

WebMemo



Published by The Heritage Foundation

No. 2027
August 18, 2008

Hugo Chávez's Andean Offensive

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As Russian tanks and infantry roll through distant, democratic Georgia, a less provocative yet troubling assault on democracy in the Western Hemisphere continues unabated. Exploiting the U.S. leadership and media's preoccupation with the Caucasus conflict, as well as the Beijing Olympics, elections, and high gas prices, President Hugo Chávez of Venezuela went on the offensive with a power grab of his own. From nationalist muscle-flexing with Russian arms to the issuance of decrees, from nationalizations to blacklisting opposition candidates, Chávez's recent antics are designed to secure victory in Venezuela's November state and municipal elections. Such electoral triumph would accelerate the advance of Chávez's brand of socialism and is therefore another setback for hemispheric democracy.

Elsewhere in the Andes, the presidents of Bolivia and Ecuador—ally and friend, respectively, of Chávez—are inching closer to constitutional overhauls would that allow them to prolong their stays in office and wield greater centralized power over their central banks, courts, and legislatures at the expense of economic freedom and individual liberty. In Bolivia, the consolidation of power by President Evo Morales and his indigenous backers threatens to split the nation asunder. And, as we have reported separately, Chavez and Morales have also been busy trying to undermine Peru's fragile democracy.¹

Under the banner of social justice, Chávez and his allies have been busy with the following:

- Dethroning the old economic elites and traditional political parties;
- Eliminating checks and balances;
- Curbing individual rights;
- Allegedly reining in “rapacious” foreign companies;
- Resurrecting socialist and redistributionist policies that have a consistent track record of failure in Latin American and around the world; and
- Engineering a new network of cooperation with the enemies of Western democracy—Russia and Iran in particular—in an effort to advance a provocative, generally distorted, anti-American attitude.

Other than maintaining a dignified silence punctured by the occasional hand-wringing, Washington appears to possess few responses to the march of Chávez and his Latin American allies. Yet countering these adverse trends in the Western Hemisphere should not wait until the U.S. is deep in the next Administration.

Venezuela and Russia: Accelerating Chávez's Revolution. In late July, Chávez traveled to Moscow to meet with the ruling duopoly of President Dmitry Medvedev and Prime Minister Vladimir Putin. Dur-

This paper, in its entirety, can be found at:
www.heritage.org/Research/LatinAmerica/wm2027.cfm

Produced by the Douglas and Sarah Allison
Center for Foreign Policy Studies

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

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ing his stay, Chávez praised Venezuela's "strategic partnership" with Russia and committed to purchasing an arsenal of weapons including advanced fighter aircraft, battle tanks, air defense systems, and submarines, thus further cementing a growing Russia–Venezuela arms relationship.²

In addition to his military hardware shopping spree, Chávez also affirmed a readiness to host Russian troops. "Russia has enough resources to secure its presence in different parts of the world," he said. "If Russian armed forces would like to be present in Venezuela, they will be welcomed warmly. We will raise flags, beat drums and sing songs, because our allies will come, with whom we have a common worldview."³ On August 14, Chávez's government again aligned with Russia and charged the U.S. with "planning, preparing, and ordering" the Georgian government's actions in South Ossetia.⁴

Learning to Be a Better Despot: How Hugo Spent His Summer Vacation. On his return from Moscow, Chávez used an expiring decree authority granted by the Venezuelan legislature to issue 26 new decree-laws. These new decree-laws closely resemble measures previously rejected by a majority of Venezuelans in the December 2, 2007, referendum.

Several of these new decrees bring Venezuelan military policy into closer alignment with the *Chavista* nationalist ideology. The national army, for example, now becomes the Bolivarian army, ideological education is made compulsory, and an extensive Bolivarian militia, answering directly to the president, will act as watchdog and protector for the Chávez revolution.

