



What to Expect as Venezuela Moves On after Hugo Chavez

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On March 5, 2013, the ravages of cancer claimed the life of President Hugo Chavez of Venezuela at the early age of fifty-eight. Elected fourteen years earlier, Chavez was a larger-than-life leader given to provocative rhetoric and confrontational tactics as he sought to transform his own country and advance Venezuela on the world stage. As a newly elected head of government takes the reins for the rest of Chavez's unfulfilled term, the Venezuelan government is likely to turn inward amid mounting economic pressures and contention among groups with competing interests and visions. While the people of Venezuela make their way into the new era, the United States and other nations will be well advised to react with patient restraint.

The Chavez Legacies

Forty years into building their national democracy, Venezuelans voted for fundamental change in 1998 when they elected Chavez, a political outsider and leader of an earlier military coup. Chavez's "Bolivarian Revolution" installed a civil-military alliance to promote a new form of socialism and communal power. His "21st century socialism" succeeded in dismantling the previous power structure in Venezuela and distributing petroleum revenues more inclusively than ever before. Poverty and inequality have been reduced significantly, yet key goals were only partially realized.

- Economically, Venezuela long struggled to reduce its dependence on petroleum exports, but under Chavez such earnings grew to become 93% of its export revenues. More than ever, food and consumer goods must be imported.
- In the new political arrangements, the *chavista* idea of constituent power implied that the people can decide the rules and change them as they view necessary. A centralized state was supposed to govern for the collective good rather than private interests, its leaders held accountable by active, communally organized citizens rather than by institutional checks and balances. But so far, Chavez's communal neighborhood-level councils are too dependent on top-down funding to exercise true citizen authority from the bottom up.

The Struggles to Come

Chavez was both the *comandante* for the government and military and, for many citizens, a charismatic father figure who personified the nation and the people. "I am Chavez" is a popular mass refrain. After Chavez's death, political leaders have sought to sustain and wield his charisma, enshrining him as the redeemer-liberator, an amalgam of Jesus Christ with Simón Bolívar, the father of Latin American independence. But it will not be possible to replicate the full cult of personality that allowed Chávez to dominate decision-making, deflect challenges within his diverse coalition, and run rough-shod over opposition.

Most Venezuelans continue to value a large state role in distributing petroleum rent. During the election following Chavez's demise, both government and opposition candidates promised to retain and expand popular social welfare programs. But beyond that, Chavez's passing has unleashed differences among his followers, as well as between them and opposition forces.

- Within the Chavez movement, some base leaders and intellectuals worry that the new government will no longer seek to deepen communal citizen participation. Meanwhile, opposition groups along with international supporters call for a less highly politicized form of democracy – one with institutional checks and balances, more independent courts, and stronger protections for minorities and private property owners.
- Competing economic views also limit Venezuela's ability to unify around a strategy to improve productivity. The Chavez regime nationalized hundreds of private and foreign companies, but did not completely socialize the economy. A weakened private sector, "set on idle" by a shortage of dollars and an overvalued exchange rate has been forced to become retail importers rather than productive exporters. Unresolved issues include how government should encourage domestic production and manage exchange rates.
- The post-Chavez government must manage unrealistically-stoked popular expectations. In the run-up to elections in October 2012, Chavez's government used windfall oil profits and government borrowing to boost social spending. Continued high social expenditures are threatened, though, by public deficits, rising inflation, shortages of electricity, and critical investment needs of the petroleum industry.

International Implications

Ambitious internationally as well as at home, Chavez's Bolivarian Revolution promoted cooperation and autonomy in the "global South" of developing nations, in order to counter-balance the dominance of Northern powers. Chavez voiced the frustrations and hopes of many in the developing world, and championed ongoing efforts to increase regional ties. His passing may mean less Venezuelan largesse for Cuba and Nicaragua in the future. But it will not imperil Latin America's growing regional integration, diversified foreign ties, and newly assertive international voice.

What about Venezuela's often stormy relationship with the United States? Chavez's successors have waved the anti-imperialist flag to gin up nationalist feelings, and have even insinuated that America may have helped cause their leader's death from cancer. But U.S. foreign policymakers and members of Congress should not overreact. After all, during the fourteen years of Chavez's rule, commerce and oil imports were never interrupted, and Venezuelan oil provides ten percent of U.S. imports. Even as Chavez's health deteriorated during the fall of 2012, discussions started with the United States about new areas of cooperation and renewed exchanges of ambassadors.

For the immediate future, rhetorical saber-rattling may continue as newly-elected Venezuelan leaders endeavor to knit together a governing coalition and confront serious domestic problems. U.S. authorities should keep lines of communication open until Venezuelans are ready for more cooperation – to optimize commerce, promote human rights, and counter narcotics trafficking and other security threats. That time will come.

Read more in Jennifer McCoy and Francisco Diez, *International Mediation in Venezuela* (United States Institute of Peace, 2011).