

# BACKGROUND

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## The Chávez Plan to Steal Venezuela's Presidential Election: What Obama Should Do

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### Abstract

*On October 7, 2012, Venezuela's Hugo Chávez will stand for re-election against opposition candidate Henrique Capriles. The Venezuelan presidential election matters to the U.S.: Venezuela is a major oil supplier to the U.S.; Chávez's anti-American worldview has led to alliances with Iran, Syria, and Cuba; and Chávez offers safe havens to FARC and Hezbollah. Chávez also works to weaken democratic governance throughout the Americas. Under the Obama Administration, the U.S. has offered no comprehensive strategy or policy for dealing with the man who continuously demonstrates his ruthlessness in implementing an anti-American, socialist, Bolivarian Revolution across the Americas, but there is still time for the U.S. to support democratic freedoms before the election.*

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On October 7, 2012, some 18 million Venezuelan voters will choose between the incumbent president, Hugo Chávez, and the unified opposition candidate Henrique Capriles Radonski. Chávez, president since 1999, seeks an unprecedented third six-year term and the chance to make Venezuela's march to socialism and a dominant-party state irreversible.

The contrast of forces is stark: a populist, charismatic autocrat against his polar opposite. Capriles, former governor of the state of Miranda and winner of a February presidential primary, represents a unified democratic opposition with a constructive program for the return to liberal democracy. Venezuelans must choose between further descent into authoritarianism, archaic socialism, and official anti-Americanism and a return to representative democracy, adherence to free-market principles, and recovery of the rule of law and transparency, as well as improved relations with the U.S.<sup>1</sup> For the opposition, October 7 may represent the last stand against Chávez's tightening authoritarian noose.

The Venezuelan presidential election matters to the U.S. With oil reserves equal to those of Saudi

### KEY POINTS

- The October 7 presidential elections in Venezuela pit anti-American authoritarian incumbent Hugo Chávez against democratic opposition candidate Henrique Capriles.
- Venezuela's presidential election affects U.S. interests: Venezuela is a major oil supplier to the U.S., and Chávez's anti-Americanism has led to alliances with Iran, Syria, and Cuba and safe havens for FARC and Hezbollah.
- Chávez is pursuing a multistep strategy aimed at securing his re-election that is far from fair. If re-elected, he vows to crush the opposition and make socialist rule irreversible.
- Despite the regime's abuse of the advantages of incumbency, the democratic opposition believes it has a chance to win, return liberal democracy to Venezuela, and improve relations with the U.S.
- The Obama Administration should play a more active role in monitoring the elections, supporting fair and free voter participation, and preparing contingency plans for a contested and possibly violent election outcome.

Arabia, Venezuela is a major oil supplier to the U.S. Chávez's anti-American worldview has led to alliances with Iran, Syria, and Cuba, all state sponsors of terrorism. Venezuela offers safe havens to the narcoterrorist Revolutionary Armed Forces of Colombia (FARC) and the Islamist terrorists of Hezbollah. Chávez also works to weaken democratic governance throughout the Americas.

Chávez is taking few chances. His electoral strategy consists of four distinctive steps: (1) exploit the advantages of an uneven electoral playing field that highly favors the incumbent; (2) conceal critical information needed to inform voter decision-making; (3) conduct an inflammatory campaign aimed at deepening polarization and inciting fears; and (4) tilt the process in his favor on election day. As a savvy operative, Chávez knows that the best electoral outcome is one that is determined—perhaps rigged or stolen—before voters even arrive at the polls.

Despite powerful and unfair disadvantages, Capriles and the opposition still believe they have a genuine shot at winning. While polling data are inconsistent, the race appears to be tighter than initially predicted, and the closer the race, the greater the temptation for Chávez to cheat.

Currently, the U.S. lacks a comprehensive strategy for the Chávez phenomenon or the upcoming elections. October 7 represents a critical juncture at which the U.S. needs to employ boldly all available diplomatic tools to focus attention not only on the voting, but also on the fundamental lack of fairness in the electoral

process and the deterioration of democratic governance in Venezuela.

Before October 7, President Barack Obama and Secretary of State Hillary Clinton should deliver strong messages of support for democracy and against dictatorship in Venezuela. Given the absence of serious international electoral observation, the U.S. should support active civil society participation and domestic electoral monitoring. From dispatching extra State Department personnel for observation on the ground to creating a bipartisan group of experts to monitor the elections and prepare a comprehensive post-election report, the U.S. can offer a serious assessment of whether the elections were genuinely free and fair.

Beyond October 7, the U.S. needs a well-prepared contingency strategy for dealing with potential violence and governability issues in case of a Chávez loss or post-electoral disorders. If Chávez wins, the U.S. cannot abandon the millions of Venezuelans who cast their votes against an increasingly authoritarian regime that promises to curtail individual liberty, throttle economic freedom, and endanger the security of everyone living in the Americas. It also needs to plan for longer-term intelligence assessments and possible punitive countermeasures if Chávez's anti-American activities continue.

### **21st-Century Socialism, the Bolivarian Revolution, and Anti-Americanism**

Although governing increasingly as an autocrat, Chávez clearly counts on the perception of electoral

legitimacy. Yet after 13 years in office, it is clear that Chávez—his mindset, instinct, and ideology—is the polar opposite of a true democrat. The 58-year-old ex-soldier and leader of a 1992 military coup attempt has become an outsized strongman (*caudillo*) on a messianic mission to transform Venezuela into a Bolivarian utopia.<sup>2</sup>

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**OCTOBER 7 REPRESENTS A CRITICAL JUNCTURE. THE U.S. NEEDS TO EMPLOY ALL AVAILABLE DIPLOMATIC TOOLS TO FOCUS ATTENTION NOT ONLY ON THE VOTING, BUT ALSO ON THE FUNDAMENTAL LACK OF FAIRNESS IN THE ELECTORAL PROCESS AND THE DETERIORATION OF DEMOCRATIC GOVERNANCE IN VENEZUELA.**

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Chávez is aggressive, obsessive, and often paranoid. He self-identifies with Jesus Christ, Fidel Castro, and, above all, South America's "great liberator," Simon Bolivar.

Chávez's quest to spread socialism and the Bolivarian Revolution is the core of what is referred to as *chavismo*. His socialism of the 21st century promises social justice and a permanent rupture with "savage" capitalism, an end of the bourgeois state, and neo-liberal economics to achieve autonomous or "endogenous" growth. Its chief elements are ever-increasing state ownership of natural resources and control of the means of production through nationalization, confiscations, and collectivization. The private sector is slowly asphyxiated,

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1. Juan Forero, "Latin America's New Authoritarians," *The Washington Post*, July 22, 2012, [http://www.washingtonpost.com/world/the\\_americas/2012/07/22/gJQAMdtD3W\\_story.html](http://www.washingtonpost.com/world/the_americas/2012/07/22/gJQAMdtD3W_story.html) (accessed September 11, 2012).

2. For good background on Hugo Chávez, see Michael Shifter, "What to Read on Venezuela," *Foreign Affairs*, June 1, 2011, <http://www.foreignaffairs.com/features/readinglists/what-to-read-on-venezuela> (accessed September 11, 2012).

while private property rights are degraded.

In the long run, the Chávez brand of socialism aims to wean Venezuelan workers and managers from profit-seeking habits to build an economy of solidarity, happiness, and humanistic values. As long as a competitive private sector exists, Venezuela's economy will be far too capitalist for Chávez's tastes. Venezuela's 21st-century future increasingly looks like Cuba's 20th-century Communist past.