The new decrees also grant the government extensive authority to control the production, processing, and distribution of foodstuffs, including criminalization and jail terms for anyone violating price controls or interfering with food production

and distribution. Other decrees authorize Chávez to siphon off earnings from state enterprises to fund social programs and grant him the authority to create a new layer of appointed officials to serve as regional vice presidents and agents of the central governments operating outside of electoral control.

In late July, Chávez also announced that Venezuela will purchase and nationalize Banco de Venezuela, a privately owned bank that belongs to Spain's Banco Santander. Defenders of this decision claim Chávez intends to create a bank for the poor modeled on Brazil's *Caixa Economia do Brasil*. This move, nonetheless, will give Chávez even greater control over the economy as well as enhanced patronage power in an economy where roughly one-third of all formal jobs are located in the public sector.

Chávez's sights are set on the November 23 state and municipal elections. With popular support uncertain, Chávez fears a repeat of the December 2007 constitutional reform fiasco. Ignoring the massive corruption and cronyism that have become a hallmark of the regime, Chávez's agents have blacklisted 272 mostly opposition candidates accused—without trial or conviction—of corruption. Pivotal opposition figures like Leopoldo Lopez, a popular mayor in greater Caracas, are barred from running for office.

By controlling the reins of legislative and economic power, and by promising more benefits to the masses, Chávez hopes to smash a recuperating domestic political opposition, thus further consolidating his grip on power. On August 2, a confident Chávez promised to make the "transition to socialism in a much more precise, planned, accelerated, exact, scientific manner" after the November 23 elections.⁵

Bolivia: Morales Wins a Divisive Victory. On Sunday, August 11, Bolivia's indigenous President Evo Morales, Chávez's ally and protégé, moved

1. James M. Roberts, "Fighting for Freedom in Rural Peru: 'ALBA Houses' Threaten Democracy," Heritage Foundation *Backgrounder* No. 2173, August 18, 2008, at <http://www.heritage.org/Research/LatinAmerica/bg2173.cfm>.
2. Ariel Cohen and Ray Walser, "The Russia–Venezuela Axis: Using Energy for Geopolitical Advantage," Heritage Foundation *WebMemo* No. 2000, July 21, 2008, at <http://www.heritage.org/Research/RussiaandEurasia/wm2000.cfm>.
3. Anne Bernard, "Russia: Venezuela Offers to Host Bases," *The New York Times*, July 24, 2008 at http://www.nytimes.com/2008/07/24/world/europe/24briefs-VENEZUELAOFF_BRF.html?scp=1&sq=chavez%20russian%20bases&st=cse (August 14, 2008).
4. Foreign Ministry of Venezuela, "Comunicado," August 14, 2008 at <http://www.mre.gob.ve/Noticias/A2008/comunic-227.htm> (August 15, 2008).

closer to consolidating power and installing the Bolivian version of the Chávez-inspired socialist revolution. Bolivia—a member of Chávez's Bolivarian alliance (ALBA) along with Cuba and Nicaragua—is increasingly wedded to Chávez's anti-U.S./anti-globalization agenda and the rolling back of free market reforms undertaken in the 1990s.⁶

Recently, voters considered whether to recall President Morales and eight of the country's nine provincial prefects (governors). With 97 percent of the vote counted, Morales gained 67.7 percent of the vote, well above the 54 percent he won in 2005. Governors in four of the largely mixed-race (*mestizo*) and relatively wealthy eastern lowland (*Media Luna*) provinces seeking greater autonomy from the Morales government also won substantial majorities and will keep their offices.⁷

Morales gambled that the referendum would strengthen his hand, a wager he seems to have won. Observers now expect Morales to move for approval of a new constitution that “redistribute[s] wealth from the country's hydrocarbons industry, introduces land reforms, empowers indigenous backers in the Andean highlands, and opens the way for a run for a second presidential term.”⁸

Although Morales gained critical ground, the referendum also pushes a fractious nation (the poorest in South America) closer to a breakup that would destabilize the entire Andean region. As Professor Eduardo Gamarra of Florida International University notes, the election results will “fortify the political extremes and leave a dwindling number of Bolivians in the center” while sending the Bolivian state into a “free fall.”⁹

Bolivians of all political stripes must engage in serious dialogue and seek compromise if the contending parties wish to avoid a costly and poten-

tially bloody internal conflict. The inclination of Morales—backed by his confrontational ally and chief supporter, Chávez—may be to seek the riskier track of class and ethnic confrontation with Bolivia's opposition.

