

# The Political Consequences of oil in Chávez's International Policy. Changes and Continuities in the Case of Cuba, Colombia and the United States

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**ABSTRACT:** *Two essential variables have conditioned the political and cultural life in Venezuela: democracy and oil. We asserted the problem from the perspective of the political consequences of oil in the democratic level, arriving at the conclusion that oil has affected the country's political system and civil liberties. Furthermore, we also analyse the effect of oil in the conduction of a country's international affairs, focusing in three cases: Colombia, Cuba and the United States. Settling that even when ideologically speaking Chávez changed everything, its economic policy remained almost intact.*

**KEYWORDS:** *oil, Venezuela, diplomacy, Colombia, United States, Cuba.*

## I. INTRODUCTION

Venezuela suffered great changes with the entrance of the new millennium. Hugo Chávez came to power in 1999 as he promised to structurally reform the state. For this, he summons a National Constituent Assembly, with the aim of developing a new Constitution that helped to serve as a foundational stone for the new country. Here, many ideological changes began as they will continue to shape themselves over the years. The "Bolivarian Revolution" -name of his movement- and more specifically the "Twenty-First Century Socialism" would become the ideological pillars that will determine the project for the country.

But, not all these changes happened at the same time, but progressively. And Venezuela's foreign policy was not the exception. New alliances were created, as well as new enemies pointed out. The ties with Cuba strengthened while the relations with the USA frizzed up. The unification with Latin America became the priority, although the relationship with its closest neighbour, Colombia, reached many peaks of dramatic tensions. Therefore, the spectrum of the international relations changed, adjusting itself to the new reality.

In order to achieve this, many new mechanisms were created. The rise of left wings governments in the south allowed the consolidation of an international coalition that gave birth to new multilateral regional organisations, such as the UNASUR, CELAC and ALBA. This to the detriment of older ones such as the OAS. And the non-materialisation of others that were previously planned but could not see daylight due to the arriving of these changes, like the FTAA. Therefore, Bolivia, Ecuador, Argentina, Uruguay, Brazil, Cuba and Venezuela reached out a certain degree of ideological unification that granted a geopolitical counterweight in the continent against the sphere of influence of the United States and its regional allies.

The main objective of this paper is to contribute with the understanding of something that we consider to be the most important aim of international relations: the proper analysis of foreign policy. Even when it is undoubtedly

true that today's international atmosphere includes more than States, we consider the State as the most important player. Or in traditional words: "the study of international politics is the study of relations among states"<sup>1</sup>.

Chavez's left-wing revolution clashed with right-wing movements inside and outside Venezuela. The most iconic case was the United States, Venezuela's first economic partner. With whom the rhetoric changed and began a frontal confrontation in the political sphere, not damaging the commercial one. Another country that was listed as the "enemy" was our closest and polemic neighbour: Colombia. In this case, tensions rose and drooped. It was not constant, but gradually. Thirdly, Cuba became one of (if not "the most") Venezuela's closest ally, changing the exchanges between the two countries and sometimes arriving at a point of controversy. Consequently, our goal is to address what we consider to be the main changes of the Venezuelan foreign policy with the arrival of the Bolivarian Revolution as well as its continuities. All of this under the political consequences of oil. Focusing on the relations with Cuba, Colombia, and the United States, as we find them to be the most relevant cases of study during Chávez's era.

For achieving this purpose, our research will be strongly qualitative in its methodology, as we will be analysing books, articles, and newspapers. Therefore, we must clarify that when it comes to dealing with "news" the subject might be easily biased, therefore we will try to limit ourselves in that area. Also, we will implement some interviews that were specially held for this investigation. All of this with the aim of better analysing our dependent variable (the impact of oil in the changes and continuities in Venezuelan's foreign policy, especially with the before-mentioned countries), and the independent variable (both the Bolivarian Revolution as well as the Twenty-First Century Socialism).

## II. THE CONSEQUENCES OF OIL

### The "oil effect"

As Michael Ross (2012) once wrote: "anyone who has dreamed of winning the lottery or finding buried treasure assumes that a large cash windfall will make them better off"<sup>2</sup>. However, history has often shown that this has not always been the case and, "for many developing countries, finding valuable natural resources can have strange and sometimes politically harmful consequences"<sup>3</sup>. The economist Edward Morse (1986) has stated that:

The international petroleum industry has always been somewhat special and different from other commodity sectors. Given its pervasive influence on industrial growth, and the record of government and industry interventions over the decades, the oil sector has not generally functioned as a free transparent market in which price is determined by the interaction of many buyers and sellers. At most times in the past, rather, oil has been traded through a contrived mechanism to balance supply and demand<sup>4</sup>.

Even when this is not necessarily prejudicial, "petroleum seemed to have a stronger and more harmful effect than other kinds of minerals"<sup>5</sup>. The correlation that we mentioned of oil and conflict it has, in Ross perspective, grown over the years. The "Oil curse" as he calls it, began worldwide in 1980, and nowadays the oil states are "50 percent more likely to be ruled by autocrats and more than twice as likely to have civil wars as the non-oil

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<sup>1</sup>Steinberger, P. (2015). The State as a Universe of Discourse. In Schuett R. & Stirk P. (Eds.), *The Concept of the State in International Relations: Philosophy, Sovereignty and Cosmopolitanism* (p. 48-80). Edinburgh: Edinburgh University Press. Retrieved from <http://www.jstor.org/stable/10.3366/j.ctt14brxt7.7>

<sup>2</sup> Ross, M. (2012). *The Oil Curse*. Princeton University Press. p.XIII

<sup>3</sup>ibid.

<sup>4</sup> Morse, E. (1986). *After the Fall: The Politics of Oil*. Foreign Affairs. Extracted from: <https://www.foreignaffairs.com/articles/1986-03-01/after-fall-politics-oil>

<sup>5</sup>Ross, M. (2012). *The Oil Curse*. Princeton University Press. p.XIV

states<sup>6</sup>. Many political scientists have made interpretations of the reasons. Yet, it has been very difficult to prove any of them. Petroleum leading to “bad policies” is almost a consensual claim between scholars (i.e. Kiren Aziz Chaudhry 1989 and Terry Lynn Karl), but the effectiveness of a government might not be enough to prove this claim.

In the book *The Oil Curse*, Michael Ross (2012) provides a theory called: Beverly Hillbillies. This theory suggests that a newly rich would not know how to behave between the other wealthy people. The author calls this a “fallacy” as the condition of being rich is not what causes you to become “less educated”, but the sudden change in your status is what places you into an environment different to the one you were used. Oil countries are often compared to developed countries as they might have the same degree of “riches”. These developed countries have earned their “wealth” through a process of work, a process of development, and in a “harmonious” period of time. Unlike countries with an “oil boom” that happened so suddenly that did not allow a progressive maturation of political institutions. Then, political instability, corruption, the rise of authoritarianism, etcetera, finds fertile soil to bloom, and money to be sustained.