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The Bolivarian Revolution prescribes "participatory and protagonistic democracy" rather than representative or liberal democracy. Chávez's anti-institutional approach weakens the federal model of the 1999 Venezuelan constitution ostensibly in order to empower citizens, often marginalized in the past, and presumably grant them a greater voice in governing within their communities. This model seeks to crowd out all intermediate layers of representation and independent civil society in order to establish direct—and unmonitored—links between the leader (Chávez) and the governed.

This presumed delegation of public authority cannot conceal the essentially authoritarian

### The Bolivarian Revolution: Key Features of *Chavismo*

- Personality-centered; power increasingly concentrated in executive's hands.<sup>5</sup>
- Reduced horizontal accountability (diminished checks and balances); power is unitary in an increasingly politicized, polarized state.
- Power/influence/wealth of state freely used to build a permanent majority under a dominant "revolutionary" party.<sup>6</sup>
- Control, restriction, and sanction of media without formal censorship.
- "Autocratic legalism" that allows selective sanctioning and punishment of opponents.
- Restriction of opposition nongovernmental organizations and civil society; elimination of foreign support and funding.
- Speaking on behalf of poor while building dependent client base.
- Anti-imperialism (compulsive anti-Americanism) that leads to supporting tyranny under the banner of building a multipolar world order.

foundations of *chavismo*. The institutions of governance, from the legislature and courts to the National Electoral Council (CNE) and armed forces, respond to central direction by Chávez. So too does the party he has built, the United Socialist Party of Venezuela (PSUV), and its alliance with minor parties of the Left, known collectively as the Great Patriotic Pole (GPP).

In practice, strategic-level decision-making resides with a growing executive power that is increasingly unchecked and thoroughly centralized. Customary checks and balances, such as an independent judiciary, have no place in *chavismo* since "division of powers weakens the state."<sup>3</sup> Control of the legislative majority and a capacity to govern by issuing

decrees and exercising emergency powers have opened additional doors for establishing an omnipotent executive authority.

In short, Chávez has "achieved absolute control of all state institutions that might check his power."<sup>4</sup> The only person to whom Chávez is truly accountable is himself.

In the 2012 campaign platform, Chávez promises to root out the vestiges of capitalism, "completely pulverize the bourgeois state," and move beyond a "point of no return" to make Venezuela's transition to socialism irreversible.<sup>7</sup>

Another consistently troubling aspect of *chavismo* is its strident, often reckless anti-Americanism. In Chávez's view, the U.S. is a predatory, hegemonic nation that dominates

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3. Joel D. Hirst, "Free Press and the Bolivarian Project," presentation at the American Enterprise Institute, February 9, 2012, [http://aei.org/files/2012/02/10/free-press-and-the-bolivarian-project\\_140017454095.pdf](http://aei.org/files/2012/02/10/free-press-and-the-bolivarian-project_140017454095.pdf) (accessed September 11, 2012).

4. For a comprehensive study, see Javier Corrales and Michael Penfold, *Dragon in the Tropics: Hugo Chávez and the Political Economy of Revolution in Venezuela* (Washington, D.C.: Brookings Institution Press, 2011).

5. Javier Corrales, "Hugo Boss," *Foreign Policy*, January 4, 2006, [http://www.foreignpolicy.com/articles/2006/01/04/hugo\\_boss](http://www.foreignpolicy.com/articles/2006/01/04/hugo_boss) (accessed September 11, 2012).

6. Joel D. Hirst, *The ALBA: Inside Venezuela's Bolivarian Alliance* (Miami: Interamerican Institute for Democracy, 2012).

7. Hugo Chávez, "Propuesta del candidato de la patria, Comandante Hugo Chávez: Para la gestión Bolivariana Socialista, 2013-2019," June 11, 2012, <http://www.chavez.org.ve/Programa-Patria-2013-2019.pdf> (accessed September 11, 2012).

the global economy, threatens world peace, destabilizes peaceful governments, and voraciously consumes scarce resources.

The ideology that Chávez espouses combines the themes of nationalism and Marxist–Leninist anti-imperialism with anti-Zionism and a post–Cold War vision of a multipolar world in which U.S. power and influence are drastically diminished. Because of his anti-Americanism, Chávez believes he must prepare Venezuela for an impending clash with the U.S., which he claims will take the form of covert actions—fomenting internal unrest and destabilization, a coup, even his assassination—sponsored either by the opposition or by the United States.

Chávez’s anti-Americanism drives him to ally himself with Iran and Syria and support foreign terrorist organizations including FARC, the Basque ETA, and Hezbollah.<sup>8</sup> He looks to build strong ties with geopolitical counterweights to the U.S., such as China and Russia. From Honduras to Argentina, Chávez has spent lavishly to build a network of anti-American allies and clients. In the longer term, he hopes to make South America a proving ground for the Bolivarian Revolution.

### **Elections: Opposition Gaining Ground**

The October 7 election is the fourth presidential election since Chávez won the presidency in 1998 with 56.2 percent of the vote. In

2000, following adoption of a new constitution, Chávez retained the presidency with 59.7 percent of the vote. He survived a presidential recall referendum in August 2004 with a 59 percent margin and in 2006 defeated opposition candidate Manuel Rosales, winning with 62.84 percent.

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### **THE IDEOLOGY THAT CHÁVEZ ESPOUSES COMBINES THE THEMES OF NATIONALISM AND MARXIST- LENINIST ANTI-IMPERIALISM WITH ANTI-ZIONISM AND A POST-COLD WAR VISION OF A MULTIPOLAR WORLD IN WHICH U.S. POWER AND INFLUENCE ARE DRASTICALLY DIMINISHED.**

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In December 2007, Chávez suffered his first electoral setback when a referendum proposing to end restrictions on presidential re-election and 68 other constitutional changes was narrowly defeated. Term limits, however, were lifted in 2009 in an unconstitutional referendum.<sup>9</sup> Before his cancer was discovered, Chávez expressed a desire to govern until 2031.

Opposition candidates boycotted the 2005 legislative elections, giving Chávez a total majority, but in the 2010 legislative elections, candidates representing the Democratic Unity Roundtable (MUD) stood united against the PSUV. Opposition parties gained a small majority in the

popular vote but only a minority of seats (67 of 165) because districting and proportional representation rules favored Chávez’s PSUV.

By far the most significant political development has been the re-emergence of an energized, unified opposition. With increasing unity and growing sophistication, the opposition has ended its recurring tendency to engage in self-destructive infighting. The February 7, 2012, presidential primary, organized by the MUD, was a formidable display of activism and produced an impressive turnout of over three million votes.<sup>10</sup>

Capriles, the 40-year-old former governor of Miranda state, emerged as the clear winner with 64 percent of the vote. Since February, he has waged a vigorous campaign in the face of serious obstacles. Capriles’ central message has been one of reconciliation, a plea for the restoration of balance to national policy, and a promise not to jettison social programs but rather to place them on a sustainable foundation.

From a distance, the campaign for the presidency looks like many others, including those in the U.S.: catchy spots, large rallies, photos of Chávez kissing babies, celebrity support (including U.S. actor Sean Penn), and negative campaign ads. Yet behind the daily flow of campaign activity is a well-coordinated Chávez strategy to retain power while appearing to preserve a semblance of electoral legitimacy.

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8. On the nature of the anti-American threat, see Douglas E. Schoen and Michael Rowan, *The Threat Closer to Home: Hugo Chavez and the War Against America* (New York, Free Press, 2009), and Ray Walser, “State Sponsors of Terrorism: Time to Add Venezuela to the List,” Heritage Foundation *Background* No. 2362, January 20, 2010, <http://www.heritage.org/research/reports/2010/01/state-sponsors-of-terrorism-time-to-add-venezuela-to-the-list>.

