

Hugo's Last Stand?

Will Venezuela's embattled president Hugo Chávez survive an August 15 recall vote? And can the deeply divided country avert a civil war? By Michael Walker.

CARACAS—A national recall referendum scheduled for August 15 will decide the fate of Venezuelan president Hugo Chávez—and that of his country. Assuming the referendum actually takes place—and with Venezuelan politics, one should never assume anything—the opposition will finally have its chance to unseat the mercurial leftist leader.

SHOWDOWN

It appeared for a time that the referendum would not take place. The opposition needed 2.4 million signatures to trigger the recall. More than 3 million signatures were gathered and submitted in December; however, amid much controversy, Venezuela's national electoral council disqualified nearly a million of the signatures on technical grounds. During the months of contentious legal battles that ensued, the opposition took to the streets in large marches that occasionally turned violent. In February, at least 14 people were killed in confrontations with the national guard.

In May, the government and the opposition agreed to a three-day “repair” process in which Venezuelans could verify their signatures. Through this process the opposition managed to gather enough signatures to prompt the recall vote. On August 15, the opposition will need more than 3.7 million votes to remove Chávez from office. The vote is expected to be extremely close. Chávez's approval ratings were at 43 percent in May, up from 36 percent last fall. Part

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An opposition protester during riots demanding a recall referendum against Hugo Chávez in Caracas, March 2004.

of this rise in public support can be credited to an enormous increase in government spending on social programs, made possible by rising oil revenues. According to a May poll, 57 percent of likely voters favor Chávez's ouster.

The road to the recall has been a long one. Chávez's opponents have spent the last several years doing everything in their power to remove him from office. In April 2002, segments of the opposition and the military launched a coup attempt that saw Chávez taken into military custody and briefly removed from power. Coup leaders announced that the president had "resigned" and that they were suspending the constitution and disbanding the supreme court. Hundreds of thousands of Chávez supporters took to the streets of Caracas demanding that he be returned to power. When it became clear that its plotters had inadequate support from the military, the coup fizzled. Forty-eight hours after it all began, Chávez returned to Miraflores, the presidential palace, in triumph.

The coup attempt was followed by a two-month national strike begun in December 2002 that sought to bring the economy—and the oil industry—

to its knees and thus force Chávez's resignation. This, too, ultimately failed. Although the strike did make a bad economic situation much worse—GDP fell by at least 18 percent in 2002 and 2003—it did not succeed in toppling Chávez's government.

HOW DID IT COME TO THIS?

In two weeks of discussions I had in Caracas with academics, politicians, journalists, pollsters, *Chavistas*, and opposition figures, one thing is clear: Everyone in this country seems to have an opinion about Hugo Chávez. And they are usually strong, fiercely held opinions. He is a phenomenally polarizing force and one is either for him or against him.

Chávez was elected in December 1998 with an enormous mandate—56 percent of the vote. He was reelected in July 2000 with 59 percent of the vote. And yet today he faces a recall effort that could very well end his presidency two years before his term expires. The country is so sharply divided over Chávez's rule that many fear the outbreak of large-scale violence, another coup, or outright civil war. How did it come to this?

THE CURSE OF OIL

When Americans think of oil states, most often they picture, say, Saudi Arabia or Kuwait, envisioning countries with affluent populations and large numbers of foreign workers doing most of the unpleasant jobs. That is not Venezuela. Although it's the world's fifth-largest oil exporter, and supplies roughly 13 percent of America's oil imports (the Citgo gas station chain is owned by its state-held oil company), Venezuela is a poor country, with some 70 percent of the population living in poverty. Crime is endemic: Venezuela's cities are among the most dangerous in Latin America, with more than 11,000 homicides committed in 2003, in a country of 25 million.

Venezuela is a classic example of a "petro-state," a developing country whose economy—and tax base—is dependent almost exclusively on its principal export: oil. Successive Venezuelan governments have been unable to parlay the country's oil wealth into a viable economy. During the energy crisis of the 1970s, the Venezuelan economy boomed as the price of oil skyrocketed. When prices declined in the 1980s and 1990s, the Venezuelan economy went into free fall.

By the late 1990s, the economy was in shambles. Several short-lived government attempts to implement neoliberal economic reforms (“shock programs”) simply created more economic hardship. (During the “economic adjustment” of 1989, for example, the portion of the population living below the poverty line increased from 46 to 62 percent.) With income levels falling sharply and a political establishment unable to resolve the crisis, Venezuelans were ready for radical change. Enter Hugo Chávez.

THE CHÁVEZ REVOLUTION

Hugo Chávez was elected in December 1998 to bring change to a country demoralized by economic stagnation, rampant corruption, and political ineptitude. A charismatic former paratrooper commander who had led a failed coup in 1992, Chávez tapped into the country’s anger and promised to throw out its discredited political establishment. His populist rhetoric—and his condemnation of globalization and neoliberalism—made him particularly popular with Venezuela’s poor.

