

Venezuela's foreign policy: a mirage based on a curse

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■ Executive summary

Venezuela's foreign policy has been shaped by Hugo Chavez's strategy of domestic and international polarisation. Although his death has blurred the readability of this foreign policy, it still appears to be driven by the will to reshape a continent and a world dominated by "U.S. imperialism".

This vision has resulted in a deliberate effort to promote Latin American integration as a bulwark against the U.S. and the so-called "Washington Consensus". The corollary has been a close partnership with Cuba and forms of economic and political cooperation meant to undermine the Inter-American system. Beyond Latin America, Venezuela has privileged its relations with countries questioning U.S. leadership, even if this meant breaking with the country's liberal internationalist tradition by openly collaborating with anti-Western authoritarian states and radical movements.

Venezuela's international influence was overestimated during Chavez's rule. Despite its hyperactivism, the country was not able to play a consistent and significant role on the world scene. Chavismo has inspired a number of governments and social movements in Latin America, but it has also been seen as a spoiler and an unpredictable actor.

Venezuela's foreign ambitions have been a mirage based on a resource curse. Oil diplomacy has undoubtedly opened doors from Latin America to China and Africa, but Venezuela has failed to end its mono-commodity dependence. Both its foreign policy and domestic programmes remain hostage to fluctuations in oil prices and the country's resource management policies.

Its oil-based diplomacy has also underlined the rentier nature of Venezuela's economy and the fickleness of its political rule. Even if its internal social policies and foreign assistance have been lauded in progressive circles, Chavismo's illiberalism, its inability to address rampant violent crime, and its economic mismanagement have undermined Venezuela's soft power and seriously compromised its capacity to play a solid and sustainable role in Latin America and beyond.

A tradition of foreign activism

In the 14 years leading up to the death of Hugo Chavez in March 2013, Venezuela was a very vocal and visible international actor. This foreign policy activism, however, was not a total break with the past. In the late 1950s and early 1960s the Accion Democrática (AD) party of President Romulo Betancourt – a social democratic party – pursued a policy of direct support to democratic forces in the Caribbean. In the 1970s President Carlos Andres Perez, who was vice-president of the Socialist International, actively helped the

Sandinista uprising in Nicaragua and opposed military dictatorships in the region. Although closer to Washington, his Christian Democratic (COPEI) successor kept his distance from the Reagan administration's military interventions in Central America by joining the Contadora peace process.

On the economic front Venezuela also challenged Northern countries' interests. In 1960 it was a co-founder of the Organisation of the Petroleum Exporting Countries (OPEC),

while in the 1970s Caracas became one of the capitals of the New World Economic Order. The launch of initiatives to reinforce Latin American integration often originated from or had the support of Venezuela.

This foreign activism ended when the second Carlos Andres Perez administration (1989-93) was faced with rising international indebtedness, economic meltdown, social unrest and internal political turmoil expressed by the bloody repression of a popular revolt, the so-called 1989 Caracazo, and by Hugo Chavez's failed military coup in 1992.

Chavez's legacy

When he won the presidency in 1999, Chavez resumed this activist foreign policy tradition, but introduced two tectonic changes: on the one hand, he dropped the liberal democratic ideology and, on the other, while his social democratic and Christian democratic predecessors had attempted reforms, Chavez adopted a confrontational line with the West and pushed for a radical rearrangement of the international system.

Chavista foreign policy is described by leading Venezuelan academic Carlos Romero as an attempt at "soft balancing", i.e. striving "short of military actions" to undermine and frustrate the foreign policy objectives of other more powerful nations, and in particular the U.S., which Hugo Chavez has always considered, like his hero Simon Bolivar, as a threat to genuine Latin American independence.

To some extent Chavismo, with its polarisation strategy inside and outside Venezuela's borders, has been a continuation of the cold war ideological paradigm and of the 1960s Cuban-inspired Tricontinental. Breaking with the Washington Consensus, Chavez dusted off the idea, flamboyantly expressed in Eduardo Galeano's best seller *The Open Veins of Latin America*, that Latin America's economic and social problems are mostly due to Northern countries' predation, and in particular U.S. hegemony and the complicity of local oligarchies.