9. Article 345 of the Venezuelan Constitution states that a revised constitutional reform initiative may not be submitted during the same constitutional term of office of the National Assembly.

10. Ray Walser, “Venezuela’s Presidential Primary: Capriles Radonski Ready to Challenge Chavez,” Heritage Foundation *Issue Brief* No. 3501, February 13, 2012, <http://www.heritage.org/research/reports/2012/02/venezuelas-presidential-primary-capriles-radonski-ready-to-challenge-chavez>.



## The Chávez Strategy, Step 1: Unequal Electoral Competition

The Chávez strategy begins with what *The Economist* calls “tilting the pitch” and rigging the system to win an indefinite stay in power.<sup>11</sup>

**Spending His Way to Victory.** Central to the Chávez regime has been turning the nation’s oil earnings into social programs (*misiones bolivarianas*) that deliver free health care, free education, free or low-cost housing, and subsidized food for millions. Chávez has accelerated social spending in advance of the elections. In March, the government lifted Venezuela’s national debt ceiling while increasing the budget by 45 percent. Last year, Venezuela reportedly issued more sovereign debt than any other Latin American nation, raising \$15 billion on international capital markets. In brief, *chavismo* is engaged in “incumbency protection on steroids.”<sup>12</sup>

Chávez has used patronage power to award jobs, contracts, and subsidies to partisans and pals. Government workers now make up 20 percent of the nation’s labor force. Government workers report that they are required to contribute to the Chávez campaign by selling raffle tickets, donating a day’s salary, attending political rallies,

or campaigning door-to-door.<sup>13</sup> The head of the nation’s oil company, Petroleos de Venezuela, S.A. (PDVSA), has made it clear that he expects all 115,000 employees to vote for Chávez. Key opposition leader Ramon Guillermo Aveledo concluded that Chávez wants to “purchase a dictatorship.”<sup>14</sup>

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### THE CHÁVEZ REGIME INCREASINGLY RESTRICTS THE INDEPENDENCE AND FREEDOM OF THE PRESS.

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**Monopolizing and Manipulating the Media.** The Chávez regime increasingly restricts the independence and freedom of the press. The onslaught against a free press began in May 2007 when the government refused to renew the license for the nation’s oldest commercial network, Radio Caracas Television (RCTV). It continued when Chávez targeted Globovision, a prominent news channel. The government hounded its owner, Guillermo Zuloaga, into exile and fined the station a ruinous \$2 million for reporting on deadly prison riots in 2011.<sup>15</sup> Other media outlets have suffered fines or have been unable to renew their operating licenses. *Chavismo* forces competitive voices off the airwaves by imposing costly

“legal” penalties rather than through censorship and shutdowns.

Venezuela’s Law of Social Responsibility for media forbids transmitting news that might “cause anxiety in the public or disturb public order” or that “incites or promotes hatred or intolerance.”<sup>16</sup> The equally vague Organic Law of Telecommunications grants the government the power to suspend or revoke broadcasting concessions when “convenient for the interests of the nation, or if public order and security demands it.” Journalists can also be hauled into court for violating insult laws (*desacato*), which penalize citizens for criticizing public officials.

Electoral rules limit air time for presidential candidates: three minutes for television, four for radio. Yet independent monitoring shows that pro-government, pro-Chávez publicity has averaged more than one hour per day since July 1.<sup>17</sup> Similarly, Chávez exploits a public-service requirement for private broadcasters to broadcast pro-government messages and employs the right to demand national air time (*cadenas*).

## The Chávez Strategy, Step 2: Leave Voters in the Dark

A second thrust of the Chávez strategy is to mask or obscure inconvenient facts, unsettling trends, and

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11. “Tilting the Pitch,” *The Economist*, July 7, 2012, <http://www.economist.com/node/21558280> (accessed September 11, 2012).

12. “Expert Interview: Alejandro Velasco,” Venezuela’s 2012 Presidential Election, Duke University, April 26, 2012, [http://sites.duke.edu/history136a\\_01\\_s2012\\_awk7/resources-and-learning-more/interviews/](http://sites.duke.edu/history136a_01_s2012_awk7/resources-and-learning-more/interviews/) (accessed September 11, 2012).

13. Ana Diaz and Ingrid Bravo Balabú, “Obligar a funcionarios a comprar y vender rifa del PSUV,” *El Nacional*, August 18, 2012, <http://www.el-nacional.com/noticia/47496/16/obligaron-a-funcionarios-a-comprar-y-vender-rifa-del-psuv.html> (accessed September 11, 2012).

14. Ramon Guillermo Aveledo, “Venezuela’s Opposition Is Winning,” *Real Clear World*, March 9, 2012, [http://www.realclearworld.com/articles/2012/03/09/venezuela\\_opposition\\_is\\_winning\\_\\_99946.html](http://www.realclearworld.com/articles/2012/03/09/venezuela_opposition_is_winning__99946.html) (accessed September 11, 2012).

15. Jackson Diehl, “Challenging Chávez’s Grip on Venezuela,” *The Washington Post*, July 12, 2010, [http://www.washingtonpost.com/wp-dyn/content/article/2010/07/11/AR2010071103036\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/07/11/AR2010071103036_pf.html) (accessed September 11, 2012).

16. Human Rights Watch, “Venezuela: Legislative Assault on Free Speech, Civil Society,” December 22, 2010, <http://www.hrw.org/news/2010/12/22/venezuela-legislative-assault-free-speech-civil-society> (accessed September 11, 2012).

17. Andres Velasco, “Rebuilding Venezuelan Democracy,” *Project Syndicate: A World of Ideas*, July 31, 2012, <http://www.project-syndicate.org/commentary/rebuilding-venezuelan-democracy> (accessed September 11, 2012).

policy failures that might negatively influence voter opinions. On October 7, voters will lack comprehensive information regarding the candidate's health, his economic mismanagement, problems in the oil sector, the country's crime epidemic and corruption, the government's increasing militarism, and the regime's hidden foreign policy agenda.

**Chávez's Health.** In June 2011, after a three-week disappearance from the public, a visibly weakened Chávez appeared on television in Cuba's capital to report that he had undergone surgery to remove a "baseball-sized tumor." By October 2011, Chávez claimed to be cancer-free. But in February 2012, he secretly returned to Cuba for a second round of surgery, again raising serious doubts about his health and survival prospects.

In recent months, Chávez appears to have made a recovery. He has again declared his cancer conquered.<sup>18</sup> The true state of his health, nonetheless, remains the Venezuelan government's most closely guarded secret. Chávez's incapacity or death will open up a succession struggle. It is widely agreed that no current member of the president's inner

circle will be able to replace him.

**Economic Mismanagement.** Venezuela's economy has experienced roller-coaster movement over the past decade. Overall, Venezuela leads Latin America in rising inflation rates, caused in large measure by Chávez's economic policies. Multi-tiered exchange rates, export controls, and price regulations have seriously distorted markets and prices. Nationalization of private companies has gathered momentum in recent years and covers all sectors from agriculture to tourism.<sup>19</sup> Nationalizations are undertaken to cover up or obscure policy mistakes, while compensations have become increasingly erratic.<sup>20</sup>

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**CHÁVEZ'S 13-YEAR RULE HAS SENT VENEZUELA RACING TOWARD THE BOTTOM IN VIRTUALLY EVERY INDICATOR THAT MEASURES ECONOMIC FREEDOM, RULE OF LAW, AND EASE OF DOING BUSINESS.**

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Chávez's 13-year rule has sent Venezuela racing toward the bottom in virtually every indicator that measures economic freedom, rule of law, and ease of doing business.<sup>21</sup> While

the Chávez regime reports that economic growth achieved 5.4 percent in the second quarter of 2012, serious economists argue that growth in Venezuela is largely unsustainable and actually decelerating. Economic experts predict severe currency devaluation in early 2013 and cuts in social spending.

