

What Is Hugo Chávez Up To?

Venezuelan president Hugo Chávez has set alarms ringing with his efforts to create a global anti-American coalition. But in Caracas, critics say their bombastic president is giving away the country's wealth and getting snookered by his newfound friends.

BY JOSHUA KUCERA

WHEN MUAMMAR AL-QADDAFI FACED WORLDWIDE condemnation this past winter as he brutally struck back against a popular uprising, the Libyan dictator may have taken comfort from knowing he had at least one friend left: Venezuelan president Hugo Chávez. The two have forged close political and economic ties during Chávez's dozen years in office, and the Libyan leader had already bestowed the Qaddafi International Human Rights Prize on his Latin American ally and named a soccer stadium in Benghazi in his honor. In February, Chávez repaid the favors by offering to mediate a peaceful solution to the fighting—at a time when the rebels seemed likely to triumph—and defending his old friend on Twitter: “Teach another lesson to the extreme right-wing little Yanquis! Long live Libya and its independence!”

Chávez's quixotic intervention was only the latest of his efforts to play a role in world affairs larger than most leaders of a midsize Latin American coun-

try might hope for. But Chávez has emerged at a fertile moment in world history. The apparent waning of U.S. power has opened up the possibility of a new geopolitical order, and the worldwide financial crisis and the rise of China have shaken the conventional wisdom that capitalism and democracy are superior to the alternatives.

Chávez has seized the moment by forcefully declaring his intention to change the world. “What we now have to do is define the future of the world. Dawn is breaking out all over. You can see it in Africa and Europe and Latin America and Oceania,” he told the United Nations General Assembly in 2006. “I want to emphasize that optimistic vision. We have to strengthen ourselves, our will to do battle, our awareness. We have to build a new and better world.”

Of course, that speech is better remembered for Chávez's characterization of President George W. Bush as the “devil,” and his claim that the General Assembly chamber, where Bush had spoken the day before, still smelled of sulphur—only the most leg-

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Is this rogues' gallery of Hugo Chávez's friends more than the sum of its parts? The Venezuelan president is shown with (clockwise from the top) Libya's Muammar al-Qaddafi, Cuba's Fidel Castro, Russia's Vladimir Putin, and Iran's Mahmoud Ahmadinejad.

endary example of Chávez's frequent and colorful denunciations of the United States.

Chávez's torrid rhetoric has earned him both admiration—in a 2009 opinion poll of several Arab countries, Chávez was the most popular leader, by a large margin—and fear. And he has backed up his anti-American rhetoric by courting nearly any country that challenges the United States, including Iran, Russia, China, Belarus, Libya, and Syria.

Under Chávez, Venezuela has spent billions on Russian rifles, fighter jets, and other weapons, and it recently won Moscow's help in developing civilian

nuclear power. Chávez has threatened to stop selling oil to the United States—the customer for more than half of Venezuela's output—and ship it to China instead.

It is the relationship with Iran and its president, Mahmoud Ahmadinejad, that makes Chávez most effusive and worries Washington most. Chávez has hailed the Iranian leader as a "brother" and as a "gladiator in the anti-imperialist struggle." Publicly, their two countries have collaborated to build joint banks, as well as car, tractor, and bicycle factories, in Venezuela. But much of the relationship is not trans-

parent, and there has been a great deal of heated speculation (though little hard evidence) that Venezuela has offered to host Iranian missiles on its territory and is cooperating with Russia and Iran on nuclear weapons development. Some say that the banks are being used to evade international sanctions imposed on Iran.

Chávez has also been accused of supporting FARC guerrillas in neighboring Colombia and Hezbollah terrorists in the Middle East. In 2008, the U.S. Treasury Department formally accused a Venezuelan diplo-

mat who had served in Lebanon and Syria of acting as a fundraiser for Hezbollah, and froze his U.S.-based assets. Last year, a Spanish judge charged a Venezuelan official with terrorism and conspiracy to commit murder based on evidence that he had helped coordinate training sessions involving operatives from FARC and ETA, the Basque separatist organization known for its bombings and assassinations.

