

Venezuela: A Difficult Puzzle to Solve

Written by Paulo Afonso Velasco Junior

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PAULO AFONSO VELASCO JUNIOR, MAR 9 2019

Hugo Chávez was elected president of Venezuela in 1998 while leader of the Fifth Republic Movement (MVP) committed to the implementation of a new political, economic, and social orientation for the country. In fact, as early as 1999 he introduced a new constitution with important changes, such as the expansion of the role of the military in the Venezuela's political life and simultaneously reinforcing the participation of society in decision making. In social terms, the "misiones" were outstanding, prioritizing areas such as health and education and helped to significantly reduce poverty indicators in the country. According to Manuel Gómez (2011), the "misiones" encompassed a wide set of poverty alleviation and development-promoting initiatives in different areas such as health services, cash transfers, literacy and other educational programs, community building, the protection of indigenous peoples, and the redistribution of unused land, among others.

Of course, there were many challenges and resistance to the changes introduced by Chávez, with several sectors actively fighting the new president in his early years: businessmen, unions, the Catholic Church, are some examples. The 2002 coup that removed Chávez from power temporarily, with the country being governed by businessman Pedro Carmona for about 3 days, and the recall referendum of 2004 are outstanding examples of the opposition's attempts to seize power.

With his expressive victory in the 2004 recall referendum, Chávez saw his legitimacy and power grow significantly. He has promoted changes in strategic sectors (including in PDVSA, the Venezuelan state oil company) having exonerated opponents and critics. There has been, since then, less tolerance of diversity and opposition. Hence, the non-governing parties reacted and decided to relinquish participation in the legislative elections by the end of 2005, which has led to a 100% Chávez National Assembly.

At the same time, the country benefited from the rise of oil prices in the international market, being able to rely on these significant resources to maintain social policies; to strengthen the Armed Forces with the purchase of arms, including Russian sukhois; and to adopt solidary strategies with neighbouring countries, such as the sale of fuel at subsidized prices for Paraguay, the purchase of Argentine bonds, the financing of the carnival of Rio de Janeiro, and financial support for Cuba.

Throughout this period, the promotion and defence of the so-called 21st-century socialism has caused some concern in the United States, with George W Bush's government making heavy criticism of Chávez's Venezuela despite continued purchases of Venezuelan oil. Chávez's government also assumed the status of great critic of the American empire, using hard rhetoric against liberalism and globalization. The South American regional space was important to Chávez's foreign policy and the president supported integration as the best way to strengthen the region in the face of the US's interests. In fact, Venezuela was the main articulator for the creation of the Bolivarian Alliance for the People of Our America (ALBA) in 2005 and the Union of South American Nations (UNASUR) in 2008, in addition to articulating other mechanisms such as PetroCaribe, an energy cooperation agreement established to provide subsidized prices for petroleum and petroleum products to some Caribbean and Latin American countries. In these spaces, Venezuela felt supported to defend a more solidary model of integration, in opposition to the Free Trade Area of the Americas, for example. Within the Community of Latin American States (CELAC), motions were approved against the US embargo on Cuba and also in solidarity to Argentina on the issue of the Malvinas. For Chávez's foreign policy, maximizing alternative multilateral spaces as a way of neutralizing US influence and power

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was important.

We must also recognize a context of progressive governments advancing in much of Latin America and the Caribbean, allowing the creation of common regional alliances and projects, supported by ideological coincidences in the defence of greater regional autonomy in a more multipolar world. In addition, in contrast to the typical open regionalism of the 1990s, initiatives of “post-hegemonic regionalism” (Riggiozzi and Tussie 2012) were developed, less based on neoliberal ideas and more identified with social and political integration agendas.

In fact, not only sustained economic growth in the region, aided by the boom in international commodity prices, but also the development of more inclusive social policies and the reduction of poverty rates paved the way for the launching of new regional projects led by Venezuela and Brazil. For Hugo Chávez’s government, the disparity of forces with a hegemonic actor as powerful as the US required the creation of a combined and legitimate strategy of resistance, in order to prevent and limit the advancement of the United States at the hemispheric and international levels.

Thus, Venezuela’s growing involvement in various regional mechanisms, playing a much more active role at the hemispheric level, reflected a “soft balancing” strategy, designed to “slow down, frustrate, and weaken the dominating fields of the United States, hindering and raising the costs of US foreign policy at both the hemispheric and international levels” (Serbin and Serbin Pont 2014: 288).

