

THE CHAVEZ EFFECT: HOW CHAVEZ CHANGED THE GAME FOR U.S.
RELATIONS WITH BOLIVIA AND NICARAGUA

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INTRODUCTION

United States foreign policy toward Latin America is flawed. After the Cold War, the U.S. shifted focus away from Latin America in order to concentrate on other parts of the world. While retuning to the region occasionally, the U.S. has failed to write a comprehensive foreign policy for the thirty-four different and distinct countries in the Western hemisphere. Instead, U.S. policy has shaped itself as a reaction to different crises in the region, such as Mexico's peso crisis in the 1990s and the election of Hugo Chavez as Venezuelan president at the turn of the twenty-first century.

This policy is in fact no policy at all. While the U.S. has continued to ignore virtually every country in the region, each country has been developing politically, socially, and economically without the support or explicit approval of their neighbor to the north. This is a stark divergence from policy during the Cold War period, in which the United States often mingled in the political and economic affairs of any country it deemed unfriendly to the United States. This lack of attention in the twenty-first century, therefore, has been accompanied by the emergence of governments varying on the political, economic, and social spectrums. Venezuela has led this charge toward its "Twenty-First Century Socialism" and its followers include the seven other ALBA members, among them Bolivia and Nicaragua.

This paper will analyze the relationships Venezuela maintains with its fellow ALBA countries, Nicaragua and Bolivia. The relationships between these countries will then be analyzed through the context of U.S. foreign policy: is Venezuela dictating Nicaraguan and Bolivian foreign policy toward the United States, or do these two latter countries, while close with Venezuela, maintain a level of independence in which Venezuela cannot interfere? Through interpretive analytical analysis, this paper concludes that the presence of Hugo Chavez has

determined neither U.S. policy toward Nicaragua and Bolivia nor has his presence gone noticed; instead, Chavez has given the presidents Morales and Ortega more confidence to pursue their more socialist agendas within their respective countries. Chavez thus has an indirect affect on politics in the region, granting others the opportunity to follow paths divergent from those of the U.S.

BOLIVIA'S EVO MORALES

Juan Evo Morales Ayma is the first person of Andean Indian descent to be elected president in Bolivia. His victory in 2005 was important in many respects. First, it was the first time in Bolivia's history a democratically elected president won a clear majority of the votes. After intermittent military rule into the 1980s, presidential candidates in Bolivia's elections always struggled to gain more than a fraction of the votes. Second, Morales' political party, MAS, won 70 of the 130 seats in the lower house of the legislature.¹ Until Morales' victory in 2005, the country had been led by a system of party rule, or *partidocracia*, which came to be seen as corrupt coalition governments.² The clear victory Morales won can therefore be seen as a sign of unity among the population and a more clearly defined call for change.

President Morales is aware of the unique and unprecedented circumstances under which he became president. In many respects, he was a uniting force among the impoverished and indigenous populations. Because of those he primarily represents, Morales must therefore keep them in mind whenever he makes significant political, economic, and social changes and reforms within his government. With the focus on his support base, domestic forces oftentimes dictate

¹ Crabtree, John and L. Whitehead. *Unresolved Tensions*. Pittsburgh: University of Pittsburgh Press. 2008. Print.

² *Ibid.*

Morales' foreign policy.³ As the poorest country in South America, this has meant pleasing the poor by promising a greater and more effective redistribution of wealth and boosting ethnic presence through the new constitution.⁴ This has been done at the expense of alienating foreign investment and several foreign governments by calling for the nationalization of the oil and gas industries.

The changes within Bolivia must be taken with the understanding that the changes Evo Morales is pursuing adhere to the will of the people who voted for him six years ago. While opposition remains intense and retaliatory, Morales has continued to pursue social and economic changes that will provide for the well being of the poor and indigenous. This includes the nationalization of oil and natural gas, as well as the implementation of quotas in the new constitution so that both women and the underrepresented indigenous communities can have a voice in Morales' new government.

