Bolivarian Nightmare: Hugo Chávez, the United States, and the collapse of Venezuela

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In 1999, after interviewing the soon-to-be Venezuelan president, Colombian author Gabriel García Márquez remarked, “I was struck by the inspiration that I had traveled and conversed at ease with two opposing men. One, to whom hardened luck offered the opportunity to save his country. And the other, an illusionist who could go down in history as just another despot.”

García Márquez was describing Hugo Chávez Frias, one of the most polarizing figures in recent Latin American history.

After governing Venezuela for 14 years, Chávez died at the age of 58 in 2013, leaving behind a country in the early stages of an intense economic collapse. Previously one of Latin America’s richest countries, inflation in Venezuela is predicted to reach 10 000 000% in 2019, while food and medicine shortages have left Venezuelans in a perilous position. At the time of writing, several cities in Venezuela, including the capital Caracas, are on the sixth day of a complete power outage, forcing residents to trek into the surrounding mountains to find water.

The crisis has sparked intense debate surrounding the administration and legacy of Hugo Chávez. Loyal chavistas continue to support Chávez’s successor, Nicolás Maduro, arguing that the collapse is a result of external pressure and imperialism from the United States. The opposition, now led by Juan Guaidó, points to a long history of economic malfeasance, corruption, and authoritarianism under President Chávez.

An in-depth exploration of the issue reveals that the current crisis in Venezuela is the result of a complex system in which Hugo Chávez’s authoritarianism and centralizing policies allowed economic mismanagement and corruption to overrun his administration. Chávez’s intense desire

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for total control of Venezuela was spurred in part by his deep paranoia of threats – both real and perceived – from the United States. Ultimately, these elements converged to create one of the worst economic and humanitarian crises in recent history.

**A complex history**

Venezuela is a nation “built on a lake of oil”. First discovered in Maracaibo in 1914, oil soon came to dominate the political and economic landscape of Venezuela. By 1928 Venezuela was the world’s leading oil exporter, its industry dominated primarily by the foreign companies Standard Oil and Royal Dutch Shell. The expansion of the oil industry prompted rapid economic growth. From 1920-1980, Venezuela had the fastest growing economy of any country in the world. While the booming oil industry allowed the government to invest in public works and services, it also led to corruption and inequality. The reliance on oil revenue meant that the government failed to effectively collect taxes, and as the wealth accumulated, Venezuelans increasingly saw their country as inevitably rich. Believing that Venezuela’s wealth was a given, they became hostile to even the most modest austerity programs. Furthermore, the political situation in 20th century Venezuela was tumultuous. Authoritarian rulers, military juntas, and democratic parties all struggled for control. In 1958, the leaders of the three main political parties signed the *Punto Fijo* Pact, which ensured representation from each of the three leading parties but effectively cancelled out any opposing voices. By the late 1970s, after the oil crisis caused prices to spike, President Andres Pérez of the Acción Democrática (AD) party nationalized the Venezuelan oil industry. Not long after, however, oil prices dropped, capital fled, and the bolivar

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7 Ibid., 167–68.
9 Ibid., 26.
was devalued by the government of Luis Herrera Campins. Venezuela’s overreliance on oil quickly became apparent as the price continued to fluctuate in the 1980s, signalling the beginning of the end for the long-standing *Punto Fijo* system. During Pérez’s second term, he “attempted to introduce a neoliberal restructuring programme into Venezuela [which] sparked off the greatest public disorders seen in modern Venezuelan history.”

These events came to be known as the *caracazo* and prompted Pérez to call a state of emergency. The ensuing clash between protesters and the police left nearly 300 Venezuelans dead.

In 1992 President Pérez was nearly unseated in a coup led by Lt Col. Hugo Chávez. That the coup was unsuccessful mattered little; by the next year Pérez had been impeached, and in 1998 Hugo Chávez was elected president, leading the Movimiento Quinta Republica (MVR) to victory with 56% of the vote. Chávez’s election represented a change for Venezuela as the country moved towards the 21st century. He spoke out for the country’s poor and referenced *el pueblo* (the people) as his greatest motivation. Often seen as the first and most radical of the Latin American left-of-centre “Pink Tide” governments, Chávez championed the “Bolivarian Revolution”, an ideology based on the legacy of Simon Bolivar, the famous Venezuelan leader who led the fight to liberate much of South America from Spanish rule in the 19th century.