Furthermore, Ross also gives us another theory that he finds “misled” by many scholars: “the unobserved burdens”. This other fallacy “infer that low-performing governments must have ‘weak institutions’, without considering variations in the difficulties of their tasks<sup>7</sup>”. According to the author, he believes that as oil countries have exceptional earnings, they need exceptional institutions to “cope with the volume and volatile of their revenues<sup>8</sup>”. And, as they were “poor” just a second ago, their institutions are probably “normal”, if not deficient.

Now, regarding the trend toward democracy, if we consider one more time Przeworski (2000) we will see that countries with higher incomes are more likely to be democracies. Even when this might be true, we can not ignore the setback that has suffered democracy the past years. According to *The Economist*, only 11 (out of 167) countries are a full democracy<sup>9</sup>. And, in the same line of reasoning of the setback, it began - according to Ross - in the year of 1980, with the boom of oil prices. “In 1980, oil producers constituted just over 25 percent (27 of 103) of the world’s autocracies; by 2008, they made up over 40 percent (30 of 74)<sup>10</sup>”.

Even when this is alarmingly true, it is difficult to find the explanation for this correlation. Mentioning one more time the Beverly Hillbillies theory, we can suggest that a boom in the revenues without prior exceptional institutions can generate a breakdown in the system. At least this would suggest a credible argument if we see the annual average prices<sup>11</sup> that, beginning in the mid-70s had an outstanding increase reaching to a never seen before peak in the 80s.

Moreover, we cannot ignore the fact that Venezuela did make a successful transit to democracy in the year 1958. In fact, it is one of the few exceptions (being Mexico in the year 2000 the other one) of an important oil-exported country that made this leap to democracy in the past decades. Many interpretations can explain this, and we will return to this point further on while we enter with more details to the case of Venezuela. Right now,

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<sup>6</sup>ibid, p.1

<sup>7</sup>ibid. p.215

<sup>8</sup>ibid. p.221

<sup>9</sup>The Economist (2017). *Democracy Index 2017*. Extracted from: <https://tinyurl.com/y8t9268p>

<sup>10</sup>Ross, M. (2012). *The Oil Curse*. Princeton University Press. p.76

<sup>11</sup>OPEC (2019). *Average annual OPEC crude oil price from 1960 to 2019 (in U.S. dollars per barrel)*. Extracted from: <https://www.statista.com/statistics/262858/change-in-opec-crude-oil-prices-since-1960/>

what we must keep in mind is that “No commodity has been as politicized as oil”<sup>12</sup>, and this “politicisation” could be the reason why it has been a blessing, as well as a curse.

### **Oil as a bargaining chip**

Edith Penrose (1975) stated that: “Oil is a highly political commodity and has more than once taken the centre of the stage in international affairs”<sup>13</sup>. For a country being satisfied or not was an important objective of its foreign policy. After WWII and prior to the creation of the OPEC (1960) the geopolitical importance of oil reached a point where the US was the only self-sufficient country in the world and also a “net oil exporter”<sup>14</sup>. Following it, the UK and France were reasonably satisfied although not at the same level as the before-mentioned. However, it was with the creation of the OPEC when the oil got a relevant position as “formal independent actor” in the international spectrum.

We need to keep in mind how successful oil markets works, depending on three basic conditions:

The first is a limitation on the number of major participants in the market: the fewer the better. The second is the ability of the major players to take decisions to rationalize production, deciding where, for how long, and under what circumstances production is to be shut in. The third relates to the degree to which the petroleum industry is integrated, with networks of close ties between upstream activities (i.e., oil production) and downstream activities (oil refining and marketing). The more integrated the industry, the more amenable the market will be to constructive management (Morse, 1986)<sup>15</sup>

This newly created organisation summed these conditions, allowing oil-exported countries to protect the prices and increase their revenues. In fact, in 1968 the OPEC issued a Declaratory Statement of Petroleum Policy that referred “to the inalienable right, as expressed by the United Nations, of all countries to exercise permanent sovereignty over their natural resources in the interests of the national development”<sup>16</sup>. These “oil countries” had now a bargaining power, that helped them negotiate with others of bigger magnitude, such as the US, as it happened in 1973 when the oil problem got “shifted to the diplomatic level”<sup>17</sup>.

The OPEC countries had requested an increase in the tax prices of the barrel of 2 US\$ (an increase of 70% for Gulf crudes and 40% for Arabian light), way more than what the companies (mostly from the US) were willing to pay. “This action by the governments was a decisive turning point in the international oil industry”<sup>18</sup>. With it, the governments were assuming effective control of their resource and the foreign companies (or governments) were in no position to do anything about it.

The immediate consequence was demolishing and highly criticized. The oil was also becoming a tool of “hard power” for the Arab countries. During the Yom Kippur war, the western entered to the first known “oil crisis” due to an oil embargo to the countries that supported Israel in the war. Although the embargo did not change the position of the affected countries, it demonstrated the oil as a weapon and it left a permanent new increase in the

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<sup>12</sup> Morse, E. (1986). *After the Fall: The Politics of Oil*. Foreign Affairs. Extracted from: <https://www.foreignaffairs.com/articles/1986-03-01/after-fall-politics-oil>

<sup>13</sup>Penrose, E. (1975). *Oil and International relations*. In British Journal of International Studies. Cambridge University Press: [https://www.jstor.org/stable/20096756?read-now=1&seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/20096756?read-now=1&seq=1#page_scan_tab_contents). p.40

<sup>14</sup>ibid.

<sup>15</sup>Morse, E. (1986). *After the Fall: The Politics of Oil*. Foreign Affairs. Extracted from: <https://www.foreignaffairs.com/articles/1986-03-01/after-fall-politics-oil>

<sup>16</sup>OPEC (1968). *OPEC: Vision, Mission and Development*. Extracted from: [https://www.opec.org/opec\\_web/en/press\\_room/903.htm](https://www.opec.org/opec_web/en/press_room/903.htm)

<sup>17</sup>Penrose, E. (1975). *Oil and International relations*. In British Journal of International Studies. Cambridge University Press: [https://www.jstor.org/stable/20096756?read-now=1&seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/20096756?read-now=1&seq=1#page_scan_tab_contents). p.45

<sup>18</sup>ibid, p.46

price of more than 400%. As we can see in the historical prices of oil<sup>19</sup>, the price kept a steady path until the year 1973. In here, after the embargo, we can appreciate how it jumped from 2,7 US\$ (1973) to 11 US\$ (1974).