Meanwhile, Chávez has been creating an alliance of like-minded neighbors in Latin America, which are also building their own ties with Russia and Iran. “Today Venezuela is accompanied by true friends,” Chávez said in 2009. “They range from large countries like China, Russia, and Iran, to smaller countries in size but big in solidarity, like Cuba, the Dominican Republic, and Bolivia, among others.” Nicaragua and Ecuador are also on the list of friends.

In Washington and other capitals, there is much speculation about what Chávez really intends to do with these new alliances. Are his foreign-policy moves, as he claims, the first steps in creating a post-capitalist world order independent of the United States and oriented toward justice rather

than corporate profit? Or do they have the makings of a Cold War reprise, leading us toward bloc-on-bloc geopolitical struggle (complete with the potential for a rerun of the Cuban Missile Crisis)? Or are they neither, amounting to little more than self-aggrandizing speeches and photo ops?

In an effort to get some insight into these issues, I traveled to Caracas in February to talk to diplomats, political figures, and analysts from both the pro- and anti-Chávez camps—there is very little middle ground in Venezuela—and see where they thought the country’s foreign policy was headed, and what role these alliances play in it. It was not a topic government officials were very interested in talking about; they would much rather let the world know about their health care and

education programs (which, by all accounts, have been successful). Eventually, with great effort and the help of personal connections, I was able to meet a couple of government officials in their offices in Caracas’s crowded, historic center, where our conversations were more often than not punctuated by the sounds of lively pro-Chávez rallies featuring equal parts salsa music and shouts for “*socialismo*” coming in the windows.

Opposition figures, contrary to Venezuela’s reputation as a place where free speech is muzzled, were eager to talk about Chávez’s new alliances. I got many invitations to their homes and offices in tranquil, elegant Caracas neighborhoods where sleek modern houses and apartment buildings stood behind walls topped with electric fences.

Many in Washington, Cold War nostalgists in particular, see Venezuela’s foreign policy as nothing less than the embryo of a new evil empire. The relationship with Iran has aroused particular suspicion, with China and Russia seen as superpower patrons, and Syria and others as partners in a budding anti-U.S. coalition. Conservative think tanks hold frequent events on Venezuela’s ties with China and especially Iran, and regularly publish alarmist

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Venezuelans rally against a 2009 referendum to end term limits and allow Chávez to seek a fourth term. The pro-Chávez side won by a comfortable margin.

reports and op-eds on the topic. “The Tehran-Caracas alliance now represents the biggest threat to hemispheric stability,” contends Jaime Darenblum, a Hudson Institute scholar, in a typical example of the genre. The new chair of the House Committee on Foreign Relations, Representative Ileana Ros-Lehtinen (R-Fla.), has vowed to hold hearings on Venezuela’s relationships with Iran and Russia.

Chávez’s hero is Fidel Castro, and like Castro a generation ago, Chávez is using his position as leader of a middling regional power—along with fiery rhetoric and a resonant message of social justice—to reach for a global role. And Chávez has one advantage Castro didn’t: oil. According to one recent estimate, Venezuela has the second-largest oil reserves in the world, and even though its output has declined under Chávez, it is the world’s 11th largest producer, almost matching Kuwait. Chávez has used Vene-

zuela’s oil wealth not only to fund ambitious social programs at home but to gain influence abroad. That has allowed his nation of 28 million people, not much larger than Texas, to gain an outsized presence on the world stage.

While the list of Venezuela’s new allies may look like a global rogue’s gallery in Washington, among Chávez’s supporters in Caracas it looks like freedom—specifically, freedom from the United States. “Until 1999 [when, a year after Chávez was elected, Venezuela adopted a new constitution], our foreign policy was basically following the orders of the State Department,” said Carlos Escarrá, the garrulous chairman of the Venezuelan National Assembly’s foreign relations committee. Venezuelans especially objected to unbalanced trade agreements that they say would force them to buy U.S.-made products instead of cheaper regional alternatives. For exam-

ple, U.S.-promoted pacts such as the Free Trade Area of the Americas would forbid countries from buying less-expensive copies of costly drugs that are protected by U.S. patent law.