Chavez's quest was to break these dependency links. On the media front, for instance, the launch of Telesur, a Caracas-based Latin American TV channel (with Cuban, Argentinian and Uruguayan support) was meant to counter the "CNN-isation" of Latin America, while restrictive media laws and the expansion of state-owned and community media strove to marginalise local private media moguls and reduce the space for dissenting voices.

Venezuela's objective reality of poverty, inequality and discrimination was also a major definer of Chavismo. Despite the rise of a "Bolibourgeoisie" and a strong and privileged military nomenclature, sentiments of social and racial humiliation remain the major glue of the Chavista popular coalition. This internal reality was exported to the realm of foreign policy by conceiving foreign aid, like

PetroCaribe, and Latin American cooperation initiatives, like the Bolivarian Alliance for the Peoples of Our America (ALBA), as replications on the international scene of the country's domestic social justice programmes. Based on these two postulates – dependency theory and social injustice – a generously funded "social power" diplomacy aimed at winning the support of left-wing or nationalist/anti-imperialist intellectuals and popular groups in Latin America and beyond.

The search for autonomy in a pluripolar world

Chavista foreign policy, as expressed in the key 2004 document A New Strategic Map of the Bolivarian Revolution, fundamentally aimed at assuring Venezuela's autonomy, i.e. attaining the largest possible decision-making capacity for the country on the international scene in order to better defend its interests and sovereignty.

Chavez was determined to undermine traditional U.S. predominance by excluding Washington from Latin American integration projects and by delinking Venezuela and its allies from "imperialist" institutions like the International Monetary Fund and World Bank through the creation of rival institutions like the Bank of the South and through alternative international aid programmes.

In a highly symbolic move he also changed Venezuela's threat assessment by introducing the scenario of a U.S. invasion, switched arms providers (favouring Russia and to a lesser extent China) and adopted the Cuban national defence doctrine of asymmetric warfare, which was focused on the U.S. as the enemy.

Chavez's ambitions benefitted from George W. Bush's unpopularity and were enhanced by the "leftward turn" in Latin America that brought to power a series of governments questioning the neoliberal Washington Consensus. They also benefitted from the rise of new powers with a regional or global reach, in particular the BRICS (Brazil, Russia, India, China and South Africa) and from the unravelling of the European Union's "global power" ambitions.

Chavez broadened Venezuela's horizon to the whole world, appointing five vice-ministers in the Foreign Ministry to deal with each of the five continents. He extended to the political terrain Venezuela's engagement with the Arab/Muslim world, until then mostly limited to oil diplomacy. He also actively developed relations with countries that Venezuela had generally neglected, in particular in Africa, which became a major beneficiary of projects sponsored by Venezuela's General Direction of International Technical Cooperation. This priority, also forged in relation to Venezuela's African heritage, was symbolised by the holding of South America-Africa summits in 2006 and 2009. As a result Venezuela has become the third most active Latin American actor in Africa, behind Brazil and Cuba.

The oil factor

Venezuela is an oil giant: it is the world's fifth-largest oil-exporting country and has the world's largest proven oil reserves. It is a petro-state: oil contributes some 94% of state revenue and sustains the government's core economic and social programmes.

Oil is also the pillar of the country's foreign policy, providing Caracas with a powerful tool in its efforts to assure its autonomy from the West, "buy" political support and gather votes at the United Nations (UN) by promoting its soft/social power diplomacy. It has also largely determined its relations with oil-producing countries like Iran and Russia and has spurred a new approach to Africa, in particular oil producers Angola and Nigeria.

Sharply expanding a policy that had already been tested by Chavez's predecessors, Venezuela has turned its national oil company, Petroleos de Venezuela SA (PDVSA), into a major foreign policy instrument. Oil has been the pivot of ALBA and has sustained the PetroAmerica plan aimed at energy integration in Latin America. Its major achievement is PetroCaribe, which provides 19 Central American and Caribbean states, in particular Cuba, with up to 200,000 barrels a day of oil and petroleum products on preferential terms.