**Dependence on Oil.** Blessing or curse, it is fair to say that without oil revenue and Venezuela's petro-state status, Chávez would likely be an ex-president rather than a candidate. As of 2012, Venezuela's reserves in oil and natural gas are reportedly greater than those of Saudi Arabia. The current \$100-per-barrel cost is a boon for Chávez. Nevertheless, not all is well in oil-rich Venezuela.

Between 1998 and 2009, the PDVSA labor force increased by 267 percent, from 39,000 to 115,000 workers, while its output dropped from around 3.5 million barrels of oil per day to 2.6 million barrels per day.<sup>22</sup> Experts estimate that output could have reached as much as five million barrels per day under more competent and less politicized management.<sup>23</sup>

Much of PDVSA's earnings—as much as \$6.7 billion annually—supports Chávez's social programs and

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18. Ezequiel Minaya and David Luhnow, "After Months of Illness, Chávez Says He's Fit," *The Wall Street Journal*, August 2, 2012, <http://online.wsj.com/article/SB1000872396390444320704577565213428006308.html> (accessed September 11, 2012).

19. Reuters, "Venezuela's Nationalizations Under Chávez," December 1, 2011, <http://www.reuters.com/article/2011/12/01/venezuela-nationalizations-idUSN1E7910Z520111201> (accessed September 11, 2012).

20. Chris Sabatini, "The Revolution Will Not Be Marginalized," *Foreign Affairs*, January 7, 2011, <http://www.as-coa.org/articles/revolution-will-not-be-marginalized> (accessed September 11, 2012).

21. The Heritage Foundation's *2012 Index of Economic Freedom* ranks Venezuela 173rd among 179 ranked nations. See Terry Miller, Kim R. Holmes, and Edwin J. Feulner, *2012 Index of Economic Freedom* (Washington: The Heritage Foundation and Dow Jones & Company, Inc., 2012), <http://www.heritage.org/index/ranking>. The World Bank's *Doing Business* lists Venezuela as 177th among 183 ranked countries. See "Economy Rankings," in World Bank, *Doing Business* <http://www.doingbusiness.org/rankings/> (accessed September 11, 2012). The *2011 Legatum Prosperity Index* lists Venezuela as 73rd among 110 ranked countries, just behind the Dominican Republic. See "The 2011 Legatum Prosperity Index Table Rankings," in Legatum Institute, *2011 Legatum Prosperity Index*, <http://www.prosperity.com/rankings.aspx> (accessed September 11, 2012).

22. Javier Corrales, "A Setback for Chávez," *Journal of Democracy*, January 2011, p. 125, <https://www.amherst.edu/media/view/311013/original/JOD%2B2011%2BCorrales%2Bpp.%2B122-136%2B%2528PJC%2Bedit%2B12-30-10%2529.pdf> (accessed September 11, 2012).

23. Gustavo Coronel, "The Venezuelan Elections: How Can PDVSA Recover?" *Journal of Energy Security*, July 2012, [http://www.ensec.org/index.php?option=com\\_content&view=article&id=371:venezuela-chavez-and-pdvsas-oil-woes&catid=128:issue-content&Itemid=402](http://www.ensec.org/index.php?option=com_content&view=article&id=371:venezuela-chavez-and-pdvsas-oil-woes&catid=128:issue-content&Itemid=402) (accessed September 11, 2012).

discounted sales and donations to other nations, leaving less than is needed for investment and exploration. A lack of transparency and accountability in the PDVSA has opened the door to contract fixing, massive inefficiency, and corruption. Failure to invest in maintenance and safety has seriously weakened the company and contributed to numerous mishaps, including the fire at the Amuay refinery on August 25 that claimed 48 lives.<sup>24</sup>

Yet Venezuela's dependence on oil has never been greater. Today, oil accounts for between 90 percent and 95 percent of Venezuela's export earnings and is the source of 50 percent of the government's budget.

**Rampant Crime.** A recent Gallup poll indicates that Venezuela is the country whose residents fear crime the most.<sup>25</sup> The homicide rate is among the highest in the Americas at around 67 per 100,000 inhabitants. For 2011, the Venezuelan Observatory of Violence recorded

19,336 homicides,<sup>26</sup> compared to a reported 4,550 murders in 1998 when Chávez first won election.<sup>27</sup>

Only 5 percent of criminal cases lead to convictions, and imperviousness to arrest and prosecution is rampant. According to Amherst College scholar Javier Corrales, "the regime has essentially stood by while the country has fallen prey to one of the most lethal crime waves in the world."<sup>28</sup>

Kevin Casas-Zamora, formerly of the Brookings Institution, attributes rampant crime to a collapse of law enforcement institutions, systematic weakening of local government, and increased narcotics trafficking.<sup>29</sup> In the prison system, 47,000 prisoners are crammed into 33 prisons designed for 12,000, and violence continues to worsen.<sup>30</sup> The Venezuelan Prison Observatory has reported that over 500 prisoners died between July 2011 and July 2012.<sup>31</sup> Drug trafficking remains a major threat. According to the

United Nations, 60 percent of the cocaine exported to Europe in 2011 passed through Venezuela.<sup>32</sup>

### **Widespread Corruption.**

Corruption occurs at all levels of government. Former *Foreign Policy* editor Moises Naim warns that interaction between government officials and criminal organizations has created a dangerous "mafia state."<sup>33</sup> Two former senior judges—Eladio Aponte and Luis Velasquez Alvaray—fled Venezuela in 2012 and have provided extensive information to the U.S. regarding the loss of judicial independence, widespread corruption, and drug-trafficking deals among senior officials.<sup>34</sup> Since 2008, the U.S. Treasury Department has designated five serving and former key officials as drug kingpins, including current Defense Minister Henry Rangel Silva.<sup>35</sup>

Corruption can also be of a more mundane nature. In 2011, Venezuelans were scandalized when it was discovered that 30,000 tons

24. William Neuman, "Venezuelan Government Criticized in Deadly Refinery Blast," *The New York Times*, August 27, 2012, <http://www.nytimes.com/2012/08/28/world/americas/venezuelas-chavez-criticized-in-deadly-refinery-explosion.html> (accessed September 11, 2012).

25. Clancy Bertane, "Latin Americans Least Likely Worldwide to Feel Safe," Gallup World, August 3, 2012, <http://www.gallup.com/poll/156236/Latin-Americans-Least-Likely-Worldwide-Feel-Safe.aspx> (accessed September 11, 2012).

26. "Put Yourself in their Shoes," *El Universal*, July 28, 2012, <http://www.eluniversal.com/nacional-y-politica/120728/put-yourself-in-their-shoes> (accessed September 11, 2012).

27. Kevin Casas-Zamora, "Venezuela's Crime Debacle: A Cautionary Tale," Brookings Institution, February 3, 2012, <http://www.brookings.edu/research/opinions/2012/02/03-venezuela-casaszamora> (accessed September 11, 2012).