In his inaugural speech in February 1999, Chávez echoed the words of Simón Bolívar, “El Liberador.” Speaking of Venezuela’s inequality, poverty, and the new Bolivarian project, Chávez reminded the crowd, “Blessed is the citizen who, under the coat of arms of his command, summons national sovereignty to exercise his absolute will.” By speaking the words of Bolívar, Chávez

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11 Ibid., 37.
12 Ibid.
was invoking Bolívar’s commitment to sovereignty and anti-imperialism, two elements that would become highly significant for Venezuela during Chávez’s rule, under which “the cult of Bolívar would achieve its apex”. It should not be forgotten, however, that despite his victories in emancipating Latin America from the hands of the Spaniards, Bolívar became an authoritarian tyrant, convinced that dictatorship was the only way to solve the problems of the continent. It bears noting, then, that the hero on which the entirety of Chávez’s ideology was based was, in reality, “the prototype [...] in a series of democratically elected rulers who went on to become dictatorial.”

**Chávez seizes control**

The first element in Venezuela’s march toward ruin was Chávez’s authoritarian streak. Though Chávez was democratically elected thrice during his time in office, he nevertheless took steps to consolidate his power as the sole comandante at the helm of the country. Upon taking office in 1999, President Chávez exclaimed, “I call on all Venezuelans to fight so that we have a homeland, a true Venezuela, a true democracy.” Chávez’s goal of transforming Venezuela into a Bolivarian Republic demanded a transition to democratic rule following decades of puntofijismo. The main vehicle for this transition was to be a reformation of the constitution, which Chávez called “moribund” during his inaugural address. Shortly after his election, Chávez set out to reform the constitution through an elected assembly known as the National Constituent Assembly (or ANC by its Spanish acronym). The process of drafting and ratifying the constitution illustrates the intense political polarization that festered throughout Chávez’s administration. Firstly, the Bolivarian government attempted to use executive decrees to solidify themselves as the primary

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15 Ibid.
16 Chávez, “Discurso de Toma de Posesión Presidencial.”
17 Ibid.
directors of the new constitution. Although their efforts were tempered by the National Electoral Council, the Chávez administration nevertheless worked to exclude Opposition legislators from the process.\textsuperscript{18} Furthermore, while the fundamental purpose of the new constitution was to shift from representative democracy to participatory democracy, Chávez’s coalition prevented the participation of groups that did not align with the Bolivarian ideology.\textsuperscript{19} The ratified constitution itself also presents a dichotomy. On the one hand, it included increased human rights guarantees, and protection for the environment and indigenous minorities.\textsuperscript{20} It also enshrined the rights of citizens as active participants in the democratic system:

“The constitution protects the right of the citizenry to elect officials to public office, express their opinion on public policy through popular referendums and plebiscites, and recall public offices. Beyond ballot box measures, it endows citizens with the right to propose ordinary legislation, and to initiate and participate in constitutional assembles. It recognizes citizen assemblies, giving them legal character, and declares their decisions binding.”\textsuperscript{21}

However, the 1999 constitution also greatly increased the power and role of the Executive. The presidential term was increased from five years to six,\textsuperscript{22} promotions within the armed forces became the domain of the executive branch, and the two houses of Congress were merged to form one national assembly, thereby eliminating the Senate.\textsuperscript{23} Historian Barry Cannon also notes that the appointment of Supreme Court Judges under President Chávez was likely heavily influenced by clientelism.\textsuperscript{24}

\textsuperscript{19} Ibid., 44.
\textsuperscript{21} Mallén and García Guadilla, \textit{Venezuela’s Polarized Politics}, 33.
\textsuperscript{22} Norman, \textit{A Hero’s Curse}, 88.
\textsuperscript{24} Cannon, \textit{Hugo Chávez and the Bolivarian Revolution}, 20.
In order to support the Bolivarian Revolution, Chávez turned his apparatus of control to the Venezuelan media. Commercial media outlets were viewed as “foes of the revolution”, and those that broadcast pro-Opposition views were seen as especially traitorous.25 A concerted effort by the government sought to overwhelm private, independent media outlets with public, government sponsored ones. It is estimated that from 1999 to early 2004, television stations aired nearly 600 hours of government-mandated programming. This is not counting Chávez’s famous television appearances on his show, Aló Presidente, which added an additional 740 hours of programming in the same period of time.26 In his study on Aló Presidente as a populist media strategy, Eduardo Frajman describes the broadcast as such: a tool “to shape the political debate, to publicise the accomplishments of Chávez’s Bolivarian Revolution, to attack the opposition and make surprising announcements, and to strengthen the bond between leader and followers.”27 Each broadcast usually began with Chávez nonchalantly greeting the crowd, introducing those in attendance, and perhaps humming or singing along to a piece of music.