Ecuador: Slouching toward Populist Authoritarianism. On July 24, a constituent assembly approved a new constitution for Ecuador. Backers of the new constitution—the nation's 20th since 1830—promise that it will correct the ills that have made Ecuador one of Latin America's most politically unstable states. This new constitution will permit left-leaning President Rafael Correa, elected in 2006, to dissolve the Congress, influence the high court system, and exercise extensive control over the formerly autonomous Central Bank. It will also allow Correa two consecutive four-year terms, opening the door for his retaining office until 2017. The new constitution contains numerous nationalist planks, such as the rejection of international arbitration of investment disputes and a prohibition against foreign military bases, a clause aimed at ending the presence of the U.S. forward-operating, anti-drug air base at Manta.

Since March 1, 2008—when the Colombian military crossed the border to destroy a well-established camp of the Revolutionary Armed Forces of Colombia (FARC) and kill the insurgency's number-two leader—Correa has worked to enflame nationalist sentiment. This nationalist fervor is expected to help carry a constitutional referendum on September 28.

Some analysts see Correa and Ecuador as a more distant, less autocratic reflection of the Chávez model and urge the U.S. to redouble its efforts to preserve good relations with Correa. The government has sent high level emissaries to Washington

5. Steve Bodzin, “Chavez Says He Will Speed Socialism after November Election,” Bloomberg News, August 3, 2008, at http://www.bloomberg.com/apps/news?pid=20601086&sid=arXNsLo.4jyw&refer=latin_america (August 15, 2008).

6. Economist Intelligence Unit, *Country Profile: Bolivia*, June 5, 2007, p. 5 (May 2, 2008).

7. John Lyons, “Bolivia Vote Likely Won't End Stalemate, Undermining Stability,” *The Wall Street Journal*, August 11, 2008, p. A-6.

8. Naomi Mapstone, “Bolivia Elects Morales in Recall Vote,” *Financial Times*, August 11, 2008, at <http://www.ft.com/cms/s/0/f7358b92-6769-11dd-8d3b-0000779fd18c.html> (August 17, 2008).

9. Tyler Bridges, “Tensions run high ahead of recall vote; A vote on whether to recall President Evo Morales and governors could deepen Bolivia's political crisis,” *The Miami Herald*, August 10, 2008, at p.A-12.

to encourage stronger ties, but it is unclear if Correa can resist the siren call of Chávez's populism and financial assistance.

Democracy's Friends in Latin America Need U.S. Support. To consolidate their political positions, Chávez and his allies rely on international distractions and U.S. inattention and immobility in the waning days of a lame duck Administration. Yet, the Administration and Congress need not be so predictable and acquiescent.

Indeed, before the November elections, Congress should accomplish the following:

- Hold hearings to determine what can be done immediately to combat the authoritarian tide;
- Develop a rescue plan for democracy in the Andes and elsewhere;
- Focus inter-American attention on the upcoming November elections in Venezuela; and

- Put aside partisan bickering and pass the Colombia Free Trade Agreement, thus cementing a binding tie with our largest, most reliable, and arguably most democratic partner in the Andes.

In the longer term, the U.S. must pursue a stronger, bipartisan effort to forge a more active, pro-democracy consensus in the Western Hemisphere. Such a consensus must develop stronger lifelines to civil society and the private sector, both of which are currently being steamrolled by Chávez and company. Democracy's friends in Latin America deserve greater support than they are presently receiving.

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