28. Corrales, "A Setback for Chávez," p. 131.

29. Casas-Zamora, "Venezuela's Crime Debacle."

30. Fabiola Sanchez, "Venezuela Prison Riot Leaves More than 20 Dead," *The Huffington Post*, August 20, 2012, [http://www.huffingtonpost.com/2012/08/20/venezuela-prison-riot\\_n\\_1810423.html](http://www.huffingtonpost.com/2012/08/20/venezuela-prison-riot_n_1810423.html) (accessed September 11, 2012).

31. "Venezuela Prison Riot 'Leaves 20 Dead,'" BBC News, August 20, 2012, <http://www.bbc.co.uk/news/world-latin-america-19323029> (accessed September 12, 2012).

32. United Nations Office on Drugs and Crime, "The Transatlantic Cocaine Market," April 2011, [http://www.unodc.org/documents/data-and-analysis/Studies/Transatlantic\\_cocaine\\_market.pdf](http://www.unodc.org/documents/data-and-analysis/Studies/Transatlantic_cocaine_market.pdf) (accessed September 11, 2012).

33. Moises Naim, "Mafia States: Organized Crime Takes Office," *Foreign Affairs*, May/June 2012, <http://carnegieendowment.org/2012/04/25/mafia-states/ah37#> (September 11, 2012).

34. "Another Former Judge Alleges Drug Trafficking Ties in Venezuelan Government," What's Next Venezuela?, May 11, 2012, <https://www.whatsnextvenezuela.com/tag/luis-velasquez-alvaray/> (accessed September 12, 2012).

35. U.S. Department of the Treasury, Office of Foreign Asset Control, "Narcotics: What You Need to Know About U.S. Sanctions Against Drug Traffickers," September 6, 2012, <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/drugs.pdf> (accessed September 11, 2012).

of imported food had been left to rot in government warehouses while market scarcities increased.<sup>36</sup> Ready money, loose accountability, and a breakdown in public integrity have dogged the Chávez regime since its inception.<sup>37</sup> It is little wonder that Transparency International has consistently awarded Venezuela one of its lowest global rankings.<sup>38</sup>

**Growing Militarism.** Chávez is an ex-lieutenant colonel in Venezuela's army. He prefers the title *comandante* to *presidente* and assigns the military a central position within the Bolivarian Revolution. As commander in chief, he has already managed to eliminate congressional oversight of military affairs. He has redefined the primary mission of Venezuela's armed forces by calling on them to fight "imperialism" and defend socialism to the death.<sup>39</sup>

Venezuelan constitutional experts question Chávez's unstinting efforts to convert the armed forces into a partisan political force in violation of the 1999 constitution, which states that the armed forces are "an essentially professional institution with no political orientation."<sup>40</sup> Chávez

continues to insert the military into "all the structures of the Venezuelan state" while turning ordinary citizens into informants and domestic spies.<sup>41</sup>

The creation of a Bolivarian or people's militia has led to the establishment of a body of 50,000 to 125,000 armed individuals.<sup>42</sup> These quasi-soldiers owe their loyalty not to the state, but to Chávez. Paramilitary or vigilante groups known as *colectivos* have also emerged in certain localities with the potential to turn Chávez's beligerent, confrontational words into brutal street fights.<sup>43</sup>

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**OVERALL, CHÁVEZ'S  
UNACCOUNTABLE FOREIGN POLICY  
PUTS VENEZUELA AT RISK OF  
FURTHER U.S. AND INTERNATIONAL  
SANCTIONS WITH LIMITED BENEFITS  
FOR THE VENEZUELAN PEOPLE.**

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The military's role in the event of an opposition victory is uncertain. In June 2010, then General and now Minister of Defense Henry Rangel

Silva said that Venezuela's armed forces are "wedded" to *Comandante* Chávez and his revolutionary project. In 2010, Chávez warned that "it is not possible to stage an unarmed revolution against this bourgeoisie."<sup>44</sup>

**The Hidden Foreign Policy Agenda.** To advance his revolution, Chávez pursues an activist foreign policy agenda. The range of allies and clients began with the Cuba of Fidel and Raul Castro, which formed the Bolivarian Alliance for the Peoples of Our Americas (ALBA) in 2002. ALBA now has eight members.<sup>45</sup> Beyond ALBA, Chávez values his ties with Iran, Syria, Russia, and China.

By far the most intimate of Chávez's foreign associations is with Cuba. Chávez staffs his social *misiones* with Cuban nationals and employs Cubans to set up agricultural collectives. After more than a decade, Chávez remains dependent on an estimated 30,000 Cuban medical personnel rather than on trained Venezuelan health care providers. Cuban technical personnel are employed in the energy sector and staff-sensitive immigration and intelligence services as well as in the

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36. "Wikileaks Report Cites Corruption in Venezuela Production," *The Miami Herald*, March 7, 2012.

37. Gustavo Coronel, "The Four Hotbeds of Corruption in Venezuela," Cato Institute, March 17, 2011, <http://www.cato.org/publications/commentary/four-hotbeds-corruption-venezuela> (accessed September 11, 2012).

38. Transparency International's Corruption Index ranks Venezuela 172nd of 183 countries ranked. Transparency International, "Corruption by Country/Territory: Venezuela," 2012, <http://www.transparency.org/country#VEN> (accessed September 11, 2012).

39. A. Pozzolungo and J. Figuerora, "Chávez pidió eliminar palabra 'muerte' del lema socialista," *El Tiempo*, July 29, 2011, <http://eltiempo.com/ve/venezuela/gobierno/chavez-pidio-eliminar-palabra-muerte-del-lema-socialista/27866> (accessed September 11, 2012).

40. Article 328, Constitution of the Bolivarian Republic of Venezuela, 1999, <http://www.venezuelaemb.or.kr/english/ConstitutionoftheBolivarianingles.pdf> (accessed September 11, 2012).

41. Javier Corrales, "President Hugo Chávez' Campaign Vision for Venezuela: Militaristic and Top Down," *Americas Quarterly*, August 22, 2012, <http://www.americasquarterly.org/president-hugo-chavez-campaign-vision-for-venezuela-militaristic-and-top-down> (accessed September 11, 2012).

42. "A Caribbean Tripoli? Hugo Chávez Grooms a Militia" *The Economist*, April 7, 2011, <http://www.economist.com/node/18529829> (accessed September 11, 2012).

43. Daniel Wallis, "Chavista Militants May Be Wild Card After Venezuela Vote," Reuters, August 15, 2012, <http://www.reuters.com/article/2012/08/15/us-venezuela-colectivos-idUSBRE87E0GN20120815> (accessed September 11, 2012).

44. "A Caribbean Tripoli? Hugo Chávez Grooms a Militia."

45. Hirst, *The ALBA: Inside Venezuela's Bolivarian Alliance*. ALBA's eight members are Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, Saint Vincent and the Grenadines, and Venezuela.



military.<sup>46</sup> Access to passports, official documents, and information networks, including the Internet, opens doors for future invasions of privacy and restrictions on individual liberty. Leaders in Havana and Caracas know that domestic spying, bureaucratic meddling, and political repression go hand in hand with the tighter economic controls of socialism.

Chávez has also built strong ties with the Peronist presidents of Argentina, providing them with loans, commercial orders, and suitcases filled with cash,<sup>47</sup> and has rendered covert support for the narcoterrorism of FARC.<sup>48</sup> The costs for assistance (giveaway) programs, estimated to total as much as \$82 billion between 2005 and 2011, remains hidden from legislative oversight or public scrutiny.<sup>49</sup> In the same vein, secretive ties with Iran and opening Venezuela as a safe haven or gateway for foreign terrorist organizations are carefully concealed from public view.

Overall, Chávez's unaccountable foreign policy puts Venezuela at risk of further U.S. and international sanctions with limited benefits for the Venezuelan people.