In 2007, Chávez used Aló Presidente to discuss a referendum that he had called to once again reform the constitution. The “urgent changes” required this time, according to Chávez, were to give greater power to grassroots movements, reduce the authority of mayor and state governors, and eliminate term limits for the Executive. This last piece would allow Chávez to run for re-election in 2012.28 Attending this edition of Chávez’s broadcast was author and journalist Rory Carroll. Chávez addressed Carroll in the audience, asking him, “What question do you have for me? Do you have a question? Normally journalists come with many questions.” In broken Spanish

25 Mallén and García Guadilla, Venezuela’s Polarized Politics, 73.
26 Mallén and García Guadilla, Venezuela’s Polarized Politics, 77.
28 Carroll, Comandante, 111.
Carroll asked Chávez about the risks associated with abolishing term limits, namely that the Executive might become a caudillo or strong-man. Instead of addressing the question, Chávez replied with an extensive monologue cataloguing the evils of European colonialism, noting the “cynicism” of Europeans and drawing in discussions of slavery and the anti-democratic nature of the Queen of England. Each subsequent argument was met with applause from the crowd. Eventually Carroll attempted again to ask his question about limitless presidential terms, and again Chávez responded with an elaborate speech about European hypocrisy and the ills of capitalism. Having finished his monologue, Chávez moved on to other topics. Later, however, he returned to Carroll’s question. Comparing his own role in the Venezuelan revolution to that of an artist working on a masterful painting, Chávez exclaimed, “Who else can finish it?”

The 2007 referendum did not pass. For supporters of the Bolivarian Revolution, this was unacceptable. Chávez was the embodiment of the Revolution. Thus, in 2008, Chávez once again announced a constitutional referendum. This time, however, the referendum would also abolish term limits for mayors and governors, incentivizing them to campaign. The referendum was successful, passing with 55% of the vote. Following the win, Chávez, “pumped the air from the palace balcony and vowed to rule until 2030.”

Chávez’s centralizing, authoritarian tendencies were present in every facet of Venezuelan life during his rule. Often this was integrated into the socialist goals of the revolution, such as the nationalization of 1200 companies in Venezuela. Then there was the intense connection to the military, in which Chávez himself had served before taking office. During his presidency, Chávez created a 125 000-person militia directly answerable to the Executive. Furthermore, opposing

Chávez was a dangerous game – following the failed referendum to oust him from office in 2003, Chávez published a list of some 3.4 million people who had signed the referendum, effectively blacklisting them from many employment opportunities.31

Chávez’s intense control and increasing authoritarianism created an environment in which politics were intensely polarized and questioning the Bolivarian government was an immediate sign of imperialist thought. But the effects of Chávez’s tight control extended far beyond the political realm. Indeed, the central command structure of the Bolivarian Republic allowed economic malfeasance and corruption to fester unchecked, leading to the second cog in the system of Venezuela’s decline.

**Economic turmoil**

Venezuela is commonly referred to as a “petrostate”; that is, a state fulfilling three categories: “government income is deeply reliant on the export of oil and natural gas, economic and political power are highly concentrated in an elite minority, and political institutions are weak and unaccountable, and corruption is widespread.”32 While the latter two characteristics may prompt subjective analysis based on party affiliation, it is clear that the first category is objectively satisfied. Oil has dominated the Venezuelan economy for decades; as early as 1935, oil accounted for 90 percent of total export value.33 Little changed during Chávez’s 14-year rule: in 2014, oil exports comprised 96% of Venezuela’s total exports.34

Chávez’s early economic maneuvers were not without controversy. Following his election in 1998, Chávez used Venezuela’s key position as a founding member of the Organization of

