

## CHAPTER 3

# The “Radical” Thesis on Globalization and the Case of Venezuela’s Hugo Chávez

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Economic globalization has brought great wealth to some, and also brought wide gaps between rich and poor in many places. Venezuela’s President, Hugo Chávez, has become a leading figure in the Latin American opposition to economic globalization, especially as it has been promoted by the United States.

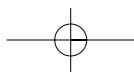
The best way to evaluate the accuracy of theories about globalization is to examine concrete developments and trends in the past two decades. This approach is especially revealing in the case of the “radical” thesis on globalization, which posits that transnational capital and structures are inexorably undermining the state and national sovereignty. The “radicals” argue that since globalization promotes uniformity and capital is no longer nationally based, Third World nations will receive equal if not favorable treatment from international investors and equality between nations will eventually prevail. But the facts speak for themselves: globalization has had the opposite effect of widening the gap between rich and poor nations.

A second assertion of the radical thesis has, however, withstood the test of time fairly well. The radicals point out that, given the narrow range of options now available to the state, any government that defies multinational structures and spurns neoliberal policies will eventually back down or else be removed from power. Examples of this dynamic in Latin America abound. In Venezuela, for instance, the veteran politicians Carlos Andrés Pérez and Rafael Caldera, who had staunchly supported state interventionism and attacked neoliberal policies, ended up yielding to pressure and embracing neoliberalism in their second terms in office. Indeed, Pérez claimed that his decision to accept an International

Monetary Fund-imposed program was inspired by the example of Peru’s Alan García, whose confrontation with multilateral lending agencies had had devastating political and economic consequences.

Venezuela’s President Hugo Chávez is the first elected Latin American head of state since Alan García to defy the hegemonic powers of the “new world order.” He has been the only president throughout the continent to pursue a truly independent foreign policy and preach far-reaching changes at home. In this sense he may be considered a path-breaker who is defining the limits of change in the age of globalization and putting the radical thesis on globalization to the test. Like García, Chávez has opposed neoliberalism and defied powerful international actors, but unlike the Peruvian president he has clashed with national economic groups as well. García was successful during his first year in office on both political and economic fronts, but then the economy went into a tailspin and he fell into political disgrace. Similarly, Chávez got off to a good start politically and even scored better in the 2000 elections than in his original electoral triumph, but since then his popularity has significantly declined.

Chávez’s critics in both political and academic arenas reflect the logic of the radical thesis on globalization. From the outset they called Chávez’s policies “obsolete” and prognosticated political disaster. Their line of reasoning,



explicit or implicit, is that no president can defy powerful international actors and get away with it (Quirós Corradi, 1999: 291–296; 1998: 187). Nevertheless, with the exception of occasionally harsh remarks by State Department spokesmen, Washington has assumed a relatively passive stance toward Chávez. Some political analysts consider this restraint amazing given the leftist thrust of Chávez's discourse and stands (Gott, 2000: 228). The radicals explain this moderation in terms of globalization logic. According to them, the United States is confident that global imperatives will force Chávez to back down or else face destabilization. They add that, given globalization's preference for uniformity, the United States is more committed to democracy today than in the past and thus would prefer to avoid a Pinochet-type sequence of events as long as Chávez enjoys widespread popularity. In essence it is seen as anticipating two possible scenarios: Chávez either "rectifies" his positions or doggedly adheres to them, in which case the economy contracts and his popularity plummets, leading to his overthrow with or without U.S. collaboration (Romero, 2000).

Members of the far left, among others, write the Chávez phenomenon off as pure rhetoric devoid of leftist content. Underlying their skepticism regarding the goals of the Chávez movement—and everything else short of a full-fledged revolution—is the deterministic notion of the globalization radicals that successfully challenging the "new world order" is virtually impossible. Thus, for instance, the ex-guerrilla-turned-neoliberal Teodoro Petkoff argues that Chávez has reneged on his leftist positions and embraced neoliberalism as Pérez and Caldera were forced to do before him. Petkoff points to specific neoliberal proposals designed by the Caldera administration on issues such as the social security and severance-payment systems that Chávez allegedly is coming around to accept. He concludes that Chávez is "the negation of all revolutionary ideas" and adds that "Marx would have turned over in his grave" (Petkoff, 2001a; 2001b; 2001c). A former comrade-in-arms of Petkoff, the legendary Douglas Bravo, is equally pessimistic about the direction of the Chavista movement. His arguments appear to be a wish list of revolutionary plans that Chávez had pledged to carry out and then reneged on. The list begins with Chávez's refusal to make good on his alleged promise to distribute arms to the people on the day of the abortive 1992 coup attempt in order to activate a mass insurrection. Bravo concludes that Chávez's retreat on a number of issues demonstrates "his acceptance of globalization" (1999: 30–34). The arguments of Petkoff and Bravo coincide with the theory that the only way antiglobalization

governments can stay in power is to abandon their positions and accept the imperatives of the "new world order." The Petkoff-Bravo discussion of Chávez's revised positions, however, tells only part of the story.