As a conclusion, we can evidence that oil plays an important role in internal and external politics. Internally, it conditions the type of government and the political system. Externally, it works as a “bargain chip” to exercise “hard power”. President Chávez perfectly understood this and from the very beginning had the idea of promoting the OPEC”. To do so, the first official visit in office was to Yedahh, Saudi Arabia, followed by other 10 member countries. Then, according to many authors, Venezuela under his presidency, played a fundamental role in the recovery of oil prices.

### III. CHAPTER II: THE OIL DIPLOMACY

#### The “New PDVSA”

Hugo Chávez began to change the foundations of Venezuela's foreign policy right from the beginning of his presidency. Many authors agree on the fact that in the last years Venezuela has gone global. Venezuelan former Minister of Foreign Affairs, José Vicente Rangel (2018), when asked “what changed with the arrival of Chávez?” he immediately answers: “we discover that the world was bigger than Europe and the United States”<sup>20</sup>. This idea might seem banal, but it condenses the spirit of Chávez’s administration. All of that thanks to “the use of oil as the main instrument of participation in the global and hemispheric scenario”<sup>21</sup>.

Oil has been, historically, the main engine of Venezuela since the XXth century. Of course, as a mechanism, it did not change with the arrival of Chávez, but the internal policy around the oil did change throughout the years. He reformed PDVSA (Venezuela’s oil industry) and called it the “new PDVSA”. This was a reform from the model established back in 1989, “oriented to promote schemes of state control and limited partnership, under the modality of joint ventures with a majority shareholding by the Venezuelan State”<sup>22</sup>.

#### Colombia, a relationship of disagreements

##### “La integración”

When addressing the most important changes and/or continuities of Venezuelan foreign policy we must divide the subject into “bilateral changes and multilateral changes”<sup>23</sup>. The case of Colombia is not an exception. Having the two countries a border of more than 2.219 Km and, according to many experts, one of the most active of the hemisphere.

It is probably safe to affirm that the United States plays an important role in the relationship of both countries. As we have seen, Chávez’s anti-United States speech was an important part of the construction of his political project. This colliding with Colombia, where the governments of the current century had developed a close relationship with this country, under the excuse of facing the guerrilla movements. Therefore, it is well known Colombian foreign policy of being more a *respicepolum* (To look at the north) than a *respice similia* (To look at your equals)<sup>24</sup>. To this day, the United States even holding seven military bases in Colombian territory<sup>25</sup>, thanks

<sup>19</sup>OPEC (2019). *Average annual OPEC crude oil price from 1960 to 2019 (in U.S. dollars per barrel)*. Extracted from: <https://www.statista.com/statistics/262858/change-in-opec-crude-oil-prices-since-1960/>

<sup>20</sup>Rangel, J.V. (2018, July 9). Personal interview.

<sup>21</sup>Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.102

<sup>22</sup>Ibid. p.114

<sup>23</sup>Arreaza, R. (2018, July 11). Personal Interview.

<sup>24</sup>Torres, C. (2010). *The respicepollum doctrine (“Look toward north”) in the practice of the international relationships of Colombia in the XX century*. Extracted from: <http://rcientificas.uninorte.edu.co/index.php/memorias/article/viewArticle/721/5142/>

to the *Plan Colombia*, a project created to face the guerrilla movements and stipulated in 1.500 million US dollars, that produced a “military imbalance”<sup>26</sup> in the whole region, and maybe the “unthinkable”, a threat to Venezuelan security.

Venezuela former Ministry of Foreign Affairs and Ambassador to Colombia, Roy Chaderton (2018), when asked about how was the relationship with Colombia before Chávez he responded: “it was very close (...) which I think was a mistake”<sup>27</sup>. Things change, and nowadays, the Ambassador believes that an armed conflict between the two countries may be inevitable because Colombia seems to be “threatening us with war... with the USA”<sup>28</sup>. But many events have happened to arrive at this crucial tension. To this point, we must keep in mind that “Colombia is increasing its positive relationship with the United States while Venezuela is decreasing it”<sup>29</sup>.

According to Carlos Romero, “Colombia has become some sort of showcase in the perspective of the US”<sup>30</sup>. This approach to Washington can be condensed into three aspects: 1) A bilateral doctrine to face security issues; 2) The restoration of peace; 3) And a policy of development<sup>31</sup>. Unlike Venezuela that has had a policy of “exporting the project” and to consolidate a new region integration to face the previous order “built up” by the United States: “the fundamental idea is the goal of Latin America integration”<sup>32</sup>. But, this integration was more political than economic, and had had a clear goal: include the south and exclude the north.

This evidently brought an issue between the two countries. In the past, “There were only a few discrepancies in the hemispheric plan”<sup>33</sup>, but now the *Plan Colombia* was not the only source of disagreements. As an example, we got the US’s proposal: Free Trade Area of the Americas. To counterattack this, Chávez proposes the ALBA. “The FTAA was a free trade agreement based on the Washington Consensus... The ALBA is more a mechanism of political consultation, true. But the fundamental idea was the goal of Latin American integration”<sup>34</sup>.

According to former Ambassador René Arreaza, behind the proposal of the FTAA was the idea “to avoid any kind of Latin American integration initiative”<sup>35</sup>, as the United States sees Latin American “initiatives through: ‘How does it harm me?’ (...). Because it is the optics with which a superpower usually sees initiatives from countries and governments that usually accompany them, rather than creating or having their own initiatives”<sup>36</sup>. So this was the consequence of many other initiatives that began with a political pretext. The CELAC, UNASUR, among others, “Until very recently the USA referred to these initiatives as ‘Forums’, not as ‘Organisations’”. The philological meaning of this is important<sup>37</sup>.

Consequently, we need to realise that the Colombo-Venezuelan relationship has been conditioned by another actor, the United States. Before Chávez, this did not represent a problem due to the fact that US-Venezuela relationship (as we will see further ahead) was of friendship and cooperation. Also, the US-Colombia

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<sup>25</sup> Semana (2009). *Estados Unidos utilizará en total siete bases militares en Colombia*. Extracted from: <https://www.semana.com/nacion/seguridad/articulo/estados-unidos-utilizara-total-siete-bases-militares-colombia/105908-3>

<sup>26</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p. 136

<sup>27</sup> Chaderton, R. (2018, July 10). Personal interview.

<sup>28</sup> *ibid*

<sup>29</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p. 137

<sup>30</sup> *ibid*

<sup>31</sup> *ibid*

<sup>32</sup> Arreaza, R. (2018, July 11). Personal Interview.

<sup>33</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p. 141

<sup>34</sup> Arreaza, R. (2018, July 11). Personal Interview.

<sup>35</sup> *ibid*.

<sup>36</sup> *ibid*.