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34 Reid, *Forgotten Continent*, 182.
Petroleum Exporting Countries (OPEC), in order to increase the price of oil by reducing supply. He also initiated diplomatic relations with large, non-OPEC oil producing countries including Mexico and Russia.\(^{35}\) Next, Chávez turned his attention to the state-owned Petroleum of Venezuela (PdVSA by its Spanish acronym). Chávez disliked that the company was managed by American-educated elites and believed that they were keeping too much of the oil profits for themselves. Consequently, Chávez fired the majority of PdVSA’s executive board on live television in 2002.\(^{36}\)

Major strikes from oil executives and labour unions led the Opposition to demand Chávez’s resignation. On April 12, 2002, after turning himself over to the generals, Chávez was flown to the island of La Orchila. Pedro Carmona, a business leader, was invited to lead a provisional government. Upon taking office he embarked on the immediate “liquidation of Chávez and everything he had created.”\(^{37}\) Carmona vowed to dissolve the National Assembly, replace all state governors, and dismantle major government offices including the Supreme Court.\(^{38}\) As Carmona’s rash decisions began to lose him popular support, Chávez declared that he had never actually resigned. By the following day, Chávez returned to the presidential palace at Miraflores and retook his position. In all, the coup lasted just two days.\(^{39}\)

Upon his return to Miraflores, Chávez laid off up to 20,000 PdVSA employees out of fear that they would strike again.\(^{40}\) According to the US Energy Information Administration, the expertise lost from the mass exodus of PdVSA employees was so detrimental that “crude production in Venezuela never recovered to pre-2002 levels, declining nearly every year since then.”\(^{41}\)

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\(^{35}\) Cannon, *Hugo Chávez and the Bolivarian Revolution*, 83.

\(^{36}\) Carroll, *Comandante*, 72–73.

\(^{37}\) Carroll, *Comandante*, 77–79.

\(^{38}\) Ibid., 79.

\(^{39}\) Norman, *A Hero’s Curse*, 93.

\(^{40}\) Ibid., 112.

Between 1999 to 2014, oil exports declined by 30%. Simultaneously, fiscal revenues from oil grew to represent over 60% of the Bolivarian government’s revenue. This combination led the country to an increasingly imbalanced reliance on oil. The Center on Global Energy Policy reports that through his poor economic decisions, Chávez squandered the massive oil windfall that befell Venezuela in the early- to mid-2000s. Despite receiving 304% of its GDP from the commodity windfall in 2003-2012, “Venezuela demonstrated imprudent macroeconomic behavior during the high price cycle relative to many other oil exporters.”\textsuperscript{42} Moreover, Venezuela’s private sector weakened during the Chávez administration due to “the meager non-oil GDP performance [and] the massive expropriation wave that started in 2006.”\textsuperscript{43}

The series of economic missteps that led to the aforementioned consequences played out over several years, spanning the entirety of Chávez’s time in office. These decisions were messy and often interwoven, at times merging with success stories such as the creation of health clinics and social programs. Nevertheless, the central command structure of the Bolivarian Republic demanded control over Venezuela’s entire economic system, allowing the government to regulate prices and restrict foreign exchange. The architect of Chávez’s intricate system of economic control was Planning Minister Jorge Giordani, nicknamed “The Monk”. When the government was faced with a resource curse and currency overvaluation, Giordani implemented a complex system based on the state taking full control of the economy. First, Giordani budgeted for oil prices far below what they actually were at the time, leaving a substantial surplus of “special funds” that Chávez could spend freely outside of the official budget. Additional funds were appropriated from the PdVSA’s earnings.\textsuperscript{44} The policy seemed to work at first. Oil prices were booming, and poverty

\textsuperscript{42} Francisco Monaldi, “Impact of the Decline in Oil Prices on Venezuela” (Columbia SIPA - Center on Global Energy Policy, September 2015), 6.
\textsuperscript{43} Ibid.
\textsuperscript{44} Carroll, Comandante, 162–64.
was on the decline. But problems soon arose as food shortages swept the country and inflation skyrocketed to 30%. In response, the government “spun an ever-widening web of controls” over the Venezuelan economy. State-regulated prices were so low, and raw materials so scant that the agricultural sector began to wither. The government ramped up imports to fill the widening gap as production continued to fall.\textsuperscript{45} This is a common symptom of the Resource Curse, or Dutch Disease, a term describing “how revenues from natural resources can strengthen the exchange rate, making it cheaper to import everything than grow or manufacture it at home. How a country, in other words, can become a bloated sloth.”\textsuperscript{46}

