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“The Future of the Bolivarian Revolution in the Post-Chávez Era”

by

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Throughout his years in power, but particularly beginning in 2004, Venezuelan president Hugo Chávez spent a significant amount of political and economic capital creating a structure to carry out his dream of establishing a regional alliance of countries espousing his “Socialism for the 21st Century” doctrine and enmity toward the United States.

Grouped under the Bolivarian Alliance for the Peoples of Our America (ALBA) and including Iran as an observer, the alliance was largely sustained by Chávez’s vision and Venezuela’s largess in the form of petroleum and petroleum products at steeply discounted prices, as well as other economic benefits for member nations. In return, Chávez received international solidarity and a platform for launching a new regional defense doctrine in which the United States was identified as the primary external threat.¹

¹ Douglas Farah, “Transnational Organized Crime, Terrorism, and Criminalized States in Latin America: An Emerging Tier-One National Security Priority,” Strategic Studies Institute, U.S. Army War College, August 16, 2012, accessed at: <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=1117>



A key question in the post-Chávez era is what will become of the Bolivarian edifice now under construction and whether it can survive without Chávez's leadership. Adding to the challenges of consolidating the effort are Venezuela's severe financial and economic crises, which are choking off vital resources needed to move the alliance forward and achieve its key objectives. At the same time, Iran's primary interlocutor with Chávez, Mahmoud Ahmadinejad, has left power, replaced by Hassan Rouhani, who has few of the personal relationships in Latin America that his predecessor had.

A brief look at Chávez's efforts demonstrates how much importance he placed on the ALBA project. He poured millions of dollars into the successful presidential campaigns of Rafael Correa in Ecuador, Evo Morales in Bolivia and Daniel Ortega in Nicaragua, and then provided them with hundreds of millions of dollars a year in financial aid in the form of cheap oil and cash handouts. In Cuba, the Raúl Castro government has also benefitted from billions of dollars in oil handouts a year (about 120,000 bpd, worth more than \$3 billion a year in each of the past three years)².

Chávez also spearheaded the entry of Iran into the region in new and expansive ways, while offering military and diplomatic support to the Revolutionary Armed Forces of Colombia (FARC) and state protection to the organization's cocaine trafficking activities. A significant effort was made to develop a joint military doctrine of asymmetrical warfare based on the thesis that the United States was the biggest external threat to the region. Chávez was also instrumental in creating a new virtual currency, the *sucre*, to circulate among the member countries of the Bolivarian alliance and wean their economies from their dependence on the dollar.³

Despite ALBA's current difficulties there are several reasons to believe that while the Bolivarian Alliance might not expand in the near future, reports of its demise could be premature. The first is that the Alliance and Iran jointly seem to have taken coordinated steps to prepare for Chávez's death, spreading some of the responsibilities for different elements of the project to other nations. This has had the effect of diffusing some of ALBA's more troublesome activities, such as aiding Iran in sanction-busting activities, in countries that are far less monitored by the outside world than Venezuela.

Chávez and Ahmadinejad also took steps to institutionalize what was, in the beginning, a relationship almost entirely dependent on the two leaders' personal relationship. Since 2010, Venezuela and Iran have strengthened their ties at the ministerial level and on the commercial front, lessening the impact of the individual actors and allowing the traditional bureaucracies to keep things flowing.

² Alejandro Grisanti, "Venezuela's Oil Tale," *Americas Quarterly*, Spring 2011, accessed at: <http://www.americasquarterly.org/node/2436>

³ See, for example, the SUCRE website, with articles such as "ALBA Constituirá eje de desarrollo económico para declarar le region libre de miseria," SUCREALBA, July 30, 2013, accessed at: <http://www.sucrealba.org/index.php/noticias/135-noticia300720131>



One clear example of the decentralization strategy is the emergence of Ecuador as the key financial hub, both for Alliance members and Iran. Ecuador's activities include giving Iran access to its banking structure in order to help Iran evade international sanctions and working with Iranian financial institutions initially headquartered in Caracas.⁴

Bolivia has become much more active in regional military-training activities, hosting the Bolivarian officers near the city of Santa Cruz. The courses are specifically designed to eradicate all vestiges of U.S. military doctrine in the region.⁵ Nicaragua has assumed a leadership role in hosting radical Shi'ite imams visiting the region, primarily Central America. And Cuba has played an ever-greater role in coordinating intelligence among ALBA nations, and between ALBA's members and Iran.

This division of labor began as the seriousness of Chávez's illness became apparent. While Nicolás Maduro was given the reins to succeed Chávez in Venezuela, within the ALBA bloc it is Rafael Correa who has assumed a greater public leadership role, while the Castro brothers have reasserted themselves as guardians of the revolutionary flame.

A key new player in the Bolivarian bloc is Argentina, one of South America's most important countries and one of the few capable of taking over significant responsibilities in the alliance. While Argentina has not officially joined ALBA, the deep friendship between Chávez and Argentine President Cristina Fernández de Kirchner helped turn Argentina into a *de facto* active partner in ALBA and a key partner in hosting trilateral dealings among Argentina, Venezuela and Iran.