<sup>37</sup> *ibid*.

relationship boosted with the Presidency of Alvaro Uribe, who had a very close understating with President Bush, reaching to the point of Colombia being one of the few countries of Latin America (El Salvador and Nicaragua were the other ones) to support Iraq war.

To conclude this point, it is imperative to mention that Colombia did participate (during Chávez's government) in a new mechanism of integration such as UNASUR (although recently decided to leave)<sup>38</sup> and CELAC. But it also chose to stay out of others such as the ALBA, that rose as a counterweight to the FTAA (that, as we mentioned, Colombia did support). Finally, Venezuela decided to withdraw from the CAN, under the pretext of Colombia signed a Free Trade Agreement with the US. Evidencing the discrepancies on how the "integration" must have been carried out.

### **The Border**

We already mentioned that Venezuelan-Colombian's 2219km border is one of the most active in the hemisphere. Many events had happened that demonstrated how difficult the relationship has been. The eldest document that we could find is the Arbitration of 1891 where it delimited the border of Colombia and Venezuela. Even when it was seen as a defeat to Venezuela, it settled the dispute<sup>39</sup>. Nevertheless, the interest in the Venezuelan Golf started to elicit the ongoing "oil interest" of Colombia, as "one of the main zones of production was and still is the Maracaibo Lake"<sup>40</sup>, situated in the Golf.

The issue continued up to 1941 when president Eleazar López Contreras (Venezuela) and Eduardo Santos (Colombia) signed a Treaty in Cúcuta, Colombia, where Venezuela gave 108.000km<sup>2</sup> to its neighbour. Of those kilometres, 50km of lineal coast to the Venezuelan Golf was given to Colombia. This polemical treaty was rejected by many, being the most notable rejection coming from Venezuelan poet Andrés Bello, who stated that in over one hundred years Venezuela had lost "a fifth of its territory without firing a single shot"<sup>41</sup>.

However, with this, the dispute did not end. After that it raises the issue about the marine and submarine areas belonging to each country. To synthesise the events, the unceasing tension reached a military point. The 9 of August of 1987, the ARC Caldas, a Colombian Corvette, was situated in Venezuelan waters. This represented a diplomatic crisis and the closest time in Venezuelan history of going into war after its independence.

Nonetheless not only military issues had occurred regarding our borders. The waves of migration between the countries have been historical. "There were more than 1,600,000 Colombians certified by the UNHCR"<sup>42</sup> fleeing to Venezuela. Although this cypher is very volatile, sometimes the Venezuelan government rising it up to 6 million. Still, is not our objective to quantify the number of migrants, we just wanted to stress out the fact of an important wave of migration between the two countries, always through the border.

Furthermore, during the presidency of Hugo Chávez it was signed the Commitment of Santa Marta (May, 4th 2000). This changed the name of the previously created "Presidential Commission for Border Issues" (1989) to the "Presidential Commission of Integration and Border Issues (COPIAF)". We can notice that, at least in spirit, this has constituted a continuity of Venezuelan foreign policy since independence. Venezuela has played, good

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<sup>38</sup> El País (2018). *Colombia anuncia que se retira de la UNASUR*. Extracted from: [https://elpais.com/internacional/2018/08/10/colombia/1533920637\\_839419.html](https://elpais.com/internacional/2018/08/10/colombia/1533920637_839419.html)

<sup>39</sup> *Tratado sobre arbitramento "juris", entre Los Estados Unidos de Colombia y los Estados Unidos de Venezuela, de 14 septiembre de 1881*. Extracted from: [http://www.sogecol.edu.co/Ova/fronteras\\_colombia/documentos/tratados/arreglo\\_limites\\_colombia\\_venezuela\\_1.pdf](http://www.sogecol.edu.co/Ova/fronteras_colombia/documentos/tratados/arreglo_limites_colombia_venezuela_1.pdf)

<sup>40</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.192

<sup>41</sup> Megainfocentro Mérida (2018). *5 de abril de 1941 Venezuela pierde de nuevo territorio con Colombia*. Extracted from: <http://infocentromega.blogspot.com/2018/04/5-de-abril-de-1941-venezuela-pierde-de.html>

<sup>42</sup> Arreaza, R. (2018, July 11). Personal Interview.

willingly, in all the international mechanism searching for a good understanding with its neighbour. At least until 2002, when the rupture started.

### **The Peace Processes**

We chose the date of 2002 as the beginning of the disagreements for two reasons. First of all, because prior to this date, President Chávez and President Pastrana seem to reach a minimum level of understanding (much more than the one that will exist with Alvaro Uribe, who assumed power in the year of 2002), that froze up in 2002. Secondly -and they are linked - we saw how the Chávez government took a more radical turn after the coup of 2002. This, not only in the internal scenario but also in the external one.

“The government of president Chávez accused behind the scenes the government of President Pastrana of being committed to the military coup of April 2002 and the provisional regime presided over by Pedro Carmona”<sup>43</sup>. It is to the belief of many that, even if the Colombian government did not orchestrate the coup, supported it. “Fernando Gerbasi [former Ambassador of Venezuela to the Italian Republic], celebrated the fall of Chávez in the house of the Colombian Ambassador in Rome, Plinio Apuleyo Mendoza”<sup>44</sup>. A piece of credible information since the Colombian Embassy in Venezuela protected Pedro Carmona, then giving him exile in Bogotá, where he currently lives.

Apart from that, in the previous point we tried to express that Venezuela has been quite generous with Colombia, and “we have not received the same gratitude”<sup>45</sup>. All in order to avoid a military conflict with its neighbour. In fact, until now, Venezuela is one of the few countries in the world that has not had a war with any of its neighbours. As banal as this might seem, it is extremely important to prove the pacifist spirit that has prevailed. This brought us to our next issue in the Colombo-Venezuelan relationship, the peace processes with the FARC.

During the second presidency of Rafael Caldera, in 1995, after an attack to a Venezuelan outpost by the hands of the ELN, it was established a “hot pursuit” that allowed military personnel to chase Colombian guerrillas that committed any mischief in Venezuelan soil. After some mismatches, the peace talks came an important subject to Caracas. But president Caldera refuses to pursue them as he was not allowed to do so by the Colombian government. Therefore, it is safe to say that prior to Chávez there was no involvement of Venezuela in the peace processes. An aspect that dramatically changed because

Since the election campaign, Hugo Chávez said he would be willing to maintain the best relations with the guerrillas and with the government of Colombia in order to cooperate with the pacification of that country. Thus, Venezuela became the international actor most committed to Colombia's peace processes<sup>46</sup>.

According to Roy Chaderton (2018), these peace processes could not be carried out without Chávez's help. Or, in his own words:

That is to say, without Chávez this Colombian process would not have been carried forward. Because Chávez was the guarantor of the process, of the origin of the process ...because he convinced the FARC (and later the ELN) that the moment of the armed revolution had ended, and it was time to trust the people<sup>47</sup>.

