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## Is Hugo Chávez a Threat?

*Stephen Johnson*

Biographers tell us that Hugo Chávez trained for a radical career ever since childhood, though no one guessed he would be president. He learned Marx and Machiavelli from a neighborhood historian but seemed disinterested. In the Venezuelan Army, he joined a group of left-leaning officers that secretly advocated Marxism and military rule, calling themselves Bolivarians after the Venezuelan patriot Simón Bolívar. They got little notice.

When Chávez and a handful of fellow officers attempted to overthrow President Carlos Andrés Pérez in 1992, few took him seriously. When Pérez got impeached a year later on corruption charges, people saw Chávez as a reformer. Released from jail in 1994, he formed his own Fifth Republic Movement and promised to clean up government and relieve poverty.

Venezuela's political parties were running on empty. Its caretaker state, based on exploiting natural resources and distributing profits through social spending programs, had become sluggish and inefficient. Since 1980, Venezuelans living under the poverty line had gone from 27 percent of the population to more than 50 percent.

Chávez called his predecessors "squalids" and referred to the capitalism they espoused as "savage." The public brushed it off as rhetoric. The mainstream daily newspaper *El Nacional* and TV networks Venevisión and Televisión even supported Chávez's candidacy.

### Talking Points

- To guard against a turn toward populist authoritarianism throughout the rest of Latin America, countries with "at-risk" profiles of high poverty, high unemployment, poor social integration, and lagging opportunity for social advancement must undertake reforms to become "opportunity societies."
- Washington can help by engaging more vigorously with our neighbors to promote deeper political reforms, conclude pending bilateral free trade accords, improve security through regional cooperation, revive public diplomacy programs, and expand Voice of America broadcasts to Latin America.
- U.S. diplomats should avoid responding to Hugo Chávez's provocations, but Washington should support Venezuelan democrats by urging continued international scrutiny of human rights under Venezuela's emerging police state and pressing U.S. allies to join in denouncing Chávez's dictatorial policies.

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(202) 546-4400 • [heritage.org](http://heritage.org)

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## Chávez in Power

Opinions changed after he was elected in 1998. Instead of governing by consensus, which was what Venezuelans had become accustomed to, he led by confrontation. Politicians, civil society, and the commercial sector fell into paralysis. He had the constitution rewritten to consolidate his powers and extend his mandate. In 2002, an uprising took him temporarily from office, but he came back a crusader, successfully linking his cause with the state.

Thereafter, he attacked opponents with a vengeance. He enacted a “social responsibility” law permitting the government to close radio and TV stations for airing content that “causes anxiety.” Another imposed jail terms for even mildly criticizing the government. In the background, prosecutors began rounding up opposition leaders for show trials conducted by provisional, handpicked judges.

In August 2004, the president survived a recall vote by padding electoral rolls and intimidating opponents. Now politicians from opposition parties seem increasingly unwilling to run against him or his candidates.

Outside his borders, Chávez threatens non-leftist states. Financed by the national oil industry he directly controls, the president sees himself taking over Fidel Castro’s leadership of the Latin American left and strengthening hemispheric ties to such rogue nations as Iran and North Korea.

He has proposed energy cartels, such as PetroCaribe and PetroSur, to integrate Latin America’s state hydrocarbon industries under one roof minus the participation of private U.S. companies. And, despite controlling the seventh largest oil and tenth largest natural gas reserves in the world, Chávez announced last May plans to acquire nuclear technology from Iran, fueling fears that he may try to develop a bomb.<sup>1</sup>

He is friendly with the Revolutionary Armed Forces of Colombia (FARC) guerrillas and allowed FARC units to camp out in Venezuelan territory. His government granted FARC commander Rodrigo Granda Venezuelan citizenship before he was captured on a bounty and sent back to Colombia. His new regional satellite TV network called Telesur bashes Colombia for its relations with the United States in addition to beaming Marxist propaganda throughout South America.

Chávez opposes the planned Free Trade Area of the Americas while advocating his own Bolivarian Alternative for the Americas (ALBA)—a notional aid network to be financed largely by Venezuelan oil profits. Although the highway from Caracas to its international airport lies in disrepair, he has committed more than \$3 billion a year in aid to Latin American neighbors and has bought up Argentine and Ecuadoran debt, which is passed on to international financial markets.

Chávez has embarked on an arms buildup to scare Brazil and Colombia. He has announced plans to buy more than a million rifles and acquire armored vehicles and new attack aircraft from Russia. Recently, he called for Britain to leave the Falkland Islands.

In the United States, his government has paid lobbyists up to \$100,000 a month to polish his image before the public and U.S. Congress. It reportedly funds the Venezuela Information Office, a public relations firm operating under the Foreign Agents Registration Act. Although they claim no direct link to the Venezuelan state, pro-Chávez activist groups called “Bolivarian Circles” have surfaced in Miami, Chicago, and other cities.<sup>2</sup>

After years of persuading fellow OPEC (Organization of Petroleum Exporting Countries) members to suppress petroleum production to raise prices, Chávez has negotiated with selected U.S. Congress-

1. Larry Rohter and Juan Forero, “Venezuelan Leader Eager to Start Nuclear Program,” *International Herald Tribune*, November 27, 2005, at [www.ihf.com/articles/2005/11/27/news/chavez.php](http://www.ihf.com/articles/2005/11/27/news/chavez.php) (January 30, 2006). Reserves based on estimates reported by the U.S. Department of Energy, Energy Information Administration, at [www.eia.doe.gov/emeu/international/reserves.html](http://www.eia.doe.gov/emeu/international/reserves.html) (February 3, 2006).