However, despite a fall in its imports from Venezuela, the U.S. remains Caracas's largest customer and hosts a major Venezuelan state-owned company, Citgo Petroleum Corporation, which runs refineries and a large gasoline distribution network on U.S. soil. The U.S. decision to invest heavily in its own tar oil and shale gas reserves makes it all the more important for Caracas to radically alter and diversify its own export patterns if oil is to serve the purpose of assuring growing autonomy for Venezuela's international ambitions.

Playing the oil card at home and abroad has been a double-edged sword, however. While enabling the image of a generous state, it has worsened the perception of a mono-commodity, rentier and clientelist country incapable of properly managing the "devil's excrement", a term coined, ominously, by renowned Venezuelan economist and OPEC co-founder Juan Pablo Perez Alfonso. Opaque oil budgets have provided the Venezuelan government with discretionary funds to finance its allies around the region, but have increased spaces for corruption both at home and abroad. Undertaking these national and international social and political missions has also led PDVSA to neglect its core business of drilling for and refining oil.

Who decides?

The Venezuelan diplomatic corps has experienced major changes in the last two decades. The old Foreign Ministry elite has been displaced by political appointees with less experience and little autonomy. Hugo Chavez also reinforced the tradition of "presidential diplomacy". Even if the

position of foreign minister was more stable than other cabinet posts – Nicolas Maduro was in charge between 2006 and 2012 – it was largely marginalised by the towering figure of the president and by his colleague at the Energy Ministry who controlled PDVSA and effectively managed the "petrol-isation" of the country's international relations.

After Chavez' death foreign policy is still being decided by a small group in the presidential palace, with the acknowledged input of Cuban advisers and above all of the military. Inspired by a national security doctrine and a geopolitical vision of its foreign relations, the army has been assuming an increasing prominence and expanding its national and international roles and missions.

The opposition and other stakeholders, like the business community, are not really consulted. A strict law on non-governmental organisations (NGOs), in particular the so-called Eva Golinger law related to international funding, has also mostly excluded civil society voices. The United Socialist Party of Venezuela frequently releases statements on international issues, but its influence on the formulation of policies is very limited.

The foreign policy establishment, however, is not monolithic. There are differences of opinion between a more ideological faction, which follows a strongly pro-third world, socialist and anti-U.S. position, and a more institutional/pragmatic sector, which is particularly focused on retaining the support of the major powers in the region, in particular Brazil, and is attracted by China's and Russia's economic and political models. Chavez's death, the rise of a radicalised opposition and the recent economic difficulties have crystallised divisions within the ruling coalition on how to manage international relations.

Venezuelan public opinion has not been completely positive about Chavista foreign policy. But foreign policy has been trumped by domestic issues and therefore has not significantly influenced election results. In fact, Chavista leaders have used aggressive "anti-imperialism" to serve a major domestic political purpose: that of unifying the various factions of the pro-government coalition and stigmatising an "unpatriotic opposition", which in its turn has used the patriotic argument to denounce the government's "Cuban connection".

U.S.-Venezuelan relations

The relationship with the U.S. has been the key definer of Chavista foreign policy. In the early 2000s the unpopularity of the Bush administration and growing opposition to the Washington Consensus provided Chavez with the opportunity to project himself as a "game changer" and a leader of Latin America's permanent quest for "true" independence.

Early on Chavez decided to distance himself from the U.S. by stopping military and "drug war" cooperation.

The tensions increased with the Bush administration's response to the September 11th 2001 attacks and really crashed after the 2002 coup d'état, which Chavez denounced as a consequence of Washington neoconservatives' alleged support for Venezuelan putschists.

The shrillness of Chavez's verbal attacks on President Bush and his association with countries hostile to the U.S., in particular Iran, Libya and Syria, seriously compromised bilateral relations.