NICARAGUA'S DANIEL ORTEGA

Nicaragua's history can oftentimes be intermingled with that of the U.S. Throughout the twentieth century, the U.S. intervened several times within Nicaragua. While the U.S. left Nicaragua in 1933 after establishing the National Guard under Anastasio Somoza Garcia, it once again interfered in the 1980s. This, of course, refers to the most famous intervention to date: the Iran-Contra scandal, when President Ronald Reagan allowed the CIA to fund counterrevolutionaries in Nicaragua without the approval of Congress. In order to understand

³ Birns, Larry and A. Sanchez. "From Obscurity to Center Stage: The Architectonics of Bolivia's Foreign Policy." *Latin American Foreign Policies*. Ed. Gian Luca Gardini and P. Lambert. New York: Palgrave Macmillan, 2011. 103-18. Print.

⁴ "Friends, Not Clones." *The Economist*. 7 June 2007.

current Nicaraguan policy, it is necessary to take a closer look into the events that took place in this tumultuous decade.

After overthrowing the Somoza dictatorship in 1979, the Sandinistas formed a coalition government with other opposition groups in order to govern the country. In 1984, the FSLN with Daniel Ortega as its presidential candidate won the election with 65 percent of the vote.⁵ His policy as president reflected Sandinista philosophy. Ortega had a populist approach to government, rejecting Somoza, the United States, and the National Guard, and striving for economic and social reforms that would increase class-consciousness. During this Cold War era, however, it was difficult for Ortega to commit fully to the Marxist foundations of Sandinismo and he instead took a more pragmatic approach to domestic and foreign policy. With the end of the Cold War, the rise of Hugo Chavez, and his reelection in 2006, however, Ortega has put renewed emphasis on Sandinismo and its emphasis on anti-imperialism.⁶

VENEZUELA'S HUGO CHAVEZ

The relationship between Venezuela and the United States had been less tense than the one between the U.S. and Nicaragua before the election of Hugo Chavez. The democracies that flourished in the country before and during the Cold War provided the U.S. with little reason to intervene in Venezuelan affairs. After the election of Chavez as president, however, relations between the two countries began to sour quickly. Various scholars, as well as President Chavez himself, accuse former President George W. Bush of attempting a coup against Chavez early in his administration. This event, while never proven, set the stage for U.S.-Venezuela relations over the next ten years. Before delving into these relations, however, it is important to comment

⁵ Gilbert, Dennis. *Sandinistas*. Cambridge: Basil Blackwell, Inc. 1988. Print.

⁶ Close, David. "Nicaragua's Pragmatic Ideologues." *Latin American Foreign Policies*. Ed. Gian Luca Gardini and P. Lambert. New York: Palgrave Macmillan, 2011. 197-212. Print.

first on Hugo Chavez himself; his individual character, just like those of Evo Morales and Daniel Ortega, will help to understand his motivation for “Twenty-First Century Socialism” and other domestic and foreign policy decisions he has made over the years.

Chavez describes his social background to be “of poor peasant stock,” in which “poverty forced [him] to be resourceful.”⁷ He is of mestizo descent, and this upbringing made him see himself as “the new type of human being, the link between Africans and indigenous peoples.”⁸ This is his link between himself and the scores of Venezuelan mestizos; it is one of the rallying cries for this populist president. By identifying himself as someone who is not white, who relates to the underrepresented classes, he can criticize the United States and his own country’s “antinationalist elites,” both of whom try to hinder Venezuela’s growth.⁹ This self-entitlement Chavez has given himself interferes with Venezuela’s own interests, however, and instead forms an arrogant President interesting in maintaining power through whatever means necessary: either by rallying the population against the U.S., providing extensive education and health reforms, bypassing the legislature to change the Constitution via referendum, or all of the above.