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<sup>43</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.147

<sup>44</sup> Chaderton, R. (2018, July 10). Personal interview.

<sup>45</sup> *ibid*

<sup>46</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.144

<sup>47</sup> Chaderton, R. (2018, July 10). Personal interview.

However, Chávez's friendship with the guerrilla complicated, even more, the relationship with Colombia. For instance, the government of Colombia accused the Venezuelan government of allowing the guerrilla to move freely inside Venezuela. This accusation was even presented to the OAS, as "presumed hospitality of the government of Venezuela so that the guerrilla "rested" on Venezuelan soil and retreated from the attacks of the Colombian army"<sup>48</sup>. All of this contributed to "generate great mistrust between the two governments"<sup>49</sup>.

Furthermore, after many complications, the peace processes started in the Havana, although due to his death Chávez never got to see them materialised. Even when the outcome of this issue exceeds the period of our work, according to the interviews, they all agreed that the end was only a "scam", where Venezuela was not even recognised by the Colombian government as a relevant actor in the process. Or, in Chaderton words: "they did not even invite us to the party"<sup>50</sup>.

Lastly, it is evident that "the relations between Colombia and Venezuela have been marked by tensions, without this implying ignoring important moments of fraternal understanding"<sup>51</sup>. According to Francesca Ramos, at the beginning of the XXI century, there were two important events that marked each respective country. We already mentioned the coup against Chávez, that radicalise the Bolivarian movement. The other would be, according to the author, this same idea of the peace processes as it "leaves only frustration and the generalized feeling of deception"<sup>52</sup>.

Still, we stated that the period Chávez-Uribe was the most critical one between the two countries. Even when prior to that we mentioned the almost fatalistic war encounter generated by the Caldas Corvette, this convulsive period "led to the cancellation of presidential meetings, the paralysis of the work of the neighbourhood commissions responsible for handling bilateral affairs, and on several occasions, the so-called *In consultation* with the ambassadors of the respective countries"<sup>53</sup>.

Likewise, other

serious events, such as the declaration in 1999 of neutrality of the Venezuelan leader against the Colombian internal conflict (...); the arrest in 2004 of four Colombian policemen in Maracay [Venezuela]; the capture of a group of 180 alleged paramilitaries in Venezuelan territory, whose supposed mission was to assassinate President Chávez; and the case of the Venezuelan nationalization of Rodrigo Granda, a member of the FARC, and his alleged kidnapping in 2005 in Caracas by Colombian authorities, which took him to his territory<sup>54</sup>.

All these incidents deteriorated the agreements reached in the past. And, even if the binational trade with Venezuela during the Chávez government "went from 184 million dollars a month in 2000 to 602 million in 2008"<sup>55</sup>, the posterior fall reached the lowest cypher of the century, falling to 154 million in 2010. Did the oil had anything to do with it? Most likely yes. Because Chávez international policy was boosted by it, and Colombia was one of the few countries of the hemisphere by that time who opposed the regional integration proposed by Venezuela and built up, according to many experts, by oil. Being probably "Petrocaribe" the most

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<sup>48</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. P.145

<sup>49</sup> *ibid*.

<sup>50</sup> *ibid*

<sup>51</sup> Ramos, F. (2010). *Colombia-Venezuela: una intensa década de encuentros y tensiones*. Razón Pública. Extracted from: <https://razonpublica.com/index.php/internacional-temas-32/1679-colombia-y-venezuela-una-decada-de-relaciones-conflictivas.html>

<sup>52</sup> *ibid*

<sup>53</sup> *ibid*

<sup>54</sup> *ibid*

<sup>55</sup> *ibid*

iconic case wherein other to gain influence in the region, Venezuela “went as far as accepting local products such as bananas or sugar in exchange for oil”<sup>56</sup>

## **Cuba, The Comrade Revolution**

### **Ups and Downs**

From the very beginning, the Cuban Revolution has been an important issue on the continent. Without exception, Venezuela was driven into this matter since the victory of Fidel Castro in 1959. Almost at the same time, Venezuela reached democracy, and interim president Wolfgang Larrazábal demonstrated fond for the Cuban cause. Thus, celebrating Fidel Castro’s 26 of July Movement as it appears to be a democracy attempt that would have ended a long period of dictatorship, in a country that “since independence, it has always been an important issue for Venezuelans”. In fact, “in the 19th century, the liberator Simón Bolívar became interested in the independence of the island (...) [as] saw with concern the United States desire to control”<sup>57</sup> it. Furthermore, as we were saying, the Cuban Revolution was supported by Venezuelan public opinion almost with unanimity until the second semester or 1959. Prior to this date, Fidel Castro entered Caracas, giving a speech in the Central University of Venezuela, and praised by the crowd. A very important fact to stress because less than a year before United States’ Vice President Richard Nixon “during a goodwill trip through Latin America”<sup>58</sup> was almost killed in Caracas by the angry mob. Demonstrating the anger of the people against the US and the sympathies to the communist new leader, Fidel Castro.

The sympathy with Cuba was also due to the Second Wave of Democracy. The concept that was popularised by Samuel Huntington, refers to “a group of transitions from nondemocratic to democratic regimes that occur within a specified period of time and that significantly outnumber transitions in the opposite directions during that period of time”<sup>59</sup>. According to the same author, this second wave occurs just after WWII and had a significant impact in Latin America.

However, “political trials and executions in Cuba, the gradual elimination of the moderate sectors of the Cuban political leadership, the economic measures tending to strengthen the public sector, (...) and the anti-American policy”<sup>60</sup> began to break up the good relationships.

The following years, during the presidencies of Rómulo Betancourt (1959-1964) and Raúl Leoni (1964-1969) Venezuela represented a clear enemy of Cuba. The former making international pressure to impose economic sanctions and the latter supporting guerrilla movements inside the country. However, in the end, “both actors were wrong. As Venezuelan democracy was not defeated, neither was the Cuban Revolution”<sup>61</sup>.

This change with the first President of Rafael Caldera (1969-1974). According to Roy Chaderton, when Caldera came to power “the only socialist country with which we had relations was Poland”<sup>62</sup>, to then develop “the thesis of ideological pluralism, thus breaking down the Betancourt Doctrine, by recognizing military regimes and trying to give Cuba an opportunity to reintegrate into the continent”<sup>63</sup>. The progressive restoration of the

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<sup>56</sup>Millard, P., Hoffman, C., Gertz, M., Lin, J. (2019). *The Rise and Fall of Chavismo in Venezuela*. Bloomberg: <https://www.bloomberg.com/graphics/2019-venezuela-key-events/>

<sup>57</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.151

<sup>58</sup>History (2009). *Vice President Nixon is attacked*. Extracted from: <https://www.history.com/this-day-in-history/vice-president-nixon-is-attacked>

<sup>59</sup>Huntington, S. (1991). *The Third Wave: Democratization in the Late Twentieth Century*. Norman: University of Oklahoma Press. p.15

<sup>60</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.152

<sup>61</sup> ibid. p.154

<sup>62</sup>Chaderton, R. (2018, July 10). Personal interview.