Washington considers Venezuela as a hostile nation that does not miss any opportunity to directly undermine U.S. interests and strategies. The U.S. has been particularly critical of Venezuela's links with Iran and military supply and cooperation ties with Russia. It holds Venezuela responsible for the derailment of the U.S.-backed Free Trade Area of the Americas and regularly accuses it of being a major transit point for cocaine smuggling into the U.S. and Europe.

The two countries have often "played chicken" but, despite expulsions of diplomats and boisterous statements, relations have not reached a point of no return. Until very recently – in the wake of the 2014 street protests – the U.S. had only taken limited punitive measures, like the blocking of arms and military technology sales to Caracas, while on the economic front a pact of relative non-aggression had prevailed due in particular to the oil factor. Despite political tensions Venezuela has remained a reliable oil exporter to the U.S. and the U.S. has not threatened to retaliate against Venezuelan oil properties on its soil. Venezuela is still the fourth-largest U.S. oil supplier.

In fact, the tone of U.S.-Venezuelan relations has been largely determined by the prominence in both countries of ideological groups (U.S. neoconservatives and radical Bolivarianists) who draw part of their respective internal influence from the radicalism of their mutually reinforcing antagonistic discourses.

The Venezuelan government's anti-U.S. rhetoric and policies do not really reflect the feelings of the majority of the Venezuelan people, however: according to a 2014 Pew Research Center survey, 62% of Venezuelans have a favourable view of the U.S. (only 37% have a similar view of Cuba). The government's attitude, however, acts as a unifier of core factions of the Chavista coalition and therefore serves a key partisan objective.

Aware that it does not have much influence on Venezuela's internal political dynamics, the Obama administration first followed a policy of apparent benign neglect, choosing caution and patience. With the rise of street protests in early 2014 the stigmatising discourses have reappeared, however, with Secretary of State John Kerry blasting "the regime's terror campaign" at the risk of providing legitimacy to the more radical wing of the opposition and undermining its relations with other Latin American states bent on finding a mediated solution. However, the pressure

of the Republican Party – reflecting the anti-Castro and pro-Israel lobbies' hostility to Caracas – has been such that the administration eventually agreed to adopt limited sanctions, i.e. visa restrictions imposed on an unspecified group of Venezuelan officials in late July 2014.

As Washington neither expects – nor hopes for – a sudden collapse of the Maduro government, which might have unpredictable consequences in the region, a scenario in which the influence of the policies of the former president is reduced is premised on the capacity of middle-of-the-road South American leaders, in particular Brazil, to pacify tensions; on the rise of a more moderate opposition able to attract enough disillusioned Chavista voters; and on the emergence of more pragmatic factions within the Chavista coalition. However, the July 2014 incident over the U.S. indictment of former Venezuelan military intelligence chief Hugo Carvajal on drug-trafficking charges and the support given by Caracas to Moscow in the current "new cold war" context have largely derailed these expectations.

Latin America

While playing on the global scene, Chavez's main focus was on Latin America. Although his Latin American policy tended to be more pragmatic than his global activism, he resolutely and unabashedly chose Cuba as Venezuela's main strategic partner and Castroism as its ideological benchmark. Although this policy has met sharp criticism among part of the public and within institutionalist and nationalist sectors of the army, both governments have found crucial mutual benefits in these relations. Chavismo – a movement closer to traditional Latin American nationalism and military populism than to Marxism and socialism – was blessed by the towering revolutionary figure of Fidel Castro, a distinction that reinforces its appeal in key Venezuelan constituencies and abroad. The presence of thousands of Cuban medical personnel and educators in Venezuela has also helped Chavismo to implement its domestic social agenda, while Cuban political, military and intelligence advisers have helped the Venezuelan regime to tighten its control over the opposition.

Cuba has largely benefitted from Venezuelan generous oil supplies – between 100,000 and 130,000 barrels a day – at preferential prices, as well as from Hugo Chavez's efforts to promote "Latin Americans only can apply" institutions like the Union of South American Nations (UNASUR) and the Community of Latin American and Caribbean States (CELAC).