2. See Mary Anastasia O’Grady, “Winning Hearts and Minds Inside the Beltway,” *The Wall Street Journal*, April 9, 2004, p. A9, and Casto Ocando, “Redes chavistas penetran en EEUU,” *El Nuevo Herald* (Miami), March 20, 2005, p. A1.

men to sell small amounts of discount heating oil to poor neighborhoods in northern U.S. cities, to help these lawmakers to gain political clout.<sup>3</sup> By meddling in U.S. internal politics, Chávez hoped to drive a wedge between the American people and their government.

### A Call to Action

Whether Venezuela's President Chávez is a serious threat or a threatening buffoon depends on your point of view. If he cuts off oil shipments to the United States, other suppliers can step in. If he buys Russian MiGs, Washington could theoretically send his neighbors F-16s. Moreover, how much trouble can Venezuela cause with an annual gross domestic product comparable to that of St. Louis, Missouri?

In fact, Chávez has made good on all his promises except to curb poverty and corruption, which have increased under his rule. He has successfully corralled opponents at home and has targeted the democratic, free-market West. His diplomats actively support radical parties in such countries as Bolivia, Peru, Ecuador, Panama, Nicaragua, El Salvador, and Mexico. He hopes to link Latin American radicals with Middle Eastern jihadists and exploit nuclear technology with Iran. One should not take that lightly.

But his menace could also serve as a wake-up call. Elsewhere in the region, powerful presidencies still impose agendas out of touch with public desires while subservient legislatures and judiciaries fail to curb their excesses. In most countries, party leaders, not voters, choose candidates who are placed on lists and elected according to the proportion of votes collected by each party.

Today, half the countries in Latin America have poverty levels at about the 50 percent mark. Most of those economies are still manipulated to shield state or family-owned monopolies while placating the middle class and poor with social programs. Increased trade helps established industries and contributes to economic growth but fails to create enough jobs to keep up with population growth,

which will increase by 200 million in 20 years. The region cries for change, but whose vision will prevail?

To guard against Chávez-style authoritarianism spreading throughout the rest of Latin America, countries with "at-risk" profiles of high poverty, high unemployment, poor social integration, and lagging opportunity for social advancement must undertake reforms to become "opportunity societies." More to the point, Washington can help by engaging more vigorously with our neighbors to:

- **Promote deeper political reforms**, bolstering homegrown efforts to improve governance, strengthening citizen control of political parties now dominated by founder/owners, establishing links between legislators and constituent districts, enhancing separation of powers, and promoting equal treatment of all citizens before the law.
- **Foster freer markets** by concluding pending bilateral free trade accords with Panama and the Andean countries of South America. Beyond trade, U.S. diplomacy and assistance should help strengthen property rights, simplify business licensing for small enterprises, encourage banking competition to make credit more affordable, and provide models for privatization that enhance competition, not stifle it.
- **Improve security through regional cooperation** by encouraging regional partnerships based on day-to-day military-to-military and law enforcement-to-law enforcement cooperation to promote common standards and practices as well as share intelligence on criminal and terrorist threats.
- **Boost communication** with the audiences Chávez seeks by reviving public diplomacy programs such as scholarships and exchanges for poor and indigenous youth to study and visit the United States as well as expanding Voice of America broadcasts to Latin America to balance the propaganda of Venezuela's Telesur TV network.

3. Stephen Johnson, "Venezuela's Oil Shenanigans Wash Up on American Shores," Heritage Foundation *WebMemo* No. 923, November 25, 2005, at [www.heritage.org/Research/LatinAmerica/wm923.cfm](http://www.heritage.org/Research/LatinAmerica/wm923.cfm) (January 30, 2006).

Toward Venezuela, U.S. diplomats should avoid responding to Hugo Chávez's provocations—a device he uses to show followers that he can taunt world powers. Still, Washington should support Venezuelan democrats by urging continued international scrutiny of human rights under Venezuela's emerging police state and pressing U.S. allies to join in denouncing Chávez's dictatorial policies.

### **Conclusion**

Since childhood, Hugo Chávez has been underestimated. Today, he is becoming a major irritant, if not a threat, to Latin America's fragile democracies and to the United States. As an antidote, the United

States and its allies should ignore verbal provocations, but stand by Venezuela's democrats, and help democracy and markets fulfill their promise in the rest of the hemisphere.

—Stephen Johnson is Senior Policy Analyst for Latin America in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation. These remarks were delivered at a conference on "Implications of Latin America's Move to the Left," hosted by the Center for Hemispheric Policy in Miami, Florida.