<sup>63</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.154

relationship with Cuba continued with the following presidencies. It was Carlos Andrés Pérez during 1974 who advocated ending the economic sanctions to the island. Then, under Luis Herrera Campíns it was established a “less friendly” relation, maintaining the communication under the figures of *Chargé d’Affaires*.

We could say that the relationship with Cuba before Chávez has its ups and downs. It is clear that this policy responded to the consequences of its time. Therefore, for a time, it was established an “anti-communist” policy both inside and outside the country. But then, as well as in the whole continent, the United States started to be isolated in his harsh approach with the island, Cuba winning international acceptance. Then Chávez came to the scenario and became the most valuable asset for Cuba and the Cuban Revolution.

### **Two Flags, One Revolution**

“Cuba and Venezuela: two flags, one revolution”, is a political slogan that Hugo Chávez often used to evidence the friendship that exists between the two projects. Since Chávez was just a political candidate, Fidel Castro received him in The Havana, in 1994, as he saw a potential ally. This “gamble” was successful, and Venezuela became Cuba’s most valuable ally now that the URSS has collapsed.

Venezuela has strengthened ties with Cuba in a framework of admiration and ideological commitments and Cuba has found oxygen for its deteriorated economy and, of course, has an ideological and commercial partner<sup>64</sup>.

Cuba has been a topic of discussion internally and externally in. Just prior Chávez, in the year 1999, the economic exchange was of 450 million US dollars. Then, according to the National Bureau of Statistics of Cuba, the economic exchange reached 7.300 million US dollars in the year 2014<sup>65</sup>. Being Venezuela, by far, the principal economic partner of the Island.

It is evident that economic trade with Cuba has been an exchange of oil. Actually, according to many critics, Venezuela gives away its oil without receiving anything in return. Since the year 2000, an agreement was signed to provide Cuba with 53.000 barrels of oil per day, supplying 80% of the oil consumption on the island<sup>66</sup>. Although some sources indicate that the number of barrels might be higher as PDVSA holds a base of operations on the island that can serve to commercialise the rest of the oil outside the country<sup>67</sup>. However, many believe that this agreement is a scam, as Venezuela does not receive any payment for this commitment<sup>68</sup>. Instead, “more than forty thousand Cuban doctors and health technicians, sports coaches and teachers” came to work to Venezuela as a way of “payment” for this exchange.

This scheme breaks of course with the classic rules of the market (...) for which it is not logical that a country allocates a valuable and strategic resource such as oil to the -no economically profitable- social investment, that is, programs supported by professionals from Cuba that benefit millions of poor families in Venezuela<sup>69</sup>.

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<sup>64</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.158

<sup>65</sup> Oficina Nacional de Estadísticas de Cuba. Extracted from: [www.onei.cu](http://www.onei.cu)

<sup>66</sup> Gómez, S. (2018). *Petróleo venezolano para sostener Cuba*. Extracted from: [http://www.el-nacional.com/noticias/columnista/petroleo-venezolano-para-sostener-cuba\\_220998](http://www.el-nacional.com/noticias/columnista/petroleo-venezolano-para-sostener-cuba_220998)

<sup>67</sup> Kummetz, P. (2016). *¿A quién le vende petróleo Venezuela?* Extracted from: <https://www.dw.com/es/a-qui%C3%A9n-le-vende-petr%C3%B3leo-venezuela/a-19293514>

<sup>68</sup> Martín, S. (2018). *Venezuela mantiene a Cuba: le “regala” 11 millones de barriles de crudo*. Extracted from: <https://es.panampost.com/sabrina-martin/2018/09/14/venezuela-cuba-crudo/?cn-reloaded=1>

<sup>69</sup> Manzaneda, J. (2012). *¿Venezuela regala el petróleo a Cuba?* Extracted from: <http://www.cubainformacion.tv/index.php/lecciones-de-manipulacion/46305-%C2%BFVenezuela-regala-el-petr%C3%B3leo-a-Cuba?>

Whatever the case may be, we can assure that this relationship is strongly based on the Venezuelan logic of oil and ideology. Today, the Cuban issue has become a delicate topic “on the Venezuelan agenda, both because of its international implications, and because of its commercial and internal implications”<sup>70</sup>. A great example would be the violence against the Cuban Embassy in Caracas during the 2002 coup against Hugo Chávez. Another, the preoccupation of the United States “for the possibility that the Venezuelan political model travels through the channels of the Cuban model”<sup>71</sup>. The preoccupation is that the model then proceeds further ahead through the channels of the new Latin American integration (ALBA, CELAC, UNASUR) where the United States does not have any participation.

Hence, one more time, we find ourselves in front of the United States issue. The most powerful country in the world and the sworn enemy of the Bolivarian Revolution. At least that is what the political speech has tried to sell us.

## **The United States**

### **“A Relationship of Admiration”**

The US preoccupation for Venezuela has always been present, although its intensity has not always been the same. In the words of Carlos Romero (2006),

Venezuela has been a constant strategic concern of Washington. From the geopolitical point of view, its geographical situation is very important, since the country is located in the north of South America, in the midst of a sea crossing between the Caribbean and the Atlantic, while it has an oil industry and oil and gas reserves of great consideration<sup>72</sup>.

The first event that we can recall about the United States and Venezuela relationship is from the early XX century. During the Presidency of Cipriano Castro (1899-1908) “the fall in coffee prices, as well as other calamities, made it impossible for Venezuela to cancel its debts”<sup>73</sup>. This insolvency brought the reaction of Germany, England, Italy, Spain, Belgium, the Netherlands and México, reaching to a point of blockade and almost war. European ships block Venezuelan ports and on 1902 Castro’s proclaimed his famous phrase: “the insolent plant of the Foreigner has desecrated the sacred soil of the Homeland!”<sup>74</sup>.

This conflict was solved thanks to the participation of the United States, since the episode was a perfect subject of Public International Law<sup>75</sup>, under the pretext of the Monroe Doctrine, “according to which “America for Americans” [or] (...) in other words: if any European power tried to invade American territory, the United States would confront it (...)”<sup>76</sup>.

Consequently, as the first camps of oil started to sprout, the US came closer and closer to the Caribbean country. It is important to remember that the oil reserves of Venezuela, according to the OPEC, reaches the cypher of 302 billion barrels<sup>77</sup>, being the largest in the world. Making Venezuela (as well as for its distance) one of the main suppliers of the US.