### **The Chávez Strategy, Step 3: Demonize, Isolate, and Instill Fear**

Chávez engages in discourse filled with insult, rancor, and vilification.<sup>50</sup> He routinely claims that Capriles is the tool of Venezuela's elite and "the right wing" in the U.S.<sup>51</sup> Allies and supporters of Chávez have gone further by making spurious attempts at character assassination, seeking to foment anti-Semitic propaganda by portraying Capriles as Jewish, and portraying him as a fascist and a homosexual.<sup>52</sup> In early August, Chávez claimed to have evidence showing that Capriles belonged to a "fascist" organization of wealthy families implicated in "neo-Nazism."<sup>53</sup>

**Undercutting Recognized Human Rights Standards.** The commitments to democratic government enshrined in the founding documents of the Organization of American States (OAS) and the Inter-American Democratic Charter of 2001 bind all signatory nations not only to regular elections, but also to governing democratically. However, Chávez has undertaken to dilute Venezuela's commitment to the higher standards of the inter-American

system. He continues to war against the OAS, denouncing it as U.S.-influenced and a "corpse waiting to be buried."

Chávez claims that citizens who air their grievances before OAS's Inter-American Commission on Human Rights violate national sovereignty. A recent decision to withdraw from the commission clearly signals that Venezuela will abide by its own standards, render increasingly politicized justice, and ignore or deny international protections afforded to its citizens.

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**A RECENT DECISION TO WITHDRAW FROM THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS CLEARLY SIGNALS THAT VENEZUELA WILL ABIDE BY ITS OWN STANDARDS, RENDER INCREASINGLY POLITICIZED JUSTICE, AND IGNORE OR DENY INTERNATIONAL PROTECTIONS AFFORDED TO ITS CITIZENS.**

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**Criminalizing Support for Democracy.** Venezuela's 2010 Defense of Political Sovereignty and National Determination attacks

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46. Nikolas Kozloff, "Countdown to Venezuela Election: What Will Befall Chávez's Ties to Cuba?" *The Huffington Post*, March 3, 2012, [http://www.huffingtonpost.com/nikolas-kozloff/countdown-to-venezuela-el\\_b\\_1369716.html](http://www.huffingtonpost.com/nikolas-kozloff/countdown-to-venezuela-el_b_1369716.html) (accessed September 11, 2012).
47. Jaime Daramblum, "Has Argentina Joined the Chávez Bloc?" Hudson Institute, March 2011, <http://www.hudson.org/files/publications/ArgentinaFinal.pdf> (accessed September 11, 2012).
48. International Institute of Strategic Studies, *The FARC Files: Venezuela, Ecuador and the Secret Archive of 'Raúl Reyes'*, Strategic Dossier, 2011, <http://www.iiss.org/publications/strategic-dossiers/the-farc-files-venezuela-ecuador-and-the-secret-archive-of-ral-reyes/> (accessed September 11, 2012).
49. Benedict Mander, "Critics Question Flow of Venezuelan Aid," *The Financial Times*, August 28, 2012, <http://www.ft.com/intl/cms/s/0/03ba7206-eab5-11e1-984b-00144feab49a.html#axzz252Xi2BMu> (accessed September 11, 2012).
50. Aveledo, "Venezuela's Opposition Is Winning."
51. "Chávez Somos Todos," *Tal Cual*, August 11, 2012, <http://www.talcualdigital.com/nota/visor.aspx?id=74595&tipo=AVA> (accessed September 11, 2012).
52. "Chávez Camp Launches Smear Campaign Against Presidential Rival Capriles," *The Guardian*, February 14, 2012, <http://www.guardian.co.uk/world/2012/feb/15/chavez-smear-campaign-capriles-presidential> (accessed September 11, 2012). Capriles is a Catholic whose grandparents came to Venezuela from Poland in the aftermath of the Holocaust and World War II. The U.S. State Department's 2011 report on international religious freedom noted that Venezuela has "contributed to a rising tide of anti-Semitism." U.S. Department of State, Bureau of Democracy, Human Rights and Labor, *International Religious Freedom Report for 2011*, <http://www.state.gov/j/drl/rls/irf/religiousfreedom/index.htm#wrapper> (accessed September 11, 2012).
53. IOL News, "Candidate Slams Chávez's Nazi Accusations," August 8, 2012, <http://www.iol.co.za/news/world/candidate-slams-chavez-s-nazi-accusations-1.1358851#.UCKmz6D67B8> (accessed September 11, 2012).

nongovernmental organizations (NGOs) that have international support, stating that such bodies that “defend political rights” or “monitor the performance of public bodies” are barred from receiving foreign funding.<sup>54</sup> Foreigners invited to Venezuela by NGOs can be summarily expelled. NGOs failing to comply with the law face stiff fines and other punitive measures. Such a backlash against the promotion of democracy is common with neo-authoritarian regimes from Russia to Egypt and Venezuela.

**Sparking Fear and Uncertainty.** Chávez freely provokes a climate of fear: fear of losing benefits provided by the state, fear that one’s vote is not secret, and fear that a vote for the opposition will lead to disorder, violence, and even civil war. While Chávez claims that he will respect any outcome of the elections, he also claims that a Capriles victory would lead to social catastrophe and bloodshed. “If the right wing’s presidential candidate gets into office,” Chávez railed, “it would put an end to the social programs promoted during 14 years of government, and as a result the country would enter into civil war.”<sup>55</sup> Chávez’s brother Adán stated in June 2011 that Bolivarian revolutionaries must be ready to consider

“other methods of struggle” if a majority vote against Chávez.<sup>56</sup>

### **The Chávez Strategy, Step 4: Prevail on Election Day**

On October 7, as much as 80 percent of the roughly 18 million registered voters will visit 14,035 polling centers and 38,500 polling stations, many in districts that are deeply loyal to Chávez. Also on October 7, the regime will deploy its final set of measures.

**Winning Over the Electoral Tribunal.** The five-member Consejo Nacional Electoral (CNE) is dominated by pro-Chávez members who have managed to salvage a partial reputation for neutrality and objectivity.<sup>57</sup> The CNE is credited for overseeing the referendum that Chávez lost in December 2007 and not altering the strong showing of the opposition in the 2010 legislative elections. Despite that, however, its impartiality is in question. Critics maintain that the CNE bends far too easily to the will of the president. In a close contest, it is far from certain that the CNE would be able to resist pressure applied by Chávez and his supporters.

**Presuming Victory.** The Chávez propaganda machine consistently claims that Chávez’s polling lead is insurmountable. In June, Chávez

forecast a win with 60 percent of the vote.<sup>58</sup> On August 15, Chávez proclaimed that “it would be easier for 100 camels to pass through the eye of a needle than for [the capitalist class] to win the election” and later claimed he will win by 70 percent.<sup>59</sup> Supporters touted an August poll prepared by Jesse Chacon, an associate and former minister under Chávez, claiming that the incumbent leads with 56 percent among those with the intention to vote, as opposed to 29 percent for Capriles.<sup>60</sup> With campaign messaging, a number of friendly polls, and extensive media influence, Chávez seeks to project a confident air of electoral invincibility all the way to October 7.

**Questioning Secrecy of the Vote.** The Venezuelan system of electronic voting, according to the country’s electoral specialists, is protected against tampering. But voting machines are connected to an anti-fraud authentication system that requires a registered fingerprint to activate. Many Venezuelans harbor concerns about the system and the privacy of their ballots. Doubts about the secrecy of the ballot could scare voters, especially opposition voters, away from the polls.