In 2008, responding to the brief crash in oil prices, the government created a currency control system that bred multiple exchange rates. At the top of the system was the PdVSA, which was obligated to sell petrodollars to Venezuela’s Central Bank. Then, the money was funneled through the Bank to the Commission for the Administration of Currency Exchange (CADIVI), which sold dollars to Venezuelans. Unsurprisingly, elites were first in line to receive the limited dollars, while average Venezuelans received \textit{bolivares}, a currency effectively useless outside of Venezuela.\textsuperscript{47}

Within the government, corruption was rampant. “[B]lack holes punctured the state’s budget” as billions of dollars were spent surreptitiously. Money flowed to offshore accounts, and the financial status of state agencies like PdVSA were shrouded in darkness. Government elites and oil executives had “the power of Croesus.”\textsuperscript{48} Despite coming to power on an anti-corruption platform, Chávez blatantly ignored and even attempted to hide the corruption within his

\textsuperscript{45} Carroll, \textit{Comandante}, 164.
\textsuperscript{46} Ibid., 160.
\textsuperscript{47} Ibid., 164.
\textsuperscript{48} Ibid., 165.
administration.\textsuperscript{49} The government became increasingly unaccountable to the people it claimed to represent. Eventually, even the oil industry began to rot as it was turned into a “parallel state” burdened with funding and operating social missions.\textsuperscript{50} The PdVSA became “so overloaded with social and political tasks [that] it neglected its core business of drilling and refining. Starved of investment and expertise, production slumped.”\textsuperscript{51} Furthermore, between 2007-2011 Venezuela borrowed more money than any other emerging economy. While part of the loans and oil revenue was directed to social projects such as the \textit{missiones} that were set up across the country, the majority were funneled towards creating “client groups” comprised of loyal Chavistas.\textsuperscript{52} As a result of regulation, stagnation, and corruption, the social projects were unable to meet their full potential and Venezuela soon became “littered with unfinished or abandoned projects.”\textsuperscript{53}

Chávez’s final performance at the helm of Venezuela’s economy occurred in the lead-up to his 2012 electoral victory. Both Chávez and his beloved fatherland were ill: Chávez, with terminal cancer, and Venezuela, rotting from years of mismanagement, corruption, and under investment. Chávez was determined to hide both. In order to conceal Venezuela’s growing economic turmoil, the Chávez administration generated an artificial consumption boom manufactured through a series of economic and political maneuvers. From 2010 to 2012 the money supply rose twofold, and imports of goods increased by nearly 30\%.\textsuperscript{54} Chávez looked to China for financial assistance, entering Venezuela into an agreement that traded Chinese development aid for access to the Faja oil reserves.\textsuperscript{55} The funds were used to provide large raises for state workers and the military. The \textit{Mi Casa Bien Equipada} (My Well-Equipped Home) mission provided over

\textsuperscript{49} Carroll, \textit{Comandante}, 172.
\textsuperscript{50} Ibid., 159.
\textsuperscript{51} Ibid., 217.
\textsuperscript{52} Reid, \textit{Forgotten Continent}, 182.
\textsuperscript{53} Ibid.
\textsuperscript{54} Monaldi, “Impact of the Decline in Oil Prices on Venezuela,” 7.
\textsuperscript{55} Carroll, \textit{Comandante}, 281.
a million subsidized home appliances, from dishwashers to flat-screen televisions, to Venezuelans across the country. The products were made in China and the boxes adorned with Chávez’s face. In order to counter the rising inflation that resulted from the artificial boom, the government fixed the process of 15,000 consumer goods. It was an “electoral cycle ‘on steroids’.” The policies were successful for the short term. Chávez earned enough support to win the election in 2012, though he would not live long enough to begin governing for a third term.