And what exactly *are* Chávez’s politics? As political scientist Kenneth Roberts describes him, Chávez is “a throwback to Latin America’s earlier populist tradition, which was characterized by strident nationalism and opposition to U.S. hegemony, an ideologically ill-defined faith in state intervention and redistributive economic measures, and a commitment to the social and political mobilization of the [poorest members of society].”

Once Chávez took office, his belligerent, leftist rhetoric and occasionally autocratic style quickly began to alienate important segments of Venezuelan society—particularly the business establishment and the middle class. For Chávez, the old ruling elite were “the rancid oligarchy” and the *escualidos* (squalid ones). Campaigning for a new constitution, he declared that “we’re in apocalyptic times, there’s no middle ground. Either you are with God or you are with the Devil and we are with God.” In stoking class resentment, Chávez became a divisive, polarizing figure.

Under Chávez, the economy, already in disastrous shape, has only gotten worse. Within the first year of his presidency, foreign investment declined by \$1.7 billion; by mid-2001, capital flight had reached an estimated \$8 billion. Some 200,000 members of the middle and upper classes emigrated during the first three years of his term as the economy continued its downward spiral.

Per capita income has fallen by 27 percent since Chávez took office (partially as a result of the opposition-led national strike of 2002–3). It is estimated that 72 percent of the population currently lives in poverty (up from 62 percent in 2001) and that income levels are lower than at any time since the 1950s. Unemployment is at approximately 17 percent, and 53 percent of workers are in the “informal” sector, meaning without steady employment.

“AN ARMED CAMP”

Venezuelan society has become riven in two. Many of the country’s poor see Chávez as their champion, saving them from the ravages of globalization and the greed of the “oligarchs.” The shrinking middle class is convinced that Chávez is destroying the economy and leading Venezuela toward a Cuban model of military socialism (Castro is Chávez’s closest ally in the region). The positions of the two sides are seemingly irreconcilable. As an Italian expatriate living in Venezuela told me, “It’s like trying to get George Bush and Fidel Castro to agree. It’s never going to happen. It’s impossible.”

As tensions between the two factions increase, so too do fears of an outbreak of violence. The International Crisis Group recently issued a report calling Venezuela “an armed camp,” with both sides preparing for a potential armed conflict.

I witnessed the intense polarization of Venezuelan society firsthand in April. On the two-year anniversary of the attempted coup, I attended large rallies held by *Chavistas* and by opposition groups in different parts of Caracas. At the anti-Chávez rally, opposition politician Oscar Pérez doused a 12-foot effigy of Chávez in gasoline and set it alight to the enthusiastic applause of the crowd. Across town, *Chavistas* burned a series of effigies, including one of “the imperialist” Uncle Sam.

The imperial ambitions of George Bush and the United States are a recurring theme in Chávez’s rhetoric. On April 13, the second anniversary of Chávez’s return to power, he addressed a crowd of thousands of supporters outside Miraflores. A large portion of his two-hour speech consisted of an attack on the Bush administration. Telling the crowd that the “blame for all the dead [in Iraq] has a name: George W. Bush,” he continued, “From Latin America, from Venezuela, we send out our heart to our brothers, the Iraqi people and the Arab people in the Middle East who are fighting against the

imperialist aggressor.” Not surprisingly, relations between Chávez and the Bush administration have been strained.

“WE ARE GOING TO END UP KILLING EACH OTHER”

On a sunny April morning I join a foreign delegation (mostly European leftists who support the Chávez revolution) on a visit to the impoverished “23 Enero” barrio in the hills above Caracas. This is Chávez country. We visit a library where adults are being taught to read in a program funded by the government. We then meet with a radical pro-Chávez neighborhood group (whose members wear red and blue bandannas around their necks); their leader speaks of the inspiration he had received from the Cuban revolution.

The barrio’s huge, crumbling housing blocks are covered with images of Che Guevara and other revolutionary graffiti. As we walk past, several residents hang photos of Chávez out the window and yell his name to show their support.

After leaving the barrio, I head across town to the Altamira district of Caracas, one of the city’s most affluent neighborhoods. I am only miles away from 23 Enero but a world apart. This is opposition country. I meet with a middle-class political science professor who strongly opposes the Chávez government. We are speaking in April, at which point he assumed that the Chávez government would somehow wiggle out of the referendum vote through its influence over the national electoral council. He is deeply pessimistic about Venezuela’s future: “The economy is in ruins. Capable, trained people are leaving the country every day.” He believes that the chances for a peaceful solution between the *Chavistas* and the opposition are bleak. “We could have a civil war. We are going to end up killing each other in this country. . . . Chávez is a true revolutionary. He’s not your average Latin American populist demagogue. . . . And he has always been underestimated—even by the U.S. government.”

His prognosis is pessimistic: “This will end very badly—and very badly for Chávez and his people.”

Venezuela is a nation on the brink. The August 15 recall could very well determine the future of the country—for better or for worse. ■

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