**Limiting Electoral Observation.** Following the 2006

54. Human Rights Watch, “Venezuela: Legislative Assault on Free Speech, Civil Society,” December 22, 2010, <http://www.hrw.org/news/2010/12/22/venezuela-legislative-assault-free-speech-civil-society> (accessed September 12, 2012).

55. “Chávez Says Election Loss Would Spark Civil War,” InterAmerican Security Watch, July 16, 2012, <http://interamericansecuritywatch.com/chavez-says-election-loss-would-spark-civil-war/> (accessed September 11, 2012).

56. “Adán Chávez: La salida electoral no es la única vía,” *Noticiero Digital*, June 26, 2011, <http://www.noticierodigital.com/forum/viewtopic.php?t=779622> (accessed September 11, 2012).

57. International Crisis Group, “Dangerous Uncertainty Ahead of Venezuela’s Elections,” June 26, 2012, <http://www.crisisgroup.org/en/regions/latin-america-caribbean/andes/venezuela/042-dangerous-uncertainty-ahead-of-venezuelas-elections.aspx> (accessed September 12, 2012).

58. “Chávez Predicts Big Win in Venezuela Elections,” *Chicago Tribune*, June 19, 2012, [http://articles.chicagotribune.com/2012-06-19/news/sns-rt-us-venezuela-electionbre85j007-20120619\\_1\\_venezuela-election-datanalysis-venezuelan-president-hugo-chavez](http://articles.chicagotribune.com/2012-06-19/news/sns-rt-us-venezuela-electionbre85j007-20120619_1_venezuela-election-datanalysis-venezuelan-president-hugo-chavez) (accessed September 11, 2012).

59. Owen Richards, “Chávez Set for Win as Campaign Pushes Socialist Transformation,” *Venezuelanalysis.com*, August 20, 2012, <http://venezuelanalysis.com/analysis/7189> (accessed September 11, 2012).

60. Agencia Venezuela de Noticias, “GIS XXI: 56% of Venezuelan Voters Favor Hugo Chavez,” August 8, 2012, <http://www.avn.info.ve/contenido/gis-xxi-56-venezuelan-voters-favor-hugo-chavez> (accessed September 11, 2012).

presidential election, Venezuela ended serious electoral observation missions by the OAS, the European Union, and other groups, such as the Carter Center in the U.S. The CNE now allows only electoral “companions” invited primarily from friendly groups such as the Union of South American Nations (UNASUR), which is currently led by a Venezuelan *chavista*, Alí Rodríguez Araque. Since these companions arrive mere days before elections and take tours of polling places escorted by Venezuelan authorities who are also charged with preapproving their statements or reports, the electoral companions lack international credibility.<sup>61</sup> On October 7, allegations of voting improprieties or fraud will lack validation by impartial external observers.

**Cheating and Disenfranchising Voters.** Opposition experts have expressed concerns about the lack of a comprehensive audit of the voting register and about the ease with which voter identifications have been issued, possibly resulting in duplicate voter documents and noncitizens being able to vote. On October 7, the geographic distribution of polling stations—with higher numbers in pro-Chávez strongholds—and overcrowding and inefficiency in processing registered voters will affect voting. Obstructionism by Chávez-friendly officials and potential intimidation by pro-Chávez bullies could slow or negate votes in many districts.

Venezuela permits voting overseas in embassies and consulates. However, following the expulsion of Venezuela’s consul general in Miami in January 2012, Chávez ordered the consulate closed. Despite appeals, he has refused to reopen it in order to punish the Venezuelan *diaspora*—as many as 20,000—in Florida. To exercise their right to vote, they must travel to the nearest open consulate in New Orleans.

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**OBSTRUCTIONISM BY CHÁVEZ-FRIENDLY OFFICIALS AND POTENTIAL INTIMIDATION BY PRO-CHÁVEZ BULLIES COULD SLOW OR NEGATE VOTES IN MANY DISTRICTS.**

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**Promoting Disinformation.** The Chávez regime plants stories about alleged opposition plans to contest the election outcome and disrupt the post-electoral civil order. On August 9, Chávez announced that a “mercenary” carrying a U.S. passport had been arrested in Venezuela, adding matter of factly that “a group of the bourgeoisie is preparing to reject the people’s triumph...and [will] try to plunge the country into a political crisis and fill the country with violence.”<sup>62</sup>

**October Surprise.** Despite the four-step Chávez strategy outlined above, opposition candidate Capriles, the MUD, and millions of Venezuelans sincerely believe that they still have a real opportunity to win and alter the course of

Venezuelan history. The hopes of the opposition have recently been bolstered by reputable polling data that place Capriles either ahead of or closing the gap between himself and Chávez.<sup>63</sup> Emergent crises such as the August PDVSA refinery fire, the collapse of key bridges, and restiveness in some labor unions have also tarnished the aura of triumph that Chávez had aimed to project.<sup>64</sup>

When the polls close on October 7, Venezuela and the world will demand swift, honest, and transparent voting results. Will Chávez deliver the massive knockout punch he has worked so assiduously to develop? Will Chávez and his loyalists accept a narrow defeat? Will they risk domestic and international disapproval by manipulating the vote? A victory for Capriles also opens not only the issue of acceptance by Chávez and his followers, but also a number of transition challenges that would pit the new executive against the Chávez-dominated legislature, courts, unions, and armed forces.

**U.S. Policy: Defend Democracy and the Vote in Venezuela**

In recent years, U.S. influence and presence in Latin America have diminished noticeably. Challenges to democracy, the increased strategic presence of China, Russia, and Iran, and deep divisions in the inter-American system have characterized adverse trends in the region. A strategy of American leadership requires

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61. Ruben M. Perina, “The Future of Electoral Observation,” *Americas Quarterly*, Spring 2012, <http://americasquarterly.org/perina> (accessed September 11, 2012).

62. Christopher Toothaker, “Chávez: U.S. Mercenary Arrested in Venezuela,” *The Huffington Post*, August 9, 2012, [http://www.huffingtonpost.com/2012/08/10/venezuela-arrests-us-citizen\\_n\\_1763827.html](http://www.huffingtonpost.com/2012/08/10/venezuela-arrests-us-citizen_n_1763827.html) (accessed September 11, 2012).

63. “Venezuela’s Presidential Campaign: Gaining Ground,” *The Economist*, August 24, 2012, <http://www.economist.com/blogs/americasview/2012/08/venezuela%E2%80%99s-presidential-campaign> (accessed September 11, 2012).

64. Jim Wyss, “Venezuela’s Chávez Faces New Election Threat—a Run of Calamities,” *The Miami Herald*, August 29, 2012, <http://www.miamiherald.com/2012/08/29/2975215/venezuelas-chavez-faces-new-election.html> (accessed September 11, 2012).

a reaffirmation of U.S. commitments to deeply rooted interests and values. These interests and values must be supported by policies that actively defend representative democracy, human rights, economic freedom, shared security, and a strong inter-American system.

Under the Obama Administration, the U.S. has offered no comprehensive strategy or policy for dealing with Venezuela and Hugo Chávez. On taking office, the Administration made it clear that it was looking for improvement in relations with Chávez after U.S.–Venezuela tensions during the Bush years. Modest attempts at engagement—a handshake between President Obama and Chávez at the first Summit of the Americas in April 2009 and agreement to a return of ambassadors to both countries—failed to influence or alter Chávez’s behavior.