Havana has played a significant role in the definition of Venezuela's foreign policy by guiding it in its own system of alliances with former Soviet republics (Russia, Belarus, Uzbekistan, etc.), the remaining communist countries (Vietnam in particular, North Korea), anti-Western countries, so-called "rogue" countries/groups in the Arab world (Qaddafi's Libya, Syria, Hizbullah, etc.) and Iran.

On most international issues Cuba and Venezuela have followed the same line. At times, however, Fidel Castro reportedly had to “tame” Hugo Chavez and advise more caution on Iran, the Revolutionary Armed Forces of Colombia (FARC) guerrilla movement and Latin American integration. Although being a major actor within ALBA, Cuba realistically favours a non-ideological form of Latin American unity that would normalise its relations with the rest of the continent and prepare for the normalisation of relations with the U.S. Its active participation in the Colombian peace process also reflects this strategy. Because Cuba’s economic fate and reform process largely depend on Venezuela’s economic largesse, political stability and economic sustainability trump “ideological purity”. Cuba favours stability since, as Wolf Grabendorff (2014) warns, “a Venezuelan shock might have similar, but by no means, identical, consequences to the Soviet shock in 1991, when Cuba’s economy contracted by about 35%”.

Latin American integration: subverting the Inter-American system

The relationship with Cuba also explains Venezuela’s approach to Latin American integration. The oil-doctors contract between the two countries inspired the launch of ALBA, an alliance premised on a rejection of the U.S. and the neoliberal agenda. It was imagined as the incubator and hard core of a new wave of Latin American integration based on ideological notions of solidarity more than on the commercial principles undergirding Mercosur or the Andean Community.

Although at the Punta del Este 2005 Summit of the Americas Chavez was largely instrumental in torpedoing the U.S.-inspired Free Trade Area of the Americas, his ALBA project met limited success, since it only attracted Bolivia, Ecuador and a few Caribbean micro states. In fact, the Venezuelan government’s moves were viewed with irritation by some Latin American countries trying to reconcile increased Latin American integration with rational relations with the U.S. While hailed in public *abrazos* as a great Latin American leader, Chavez was often described in private as a spoiler and a fragmenter of Latin American unity.

Venezuela has succeeded, however, in rocking the Washington-based Organisation of American States (OAS) and other Inter-American institutions by pushing for “U.S. stay home” integration initiatives. To a large extent the OAS has been neutralised – for instance, in the case of the dialogue between the government and the opposition in Venezuela – but the new South American or Latin American institutions UNASUR and CELAC have not eliminated persistent and substantive disagreements among its members. Caracas, for instance, disagrees with Brazil’s rapprochements between Mercosur and countries of the Alliance of the Pacific (Chile, Colombia, etc.), the latter being seen in “Bolivarian” circles as a neoliberal and pro-U.S. project.

The “anti-hegemonic” strategy has had a deep impact on Venezuela’s adherence to the Inter-American human rights system. Although the 1999 constitution clearly establishes the prevalence of international norms over domestic law, Venezuela has denounced the Inter-American Convention of Human Rights and withdrawn from the jurisdiction of the Inter-American Court of Human Rights. It has exempted itself from the scrutiny of the Inter-American Human Rights Commission, an organ that it considers a tool of the U.S.

This policy is replicated on the global scene. When Venezuela was elected to the Human Rights Council for the 2013-16 period with 154 votes (much more than the minimum of 97, but less than Brazil, which received 184 votes), international human rights NGOs protested that Chavez and Maduro had systematically aligned their country with authoritarian states on most human rights or geopolitical issues. They also argued that Venezuela’s receding human rights diplomacy reflected its poor internal record. Although these NGOs refrain from calling Venezuela a full-blown dictatorship, they have sternly indicted Chavismo for its centralisation of power, its polarisation politics, the erosion of checks and balances, the harassment of the media, brutal policing, growing militarization, and the rejection of international scrutiny. These judgments were repeated when Venezuela was designated in October 2014 by the Latin American group to join the UN Security Council for the 2015-16 session as a non-permanent member.

