LATIN AMERICAN POLITICAL TRENDS AND THEIR IMPACT
ON THE FUTURE OF U.S.-LATIN AMERICAN RELATIONS

An Honors Fellows Thesis

by

ANDREW MILTON DAVIS

Submitted to the Honors Programs Office
Texas A&M University
in partial fulfillment of the requirements for the designation as
HONORS UNDERGRADUATE RESEARCH FELLOW

April 2010

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Approved by:

Research Advisor: Michelle Taylor-Robinson
Associate Director of the Honors Programs Office: Dave A. Louis

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ABSTRACT


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Recent political trends in Latin America have led to the election of a number of leftist presidents throughout the region. Some, such as Venezuela’s Hugo Chávez and Ecuador’s Rafael Correa, profess goals centered to varying degrees in socialism and independence from United States influence. Historically speaking, the United States has never been hesitant to aggressively ensure that Latin American political developments are favorable to US interests. This thesis seeks to predict how US foreign policy toward Latin America will likely change within the next decade or so in response to the region’s political developments. To do so, the nature and background of those developments must be understood; Ecuador and Venezuela are utilized as in-depth case studies for this purpose, and illustrate the heterogeneity within Latin America’s move to the left. Bueno de Mesquita’s predictive model is then used to examine the interaction between each of the case studies and the US on two specific issues: the growth of Iranian influence in Latin America and the future of the Bolivarian Alternative for the Americas (ALBA).
DEDICATION

Para Andrea, los Falcons, Chris y mis amigos de Ecuador
ACKNOWLEDGMENTS

I am truly grateful to my research advisor, Dr. Michelle Taylor-Robinson, for her patience and advice during the course of this thesis. I would also like to thank the many individuals—faculty, family, and friends—who gave up their time to provide me with valuable advice on the research process, or feedback on this thesis. Each deserves to have their name included here: Dr. Taylor-Robinson, Dr. Dave Louis, Dr. Michael Koch, my mother and father, Brice and Jeannie Davis, Sarah Andrews, Jordan Reid, Patrick Schuppert, and Nicole Choe.

Finally, thanks are due to Colonel Samuel Hawes and the United States Army for giving me the opportunity to extend my undergraduate career an extra semester in the pursuit of this fellowship.
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<th>Full Name</th>
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<td>AD</td>
<td>Acción Democratica</td>
<td>(Democratic Action, Venezuela)</td>
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<td>ALBA</td>
<td></td>
<td>Bolivarian Alternative for the Americas</td>
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<td>CEPE</td>
<td>Corporación Estatal Petrolera Ecuatoriana</td>
<td>(Ecuadorian State Petroleum Corporation)</td>
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<tr>
<td>CFP</td>
<td>Concentración de Fuerzas Populares</td>
<td>(Concentration of Popular Forces, Ecuador)</td>
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<td>COPEI</td>
<td>Comité Organizando PolíticoElectoral Independiente</td>
<td>(Independent Electoral Political Organizing Committee, Venezuela)</td>
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<tr>
<td>ELPV</td>
<td>Ejército de Liberación del Pueblo de Venezuela</td>
<td>(Liberation Army of the Venezuelan People)</td>
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<tr>
<td>FALN</td>
<td>Fuerzas Armadas de Liberación</td>
<td>(Armed Forces of Liberation, Venezuela)</td>
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<td>FLN</td>
<td>Frente de Liberación Nacional</td>
<td>(National Liberation Front, Venezuela)</td>
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<td>FTAA</td>
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<td>Free Trade Area of the Americas</td>
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<td>MBR-200</td>
<td>Movimiento Bolivariano Revolucionario-200</td>
<td>(Bolivarian Revolutionary Movement, Venezuela)</td>
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<td>OAS</td>
<td></td>
<td>The Organization of American States</td>
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<td>PCV</td>
<td>Partida Comunista de Venezuela</td>
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<tr>
<td>URD</td>
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CHAPTER I
INTRODUCTION

Contemporary political discussion of Latin America often revolves around two related themes: the trend of “Latin America’s Left Turn” in politics (Castañeda 2006; Schamis 2006), and declining United States ability to influence governments in the region. In the past ten to fifteen years astute Latin American politicians have translated popular unrest with the socio-economic status quo into successful campaign platforms by championing reform and change. At the same time, the international climate appears increasingly favorable toward the legitimacy of any fairly elected government, regardless of that government’s ideology. In the past, the United States has not hesitated to respond to leftist or independent-minded trends in Latin America by overthrowing unfavorable governments, with either covert action or outright invasion.

