

Who is afraid of Hugo Chavez?

David Lehmann

Who is afraid of Hugo Chavez? At present the governments of the US and the UK see Chavez as a danger to international security, but the real danger is to his own people and to the people of Bolivia now, and tomorrow, of other countries liable to fall under the populist spell. Fidel gains from his relationship because Chavez keeps him in power and funds his regime – not the Cuban people whose standard of living has not improved since Venezuela began to sell Cuba oil at heavily discounted prices.

The danger of Chavez is in the long term harm done by his type of economic and social policies. The people of Venezuela have seen no economic reforms or income redistribution, and the social programmes they do see are short-lived and highly politicized. Under Chavez oil production has fallen by 60 per cent and the proceeds of oil exports are shrouded in accounting mystery. The proliferation of attention-grabbing ‘missions’ is no substitute for rational policy: staffed by Cuban doctors and the ‘Bolivarian’ faithful, and provide cheap food and free medical attention, the missions are managed directly from the Presidency, circumventing the mainstream Ministries. The National Statistics Institute website poverty indicators consist of nothing more than small surveys reporting (surprise, surprise) overwhelming satisfaction with the government’s missions available. The only clear and believable statistic is that unemployment has declined from 23% to 10% since January 2005. Some claims, like the eradication of illiteracy, are not believable because illiteracy was already only 7% in 2002-3 according to UNESCO. It looks as if Venezuela, by employing 20,000 Cuban medical personnel, is solving Cuba’s problem rather than the other way round: according to current WHO Statistics, Venezuela has 20.0 physicians per 10,000 population, Brazil 20.6, Chile 11.5, the US 27.9 and Cuba... 60.4.

Venezuela has become a leading drugs entrepôt and has overtaken Colombia’s astronomic homicide rate because the security apparatus has been politicized, as has occurred with its once-respected Diplomatic Service and the management of PEDEVESA, the state oil company. True, Chavistas will counter that this should be

blamed on the plots of the opposition and notably the prolonged strike in 2002-3 by oil managers, which was evidently aimed at the overthrow of the government. They would also be right to say that the opposition - divided, leaderless and bereft of any ideas other than hatred of Chavez – offers little in the way of a credible alternative. as illustrated by the strike and attempted coup of 2003 and their boycott of the last election.

Now Chavez seems to have persuaded Evo Morales to adopt similarly surreal economic ‘policies’. The issue is not foreign investment but the standard of living of the Bolivian people. If the Bolivian government is to be responsible for operating oil and gas fields and for managing the royalties and revenues from them, the legendary incapacity of the Bolivian state will ensure that they will be misspent. Bolivians are not dishonest, but as in many petro-states the relevant institutions do not exist in that country.

In addition, it seems that Chavista advisers are trying to engineer another electoral one-party state in Bolivia by moulding the forthcoming constitutional process. The notion that Venezuela’s political system is now a democracy is half true at best: the Executive has drowned the bureaucracy with Chavista true believers, controls appointments to the judiciary, has unmonitored control over the oil revenues which account for most of the country’s wealth, and now has been trying to impose price controls over the marketing of basic commodities, with the concomitant risk of black markets and corruption and a cycle of repression in response.

Europe’s attitude to Chavez has lacked clarity and been plagued by conflicting interests and ideologies. Spain, seduced by Chavez’ rhetoric and desperate to revive its naval shipyards, concluded with Venezuela the largest military export deal in the country’s history– and Chavez, eager to capitalize politically, insisted that the Spanish Minister of Defence be present at the signing of the contract. But now the government, offended by Bolivia’s expropriation of Repsol’s oil wells, has talked of cutting debt forgiveness. In Latin America it is hard for politicians in small and vulnerable countries to resist the temptations of highly politicized Venezuelan ‘aid’.

Even Argentina has incurred a political debt by selling a chunk of bonds to Venezuela – which the government immediately sold on, at a profit, to a favoured local bank.

The US should keep quiet and above all maintain its aid to Bolivia: if it withdraws support Bolivian schoolteachers' salaries may suffer, and the US will get the blame. Better hang on and thus avoid losing even more goodwill - and even perhaps keep the schoolteachers paid. Europe can help, if it circumvents the distracting rhetorical wars around US power. Europe should maintain a studiedly neutral posture vis-à-vis Chavez himself, and should channel even more of its Bolivian aid through independent NGOs until the new Constitution is agreed – which will take some time. Those in Europe who sympathize with US foreign policy should not allow that sympathy to drive them into some sort of boycott of Bolivia or of Venezuela. The way forward is for Europe to identify itself with the needs of the people of those countries and to avoid taking geopolitical sides.

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