Venezuela has reacted by denouncing the pro-U.S. bias of international NGOs and more subtly by extolling its social justice agenda at home and abroad. To some extent Caracas has tried to hijack the World Social Forum agenda from its Brazilian creators in line with its internal social and economic priorities and its desire to present itself as a socially progressive alternative in the region. These claims of “social justice” also inspire its policy on climate change and its approach to environmental issues. Venezuela speaks in terms of “climate justice” and rejects a policy of oil production or consumption cuts that would compromise its development and “socialist” agenda, to the chagrin of ecological groups.

Brazil has been the other “grand definer” of Venezuela’s Latin American policies. Since the rise of Chavismo, Brazil, especially under President “Lula” da Silva, has publicly embraced Venezuela. The idea was to placate Brazilian left-wing circles concerned over Lula’s adhesion to a mildly social-democratic economic agenda and to use Chavez as a bulldozer behind which Brazil could assert its own national interests, i.e. reinforcing its own autonomy in relation to the U.S. and U.S.-dominated institutions, and carving for itself a more prominent role in South America and on the global scene.

Brasília has endorsed Venezuela’s attack on the Washington Consensus and supported its Latin American

integration visions, as long as these can advance its own interests. However, it has distanced itself from Chavismo's radical anti-Americanism and anti-imperialism and has tried to use its political capital in order to moderate Venezuela, draw it away from brinkmanship, and prevent it from falling into forms of violence and chaos that would reverberate across the whole region.

Brazil is also uncomfortable with Venezuela's relations with "out of area" powers like Iran, Russia and China. These links complicate relations with the U.S., which Brazil considers a key partner, and hampers Brasília's own ambitions to act as a benevolent hegemonic power in South America.

Relations with Colombia, Venezuela's traditional regional rival, are a major test. The two countries are deeply interdependent (because of trade, migration, drug-trafficking, transborder smuggling and security issues) and represent polar opposites on the current Latin American ideological map. Under Chavez the relationships went on a roller-coaster ride from episodes of shrill hostility to moments of accommodation. Caracas's alleged relations with the FARC were a particular issue, as were President Alvaro Uribe's alleged links with Venezuela's most radical right-wing opposition.

Despite the advent of the more congenial President Juan Manuel Santos and of the more pragmatic Nicolas Maduro, Caracas and Bogotá remain on different banks of the river. Colombia is the key U.S. ally in the region, while Venezuela remains the main U.S. basher.

Although the current nature of its relations to the Colombian armed groups is difficult to determine with certainty, Caracas – which has observer status at the Havana-based Colombian peace negotiations – has been changing its position on the Colombian armed conflict. According to several sources, Cuba has convinced the Chavista government to diminish its ambiguous and at times fickle relations with the FARC. Havana considers that the FARC should abandon its armed insurgency and instead negotiate strong political gains (agrarian reform) and security guarantees (protection against targeted assassinations of its militants) in order to enter the political process. Cuba also considers its contribution to a peace agreement to end the longest internal conflict in Latin America as a linchpin in its intention to broaden its international space and "respectability" and therefore open new avenues towards increased relations with the European Union (EU) and, eventually, normal relations with the U.S.

Venezuela cannot afford to break with Colombia due to the two country's economic interdependence and prospects of energy partnerships. Normalisation is currently on the agenda: in an August 2014 meeting the two heads of state announced a plan to regulate their common border, which serves as a sanctuary for armed and criminal groups and

as a paradise for smugglers who undermine both countries' legal economy and rule of law.

China

Venezuela has invested significantly on its relations with China in order to enhance its political, diplomatic and economic autonomy and substitute U.S. and European partners in providing a market for its oil, assistance in oil-fields development, financial credit and industrial investments in consumer goods. Venezuela accounts for 6% of Chinese oil imports and has accepted some \$50 billion in oil-backed loans from China since 2007. Beijing is Venezuela's second-largest trading partner and a major industrial investor and has benefitted from the collapse of Venezuela's manufacturing industry, recurrent crises with Colombia and purchases of goods destined for state stores.