It is clear that while overreliance on oil greatly contributed to the economic decline of Venezuela, it was not the singular cause. Instead, it was compounded by Chávez’s intense economic control and manipulation of the Venezuelan economy, which led to massive inflation, the weakening of the private and agricultural sectors, and rampant corruption. These economic outcomes are in many cases a direct result of the authoritarian tendencies that Chávez exhibited during his presidency and which were described in detail in the preceding section. However, Chávez’s desire to centralize and tighten his grip on Venezuela did not occur in a vacuum. His relationship with the United States is a key factor in understanding the authoritarian control that Chávez exercised over the nation and the poor economic decisions that it engendered.

**U.S.-Venezuelan relations**

“Yesterday, ladies and gentlemen, from this rostrum, the President of the United States, the gentleman to whom I refer as the devil, came here, talking as if he owned the world. Truly. As the owner of the world.” So began Chávez’s 2006 address to the United Nations General Assembly. Calling U.S. President George W. Bush the devil was perhaps the height of Chávez’s

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57 Carroll, *Comandante*, 281.
rhetorical war against the United States, but it was by no means a singular occurrence. It cannot be forgotten that the namesake of the Bolivarian Republic, Simon Bolivar, earned his place in the cannon of Latin American history for leading the fight against the Spanish colonial empire in the 19th century. From the beginning, Chávez’s rhetoric demonstrated a deep continuation of the anti-imperialist ideology that fueled Bolívar’s mission. This time, however, the United States was the imperial power in question, owing to its long history of nefarious involvement in Latin America.

The relationship between the United States and Venezuela during Chávez’s presidency was strained at best and antagonistic at worst. Relations between the two countries were not immediately sour, however. Carlos A. Romero and Javier Corrales propose a three-stage analysis of the U.S.-Venezuelan relationship, noting that in the two years immediately following Chávez’s inauguration, the United States paid little attention to the country. Chávez’s lofty foreign policy goals had not yet materialized into a substantial threat, and the U.S. was preoccupied with other domestic and foreign policy concerns. Furthermore, Chávez’s anti-American rhetoric was only one voice amidst a general trend of U.S.-Latin American cooperation.60 This largely unproblematic relationship soon changed in the early 2000s. Following the attacks of September 11, 2001, the Chávez administration publicly criticized U.S. bombing in Afghanistan, provoking the ire of the White House.61 Then, in 2002, the failed coup against Chávez sparked a new wave of anti-Americanism as the Chávez government accused the United States of supporting and even orchestrating the coup. To this day there is little evidence to suggest that the United States was directly involved in the coup, however Chávez’s paranoia was not entirely unfounded. The United States has a long history of supporting opposition groups in Venezuela, primarily through the

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61 Carroll, *Comandante*, 72.
National Endowment for Democracy (NED). NED is a privately-run program funded by the United States government that supports “democracy promotion” around the world. The NED actively worked to fund and support opposition groups in Venezuela, and by 2002 Venezuela received the highest amount of NED funding in the entire region, with over one million dollars flowing into the country to support anti-Chávez organizations.\(^\text{62}\)

Additionally, the response by the U.S. government to the 2002 Venezuelan coup appeared to suggest support for the Opposition and Pedro Carmona, the newly installed president. In a press briefing on April 12, 2002, White House Press Secretary Ari Fleischer elaborated on Washington’s view of the events in Caracas, stating, “We know that the action encouraged by the Chávez government provoked the crisis.”\(^\text{63}\) Even more inflammatory was the visit that Carmona received from U.S. Ambassador Charles Shapiro following the coup. Along with the Spanish Ambassador to Venezuela, Shapiro was the first state representative to officially visit Carmona, signaling near immediate acceptance of the outcome of the coup.\(^\text{64}\) While it should be noted that Shapiro was likely under the impression that Chávez had resigned willingly, the decision to visit a leader elected via a highly undemocratic process nevertheless suggests that the United States was more than willing to support any leader more favourable to U.S. interests than Chávez, regardless of the means through which they took power.