At the end of the Chávez government, the country’s economic situation already showed difficulties increasing social resistance against the president. The country’s inflation in 2011 was 27.6%, the highest in Latin America at that time. In the elections of that year, when Chávez ran against Henrique Capriles, one could already perceive a more divided country. With Chávez’s death and Maduro’s rise, criticism of “chavismo” increased, as did the country’s division, which was reflected in the election results, won by Maduro by a minimal margin, with just over 200,000 votes of difference. Since then, the country’s situation has only worsened, the economy having shrunk by about 50% since 2014 and inflation had an exponential growth of about 1,700,000 in 2018 alone.

Beyond the numbers, it is important to recognize the country’s dramatic food and medical shortages, stimulating smuggling and the black market. Oil production has also been falling in recent years, something dramatic for a country that has never been able to diversify its economy and where oil exports represent 95% of the total of its exports. According to recent estimates, due to the lack of investment, mismanagement, and even the flight of workers in PDVSA, production levels may soon drop below 1 million barrels per day, which would represent the lowest level in decades.

Since assuming power in 2013, Maduro’s government has been facing stiff opposition, especially represented by the Democratic Unity Roundtable (MUD), where a number of parties are assembled, such as the historic Acción Democrática and the famous Voluntad Popular, of leaders like Leopoldo Lopez and Juan Guaidó, and the Primero Justicia, of Henrique Capriles. The economic crisis and the deterioration of social indicators, with rising poverty and hunger, and the loss of achievements of the Chávez era have allowed for increased support for opponents, resulting in MUD’s victory in the elections to the National Assembly at the end of 2015. Since then, the country lives in the midst of a war between powers that hinders the proper functioning of national institutions. In fact, Maduro has used decisions by the Supreme Court, which is majorly composed by government supporters and is frequently accused of being a rubber stamp for the government, to withdraw legislative powers from the National Assembly, and there has been the election of a Constituent Assembly in 2017 to assume the role of the opposing parliament.

Violence is also an important element in Venezuela, and even during the “golden age” of Chávez government, some Venezuelan cities were already among the most violent in the world. With the socioeconomic crisis and the shortages, there was an increase in homicide rates in the country, with political motivations. The use of state agents to suppress demonstrations, with a significant number of people injured and even killed, as well as the actions of militias and armed groups, such as the so-called “colectivos”, who are supposed to have government support, are some examples of the growing violence in the country. On the opposing side, albeit to a lesser extent, there are also sometimes violent reactions against government supporters. It is a scenario where human rights abuses and

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violations occur on all sides.

In order to understand the current situation in Venezuela, it is essential to evaluate the role and importance of the military. Throughout the twentieth century, the military has been in power for about half a century, having lost prominence only in the *punto-fijismo* era between 1958 and 1989. It is noteworthy that the 1961 constitution characterized the Armed Forces as an apolitical institution^[1]. With Chávez, there was a major change introduced by the 1999 Constitution, and the compromise with the apolitical character of the Armed Forces has been suppressed (Norden 2008). Since then, the increasing power and increased participation of the military in the country's political life has been striking. In fact, active or reserve military personnel are now occupying multiple roles in public administration, including several ministries, and in companies such as PDVSA. It has also become common to see military occupying the executive of cities and provinces as mayors or governors. The civilian control over the military established during the *punto-fijismo* era has been progressively lost along the Chávez and Maduro governments, with the military gaining more autonomy (Norden 2008).

In fact, Chávez was interested in articulation with the military and its incorporation into Venezuelan political life. It is important to emphasize that many in the military sectors shared the goals and values of President Chávez, with some emblematic figures having stood by him since the attempted military coup of 1992 and others having gained his trust over the years, as in defence of the president against the coup suffered in 2002. Chávez brought the military into politics, made several appointments to strategic positions and trusted in their loyalty and obedience, believing that the politicization of the military would be an effective way of controlling them.