RELATIONS BETWEEN VENEZUELA AND THESE COUNTRIES

With views into each of these three current Latin American presidents, it is now easier to analyze their policies toward each other. Since their respective elections, both Morales and Ortega have received continuous aid from Hugo Chavez.

⁷ Guevara, Aleida. *Chavez, Venezuela & the New Latin America*. Melbourne: Ocean Press. 2005. Print.

⁸ *Ibid.*

⁹ *Ibid.*

Bolivia enjoys “solid economic benefits, including trade, aid, and investment” from Venezuela.¹⁰ After signing on to Chavez’s Bolivarian Alternative Alliance (ALBA) in April 2006, aid has poured in from Venezuela into Bolivia. This economic relationship sometimes results in barter trade, where Venezuelan oil is exchanged for Bolivian soybeans, for example.¹¹ Furthermore, both countries have increased military cooperation. This advanced in Venezuela-Bolivia relations, however, should not be seen as the dominance and influence of Hugo Chavez in his South American ideological neighbor. While sharing close ideological inclinations and increased diplomatic relations, Morales is “keen to avoid the label of a protégé of Chavez.”¹² As stated earlier, Morales is accountable to his own population, despite falling popularity ratings. He needs to deliver domestic and foreign policies that will appeal to his constituency and not just abide by the ideological game of Chavez. Morales is instead a pragmatic president who understands the needs of his people come before his personal ideological preferences; the most prominent example of this approach is the “gasolinazo” that took place at the end of 2010. In order to decrease the amount the government spends on gasoline subsidies, Vice President Alvaro Garcia Linera announced gasoline prices would be raised 72%.¹³ Even with President Morales’ declaration to increase salaries in certain low-paying positions, the majority of the population rioted violently to the intended gas price increase. Due to heavy backlash, however, Morales annulled this announcement five days later. This instance is an example of how Morales attempts to respond to the needs of both the government and its people. While understanding the need to spend less on gasoline subsidies, he cannot simply ignore the fact many people would have been unable to pay the new price. He put his ideology aside and took a pragmatic approach

¹⁰ “Friends, Not Clones.”

¹¹ Ibid.

¹² Birns, Larry and A. Sanchez.

¹³ Zibechi, Raúl. “Bolivia after the Storm.” CIP Americas. 23 march 2011. Accessed 29 march 2011. <<http://www.cipamericas.org/archives/4189>>

to the situation at hand. This policy and Bolivia's relationship with Venezuela, however, will not be able to resolve the problems of South America's poorest country. Morales needs to do still more.

RELATIONS BETWEEN THE U.S. AND VENEZUELA

Ever since Hugo Chavez assumed office as Venezuelan president in 1999, relations between his country and the United States have been strained. Chavez bases his foreign policy on four key points: national sovereignty, Latin American integration, promotion of a new social and economic order through ALBA and Twenty-First Century Socialism, and the promotion of multipolarity.¹⁴ A similar ideology stands behind all these points; Venezuela is loudly critical of any U.S. direct or indirect interference in Latin American affairs. In following these specifically outlined policy goals, Chavez aims to transform Latin America into a completely independent entity severed entirely from any U.S. involvement. His pushes for ALBA and Twenty-First Century Socialism can then be considered his way of maneuvering Venezuela to the forefront of Latin American affairs. Just as Chavez is the center of the Venezuelan government, his foreign policy tactics intend to place him at the center of Latin America.

Nevertheless, this ideology is not the only defining factor in U.S.-Venezuela relations. Venezuela first formed ALBA in 2004 as a response to the Free Trade Agreement of the Americas (FTAA) as a "pole of attraction" for smaller countries in the region to be able to stand against the U.S. and its trade agreement.¹⁵ Venezuela also expelled the U.S. ambassador in 2008 under suspicion of meeting with opposition groups; this was a similar charge that Bolivia gave to

¹⁴ Raby, Diana. "Venezuelan Foreign Policy under Chavez, 1999-2010: The Pragmatic Success of Revolutionary Ideology?" *Latin American Foreign Policies*. Ed. Gian Luca Gardini and P. Lambert. New York: Palgrave Macmillan. 2011. 159-178. Print.