The trend in Latin America is not homogeneous, however. The various leftist governments of the movement cover a broad range of the left side of the political spectrum, from the moderate center-left in Chile to Nicaragua’s continued use of rhetoric from revolutionary leftist movements of the twentieth century. Data from the annual Latinobarometer survey also reveal the lack of any major ideological trends in Latin American citizens across the region. To illuminate both of these points, studies of the

This thesis follows the style of American Political Science Review.
twentieth-century political histories of Ecuador and Venezuela, two countries currently led by openly socialist presidents, offer insight into how different backgrounds equate to unique current realities. Those insights are in turn useful in determining the direction of US interests within Latin America in the next decade. How effectively will the United States manage to pursue those interests, though? US leaders have traditionally displayed a tendency to determine policy in Latin America with a one-size-fits-all approach, showing no particular interest in adapting interests or methods to reflect the unique nature of specific countries. This simplistic approach limits the effectiveness of the United States’ efforts in Latin America, but is nevertheless the reality. Washington’s likely success—or lack thereof—can be gauged in part by applying the research in this thesis to predictive modeling.

**Objective**

This thesis will examine the recent rise to power of leftist presidents in Latin America, with case studies focusing on Presidents Hugo Chávez of Venezuela and Rafael Correa of Ecuador, and what direction this trend will likely go in the next ten to twenty years. The chosen case studies have enough parallels in their current governments—adherence to the concept of “21st Century Socialism”, new constitutions pushed strongly by each president soon after taking office, increased presidential autonomy with respect to other governmental branches—to offer a suitable comparison. At the same time, their histories vary on several factors that will prove enlightening: the stability of democracy varies markedly between Ecuador and Venezuela, as does each country’s salience to the
United States. Information obtained from comparing and contrasting studies of Ecuador and Venezuela will form the basis for my analysis of the potential future implications of these governments. After using these case studies to build a base for understanding the foundations for leftist success (defined as the election of a president from a left-leaning party or movement and the ability of that president to pursue leftist policies once in office), the traditional US response to this type of president will be examined in greater detail, along with the implications for US relations with Latin American leftist governments in the near future.

This thesis has four main components, and proceeds as follows: the next section presents relevant literature and resources, followed by a cross-national analysis of popular support for leftist presidents and left-leaning ideology across all 18 Latin American countries utilizing data from the Latinobarometer surveys. Chapters II and III will provide in-depth case studies of the rise to power of Hugo Chávez in Venezuela and Rafael Correa in Ecuador respectively. In Venezuela a tradition of stable democracy and unsuccessful coups d’etat has created a perceived legitimacy in electoral results which is lacking in Ecuador. The final chapter uses Bueno de Mesquita’s predictive modeling—to be explained in greater detail in the Literature Review—to augment and refine the picture of Western Hemispheric relations in the near future. This will provide an indication of the shape that hemispheric relations will likely take over the next ten years, based on current trends. By implication, such results also offer a basis for understanding how the US should best interact with Venezuela and with Ecuador in order to achieve
policy goals. The most beneficial policy options will be discussed in brief at the conclusion of the thesis.

**Literature review**

The case studies of Ecuador and Venezuela each drew primarily on literature exclusively studying one or the other country. In Ecuador’s case, determining the course of events since the advent of the 21st century required a move to articles from various news periodicals, mostly accessed electronically. Literature on contemporary developments in both countries is much more highly charged with opinion. This is especially true for Venezuela. The confrontational, controversial nature of Hugo Chávez’s presidency often prompts unmistakeable bias for or against him in books and articles. Middle ground proves difficult at times to find as one moves from McCoy and Myers’ 2004 *The Unraveling of Representative Democracy in Venezuela* to Jones’s 2007 *Hugo! The Hugo Chávez Story from Mud Hut to Perpetual Revolution*; from *Hugo Chávez and the Bolivarian Revolution* (Gott 2005) to *The Revolutionary Has No Clothes: Hugo Chávez’s Bolivarian Farce* (Clark 2009). As such, careful attention has been paid to accommodate all relevant positions on current events within each country, while separating useful and accurate information from speculation or bias.

