

Introduction

Continuity and Change in Venezuela's Petro-Diplomacy

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Over the last decade, Venezuela has exerted an influence on the Western Hemisphere and indeed, global international relations, well beyond what one might expect from a country of 26.5 million people. In considering the reasons for this influence, one must of course take into account the country's vast petroleum deposits. The wealth these generate, used traditionally to finance national priorities, more recently has been heavily deployed to bolster Venezuela's ambitious "Bolivarian" foreign policy.

As with any country whose national income depends so heavily on export earnings from a single natural resource, Venezuela's economic fate rests on its capacity to exploit that resource and, perhaps even more so, on the price set by the international market. The Venezuelan author Fernando Coronil calls this condition the "neo-colonial disease." Without oil, there would be no Chávez, and certainly no "socialism of the twenty-first century."¹ Unpredictability is the signal character of the Venezuelan economy, and, consequently, no domestic or foreign policy assessments can be completely time-based. Nothing exemplifies this volatility better than the price of a barrel of oil, which was \$148 when we began planning this collection of essays in mid-2007, but which fell to less than \$50, then climbed back to \$70 by mid-2009. Instead of using a time-based approach, therefore, the essays in this volume attempt to trace the deep-rooted and enduring orientations of Venezuelan political culture and their influence on foreign policy, with special attention to the historical role petroleum has played in these considerations.

The “Bolivarian” Ideal

Venezuela’s sense of itself as having a “continental” or hemispheric role is not a new phenomenon. From the very inception of the Wars of Liberation in 1810, Simón Bolívar called for a confederation of states in the Southern Hemisphere. In 1815, while in exile in Jamaica, he spelled out the geopolitical reasons that made Venezuela a natural pivot of hemispheric unity: “The Americans have come to know each other . . . because of their physical geography, the vicissitudes of the war and the calculations required by the war.”² Attempting to elicit British support, Bolívar developed his own theory of international relations, which, as John Lynch writes, encompassed “a total vision of America, beyond Venezuela and New Granada.”³

Notwithstanding his exceptional personal qualities and merits, however, Bolívar could not stop the centrifugal forces that destroyed his efforts at a “grand confederation.” One month before his death in 1830, he wrote a letter to the president of Ecuador lamenting that twenty years of effort to achieve his hemispheric ideal had been in vain. His final words were dramatic and fatidical: “Our America is ungovernable. Those who serve a revolution are plowing the sea.” The only thing to do in America, he concluded, is to emigrate. He was bitter about the role of the *caudillos* in engendering “primitive chaos” and, consequently, in preventing any and all ideals of hemispheric unity. His thoughts on what we now call *caudillismo* and populism were prophetic:

Unfortunately, among us, the masses can do nothing, a few strong wills do it all and the multitudes follow their audacity without examining the justice or the crimes of the *caudillos*; then they abandon him when one even more perfidious surprises him. This is the nature of public opinion and national character of our America.⁴

Bolívar was not mistaken. Like so many other nations in the hemisphere, Venezuela in the nineteenth century was a society at war with itself. As *caudillos* of the Conservative and Liberal oligarchies battled each other, European navies blockaded the nation more than once, demanding compensation for damages or the repayment of debts owed to their nationals.

Rampant *caudillismo* was subdued, though not completely eradicated, with the rise to power of Juan Vicente Gómez (1908–35). Gómez presided over two fundamental changes in Venezuelan society: the formation of a centralized, professional military, and the establishment of an oil industry

controlled by foreign interests. As in Mexico, where another dictator, Porfirio Díaz, had invited foreign interests to exploit his nation's oil, Venezuela's relations with other nations now sprang fundamentally from the role of U.S. and European companies on her territory.⁵ With the United States already importing oil, the *New York Times* celebrated the Gómez regime as "the arrival of a Venezuelan Díaz."⁶

From that point on, Venezuela's international relations were nearly completely centered on those nations with interests in the oil industry, and on their colonies. Trinidad, Curaçao, and Aruba were of special concern for two reasons: the oil refineries were located there, and opponents of the regime often sought refuge on these islands, from which they launched invasions. These interests aside, however, and despite the growing importance of the oil economy, Venezuelan political culture, in thought and action, focused on domestic governance—that is, on controlling both the new and the old centrifugal forces that kept Gómez's secret police perpetually alert and deadly. The philosophical underpinnings of that iron-like rule were provided by what Laureano Vallenilla Lanz characterized as "Cesarismo democrático." According to Vallenilla, the "true character" of Venezuelan democracy was the predominance of a determined individual whose power was based on "the wishes of the great popular majority, tacitly or explicitly expressed"; in other words, a populist *caudillo* whose preoccupations were purely domestic.⁷ Hemispheric or other international matters were not of great concern during this period.