Chávez made some moves toward what he calls “multipolarity” in his first years in office—for example, by trying to reinvigorate OPEC and get it to support higher oil prices—but his resolve to radically change Venezuela’s foreign policy was hardened by a coup attempt in 2002. What exactly happened remains murky, but Chávez says it was orchestrated by the United States. If nothing else, the Bush administration recognized the coup leaders with unseemly alacrity. The incident “helped us to identify the empire as an aggressor, so we had to look out in the world to compensate, to create an equilibrium,” Escarrá told me. And if Washington doesn’t like Caracas’s new friends, so be it. “The U.S. isn’t the sheriff of the world anymore. So calling other countries ‘good’ or ‘bad’ is just McCarthyism. Now we have to speak of ‘sovereign’ and ‘nonsovereign,’” he said, meaning, respectively, free of U.S. influence and not free.

How do Chávez’s principles translate into practical foreign policy? Step one, of course, is knocking the United States off its perch, in particular so it can’t dominate the international organizations that Chávez blames for Venezuela’s past ills, such as the Organization of American States, the World Bank, and the International Monetary Fund. Chávez has also moved to create new regional organizations that exclude the United States and operate on what he considers more equitable terms, going so far as to provide for trade by barter rather than with money. These include Petrocaribe, which supplies oil to poor Caribbean countries at preferential terms, and the Community of Latin American and Caribbean States, which will include every country in the Americas except the United States and Canada when it is launched in Caracas in July.

The most advanced of these integration projects is the Bolivarian Alliance of the Americas, or ALBA. Chávez founded the alliance to act as an alternative

to the U.S.-backed Free Trade Area of the Americas. ALBA, backers say, is shaping up to be a trade bloc oriented toward poverty reduction rather than investment and commerce. (The members include Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, and Saint Vincent and the Grenadines.) ALBA figures heavily in the government’s domestic political rhetoric. Liberation hero Simón Bolívar’s tomb, housed in a Caracas temple called the Pantheon, is now festooned with flags from all the ALBA countries, as is his birthplace in Caracas’s historic center. The government bought a Hilton hotel and renamed it Hotel ALBA; next to the shop selling swimsuits is a bookstore whose shelves are dominated by works of leftist political theory that are a far cry from ordinary beach reading, including books by Che Guevara, Mao Zedong, and the American anti-Iraq war activist Cindy Sheehan. The government also has opened a chain of ALBA shops that sell low-priced clothing from ALBA countries, such as \$5 pants made in Bolivia and advertised as “jeans for a socialist man.” (The knockoff Polo and Abercrombie & Fitch shirts the stores sell, however, strike a discordantly bourgeois note.)

For domestic audiences, Chávez does not create nearly as much fanfare around Venezuela’s alliances with Russia, Iran, and China as he does around ALBA. Indeed, when assembling an alliance based on justice and generosity, those are not the first countries one usually thinks of. But government supporters insist that even these new friendships are allowing Venezuela to take the first steps toward greater self-sufficiency and independence.

As justification for the country’s quest for Chávez-style sovereignty, his supporters frequently cite the saga of the fighter jets. The nation’s air force has operated a fleet of U.S.- and European-built aircraft since its inception. But in 2005, the United States moved to block weapons sales to Venezuela, not only by U.S. companies but by its allies as well. The justification was that the Chávez government had not done enough to combat human trafficking and terrorism—spurious pretexts, Venezuelans say. As a result, Israel was forced to freeze a \$100 million contract to repair and upgrade the nation’s F-16s, and 10 of the 30 in its possession remain grounded.

