



The Mystery of Hugo Chavez

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Unless they are in the oil business, probably few Canadians have ever been to Venezuela. This is not surprising. Although blessed like many countries in the Caribbean area with good weather and some beautiful landscapes and wildlife, it lacks other things which typically draw large numbers of foreign visitors. Caracas is an overpriced, congested, rather imperfect copy of Miami or Los Angeles. Outside the capital, for the most part roads, hotels and restaurants are deficient or mediocre. There is nothing special about the beaches. Moreover, unlike Mexico, Brazil, Argentina, or Cuba, the country lacks a distinctive cultural identity. There is no great Venezuelan architecture, art, music, cuisine or literature. Nor does Venezuelan history possess much of an epic qua-

lity. As political scientist Anibal Romero once noted, as taught in schools it consists of nothing more than worship of heroic figures who come along roughly every seventy five years to put matters in order, starting with the Liberator Simon Bolivar.

These admittedly ungenerous observations are essential to understanding the country's current role, or rather, that of its president, Lt. Col. Hugo Chavez Frias. Elected for the third consecutive time since 1999--each time by thumping majorities--Chavez has become something of an international cause-celebre, less for his vast (if unsystematic) deployment of oil revenues among the poor and underprivileged as for his fiery rhetoric (par-

ticularly against the United States and its current president), his pilgrimages to strange and distant lands, and his meddling in the affairs of his neighbors. A few days ago, quoting Marx, Lenin and Trotsky, he nationalized his country's electrical and telecommunications industries, claiming that these were initial steps towards building socialism in Venezuela.

A decade ago nobody--literally nobody--in Washington could have predicted Chavez's rise to power, much less his decision to single-mindedly confront the United States. Unlike Cuba, Venezuela's independence from Spain was not short-circuited by an American intervention, and U.S. troops never occupied its capital or ports or humiliated its leaders. Again, unlike Cuba in 1958, then languishing under the dictatorship of Fulgencio Batista, Venezuela on the eve of Chavez's accession in 1998 had known decades of democratic rule, largely by social democratic or Christian Democratic governments. It had nationalized its oil industry in 1976, the revenues of which supported one of the largest public sectors in Latin America. Nor did Chavez come to power through a violent revolution which would afford him, at least temporarily, a kind of blank check to reshape his country as he wishes. Poll after poll revealed that Venezuela was the most pro-American of Latin American republics, and may indeed still remain so. What drives Chavez? What are the sources of his power? And what should the United States and other countries do about him--if anything?

Every small country goes to bed at night dreaming it is large, and Venezuela is no exception. In spite of the modern skyscrapers in Caracas, the shopping malls, the up-to-date fashions and the traffic, Venezuelans in their heart of hearts know that their country is not important. The wealthy have homes in Miami, New York, and Paris, and the entire professional class is largely educated abroad. To be able to speak English or not constitutes a major social divide. Moreover, if one leaves the capital and plunges into the deep provinces one immediately finds oneself not in the present century but somewhere early in the last. There is a sense of artificiality about the place: in spite of the country's oil wealth, almost everything modern and new, everything that works, is imported. Much of Chavez's anti-Americanism is driven by a sense of shame and inferiority which ordinary Venezuelans feel; that, and resentment against the elites who are comfortable with English and at home, both literally and figuratively, in the United States.

Venezuelans also know the really important countries in the region, particularly Colombia, do not hold them in high regard. Citizens of the latter tend to consider their northern neighbors as graceless rustics, crude and uncultured, whose Spanish (they will repeatedly tell you) is tainted with African and Indian usages. Whatever ideological affinities Chavez may feel for the Colombian Marxist guerrillas, his support for them is certainly at least partly driven by resentment against the

ultra-refined elites of Bogota. And his resentment finds considerable resonance among his people. Since Colombia--much less Argentina or Brazil--will never submit to Venezuelan leadership, in his quest for regional importance Chavez has gone shopping among the friendless, vulnerable micro-states of the Caribbean or (lately) in small and troubled republics like Nicaragua and Ecuador. (Significantly, his recent efforts in Mexico, a country with a far greater sense of self, came to nothing.)