Recent articles from various periodicals provided the foundation of information for the sections dealing with future US foreign policy. De Cordoba and Luhnow (2009) highlight recent events, such as Honduras’ refusal to reinstate ousted president Manuel
Zelaya in the summer of 2009, as indications of diminishing US regional influence amid the growth of Brazil and China—as well as Venezuela. The accuracy of that being a major factor in the Honduras case is questionable; Honduras depends on US trade far too much for the Obama Administration to have been truly unable to influence events if it had so chosen. However, Cordobe and Luhnow reflect a more general perception in contemporary writings—US influence is declining. Government information such as relevant Congressional reports, trade statistics, and policy documentation also proved essential in developing an accurate understanding of the situation.

**Important concepts**

Particular attention must be paid to elaborating on three key resources, potentially unfamiliar to the reader, which play a role in later sections. These are the data from the yearly Latinobarometer survey, Karl’s work on the vulnerabilities of “petro-states” (1997, 1999), and Bueno de Mesquita’s predictive model for future policy developments.

**Latinobarometer**

One objective of this paper is to seek greater understanding of Latin America’s leftward political trend, its causes and motivations. The trend is overwhelmingly being expressed through electoral victory as opposed to the armed movements so common in the region’s past; as such, it is desirable to delve into what has been a motivating factor for Latin American voters to cast their ballots for individuals such as Hugo Chávez and Rafael
Correa—repeatedly. Common interpretations of the trend would base it in longstanding unrest over endemic regional socio-economic inequality, antipathy toward the Western financial system and past Latin American governments’ acquiescence to it at the cost of Latin Americans, or a combination of these things. The Latinobarometer, “an annual public opinion survey that involves some 19,000 interviews in 18 Latin American countries” (Latinobarómetro 2009), provides excellent data to test the veracity of such interpretations.

Data sets from 1996-2008 were reviewed, using Stata statistical analysis program version 11. The key question used as the crux of reviewing each data set was one relating to respondents’ ideological self-placement on a political left-right scale of one to ten—one being the left extreme, ten the ‘right’. On a scale where 0 is left and 10 is right, where would you place yourself?” (Latinobarometer 2008). This question has remained unchanged during the sample years and is an accurate translation of the actual Spanish utilized in speaking with respondents. The expectation was that certain other variables from the data set—questions relating to perceived socio-economic status or the perceived state of the respondent’s country in the past, present, or near future—would display statistically significant correlations with this variable. For instance, the variable on socio-economic status asks respondents “In general, how would you describe your present economic situation and that of your family?”, with a five point spread of answers ranging from Very Bad (1) to Very Good (5) (Latinobarometer 2008). One would be inclined to expect those respondents answering with a 1 or 2 to also lean ideologically
toward the left; the same principle applies to correlation tests with other variables of interest.

The responses yield surprising results, however. The first indication of this arose in examining the ideological self-placement statistics by themselves. Even when focusing on those eleven countries which have elected leftist governments—Argentina, Bolivia, Brazil, Chile, Ecuador, El Salvador, Honduras, Nicaragua, Peru, Uruguay, and Venezuela—there is no distinct overall leftward trend through the course of the study period. One can see the remarkable lack of any regional trend in Figure 1. The numbers in each case below are the mean ideological self-placement for each country, with the outlying numerical values for ‘Don’t Know’ and ‘Did Not Answer’—97 and 98 respectively—removed (this equated to removing between about 75 and 200 respondents from each country’s 1,200 person survey sample).

![Figure 1: Latin American Political Ideological Self-Placement](image-url)
In fact, the most dramatic continuous ideological shifts to be found in any country in these three sample years are to the right—Guatemala and Panama, while only two countries—El Salvador and Venezuela—present a continuous if minor shift to the left. The graph above is only a sample; the year-to-year data in all countries has multiple pendulum swings between the left and right. Once the rough hypotheses outlined earlier began to be tested for correlation, the result took a similar path. Initial tests of those variables handpicked to have the greatest likelihood of exhibiting correlation showed none of statistical significance. Expanded tests to include all variables in the data set had the same results—no statistically significant correlation with ideological self-placement.