Washington also blocked the sale of Spanish military transport aircraft and naval vessels to Venezuela, using laws that allow it to veto sales of equipment that includes some U.S. parts. Those moves virtually forced Chávez into the Russians' arms, his supporters assert. In the last few years, he has signed contracts worth \$4.4 billion for combat and military transport helicopters, fighter jets, and small arms. Venezuela also has ingratiated itself with Russia by becoming one of only four countries in the world to recognize the Russia-backed breakaway Georgian republics of Abkhazia and South Ossetia.

This raises an obvious question: For all the faults of the United States, why would Venezuela think that Russia (or China, or Iran) would be any more generous a partner? Won't Russia someday make the same demands on Venezuela that the United States has? I posed this question to Omar Galíndez, the academic director of Venezuela's government-run Pedro Gual Institute for Advanced Diplomacy Studies. "No, Russia is our friend," he said, adding that Moscow has agreed to help Venezuela develop the capacity to build parts for the equipment itself. "We have a strategic relationship, not a relationship of dependence."

One could ask similar questions about Venezuela's new ties to China. In 2008, the Chinese launched a Venezuelan communications satellite named the Simón Bolívar that Chinese engineers built under an arrangement with the Chávez government. The United States would only offer to sell space on one of its satellites to Venezuela, while China has offered to train engineers so that Venezuela will be able to build a satellite itself in 10 years, according to Carlos Escarrá. "The satellite will be used for health, education, and the development of all the people of Latin America," he said. "We wouldn't be able to do this without opening up our foreign policy to other countries."

There are, of course, simple alternative explanations: Russia and China are happy to take Venezuela's money and cheap oil. Neither has embraced Chávez as warmly as he has embraced them, and both see him merely as a willing customer for their goods, argued Julio César Pineda, a former Venezuelan diplomat who now hosts a foreign affairs show on the opposition television network Globovisión. "Russia and China are closer to the U.S. than they are to Venezuela, but Chávez thinks he can move them

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against the United States—it's absurd."

One Venezuelan blogger wrote at the time of the satellite launch: "The President stated, 'What does a satellite have to do with socialism? A capitalistic company launches a satellite to make money. This is an act of liberation and independence . . . to construct socialism within Venezuela and to work together with other countries,' something that I think is great. It is a shame that the Chinese did not think the same when they charged Venezuela \$241 million, on top of the \$165 million in the construction of the two ground control sites."

Many of the alleged social benefits of the deals with other countries exist, at least for now, only on paper. That has led to a widespread belief in Venezuela that the government is giving away more to its new friends than it is getting in return. "There are so many agreements, it's impossible to keep track of them all, but most of them are giving things up," said Arlan Narvaez, a professor of political economy at the Central University of Caracas. "It's [Chávez's] way of buying attention."

The most significant element of the China-Venezuela relationship is a \$20 billion loan Beijing pledged to Caracas, which is partly repayable in oil. Many Venezuelans worry that Beijing got by far the

best of the deal. The exact terms have not been made public, but a U.S. diplomatic cable released by Wikileaks quoted a Venezuelan state oil company official saying that China was getting the oil for about \$5 a barrel, then reselling it at a large profit.

Maryclen Sterling, a sociologist and radio host who is generally pro-Chávez, said that although she understands the necessity of new alliances, she is uneasy about how the government is going about it. “We’re in a war, and in a war the goal is to defeat the

publicized attacks by Chávez on press freedoms, the country has an aggressive opposition media and a sizable foreign press corps. And no one has come up with the smoking gun to prove the worst of the allegations.

Most circumstantial evidence suggests that cooperation between Venezuela and Iran is neither as nefarious as its critics tend to believe, nor as fruitful as its defenders claim. One U.S. diplomatic cable from Caracas, written in 2009 and released last year

by Wikileaks, concluded that there is little reason to believe the claims of nuclear weapons cooperation: “Although rumors that Venezuela is providing Iran with Venezuelan-produced uranium may help burnish the government’s revolution-

ary credentials, there seems to be little basis in reality to the claims.”