Venezuela's political opposition to the U.S. and its adoption of a statist development doctrine have opened up opportunities for Chinese political and economic influence. China's objectives are manifold: economic (to assure its natural resource needs and open markets for its companies), but also diplomatic and geopolitical (to erode U.S. hegemony in the region, control Brazil's emergence, channel Russia's return to the region and score points against Taiwan, which is still recognised by a number of Central American and Caribbean countries that benefit from Venezuelan oil largesse).

Caracas, however, cannot count on open-ended Chinese support. Although cooperation has included arms sales and high-tech ventures, Beijing refrained from being associated with Hugo Chavez's ideological crusades. China is also concerned by the dysfunction of the Venezuelan state and by the current polarisation in the country, which might affect Chinese economic interests. Stability is the priority.

Russia

The objective of keeping oil prices high, which is essential for Venezuela's domestic and foreign policies, is behind Venezuela's relations with Russia, the world's second-largest oil exporter, but Vladimir Putin's rise to power has also been a political boon for Chavista anti-U.S. policy. Venezuela has been able to "provoke" the U.S. by offering a bridgehead to Russia in the "American lake" (the Caribbean basin) and by delinking the Venezuelan army from Washington through a dramatic increase of arms purchases from Russia and the holding of joint naval exercises.

Although Russia's renewed presence in the U.S. backyard is not the same as the Soviet presence during the cold war, Venezuela sees it as an additional sign that U.S. hegemony is declining and considers its Russian connections as another guarantee of "crisis internationalisation and stakes raising" should there be a confrontation with Washington. Caracas has mostly sided with Moscow on

international issues, from its support to the Bashar al-Assad regime in Syria to its endorsement of Russia's annexation of Crimea and meddling in Ukraine.

Iran and Arab “rogue” states/groups

Relations with Iran pre-date Chavismo: they were based on the two countries' shared objective to push up oil prices in order to promote their internal development and international influence. The alliance with Tehran served in particular to counterbalance Saudi Arabia in OPEC.

The oil factor remains central, even though the two countries have tried rather erratically to cooperate in other economic ventures. In fact, the relationship has taken a strong ideological strand. Dealing with Tehran is a key determinant of anti-Americanism and Chavez relished publicising his meetings with former Iranian president Ahmadinejad. He also backed Iran to the hilt in its nuclear strategy: Venezuela was the only nation to oppose the Atomic Energy Agency's sanctions against Tehran in 2003 and 2006. It also helped Tehran to expand its diplomatic and political presence among ALBA member states.

The “Iran factor” looms large over the U.S.-Venezuelan relationship. Washington is particularly incensed by Iran's military sales and assistance to Venezuela, Caracas's constant support of the Iranian nuclear programme and its alleged cosy relations with groups close to Iran, like the Lebanese Shia militia Hizbullah.

In both the U.S. and Venezuela radical ideological groups take these relations as a definer of the nature of the Chavista regime. While neoconservative groups and the pro-Israel lobby campaign vigorously to ostracise Venezuela as a pro-terrorist and pro-Iranian country, the Venezuelan anti-imperialist left considers the Iranian connection as evidence of Chavista determination to confront the U.S. Iran, however, under its new president, Hassan Rouhani, appears interested in adopting a more moderate path due to his desire to de-escalate conflict with the West over the nuclear issue and to reshuffle alliances in order to confront the Sunni jihadist threat.

Venezuela has adopted a similar anti-U.S. guideline in its relations with the Arab world. This policy is partly inspired by the presence of a significant Arab minority (comprising 6% of the population, mostly Christians from Lebanon and Syria). Caracas is a major supporter of Syria's President Bashar al-Assad and Hizbullah. It follows a strongly pro-Palestinian and anti-Israel policy that has repercussions in the U.S., where some Jewish organisations have accused Chavista authorities of anti-Semitism, a claim that in turn complicates Venezuela's relations with Washington.