¹⁵ *Ibid.*

its U.S. ambassador, and Venezuela ended up expelling its own as a gesture of solidarity for its South American neighbor. Most importantly, the alleged U.S.-backed coup in Venezuela against Chavez cemented Chavez's personal dislike for former President Bush and he was vocal of his criticisms toward the American president and his policies and wars in the Middle East. With the election of President Obama in 2008, Chavez signaled an opportunity to ameliorate relations between the two countries, but little action has been taken.

RELATIONS BETWEEN THE U.S. AND BOLIVIA, NICARAGUA

Unlike relations with Venezuela, the U.S. has had comparatively better relations with both Nicaragua and Bolivia under the administrations of Daniel Ortega and Evo Morales. Foreign policy under Morales has been largely pragmatic, particularly during the Bush administration. Unstable domestic affairs dictate how Morales acts abroad. Larry Birns and Alex Sanchez best define his policy in their book, arguing that

Bolivia should be regarded as uniquely divorced from its traditional, Washington-friendly orientation...the central objective of the Morales presidency has been to break from the past and move toward an uncharted, left-leaning future, with primary attention being directed toward domestic affairs, rather than foreign policy.¹⁶

What this means is that the United States is no longer the top priority in Bolivia. Instead of focusing on the U.S., Bolivia is now focusing on the Bolivians. There is no ideological push for this, solely a drive for the betterment of socioeconomic conditions for the millions living in poverty. The United States has understood this approach; wishing to keep Bolivia closer than it has been able to do with Venezuela, the U.S. ignores Morales' support for coca leaf production

¹⁶ Birns, Larry and A. Sanchez.

in order to keep relations as civil as possible with the left-leaning South American Bolivian government.

With Nicaragua, the history between Ortega and the United States is slightly different. As previously mentioned, Ortega was the President of Nicaragua in the second half of the 1980s with his FSLN party in charge. This means Ortega has had the time to experience relations with the United States and has learned how to carry out his own plans without antagonizing their northern neighbor. Not only that, but “ideological schemes on foreign policy in Nicaragua have been muted by the realities of being a weak states and the need to meet the demands of domestic politics.”¹⁷ That is to say, although Ortega wishes to emphasize his liberal ideological in both domestic and foreign affairs, the reality of his country’s internal and external situations greatly limits his ability to do so. Moreover, while Ortega has joined ALBA and now receives aid from Venezuela, he remains a member of DR-CAFTA. One can argue therefore that he is a self-declared leftist who banks on opportunities with both the U.S. and Venezuela that benefit Nicaragua and knowing when to propagate ideology and when to be more silent.

CONCLUSION

When first researching this paper, three main hypotheses as to how Hugo Chavez has affected U.S. relations with Nicaragua and Bolivia came to a head. The first hypothesis concluded Chavez had a direct effect on U.S. policy toward these two ALBA countries, stating that Chavez’s anti-American rhetoric and dominating presence in the region had forced the U.S. to change its foreign policy toward Nicaragua and Bolivia. The second hypothesis argued for no effect, stating that U.S. relations with these countries remain the same despite Chavez’s regional

¹⁷ Close, David.

presence. The third and final hypothesis argued an indirect effect, in that Chavez has influenced Nicaragua and Bolivia to the extent that the U.S. has had to adapt its policy to these changes.

This paper has strived to argue the third and final hypothesis most accurately reflects current U.S. relations with Nicaragua and Bolivia. While Hugo Chavez has not dictated policy for either Ortega or Morales, his presence and that of his ideological, leftist policies and foreign aid have allowed these other, weaker countries to benefit; they are able to undergo more social and economic reforms in their respective countries without fear of possible U.S. hostility. The U.S. understands these relationships and so adapts to approach these countries differently.

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