Those who suspect the worst of Chávez had a tantalizing morsel dropped in their laps in 2007 when the Venezuelan airline Conviasa and Iran Air inaugurated direct flights between Tehran and Caracas. To make it even more intriguing, the flights were said to be unavailable to the general public and free of normal security procedures. “These planes are most likely carrying bad actors from the likes of Hezbollah, Iran’s Islamic Revolutionary Guard Corps, and the Guard’s Qods Force,” wrote Peter Brookes, a former Pentagon official, in *The New York Post*.

When I was in Caracas in February, I went to the Conviasa ticket office at the Hotel ALBA, and inquired about buying a ticket to Tehran. The agent told me that, unfortunately, the service had been canceled “about a year ago.” (She gave me a number where I could reach Conviasa’s public relations department for more information, but publicity is apparently not a priority for the airline; nobody ever picked up the phone.) In its day, the flight was something of a sensation among aviation enthusiasts, and there was a lot of chatter about it on their Web sites. The posts painted a picture of something more like a political boondoggle than a cloak-and-dagger oper-

THE EFFECTS OF CHÁVEZ’S foreign policy beyond Venezuela’s borders fall far short of the president’s rhetoric.

enemy, at all costs,” she said. But Sterling is not confident that Venezuela’s new allies will be any more selfless than the United States was. “Chávez is very naive in certain things, and in general we’re a naive country, and a lot of people say we’re doing terrible business,” she said. “I’m concerned that we could be trading one empire for another.”

In opinion surveys, Venezuelans seem tepid toward their new allies. According to the Pew Global Attitudes Project, in 2007 (the most recent year Venezuela was included in the poll) 48 percent of Venezuelans had a positive opinion of Russia. Only 16 percent had at least “some confidence” in Ahmadinejad. Meanwhile, 56 percent had a positive opinion of the United States—a slightly higher level of enthusiasm toward the Yanquis than Britons and Canadians had.

Whatever the effects of Chávez’s foreign policy at home, its potential impact beyond Venezuela’s borders falls far short of the president’s rhetoric. While it’s impossible to prove that Chávez is not helping Iran with its nuclear program, for example, there have been so many allegations, repeated for so long, that they are starting to lose their potency. Despite some well-

ation. One German traveler who took the flight in 2007—and apparently had no trouble getting a ticket—said he had an opportunity to speak with the Iranian flight captain, who told him, “With every transatlantic flight from Tehran to Caracas we create a loss of more than \$100,000, but get compensation from the government.”

Veniran, the joint Venezuelan-Iranian car and tractor manufacturer, seems to be another triumph of politics over substance. I went to a Veniran dealer in Caracas to see about buying a car, but found that there weren’t any for sale. The salesman told me there was a waiting list from 2010 of more than 4,000 customers, while only a few dozen cars had been produced last year. (He also advised me not to buy a Veniran, arguing that although the initial price was low, many replacement parts are expensive imports.) A former Veniran employee told me that when the factory was being built, the

Venezuelan side skimmed on some key equipment, trying to reuse old assembly-line machinery instead of getting new gear. Predictably, it gummed up the works, setting back production.

Opposition leaders in Venezuela don’t criticize Chávez’s foreign policy on the grounds that it is opening the door for Hezbollah or Iranian nuclear weapons, but because Chávez is extravagant in subsidizing other countries for political reasons while Venezuelans need better schools and health care. In fact, spotlighting the danger of Venezuela’s new alliances only plays into Chávez’s hands, said Teodoro Petkoff, a leftist turned Chávez critic and editor of the Caracas newspaper *Tal Cual*. He brought up Representative Ros-Lehtinen’s threats to hold hearings on Chávez’s ties with Russia and Iran. “I’m very worried about the Republicans taking power” in the U.S. House of Representatives, Petkoff said. “They will be a big help to Chávez. Every time any American leader speaks against Chávez, he has material for one month of speeches.”