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<sup>70</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.158

<sup>71</sup> *ibid.* p.160

<sup>72</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p. 161

<sup>73</sup> Arraiz, L. (2007). *Venezuela 1830 a nuestros días: Breve historia política*. Caracas: Editorial Alfa

<sup>74</sup> *ibid.*

<sup>75</sup> *ibid.*

<sup>76</sup> *ibid.*

<sup>77</sup> OPEC, (2017). *Venezuela facts and figures*. Extracted from: [https://www.opec.org/opec\\_web/en/about\\_us/171.htm](https://www.opec.org/opec_web/en/about_us/171.htm)

Furthermore, during both, WWI and WWII, as well and during the Cold War, Venezuela played a role as an important ally to the west. As an example, we could mention Operation Neuland, where Nazi's U-Boats (submarines) tried to cut the supply chain of oil that came from the Americas, more specifically from Venezuela. Reaching the point of losing some tankers by the hands of the Germans. Hence, even if Venezuela did not participate with ground troops, it was an actor during the war.

When democracy arrived in Venezuela (that happened under the logic of the Second Wave of Democratization, as we already stressed out), it arrived with its own external policy oriented to the United States market. "Likewise, Venezuela never questioned United States supremacy in the continent, nor the importance of representative democracy and private property in the national development and even in the hemispheres"<sup>78</sup>. According to Roy Chaderton (2018), the relationship during the Representative Democracy was of "colonial submission. Of admiration"<sup>79</sup>.

Whatever the case may be, all the scholars agree on the fact that during the period of 1958-1989 Venezuela did not represent a threat to the United States and even when in some issues they did not agree (The War on the Malvinas of 1982, The Puerto Rico Status and the US invasion to República Dominicana), this did not affect the relations between the two countries.

However, in the year 1989, an important riot occurs in Caracas, the well-known "Caracazo". In a few words, this event was a "clash between popular expectations and the immediate reality of a drastic reduction in subsidies, which hit hard on the lower and middle classes (...), also repressed in a bloody way"<sup>80</sup>. From this point on (also adding the two unsuccessful coups directed by Chávez, in February and November of 1992, respectively) the US started to doubt about the stability of Venezuela. In addition, "Venezuelan oil was no longer as important to the United States as it was in the past"<sup>81</sup>.

Having mentioned this, we can conclude that the relationship between Venezuela and the United States has been a relationship of economic exchange through oil. The United States has been present since the very beginning of the discovery of the oil fields. This presence has even changed the Venezuelan culture in many ways. It goes beyond our work to analyse the cultural changes introduced by the US, as a mere curiosity to establish the link between oil and the US culture we can mention "baseball". It is highly possible that this sport was introduced as it was played in the refineries, by United States foreign workers. At least, this is in the belief of many, such as José Vicente Rangel, who said: "Baseball is part of our culture, but also part of our history. Probably without oil, baseball would have not been possible"<sup>82</sup>. Today is our national sport, widely supported by the majority of the population.

However, this relationship took a drastic turn, jumping from the most valuable ally of Venezuela to the ultimate adversary.

### **A Dichotomic Relation**

"The United States seems destined by Providence to plague the America of misery in the name of freedom". This idea, belonging to Simón Bolívar, was (and still is) used as the support of the "anti-United States" propaganda that was held by Chávez. Many authors believe that there is one Bolívar for each current of thought.

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<sup>78</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.162

<sup>79</sup> Chaderton, R. (2018, July 10). Personal interview.

<sup>80</sup> Paramino, L. (N.D.). *Perspectivas de la democracia en América Latina*. Extracted from: <https://www.insumisos.com/lecturasinsumisas/perspectivas%20de%20la%20democracia%20en%20america%20latina.pdf>

<sup>81</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.163

<sup>82</sup> Rangel, J.V. (2018, July 9). Personal interview.

Therefore, the Bolívar selected by Chávez was the socialist and the “enemy” of the United States. This, as absurd as it may sound, it is important to keep into consideration.

As Chávez came to power, the preoccupation of the US started to grow. At the very beginning it seems that the policy implemented by the US was of “wait and see”, as the panorama in Venezuela was very blurred at the time. On the other hand, President Chávez used a “negative power”, “implementing its differences with the US as a way to make an international projection”<sup>83</sup>. Still, Chávez’s international conception changed over the years. As we already mentioned, the socialist speech grew stronger as the oil prices went higher. Consequentially, the government took some authoritarianism aspects. Or, in brief, oil prices brought a hard socialist speech to the detriment of democracy.

If we analyse Chávez’s first proposal (1996, before becoming president) we will find shreds of evidence of the previous statement. In the Bolivarian Alternative Agenda (as it was called) it is impossible to find the word “socialism” or any variation. It is also impossible to find the anti-United States speech or any of the pretexts of the “21st Century Socialism”, “Bolivarian Revolution”, etcetera. This first plan is, in sum, a very open projection where it establishes a tight control of the basic industries, being the oil the most important tool to overcome the present crisis. In other words, some sort of continuity, nothing innovative, nothing out of normal for Venezuela.

For this reason, we can divide US-Venezuela relationship into stages. The first stage would be from 1996 to 2002, where Chávez (first as a candidate and then as President) was defining himself. In this period the US reaction was passive or, as we already said, of “wait and see”. Then, a second stage began with the coup of 2002 and ended in 2006. Because the US seems to support the subversive attempt to remove Chávez from power, the Bolivarian leader started to shape a more aggressive policy against its commercial partner.

In 2006, with the re-election of Chávez, the country took the definitive socialist path. It was approved the “second” project under the name: “National Simón Bolívar Project. First Socialist Plan 2006-2013”. “In this next period 2007 - 2013, Venezuela is oriented towards Construction of Socialism of the 21st Century”<sup>84</sup>. From this point on Venezuela, in the eyes of Washington, went from being a “safe and reliable country to become a suspect country”. Hence, paraphrasing Carlos Romero, there were a number of misunderstandings that can be classified this way:

1. Different perspectives of the world: The government of President Chávez poses a multilateral world. In the United States, the idea of seeking unilateral solutions and/or alliances with other Western countries is reaffirmed; President Chávez reaffirms the principle of non-intervention and the United States reinforces the idea of intervention for humanitarian reasons.
2. Different hemispherical visions: The government of President Chávez is opposed to the unregulated participation of international observers in electoral processes; Washington promotes them and supports the defence of representative democracy. The government of President Chávez insists on the priority of non-intervention and sovereignty. Washington argues that the main threats to democracy are internal (corruption, electoral fraud); Venezuela states that the main threats are external (“wild capitalism”, unipolar world)
3. Different visions for the bilateral relations: For the United States, the government of President Chávez has not formulated a solid response regarding issues of electoral transparency, legal security for private businesses and the role of private enterprise in the economic development of Venezuela. For the government of Venezuela, in the US government, there is a group of decision makers and people with

<sup>83</sup> Romero, C. (2006). *Jugando con el globo. La política exterior de Hugo Chávez*. Ediciones B: Caracas. p.164

<sup>84</sup> Presidencia (2007). *Proyecto Nacional Simón Bolívar. Primer Plan Socialista*. Extracted from: <http://www.psu.org.ve/wp-content/uploads/2011/03/Proyecto-Nacional-Sim%C3%B3n-Bol%C3%ADvar.pdf>

influence who aspire to remove President Chávez from power by any means<sup>85</sup>.