The most conspicuous change has been Fernández de Kirchner's ongoing efforts to normalize Argentina's long-hostile relationship with Iran, initially ruptured following the indictment of seven senior Iranian officials in the 1994 attack on a Jewish center in Buenos Aires that killed 85 people. Fernández de Kirchner has signed a memorandum of understanding with Iran, virtually disowning the seven-year investigation into the case by Argentine prosecutors who indicted senior Iranian officials. Her actions could potentially lead to the lifting of the INTERPOL Red Notices against senior Iranian officials implicated in the 1994 bombing.⁶

⁴ See Douglas Farah and Pamela Philips Lum, "Ecuador's Role in Iran's Latin American Financial Structure: A Case Study of the Use of COFIEC Bank," International Assessment and Strategy Center, March 12, 2013, accessed at: http://www.strategycenter.net/research/pubID.304/pub_detail.asp

⁵ For a flavor of the language used to describe the academy see "ALBA School of Defense and Sovereignty Opens," Anti-Imperialist New Service, June 14, 2011, accessed at: http://www.anti-imperialist.org/alba-school-of-defense-opens_6-14-11.htm

⁶ For a more complete look at the case of Argentina, Iran and Venezuela, see: Douglas Farah, "Back to the Future: Argentina Unravels," International Assessment and Strategy Center, February 27, 2013, accessed at: http://www.strategycenter.net/research/pubID.303/pub_detail.asp



Argentina also has dramatically increased its fuel imports from Venezuela during the past three years, while agreeing to carry out a series of investments to stimulate the Venezuelan economy in specific sectors, such as the building of computers and cell phones. Argentina's bilateral trade with Iran has grown from \$100 million in 2007 to some \$2 billion in 2011.⁷

Another development that might aid ALBA could well be the successful conclusion of peace talks between the Colombian government and the FARC guerrillas, now underway in Cuba. Chávez's reputation had suffered because of his support for the oldest insurgency in Latin America, and also had been a drain on the Venezuelan treasury, at least in the early days.

In recent years, as the involvement of senior Venezuelan military and intelligence officials in the cocaine trade became more evident, the financial flows may have been reversed⁸. If the peace talks are successful and the FARC enters the Colombian political process as a political party, it will remove a significant thorn in the side of the Venezuelan government and its ALBA allies, which have had to constantly defend themselves against charges of supporting an armed insurgency that has been deeply involved in the drug trade while fighting against a democratically-elected government. This, in turn, would lessen pressure on the ALBA bloc in general, which would then be able to claim that it supported a negotiated end to an insurgency that has lasted almost half a century.

Finally, Chávez and his Bolivarian allies have likely learned an important lesson from Cuba's survival, despite a U.S. embargo and the collapse of the Soviet Union: with proper political controls, economic meltdowns do not necessarily translate into widespread and unmanageable social unrest.

The ALBA project is important to the greater Bolivarian vision, fostered by Chávez, of a regional approximation of Simón Bolívar's dream of a united Latin America. Despite the crisis at home, Venezuela is likely to continue to prioritize maintaining its regional influence through ALBA. So far, while some aid has been trimmed in Bolivia, the oil giveaways to Cuba, Nicaragua, El Salvador and the Caribbean continue. Iran, while not likely to maintain as visible a presence as it did under Ahmadinejad, desperately needs the same things it has needed in the past: access to banks to move money, access to dual-use technology and international allies. It has, in the past, been willing to pay a

⁷ Stephen Johnson, "Iran's Influence in the Americas," Center for Strategic and International Studies, March 2012, p. 63, accessed at: http://csis.org/files/publication/120312_Johnson_Iran'sInfluence_web.pdf

⁸ In September 2008 the U.S. Department of Treasury designated three senior Venezuelan officials for their support of the FARC and its cocaine trafficking activities. The three were Hugo Armando Carvajal, at the time Venezuela's director of military intelligence; Henry de Jesus Rangel, head of civilian intelligence; and Ramón Emilio Rodríguez Chacín, who had just left the cabinet, where he was serving as minister of interior. See: "Treasury Targets Venezuelan Government Officials Supporting the FARC" U.S. Treasury Department Press Center, September 12, 2008, accessed at: <http://www.treasury.gov/press-center/press-releases/Pages/hp1132.aspx>



significant premium to maintain these things, and likely will remain willing to do so as negotiations with the West continue.

Taken together, the above-mentioned factors will likely keep the Bolivarian project in a holding pattern: unable to fulfill its expansionist dreams due to a lack of resources but unlikely to collapse or go into full retreat. Despite its economic woes, Venezuela generates billions of dollars in oil revenues and can put enough resources into the ALBA project to keep it alive, particularly with the help of Iran. This, in turn, will likely mean the current U.S. strategy of containment and relatively little engagement in the region will remain unchanged.

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