Though initially confusing, this information actually does line up well with the reality of Latin American politics. In the United States the perception is of a unified element understood to be a singular and mostly homogeneous regional trend, collectively called the ‘Latin American Left’ and identified by a “pink wave” (Smith 2008: 332) of leftist presidents. The truth is much more fractious. Each of the countries which has become a part of this pink wave has done so in a very different way. The history and motivation behind change is unique in each case, and this evinces a distinct nature in the resulting leftist government. Thus in Venezuela Hugo Chávez can openly and aggressively pursue socialist goals, while President Lula de Silva of Brazil sets his country on a much more traditional economic path to success (“Brazil’s Economy...” 2007). Clearly, even domestically there is no miraculous, unified revolution in politics taking place.
The petro-state

Karl offers a number of excellent works examining the challenges that face an oil-exporting state. Of particular interest are the 1997 book *Paradox of Plenty: Oil Booms and Petro-States* and its 1999 corollary article, *The Perils of the Petro-State: Reflections on the Paradox of Plenty*. The relevant points of interest revolve around the hidden risk any country experiencing an oil-export boom faces. Chief among these are the vulnerability to ‘Dutch Disease’, or the distortion caused in various portions of an economy by profit growth in one particular sector of that economy (Karl 1997: 5). For instance, when government revenue skyrockets, domestic pressure to reinject much of the profit jumps also. This can take a number of forms, from social welfare programs directly benefitting the general public to state-owned attempts at creating new industry. Governments then find it difficult to avoid being locked in to a certain path of spreading the wealth around and hoping for the best in regards to sustained profit. To encourage that sustainment, harvest of the export resource is pursued in an increasingly aggressive manner, with inevitably harmful long-term results.

The problem implied by Dutch Disease is the unreliability of the profit source. International price fluctuations, greater external competition, internal production interruptions, or simple exhaustion of a finite resource—the list of dangers to the dominant source of income is extensive and quite real. The problem is a more serious one as the dominance of that single export increases, which is exactly why the oil-export driven petro-states are at the highest risk: global petroleum demand sets oil exportation
head and shoulders above the profitability of other exports. Still, the concept can be applied to other resources. Dutch Disease in its petro-state and non-oil forms is an important concept to keep in mind during a reading of the Ecuador and Venezuela case studies.

The predictive model

Bueno de Mesquita has spent decades refining a mathematical model intended to provide accurate forecasts of how specific political issues are likely to develop. His 2009 The Predictioneer’s Game discusses its applications and merits at some length. The ‘game’ examines any single issue that is under negotiation between multiple actors who are supporting different outcomes. It is not supposed to replace other forms of analysis; rather, its “greatest value is that it provides clients with a different way of thinking about their problems” (Bueno de Mesquita 2009: 99). The outcome of the model is often different than what observers’ intuition based on the same information would have led them to predict, and therein lies the merit of including the predictive model into analyses. Declassified CIA documentation reviewing the merits of the model—called Policon by the agency—are highly complimentary:

“This testing program has shown that the use of Policon helped avoid analytic traps and improved the quality of analyses by making it possible to forecast specific policy outcomes and the political dynamics leading to them... Interestingly, forecasts done with traditional methods and with Policon were found to be accurate about 90 percent of the time” (Feder 1995).
Policon’s accuracy is confirmable through analysis of past issues as well, when the data input is carefully controlled to match the knowledge and perception of the key actors at the time. The public model available for use is a simplified version, since Policon is used by a wide array of paying corporations in addition to the US government. The principles which make it valuable remain, though.

The model’s logic revolves around assigning numerical values—generally between 0 and 100—to a few key predictive elements. The first step is to identify the actual issue being discussed. Next one identifies key players involved in the discussion at hand. The different preferences of each actor are then compiled into one list which assigns different outcomes a numerical value—one actor prefers the outcome placed at 100, while the most directly opposed actor supports the outcome represented by 0. The result is a progression from one preference extreme to another. Each player is then numerically evaluated on three primary dimensions: influence, salience of the issue at hand, and flexibility on that issue. Influence is an evaluation of the potential power—economic, diplomatic, military, etc.—each player could theoretically bring to bear on the issue. This is the one value which can theoretically be given a numeric value greater than 100 for the purposes of the model. Salience represents how pressing the issue is for each player; how many other priorities are likely to be placed ahead of pursuing the player’s preferred outcome. Flexibility denotes how far a player is willing to move from his or her original position in the interest of actually reaching agreement.
The compiled data are then used to simulate the exchange through a series of carefully calibrated rounds. In each round, all factors are taken into account to determine what direction negotiations are heading—represented primarily by a numerical ‘issue forecast’ category, but with other numbers as well. Negotiations are calculated for as many rounds as are requested, but the application of two end-game rules is included in each calculation. Bueno de Mesquita himself “judge[s] the game to end in the round in which a 1 appears for the first time in the end-game row”, signifying violation of one of the two rules (Bueno de Mesquita 2010). At that point the number present in the Issue Forecast becomes the model’s policy forecast. The model works on the assumption that all policy options in the 0-100 range are actually supported by at least one of the players. It is important to conclude with a note that the scenarios run in this paper are not utterly confident in the reality of the US intelligently pursuing the outcomes favorable to it. This uncertainty is due to the very low salience which Latin American issues often have to Washington policymakers, and will be discussed in more detail during the actual implementation of the model.
CHAPTER II