Venezuela's deficient self-esteem also explains Chavez's quest for a global status. In today's supposedly unipolar world this means opposition to the United States and all its works. But since anti-Americanism (or anti-Bushism, or both) is a widespread, indeed almost universal phenomenon, Chavez is forced into some exaggerated feints to pull to the head of the pack. His trips to Iran and Syria are a case in point; if the United States were mainly concerned at this point with Mali or New Caledonia his itinerary clearly would have been Bamako and Noumea instead of Tehran and Damascus. To be sure, not all of these journeys have proven to be ideologically productive; in the case of Vietnam, for example, his hosts--who now enjoy an embarrassingly good relationship with the United States--deftly deflected Chavez's plans during a recent stay to visit a museum which harbors relics of U.S. bombing raids or a "peace village" which looks after children with health problems blamed on defoliating chemicals used in the

war. His quest for a seat on the UN Security Council was conducted so gracelessly as to cost him the support of Chile, the holder of the outgoing Latin American seat. His efforts to buy political influence in Peru have led that country's president to publicly call him "a midget dictator with a fat wallet."

Although Chavez styles himself a revolutionary, there is very little new in his approach to the use of oil money to buy political support (or for that matter, influence abroad). Boom-and-spend populism has been the favored recipe of every Venezuelan government in recent times; the only reason that Chavez came to power at all is that oil prices plunged in the early 'eighties and did not recover until the very end of the next decade. While the traditional political class had admittedly grown increasingly corrupt and out of touch over the last quarter-century, it was not the mediocre quality of its stewardship which led to its downfall--would that it were! As Moises Naim, a Venezuelan and editor of Foreign Policy magazine, points in a little book published more than a decade ago, "for more than thirty years Venezuela spent 10 to 14 percent of its total GDP on so-called social programs." It spent three times more per capita in 1985 than Chile, Jamaica, or Panama. "But," he adds, "Venezuela's infant mortality was 20 percent higher than Jamaica's, 80 percent higher than Chile's and 30 percent higher than Panama's." As long as oil prices held firm, however, nobody seemed to think this was a problem.

Paradoxically, in spite of Chavez's claims to vigorously addressing his country's need for better health and education, he is simply repeating many of the errors of his predecessors, this time on an incomparably larger financial scale. The social indicators are already beginning to confirm as much. As Francisco Rodriguez recently pointed out in an article in the Guardian (January 11, 2007), after six years of a new oil boom and allegedly unprecedented deployment of medical services under Chavez, the percentage of underweight and underheight babies has actually increased. Moreover, a careful examination of the government budget reveals that--once you take out social security, which benefits mainly the middle and upper classes who work in the formal sector--the fraction of social spending as a whole has actually decreased. Despite the government's claims of having eradicated illiteracy, its own surveys, Rodriguez writes, revealed the country "at the close of 2005 barely down from pre-Chavez levels." Meanwhile, Transparency International ranks Venezuela the second most corrupt country in the world after Haiti. This last statistic bodes particularly ill for the future in light of the government's grandiose plans

to spend untold billions to construct a gas line all the way down South America.

Perhaps the greatest paradox of all is that in spite of Hugo Chavez's incendiary rhetoric against Washington, the United States remains Venezuela's most important single customer. To be sure, the dependency runs in both directions. At present Venezuela provides its powerful northern neighbor with fully fourteen percent of its imported oil. This undoubtedly restrains American policymakers from responding more energetically to Chavez's deliberate provocations. This is just as well. Like all Venezuelan governments that have preceded him, Chavez's future is mortgaged to perpetually high prices of his primary export. But unless the law of markets is miraculously repealed, at some point in the future oil prices will drop. When that happens Venezuela's strongman will stand revealed as having systematically squandered the nation's largest oil boom in thirty years, bequeathing a social balance as deficient (or perhaps even more deficient) than when he assumed office. What Venezuelans decide to do after that is their problem.