A Caracas wall mural celebrated Chávez’s 12th anniversary in power in February. Chávez says he will seek a new six-year term in elections next year.

Chávez's enthusiasm for attention, positive or not, is obvious. He thrives on conflict and on standing against the United States, and flaunting a close relationship with Iran achieves both of those objectives. "In general, he loves to cultivate an air of mystery, and particularly in this case [with Iran]. He knows it makes a lot of noise," said Elsa Cardozo, a professor of international relations at Universidad Metropolitana in Caracas. The official Iranian Fars News Agency quipped that the Veniran factory was "designed to produce three things: tractors, influence, and angst."

There are signs, though, that Chávez's international influence is waning. Its apex may have come with his United Nations speech five years ago, or the Summit of the Americas in Argentina in 2005 when, with the blessing of then-president Néstor Kirchner of Argentina, a major regional power, Chávez directly challenged U.S. leadership in the region. But no countries have joined ALBA since June 2009, and polls have found that his popularity has declined substantially in Argentina, Brazil, and Mexico. As early as 2006, a *Latino-barómetro* survey of Latin Americans had him tied with President George W. Bush (at 4.6 on a scale from one to 10) in popularity. Classified materials released by Wikileaks have shown regional leaders speaking dismissively of Chávez. While Brazilian leaders have publicly embraced Chávez, in one U.S. cable Foreign Minister Celso Amorim is quoted saying, "His bite is not as bad as his bark," and in another, "Chávez is not a threat."

Other critics pointedly note that Chávez's claims of a commitment to justice are undermined by his embrace of some of the world's worst dictators. In the past he has praised Idi Amin and Robert Mugabe, and more recently, Hosni Mubarak and Qaddafi, arguing that the protests in Egypt and Libya were orchestrated by the United States. *Al-Jazeera English*, which promotes itself as the voice of the global South and would seem a natural ally of Chávez, has been highly critical of him for his support of the dictators rather than the people of the Arab world. The rebels in Libya, when they took Benghazi in early March, quickly

removed Chávez's name from the soccer stadium.

Chávez's embrace of dictators has turned off much of the European and global Left as well, according to Petkoff. Chávez does not realize that his message plays very differently in Europe, he said. "He doesn't understand what Iran or Belarus means for Europe. Iran is very far away from [Venezuela]; eight out of 10 Venezuelans don't know where Iran is. But for Europeans, Iran is a real problem. And 9.9 out of 10 Venezuelans don't know where Belarus is, but Europeans know that it's the last communist government in Europe, the last remnant of the Soviet empire."

Chávez's revolutionary, anti-U.S. efforts can perhaps be usefully compared with those of his idol, Castro. For all of the doom-and-gloom scenarios Chávez's new alliances have engendered, he has not gone nearly as far as Castro did in his heyday. Chávez has not sent troops or military aid to like-minded governments, as Cuba did in Angola and elsewhere, nor has he offered to host foreign military installations, as Cuba did with the Soviet Union.

Chávez's critics might respond, well, give him time. But Chávez also faces constraints that Castro did not. He does not have a superpower patron, as Cuba did (though Chávez reportedly hoped that China would fill that role), and he is limited by domestic politics. Although Venezuela may be creeping toward authoritarianism, it's not there yet. Chávez faces an election in 2012, and opposition figures believe they have a chance to win if they can agree on a good candidate. Getting cozy with Iran and China is not likely to be a winning campaign theme, especially if people perceive that Chávez's oil diplomacy amounts to spending money abroad that could go to domestic social programs and other needs.

But Chávez also has a unique opportunity. The United States' influence is declining, and many people are looking for something to replace the liberal model of economics and governance. By hitching his wagon to so many dubious allies, Chávez could be squandering a chance to promote an alternative. But if nothing else, his new alliances have gotten the world's attention. "If we weren't doing all this, you wouldn't be sitting here in my office," Escarrá, the parliamentarian, told me. "Venezuela isn't mute anymore." ■