávez appear stronger even though the claims are baseless. The U.S. response, unfortunately, often has been seen as disjointed and unintelligible.

The United States should focus on the condition of Venezuela's faltering democracy, unmet expectations and corruption, not on its telegenic leader. For example, when Chávez offered help after Hurricane Katrina, after thanking him, Washington could have noted that his administration has done little to repair areas affected by Venezuela's most recent disaster: the killer mudslides of 2000. Many buildings are still in ruins. The offered assistance could be better used at home.

In all likelihood, once the price of oil drops, Chávez's will be betrayed by those in his coalition who are uncomfortable with the loss of democracy. Venezuelans want democracy, just not the democracy they had before. Chávez is vulnerable, and the experiment will end poorly, unceremoniously, and perhaps bloodily.