VENEZUELA

Venezuela’s political past, present, and future is a highly charged, controversial topic. A cursory examination indicates a troubling inversion of larger regional trends. This is a country that spent most of the Cold War as one of Latin America’s longest-running and most stable democracies, while its neighbors cycled through a variety of dictatorships and authoritarian regimes. As the 1990s dawned and the Soviet Union crumbled, the rest of Latin America began the slow process of trying to move past violent histories and repressive governments with democratic elections. In the midst of this trend, however, Venezuela seemingly began to move in the opposite direction (McCoy and Myers 2004: x). The question is worth asking: When the rest of the continent seems to be gravitating toward democracy, why has the majority of the Venezuelan populace consented to a complete overhaul of theirs?

An examination of Venezuela’s democratic history is necessary to shed light on the current political climate. This case study will first review the evolution of Venezuelan democracy through the first sixty years of the twentieth century, the foundations on which Venezuela’s forty years of two-party “Punto Fijo” democracy were built. The Punto Fijo years will be reviewed in turn, particularly to highlight flaws inherent in that system which ultimately proved impossible to ignore. Special attention will be paid to how economic factors, specifically oil, became a key component of building instability.
Finally, because it takes a certain kind of forceful individual to seize opportunities presented by circumstance a brief biography of Hugo Chávez Frías is also a necessary piece of the puzzle. These cornerstones are what allow an understanding of the current status of the Bolívarian Republic of Venezuela.

**Early democratic efforts**

Referring to Venezuela as one of the longest-running democracies in Latin America does not mean that state was achieved quickly or easily. The beginning of the twentieth century saw Venezuela under the rule of Juan Vicente Gómez, the quintessential dictator in a classically brutal and repressive regime. It was not until his death in 1935 that the first steps toward democracy could be taken. As Tarver and Frederick (2005: 84) put it, “It was now official; the nineteenth-century model of *caudillismo* [system of government headed by a military leader] was dead.” This sentiment would prove to be slightly premature, as military leaders from the Andean region of the country would continue to hold many of the most powerful positions in the government for some years to come. Still, change was undeniable. General Eleazer López Contreras was appointed president next, and though he had been a supporter of Gómez he pragmatically recognized the reality of mounting popular dissatisfaction. His years in office were spent adroitly maintaining a balancing act between the pressures of reformists and the traditional oligarchy. López Contreras laid down an essential foundation for future political progress by allowing the creation of political organizations. It was a process aptly labeled “evolving democracy” (Tarver and Frederick 2005: 86). At this point it was still
the Venezuelan National Congress which officially selected each successive president. There had been a serious 1936 push from the main leftist parties of the time for Congress to enable direct elections and then dissolve itself, but this was not successful. Thus, in 1941 López Contreras was replaced by Isaías Medina Angarita, another Andean General.

The year 1941 also marked the culmination of what Tarver and Frederick call “a 10-year process of fine-tuning and consolidation of a peculiar political style and ideology” (2005: 88), with the official formation of the party Acción Democrática (AD). AD was effective from its inception, with an established and efficiently run base that covered the entire country. The fact of the matter was that the Venezuelan people had been given a taste of liberty through López Contreras’ and Medina Angarita’s easing of the old restrictions, and they wanted more. “Thus, the sudden expansion of political opportunity brought exaggerated responses from the principal actors,” notes Lombardi (1982: 222). The people had a political will now; AD, led by Rómulo Betancourt, gave them a vehicle with which to exercise it. October of 1945 saw AD and junior military officers, disenchanted with their incompetent superiors, take the country by force. The military officers sought the depoliticization of their institution, and all involved were immediately intent on finally obtaining direct elections to decide Venezuela’s president.