In 2005, Chávez officially declared Venezuela a socialist country, “and married the Bolivarian revolution to ‘twenty-first-century socialism’.”\(^\text{65}\) This, “would be different from Soviet Union-style twentieth-century socialism, in that it would be more pluralistic and less state-


\(^{65}\) Carroll, *Comandante*, 143.
For years the United States had feared that Chávez was an outgrowth of the Cuban threat, that Castro was “nurturing an heir.” The 2005 declaration solidified Venezuela’s position as a leader of Latin America’s increasing left turn. U.S. concern about Venezuelan ties to Cuba were not unprompted. Following his socialist declaration, Chávez created one political party encompassing all of his allies, the United Socialist Party of Venezuela (PSUV) and expressed his desire to politicize the armed forces in the same way that Cuba had. Hugo Chávez and Fidel Castro maintained a dynamic working relationship and friendship, primarily “based on antipathy to the Washington Consensus and neoliberalism.” A major part of the Venezuelan-Cuban relationship were the *missiones*, which traded Venezuelan oil for Cuban expertise and services. Mission Barrio Adentro was one such program in which Venezuela provided 95,000 barrels of oil per day to Cuba in exchange for 20,000 Cuban doctors, nurses, and other medical specialists.

Beyond Cuba, Chávez aligned himself with other external states opposing the U.S., namely Iran. Ties between Venezuela and Iran led to deals over development, arms, and ammunition. Romero and Corrales point to Venezuela’s need to counter the pro-American interests of Saudi Arabia in OPEC as one reason for the increased relations between Iran and Venezuela under Chávez. Moreover, they argue that Venezuela’s relationship with Cuba, Iran, and other states hostile to the U.S. is an example of “soft balancing” in which a state seeks to “frustrate the foreign policy objectives of other, presumably more powerful nations, but stopping short of military action.”

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70 Carroll, *Comandante*, 102.
71 Corrales and Romero, *U.S.-Venezuela Relations since the 1990s*, 18.
Within Latin America, Chávez, having emerged as the “undisputed leader” of the radical left, turned to building regional cooperation. The massive oil windfall that Venezuela experienced in the mid-2000s allowed Venezuela to become a major player in the international aid system, funding oil programs such as PetroCaribe, Petroamérica, and the San Jose Energy Agreement. These programs distributed oil at highly subsidized rates to countries in Latin America and the Caribbean. Furthermore, Chávez was determined to prevent the spread of U.S. free-trade-based regional integration. To that end he founded the Bolivarian Alliance for the Peoples of Our America (ALBA), a system that eschewed private direct investment in favour of cooperation based on state-owned property.  

Venezuela’s neighbor Colombia proved to be another point of tension for U.S.-Venezuela relations. In the mid-2000s, an estimated 90% of the world’s cocaine was produced in Colombia. Given that the drug trade has been one of the top concerns of the U.S. government in the Western hemisphere in recent memory, it is unsurprising that the U.S. was heavily involved in efforts to end narco-trafficking in Colombia. To that end, Plan Colombia was the most intense U.S.-backed offensive against the growth and trafficking of coca in Colombia. For Chávez’s part, he openly criticized the initiative, citing justifiable concerns surrounding Washington’s use of aerial fumigation and the increased militarization of the region. In 2005, Chávez ousted the U.S. Drug Enforcement Agency from Venezuela on the bases of espionage accusations. Drug trafficking through Venezuelan territory increased threefold, and Venezuela soon became a major jumping-off point for drug shipments leaving the Americas. Chávez was also accused of supporting the

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73 Kozloff, *Hugo Chávez*, 146.
74 Ibid., 149.
Revolutionary Armed Forces of Colombia (FARC), a major player in the Colombian drug trade. Tensions increased as President Bush “took Venezuela off his list of allies in the war on drugs.”

The United States took complementary action in response to Venezuela’s anti-American rhetoric and inimical behavior. Romero and Corrales term this a “tit-for-tat” approach in which the United States and Venezuela tended to mirror the hostile actions of the other. When Venezuela increased relations with Cuba, the United States grew closer to Colombia. Rhetorically, Chávez’s anti-American rhetoric was met with a mirrored response from the U.S. Whereas Chávez was prone to lashing out against the U.S. administration on his public broadcasts, the United States issued more conservative, but nevertheless stinging, insults towards the Venezuelan president. In 2007, for example, then-U.S. Secretary of State Condoleezza Rice’s stated, “I do believe that the President of Venezuela is really destroying his own country, economically, politically […] But I think we want to make this about American defense of democracy, not a rhetorical contest with the President of Venezuela.” Eventually, the United States did resort to military sanctions against Venezuela, banning all sales of arms and military equipment to the country in 2008, and persuading other nations including Israel, Spain, and Brazil to take similar, if less severe, actions.