Venezuela's interest in hemispheric foreign relations reemerged with the birth of democratic politics and the election of Rómulo Gallegos of the Acción Democrática (AD) party in 1948. The first item on the new government's agenda was the revision of the petroleum law to institute "50/50" profit-sharing, an arrangement that was soon copied by oil producers worldwide. Venezuela, as distinct from Mexico, visualized an international role for itself in petroleum politics. Alas, just as Bolívar had anticipated, that other strain of Venezuelan politics, *caudillismo*, sprang back into action. Gallegos was overthrown, and a military regime governed until 1959, when new elections returned Acción Democrática to power under Rómulo Betancourt. Betancourt can be credited with reinitiating Venezuela's hemispheric-wide—that is to say, "Bolivarian"—foreign policy. As his biographer points out, Betancourt was not only a Venezuelan leader, he was also a hemispheric leader—an "Americanist in the Bolivarian concept of Latin American unity."⁸

The deep Bolivarian strand in Venezuela's political culture had not vanished, and neither had the idea of Venezuela as the pivot of a hemispheric "revolution." Betancourt expressed these ideals explicitly when he wrote of his hope for a wide-reaching Venezuelan foreign policy in a hemisphere "in revolution":

Venezuela's socio-political process cannot be separated from what we find in all the other countries of Latin America. Our America has "entered into revolution," to use [José Martí's] words. From one extreme of the continent to the other one notes a swift tide of popular insurgency. . . . It will fall to Venezuela to play an important role in Latin America's integration process.⁹

Those who have studied Venezuela's foreign policy argue that Betancourt was simply picking up the Bolivarian doctrine of a hemispheric foreign policy: "Venezuela's diplomacy was born under the sign of the continent."¹⁰ The same can be argued of Hugo Chávez. According to Harold Trinkunas, Venezuela's recent actions on the global stage stem from this longer tradition of oil diplomacy; the actors may have changed, but the core rationale remains the same.¹¹ Trinkunas develops this theme further in his chapter in this book.

Interestingly enough, during the 1960s the United States tolerated Venezuela's increasingly aggressive steps to take a larger share of its oil profits. Certainly Venezuela's hostility toward Fidel Castro's Cuba had something to do with this tolerance, on the principle that "the enemy of my enemy is my friend." Perhaps more important, however, was the growing U.S. dependence on Venezuelan oil. Arthur Schlesinger Jr. emphasized this point when he explained why President Kennedy was the first U.S. leader to visit Venezuela. "Some of us in Washington," he noted, "saw Venezuela as a model for Latin America's progressive democracy," adding (in parentheses), "remembering always that its oil revenues gave it a margin of wealth the other republics lacked."¹² This was petro-diplomacy at its best. It differed from the present phase of petro-diplomacy in that neither Betancourt nor the United States phrased their interest in the oil industry by using hostile geopolitical rhetoric. Betancourt had undergone an ideological change of heart; after flirting with an incipient communist movement in his youth, he had opted for, as he put it, the "West" and its democratic system.

Following two periods of AD government, the Bolivarian tilt of Vene-

zuela's foreign policy experienced one of its periodic down cycles with the victory of the Christian Democratic Party (COPEI). It had reemerged with new vigor under the AD government of Carlos Andrés Pérez in 1974. Again, petro-politics began with the nationalization of the oil industry. Just as the 50/50 royalty policy was emulated by other oil producers, Venezuela's nationalized oil company (Petróleos de Venezuela, S.A., or PDVSA) became a model for state-owned companies elsewhere. By this time, Venezuela was the world's third largest exporter of oil and the most important source of crude oil imports into the United States.

Pérez used the country's growing oil wealth to resuscitate the Bolivarian dream of hemispheric unity. The list of Venezuela's financial contributions to initiatives in Latin America and the Caribbean under his regime provides a comparative perspective for current efforts to pursue a Bolivarian foreign policy:

- \$500 million to the World Bank
- \$500 million to the Inter-American Development Bank
- \$500 million to the International Monetary Fund
- \$60 million to the Andean Development Corporation
- \$25 million to the Caribbean Development Bank
- \$80 million to the Central American Coffee Marketing Corporation¹³

Pérez's foreign policy initiatives were not limited to financial assistance; Venezuela also developed several geopolitical initiatives that irritated the U.S. government. One of these was an effort to legitimize ideological pluralism within the traditionally anti-communist hemispheric defense system known as the Rio Treaty, as part of a larger effort to reintegrate Cuba into the Organization of American States. Similarly, Venezuela's support and funding of the Sistema Económico Latinoamericano (SELA) specifically included Cuba but excluded U.S. membership. Pérez also backed Panama's position in that country's negotiations with the United States over the Panama Canal, a hot-button issue in U.S. domestic politics at the time. And much as it may have annoyed the U.S. administration, Pérez's open hostility toward the Pinochet regime in Chile was consistent with the "Betancourt doctrine" of opposing dictatorships (with the exception of Cuba).

By 1976, Venezuela's oil-driven foreign policy initiatives had run out of steam. They came up against the same two powerful hemispheric forces that had stymied Bolívar a century and a half before: fragmentation and nation-