These differences grew even stronger as the political project consolidated. In the year 2012, when Hugo Chávez won, again, the presidential elections, a new Project was published. The Second Socialist Plan for Economic and Social Development 2013-2019 or, as it was known, “Plan de la Patria”, and it had 5 big objectives:

1. The defence and consolidation of national independence;
2. The construction of Bolivarian socialism of the 21st century;
3. The transformation of Venezuela into a country that is socially, economically and politically powerful;
4. The contribution to the development of a new international geopolitics;
5. The preservation of life on the planet and the salvation of the human species<sup>86</sup>.

Even so, this plan was presented to the National Assembly and implemented after Chávez’s death, thus he will not live to see it materialised.

Nevertheless, as we have barely mentioned, the political panorama did not affect the commercial one. In 2017 the Venezuelan exports to the US were of 11,6 billion US\$. Being this country its biggest commercial partner receiving over 42% of Venezuelan exports<sup>87</sup>.

As we can appreciate, the economic exchange of Venezuela with the US was constant. During the whole Presidency of Hugo Chávez, the US was its main trade partner. The macroeconomic vicissitudes (supply & demand, oil prices, amount exported) may vary the percentage, but one thing stayed the same: the US as the essential actor in Venezuela’s economy. Many reasons can explain this, being the most acceptable justification in our contemporary history the distance between Venezuela and the US.

(...) you have to admit that geography is unchangeable. What do I mean? Well, physical proximity to the US qualifies you or conditions your oil. It is not the same to export to China, where we are 10, 12 days away; to export to Houston, where you are three days away. The quality of the crudes that are processed, and where they are processed. From the commercial point of view, the same geographical condition participates. Not only the volume of exportable production of the USA but the proximity conditions you. And then the financial facility, of the international financial system. To which Venezuela, in its private and public banking, has been a traditional customer of US-based banking<sup>88</sup>.

Likewise, to stress out the changes and continuities, we can make a comparison of Venezuelan economy prior to Chávez, during the so-called “Fourth Republic”. As we can comprehend, the US as a main economic partner was a continuity during Chávez’s government. However, the other partners did change. Being the most iconic case China, that went from 27M (014%) in 1999 to 6,42B (23%) in 2017<sup>89</sup>. The reason for this might be obvious, and it is colligated to Chávez anti-United States speech, and its will to consolidate new alliances. “Venezuela discovered the world”<sup>90</sup>, told us former Ministry of Foreign Affairs José Vicente Rangel. And maybe what it also did was change sides, trying to decrease its dependency to the US, and to built new bridges sustained in the

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<sup>85</sup>ibid. p.168,169

<sup>86</sup> Presidencia (2013). *Segundo Plan Socialista de Desarrollo Económico y Social de la Nación 2013-2019*. Extracted from: <http://www.mpptaa.gob.ve/publicos/mpptaa-leyes-20150330-plandelapatria.pdf>

<sup>87</sup>The Observatory of Economic Complexity (2017). *Where does Venezuela exports to?* Extracted from: <https://atlas.media.mit.edu/es/profile/country/ven/>

<sup>88</sup>Arreaza, R. (2018, July 11). Personal Interview.

<sup>89</sup> The Observatory of Economic Complexity (2017). *Where does Venezuela exports to?* Extracted from: <https://atlas.media.mit.edu/es/profile/country/ven/>

<sup>90</sup>Rangel, J.V. (2018, July 9). Personal interview.

socialist ideology. Except, as René Arreaza stated, “you cannot change geography”, and to sustain your socialism you need money.

#### IV. CONCLUSIONS

uring Chávez’s presidency, it is clear that the ideological project was expressed internally and externally. The historical need of Venezuela to export itself continued as a practice under Chávez, changing only the substance, but not the mean. Oil was and still is, the main fuel of Venezuela in every sense. It not only boosted its economy but helped to shape the political proposals for the world.

As we saw, the political consequences of oil are clear. The revised theories suggested that an oil-rich country with a sudden boom, without extraordinary institutions and with a state ownership with control, is most likely to be driven towards authoritarianism. Venezuela, due to its historical context, is a perfect example of this. Its legacy of Caudillos (military leaders) and dictators covers most of its history. Being the “military dictatorship” the most common type of leadership in the country<sup>91</sup>.

Furthermore, regarding Venezuela’s foreign policy, we can evidence that the political economy stayed the same. Venezuela kept the model, changing only its partners. We consider Colombia the most difficult case, as is Venezuelan historical neighbourhood. The main dispute was regarding the integration. Venezuelan anti-United States speech clashed with Colombia respicepollum doctrine. Therefore, Venezuela initiatives of integration (boosted always by oil and conditioned by the ideology) were rejected by Colombia, as it chooses to keep close tights with the US.

Cuba is a clearer example. Before Chávez, the relationship with the island has its ups and downs. Even when it is true that Venezuela jumped from the anti-communism speech (Betancourt Doctrine) to an expansion to the socialist world in 1969, it was evident how with Chávez, Venezuela became the first economic and political ally of the island. This alliance sustained by oil, stipulated 53.000 barrels per day to Cuba, in exchange for personnel (medics, teachers, etcetera) creating a new model, highly criticized by Chávez’s detractors.

Lastly, the US is a very interesting case. During the Fourth Republic, Venezuelan did not defy the supremacy of this country and the differences were close to none. However, with Chávez, the harsh speech made Venezuela a “suspicious country”, although the commercial sphere was intact. Many believed that this attitude was cynic, as Venezuela and the US were political enemies, but commercial allies. The explanation for this seems rather evident: you cannot change geography. The distance between the two countries was favourable enough to keep this relation, although Venezuela did change its other economic partners, being China the most relevant case.

Finally, we can say that Venezuela’s internal and external reforms have been historically thanks to oil. Thus, the binomial, oil-democracy it still deep into our subconscious as a nation. Making “democracy” the Venezuelan historical project that has gathered unanimity (...) around it<sup>92</sup> (even dictators have ruled in their name), and oil the element that blights it.

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