Maduro had to renegotiate the alliance with the military, offering them an increasing degree of autonomy in exchange for their support. As a matter of fact, the promotion policy started to be conducted quite independently by the Armed Forces. There has been a significant increase in the number of general officers in the country, which now number almost two thousand, about six times the number of generals in Brazil, and also surpassing the number of generals in the USA. The military also gained greater autonomy in the management of businesses in Venezuela, controlling, for example, the distribution of food and medicine in the country. Military appointments to public administration positions also increased significantly with Maduro, who in his first nine months of government in 2013 had already indicated 368 active or reserve military personnel for various positions. It is no exaggeration to recognize that the military has become the hegemonic group in the civilian-military alliance of Maduro's government and will play a key role in the country's political future, and it is impossible to imagine any governmental transition without the inclusion of the military leaders in the negotiations.

The opposition to Maduro is aware of this process and the self-proclaimed interim president, Juan Guaidó, offered amnesty to any military that decides to withdraw its support to Maduro and favours a governmental transition in the country.

Another important factor to consider is the loss of relevance of regional institutions in the face of the Venezuelan crisis. Organizations such as Mercosur and UNASUR, which should be the natural spaces for action in situations of political instability in its members, have not been able to exercise the expected role, unlike past crises in which they were very important, as in Bolivia in 2008, Ecuador in 2010, and Paraguay in 2012. It seems that South American regionalism is experiencing a moment of change and certain paralysis. In this context, Venezuela itself condemned these spaces, considering them illegitimate and co-opted by foreign powers such as the United States.

In fact, what has been seen in recent years is a major change in regional policy, with the loss of space for progressive governments, notably in countries such as Brazil, Argentina, Paraguay, and Peru, as well as the emergence of economic challenges after the fall of commodities' prices in the international market, especially of hydrocarbons. In this scenario, Venezuela began to experience increasing sub regional isolation, as can be seen with the suspension its membership in Mercosur.

Regional institutions no longer serve the country to expand its international position or to legitimize its counter-hegemonic strategies. The weakness of UNASUR and CELAC, at a time unfavourable to post-liberal regionalism (Veiga and Rios 2007), had a deleterious effect on Venezuelan foreign policy. In addition, the country's economic

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crisis makes it difficult to continue the “people’s diplomacy”, identified by financial support and solidarity from Caracas to social and development projects carried out in different countries of the region and the world, significantly reducing the “social power” of Venezuela. Even the Lima Group, which gathers fourteen American countries, has not been able to assume the leading role expected in the search for a negotiated solution to the Venezuelan crisis. It is worth remembering that Mexico, governed by Lopez Obrador, did not sign the Group’s statement of January 2019 that appealed to Maduro not to assume the presidency.

Thus, it is not possible to envisage an exit to Venezuela without the active participation of foreign powers. Russia and China, on the one hand, and the United States, on the other, are key pieces to solve the Venezuelan puzzle. The Chinese have made loans to and investments in Venezuela and have large receivables, making them fear that a political change in the country could hurt their economic interests. For Russia, getting involved in the Venezuelan crisis and supporting President Maduro is a way of showing to the US its ability to interfere in this American area of influence, exactly what the United States did in Ukraine in 2014. The United States has imposed economic sanctions against PDVSA and its purchases of Venezuelan oil are at the lowest level in 30 years, standing at about 500,000 barrels per day (bpd). In parallel to the economic sanctions, the Trump government offered support to Brazil and Colombia to receive Venezuelan migrants and refugees and provided humanitarian aid to Venezuela, which was prevented from entering the country by Maduro’s government. Even the idea of a military intervention has not been ruled out by Trump, who says he keeps all options on the table, although Russia and China have already affirmed that they reject any foreign intervention in the country.

It is very difficult to envision a scenario for Venezuela, but it seems clear that while the armed forces are with Maduro, he will tend to remain in power, despite internal and external opposing pressures. Time itself ends up being an ally of Maduro, and there may be a progressive wear of Guaidó, which has a very fragile articulation of heterogeneous and rival groups, only gathered in opposing Maduro. Even a possible fall of Maduro is not a guarantee of order or stability for Venezuela, a country with a very divided society and that has come to have the military as a hegemonic group behind power. For the time being, nobody knows how the pieces of this puzzle can be put together.

Notes

[1] Article 132 of the 1961 Venezuelan constitution: “The national armed forces form an apolitical, obedient, and non-deliberative institution organized by the State to ensure national defense, the stability of democratic institutions, and respect for the constitution and laws, whose observance will always be above any other obligation. The Armed Forces shall be at the service of the Republic, and in no case of a person or political bias.

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