Ultimately the antagonism between the U.S. and Venezuela was both real and perceived among the two countries: for the U.S., the threat of a “new Cuba” – this time with oil – was a cause for concern. For Chávez, his devotion to anti-imperialism likely clouded his vision in regard to relations with the U.S., but there were nevertheless real concerns with which he had to contend. While the physical sanctions imposed on Venezuela by the U.S. were not majorly important given Venezuela’s relationship with trading partners beyond the U.S., both real and perceived U.S.

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75 Kozloff, Hugo Chávez, 149–50.
76 Corrales and Romero, U.S.-Venezuela Relations since the 1990s, 54.
77 Ibid., 21.
threats toward Venezuela likely contributed to a rise in Chávez’s desire for central control of his country’s political and economic apparatuses. The United States supported an opposition in Venezuela that “show[ed] existing institutions little respect.” Given that Chávez saw himself at the helm of a nation “involved in a hegemonic struggle against powerful adversaries [...] ensuring impartial institutions [...] could be tantamount to surrendering power.”

As Cannon notes, “This situation [gave] further impetus to the more authoritarian elements within the government coalition.” Thus, it is clear that whether it was based on real or perceived threats, the antagonistic relationship between Chávez and the U.S. contributed increasing authoritarianism in Venezuela and the political and economic turmoil that it engendered.

**Conclusion**

Hugo Chávez died on March 5, 2013. Chávez’s death was silent and altogether unexceptional, the very opposite of a life that “blazed drama, a command performance. [...] [F]riend and foe alike always envisaged an operatic finale.” His body ravaged by illness, Chávez had been unable to attend his own inauguration two months earlier. Despite the fact that he was in no state to walk, let alone govern, Chávez remained President until he died. Soon after his electoral victory Chávez had appointed Nicolas Maduro as his vice president. Maduro, a former bus driver, was to be the new future of the Bolivarian revolution. But Venezuela was in shambles. The consequences of years of neglect, mismanagement, and corruption swept across the country. Supermarkets shelves emptied, prisoners rioted, and China feared that its loans were lost to the “populist swamp” into which Venezuela sunk deeper and deeper. In death Chávez was deified as Maduro campaigned in the April 14 snap election. Maduro lacked Chávez’s cult of personality

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79 Ibid.
80 Carroll, *Comandante*, 288.
81 Ibid., 287.
but capitalized on the nation’s grief and the patronage established under Chávez. He won by less than 2%, signaling “an auspicious beginning for chavismo without Chávez.”\footnote{Carroll, Comandante, 291.} Upon coming to power, Maduro quickly began to mismanage Venezuela’s already ruinous economy. Governing by decree, Maduro slashed imports while simultaneously setting the government-controlled price of nearly all consumer goods at far below market value, leading to major inflation.\footnote{Reid, Forgotten Continent, 186–89.} Accusations of human rights abuses abound as the Venezuela continues to freefall into one of the worst economic and humanitarian crises in recent history. While it is easy to argue that Maduro intensified the crisis through further economic and political malfeasance, the stage had already been set by Hugo Chávez. Chávez’s autocratic and centralizing tendencies, in part prompted by his antagonistic relationship with the United States, allowed economic mismanagement and corruption to fester unchecked, ultimately leading to the country’s current crisis.

Nearing the end of his life, Chávez conversed with French journalist Ignacio Ramonet. The interview resulted in a nearly 500-page book chronicling Chávez’s life and rise to power. At the finale of the marathon interview, Chávez ended their conversation with a quote from Simon Bolívar. “I’d like to take my leave with this phrase of Bolívar, repeating the oath I took all those years ago,” Chávez told Ramonet, “‘My arm will not rest nor my soul repose until we see Venezuela truly be as we dream of it: with dignity, prosperity and glory’.”\footnote{Hugo Chávez Frías, Ignacio Ramonet, and Ann Wright, My First Life: Conversations with Ignacio Ramonet, English language edition (London: Verso, 2016), 484.} Chávez and his idol have both been laid to rest, but Venezuela is far from a dream: it is a nightmare.
Bibliography