Chávez's discourse, which stresses globalization's unequal distribution of wealth, underpins specific policies and actions that are adverse to the "new world order." The "multipolar world" slogan that he frequently employs on his trips abroad is thus more than empty rhetoric or megalomania as his adversaries claim. Although he stops short of being explicit on this point, the multipolar model is intended to counter U.S. hegemony. He does make clear that the "multipolar" world consists of blocs of nations to two of which Venezuela belongs: OPEC and the community of Latin American nations. After his assumption of power in 1998, he was instrumental in persuading OPEC members to comply with production quotas and establish a band system in which prices oscillate between US\$22 and US\$28 a barrel. The objective of shoring up and stabilizing oil prices overrides all other considerations and has a major impact on the global economy. Nevertheless, some actors misinterpret Venezuela's priorities. Thus, for instance, in order to generate support for the band system, Chávez traveled to all 10 fellow OPEC nations in preparation for the organization's second summit meeting in September 2000.

The U.S. State Department and Chávez's opposition at home criticized his visits to Iraq and Libya, which they portrayed as a manifestation of solidarity with the "Arab cause" if not with international terrorism. Had he omitted these two nations from his tour, however, OPEC unity would have been seriously compromised. Similarly, his insistence that the United States refrain from bombing fellow-OPEC nations in the Middle East after the September 11 attacks was designed to contribute to OPEC cohesion, criticisms by his adversaries notwithstanding. In a congressional address in which he explained his government's position on the September 11 attacks, Chávez emphasized that both OPEC unity and Latin American integration are designed to strengthen national sovereignty. In his speech, he alluded to the radical-globalization writer Francis Fukuyama when he said that "somebody has argued that mankind has reached the 'end of history' and that national sovereignty no longer means anything." His vision of regional integration as an assertion of national sovereignty (Cardozo, 2001) is diametrically opposed to the radical-globalization thesis, which sees these agreements among neighboring countries as a step in the direction of tearing down all national barriers.

Chávez and the military officers who support him are particularly sensitive about the defense of national sovereignty, which they consider to be the armed forces’ *raison d’être*. Many of them are convinced that with the end of the Cold War, Washington would prefer to phase out the Latin American armed forces or convert them into police forces in charge of combating crime (particularly drug trafficking) and keeping public order. Behind these fears is the realization that radical globalization implies the erosion of sovereignty and the concomitant transformation of the military into a superfluous institution. Thus, for instance, Rear Admiral Hernán Gruber Odremán, who conspired against the government along with Chávez in 1992, called globalization “nothing other than a trap leading to a new colonialism” that includes the elimination of the armed forces as the United States did when it invaded Panama in 1989 (Gruber, 1999: 41). Chávez addresses himself to these concerns by linking the defense of national sovereignty to the new role assigned to the armed forces based on its active participation in the political and economic life of the nation. To achieve these objectives, he has granted the military the right to vote, appointed scores of officers to important positions in his administration and his party, and involved the military in community and welfare projects.

Ultimately, it is Chávez’s economic policy, more than his foreign policy or reformulation of the role of the armed forces, that will determine whether Venezuela is successful in overcoming the constraints imposed by globalization. Chávez has vocally denounced neoliberalism, but a new economic strategy to replace it has yet to be formulated. This lack of precision does not mean that he has made his peace with powerful economic and political groups as some leftist adversaries (and ex-leftist ones like Petkoff) claim. Many specific actions and policies give the lie to the assertion that Chávez is a neoliberal with leftist trappings. Thus he has refrained from privatizing state companies en masse as his predecessors did and instead has sought to establish terms of sale for the all-important aluminum sector in accordance with national interests. He has also begun to roll back the partial privatization of the petroleum industry by proposing majority state ownership of all joint oil ventures. When all government measures dealing with the economy are taken into account, it is clear that the delineation of a genuine “third way” that avoids state domination of the economy but clearly spurns neoliberal formulas is a major challenge for nationalistic regimes in the age of globalization (Buxton, n.d.).

Apart from oil policy, the most important issue in Venezuela with regard to global capital is the payment of the foreign debt. Chávez inveighs against the injustice of Third World debt and calls for collective negotiation among all debtor and creditor nations, but until now Venezuela has dutifully made its payments. Nevertheless, a member of the government coalition *Patria Para Todo* (Fatherland for All—PPT) stresses that the nation should be obliged to pay only a reasonable amount of the debt over a reasonable period of time.

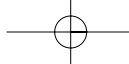
Chávez faces powerful enemies who by late 2001 had begun to organize with the aim of ousting him from power by any means possible. The opposition is aided by the errors committed by Chávez and his movement, not the least of which are his rhetorical excesses and the alienation of the middle class. Political analysts will have to objectively identify shortcomings in the Chavista strategy in order to demonstrate that there is nothing inevitable about the final outcome. Such a focus will serve to refute the notion that any deviation from the globalization-imposed model will inexorably lead to great economic hardship and force those in power to choose between recanting and being removed from office.

### Questions

1. Why does President Chávez oppose many forces of globalization?
2. Does Chávez present a reasonable alternative? Can he succeed in preserving national sovereignty and in charting a different path to development?

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