European Union

Venezuela is not a major EU trading partner. In 2013 its share of total EU trade stood at a paltry 0.2%, i.e. it was

51st on the list of EU trading partners. In 2014 the EU was Venezuela's third-largest trading partner (8.8% of total trade) behind the U.S. (35.1%) and China (15.1%). The EU is a major foreign investor (€24.1 billion in 2011), but relations are, in the European Commission's (2014) own words,

challenging for EU operators, in large part due to policies which have been central to the economic strategy of the government in the past few years: foreign exchange controls, price controls, expropriation and other forms of State intervention in the economy.

Relations between the EU and Venezuela are not governed by any bilateral legal framework, unlike other Mercosur countries. However, Venezuela is involved in institutional dialogues with the EU through its participation in the Rio Group and Mercosur.

Pre-Chavista foreign policy considered the EU to be a model for Latin American integration, social and economic development and pluralistic diplomacy. It also saw the EU-Latin American relationship as a “diagonal” that could help “pluralise” Latin America's relations and soften U.S. hegemony in the region. The two major political parties, AD and COPEI, had strong connections to their sister parties in Europe and both pushed for more political dialogue and economic strategic partnership with the EU.

Since Chavez's presidency the EU is mostly seen as an adversary (in a somewhat milder category than the U.S.) and EU relations with Caracas have soured as Venezuela chose to align itself with Cuba, Iran and Russia and as the EU shifted more to the right and included former communist countries deeply suspicious of Venezuela-Cuba ties. However, despite disagreements and tensions, the EU-Latin American summits never reached the point of acrimonious confrontation that Inter-American relations experienced, except in relation to Spain, especially under the Popular Party government. Although Spain is the second-largest direct investor in Venezuela behind the U.S., its relations with Caracas have been on a roller-coaster ride with tense moments when President Chavez accused Madrid of siding with the 2002 coup leaders and Madrid accused Caracas of providing sanctuary to ETA (the armed Basque separatist group) fugitives.

Bilateral state-to-state relations with European countries are distant, but mostly correct. However, while COPEI and AD governments directly dealt with the European establishment, the “Bolivarians” have ideological connections with EU leftist sectors that are outside the corridors of power. Bilateral relations have soured recently over the Ukraine crisis when Caracas sided with Russia.

Conclusion

Since 1999 Chavismo has profoundly changed Venezuela and constituted a power structure and social base and even a “deep state” that seem to protect it from an opposition

challenge. However, the ruling coalition is also deeply divided on the road to follow and on the meaning of Hugo Chavez's legacy.

Today, Venezuela's international influence is clearly on the wane. Chavez's death and his replacement by a much less charismatic leader have undermined Venezuela's visibility and attraction. The economic crisis has absorbed the Venezuelan authorities, distracted them from international issues, and reduced the resources that can be devoted to foreign policy, upsetting the PetroCaribe scheme and social power diplomacy. Venezuela's membership of the UN Security Council might however provide a renewed opportunity for Caracas' international advocacy.

News media reports on a country immersed in basic goods shortages, runaway inflation (56% in 2013), wholesale corruption, massive fiscal deficits, violent protests, rising militarism and an extreme level of street crime have seriously dented Venezuela's image abroad even when fair observers acknowledge the positive impact of Chavista social programmes on poverty reduction and the poor's sense of empowerment.

Venezuela can still rely on its ideological allies in Latin America, but its other partners, in particular Brazil, are concerned by the country's developments and behind a facade of support are trying to de-escalate Venezuela's current internal conflict and deradicalise/depolarise its actors in both the opposition and the government.

A Venezuelan collapse would have major repercussions for the region and if the exact impact is hard to assess, most agree that it would hurt in particular the poorer countries that benefit from Venezuelan largesse, while simultaneously threatening the investment climate in the entire region. Such a scenario would also threaten the Colombian peace talks, impact on Cuba's reform process and exacerbate Venezuela's alleged role as a growing international pivot of the drug trade.

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