In June 2009, the Obama Administration initially joined forces with Venezuela to denounce the removal of President Manuel Zelaya from office in Honduras in what appeared to be a Chávez-inspired power grab, and it was unprepared for the firestorm of anti-Americanism unleashed by Chávez when the U.S. signed a defense cooperation agreement with Colombia in August 2009. Chávez rejected President Obama’s nominee as U.S. ambassador to Venezuela in 2010. Neither modest sanctions on PDVSA for oil sales to Iran in May 2011 nor the

naming of senior Venezuelan officials as drug kingpins has curbed Chávez’s enthusiasm for anti-American behavior.<sup>65</sup>

The Obama Administration, moreover, has done little to focus a spotlight on Chávez’s misdeeds, claiming that verbal sparring and confrontations reflect an unproductive “Cold War” or Manichean view of relations and only add fuel to the Venezuelan leader’s anti-U.S. bonfire. The Administration has been unable to build any sort of coalition critical of the deterioration of democratic governance under Chávez in the OAS, and democratic nations such as Brazil largely ignore the deteriorating conditions of democracy.<sup>66</sup> Even Colombian President Juan Manuel Santos has downplayed his nation’s concern about the state of democracy in Venezuela and ties with FARC in an effort to advance a peace deal and maintain advantageous commercial relations.

As recently as July 2012, President Obama said that “overall my sense is that what Mr. Chávez has done over the last several years has not had a serious national security impact on us.”<sup>67</sup> This readiness to minimize the nature of the security threat that the Chávez regime poses in the Americas has also helped to generate a sense of complacency, both among neighbors and in the U.S. Also, the October elections, especially during a crisis, could become an unwanted intrusion during the U.S. re-election campaign.

## What Needs to Be Done

October 7 and the Venezuelan presidential elections represent a strategic crossroads in Latin America. U.S. interests and values stand in clear opposition to *chavismo* and the growing blend of authoritarianism, criminality, and anti-Americanism that seeks a permanent foothold in Venezuela. The only sound policy option for the U.S. is one that fully supports democracy and stands in opposition to the march toward a populist dictatorship in Venezuela.

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### UNDER THE OBAMA ADMINISTRATION, THE U.S. HAS OFFERED NO COMPREHENSIVE STRATEGY OR POLICY FOR DEALING WITH VENEZUELA AND HUGO CHÁVEZ.

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Right now, the Obama Administration can still focus U.S. and international attention on the Venezuelan electoral process, especially its lack of fairness and transparency. The Administration should protect and defend the ability of Venezuelans to cast their ballots without hindrance, in secrecy and without fear of reprisals. It should exercise all possible vigilance to monitor and, if necessary, validate claims of fraud.

To defend democracy in Venezuela while advancing U.S. interests and

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65. On “Venezuela’s Sanctionable Activities,” see testimony of Ambassador Daniel Benjamin, Coordinator for Counterterrorism; Kevin Whitaker, Acting Deputy Assistant Secretary for Western Hemisphere Affairs; and Thomas Delare, Director of the Office of Terrorist Finance and Economic Sanctions Policy, Bureau of Economic, Energy and Business Affairs, U.S. Department of State, before the Joint House Oversight and Government Reform Subcommittee on National Security, Homeland Defense and Foreign Operations and House Foreign Affairs Committee Subcommittee on Western Hemisphere and Subcommittee on the Middle East and South Asia, June 24, 2011, <http://foreignaffairs.house.gov/112/ben062411.pdf> (accessed September 11, 2012).

66. Diego Ore, “Brazilian Strategists Star in Venezuela Election,” Reuters, July 9, 2012, [http://www.msnbc.msn.com/id/48121689/ns/world\\_news-americas/t/brazilian-strategists-star-venezuela-election/#.UD-QfSK0aDI](http://www.msnbc.msn.com/id/48121689/ns/world_news-americas/t/brazilian-strategists-star-venezuela-election/#.UD-QfSK0aDI) (accessed September 11, 2012).

67. Patricia Mazzei and Erika Bolstad, “Mitt Romney, GOP Howl over President Barack Obama’s Remark About Hugo Chávez,” *The Miami Herald*, July 11, 2012, <http://www.miamiherald.com/2012/07/11/2891728/republicans-attack-obama-for-chavez.html> (accessed September 11, 2012).



values, the Obama Administration should:

- **Support Venezuelan civil society.** Despite restrictive Venezuelan laws, the U.S. should increase its democracy assistance to civil society and NGOs by working to train domestic electoral observers, encourage voter participation, coordinate collection and tabulation of voting results, and urge all polling stations to report electoral infractions to the CNE and the MUD.
- **Conduct systematic public diplomacy.** The Administration should prepare a public diplomacy brief examining the erosion of democracy and the unfair advantages accumulated by Chávez. It should report the fact that electoral conditions are far from fair.
- **Reaffirm principles of democracy.** President Obama and Secretary Clinton should speak out on democratic principles and the commitment to full democracy, not merely holding elections, in the Americas, highlighting what is at stake in Venezuela, urging citizen participation and transparency, and holding Chávez accountable for the preservation of peace.
- **Dispatch U.S. observers.** The U.S. embassy in Caracas should send its staff in a systematic fashion to monitor the elections on October 7, and Washington should assign additional State Department officers to temporary duty in Caracas.
- **Call for bipartisan monitoring.** The Administration should call on

the State Department to assemble a high-level working group of analysts, congressional staff, academics, and electoral experts to monitor and evaluate the election and its outcome.

- **Heed early warning signs of violence and instability.** The Administration should closely monitor the situation in Venezuela on October 7 for evidence of incitement to violence by political parties, harassment of or harm to opposition figures, reprisals against voters, distribution of arms to militias, and increases in politically-related violence.
- **Establish a coalition for Venezuelan democracy.** The U.S. should employ active diplomacy to establish a coalition of democratic leaders—one that could certainly include Canada, Costa Rica, Panama, Chile, Spain, the United Kingdom, and others—to act in unison in case of fraud or violence.
- **Continue support for democracy.** Although the defeat of Capriles would clearly demoralize many Venezuelans, the U.S. must nonetheless continue to offer sustained support for civil society, a free press, free labor unions, and other voices for liberty and preserve the resilience of a unified opposition for future elections.
- **Appoint a high-level Cuba/Venezuela Mission Director.** The position of Cuba/Venezuela Mission Director in the Office of the National Intelligence Director should be filled with a senior-level official with responsibility for all ALBA countries.

- **Develop an aggressive, proactive plan of action.** October 8 will mark the starting point for one of two courses: either one of sustained cooperation and support for the restoration of democracy in Venezuela or one of tough, proactive responses to Chávez's promised radicalization. Potential policy tools for leverage include visa denials, further Treasury designations of corrupt Venezuelan officials, financial and trade sanctions, interdiction of Venezuelan vessels and aircraft used to transport drugs, the designation of Venezuela as a state sponsor of terrorism, and an embargo on the purchase of Venezuelan oil. All of these tools should be considered in the event of electoral fraud, significant electoral violence, or hostile acts contrary to U.S. security interests.

## Conclusion

Hugo Chávez is by nature a demagogic populist, nationalist, and military-minded leader who believes that history has assigned him a mission to convert a representative democracy and free-market economy into a one-party, authoritarian, socialist state. His goal is to crush the opposition with a winner-take-all approach.

If the people of Venezuela reject this somber plan for the future and vote to return the country to a more democratic course, it is vital that the U.S. stand as a leader in support of a transition to democracy, rule of law, and economic and personal liberty. If Chávez prevails, as he is confident he will, the U.S. needs to prepare for the increasingly dangerous consequences of a radicalized, despotic, anti-American leader with six more years to make the Bolivarian Revolution

and socialism of the 21st-century  
irreversible.

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