At this point Venezuela’s young political system had formed into four basic groups: AD and an ever-fractious, constantly shifting Communist Party of Venezuela (PCV) were the two largest under López Contreras and Medina Angarita, but the Democratic Republican Union (URD) and Independent Electoral Political Organizing Committee
COPEI) also developed constituencies (Hellinger 1991: 58). An overzealous AD spent the next three years extending its reach further than its grasp. Modernizing policies endeared the new government to some, but alienated diverse sectors of society such as the wealthy, the military, and the Catholic Church. These conflicts, combined with the increasingly vitriolic relationship between AD and the other political parties, created a highly unstable situation. On November 24, 1948 a cross-section of Venezuelan actors, which included a future dictator and even a future president (Luis Herrera Campins, 1979-1984) retaliated by again ousting the government (Hellinger 1991: 65).

The next ten years were dominated by another General: Marcos Pérez Jiménez. His brutality was dismaying to the more moderate actors in the 1948 coup. AD’s opposition parties initially celebrated the coup, and expected Pérez Jimenez to spearhead a quick transition back to general elections. Instead Pérez Jiménez forcefully returned the country to the darker days of Gómez, pre-1935. “Secret police, political assassinations, torture and similar behavior characterized the regime,” says Lombardi (1982: 226). Pérez Jiménez ruled with an iron fist because he hoped to exterminate what he perceived as his biggest threat: Acción Democrática. The party survived through the decade, but many members (and innocent bystanders) were exiled, tortured, or even assassinated. By 1958, unrest coalesced into yet another civilian-military coup (Lombardi 1982: 226-227). The non-Communist parties from before Pérez Jiménez’s rule were much more careful in their approach to democracy this time. In October of 1958 AD, COPEI, and URD each signed the Pact of Punto Fijo, agreeing “to form a government of national
unity regardless of which won the December elections’ (Hellinger 1991: 86). The end of that year saw general elections, and the triumphant return of AD with the victory of their presidential candidate, Rómulo Betancourt. AD, Betancourt, and the other political parties of Venezuela had learned from the overthrow of their first government and the tribulations of the Pérez Jiménez dictatorship. This time they were quick to provide opposition members with a stake in the new government’s success by the sharing of governmental positions. Thus began the “exceptional democracy” referred to by Ellner and Salas (2007).

**Punto fijo democracy**

During the subsequent forty years, AD and COPEI maintained a regular exchange of power through free and fair elections. Parallels between Venezuela’s political development and communism were obviously not drawn by the United States, which was enthusiastically viewing all Latin American developments through a hyper-sensitive security lens, constantly on the lookout for communist encroachment. On the contrary, Betancourt quickly endeared Washington when, “in his inaugural address, President Betancourt declared that the development of Venezuela and the communist philosophy were not compatible,” (Tarver and Frederick 102).

A sense of betrayal among the Venezuelan communists, who had played a role in the effort to oust Jimenez, fomented an insurgency which erupted on October 19, 1960. 1961 saw Cuba provide training to revolutionary youths, and on November 11th of that
year, Betancourt broke diplomatic ties with that nation. The tactics of the communist guerrillas over the next few years alienated the vast majority of the country, cementing the nation into a “trusted U.S. ally” (Ellner and Salas 2007: xiii). The insurgency continuously evolved through its early years, coalescing into the Fuerzas Armadas de Liberación (Armed Forces of Liberation, or FALN) and the Frente de Liberación Nacional (National Liberation Front, or FLN). While these organizations were able to provide a “systematic and cohesive plan of direction” (Ellner and Salinas 2007: 109), the one thing they did not provide was success. The violence came to be directed at discouraging participation in the crucial 1963 national election. There are risks involved with pinning everything on one goal, and when the voting population responded to the terrorist threat by showing 92 percent participation on December 1st, the FALN/FLN suffered a major blow.

This original administration and the domestic events of Betancourt’s term are worthy of attention because of the vital nature of the 1963 election. Success would mark “an unprecedented event in Venezuelan history...power chang[ing] hands, within a constitutional framework, from a sitting constitutionally elected president to another constitutionally elected president,”(Tarver and Frederick 2005: 115). Failure would turn Betancourt’s term into yet another Venezuelan democratic experiment, relegated to the history books. The impressive 92% voter turnout greatly strengthened democracy’s position in Venezuela. The people again elected AD’s candidate, this time Raúl Leoni. However, AD’s failure to maintain control of the majority of Congress was a marker of
things to come. The phenomenon of growing divisions within the party during Betancourt’s administration continued during Leoni’s. A splintering along age lines around the end of 1967 dealt a harsh blow to AD in the 1968 campaign and paved the way for COPEI’s Dr. Rafael Caldera to assume the presidency (Tarver and Frederick 2005: 118). Thus, another milestone was successfully passed: one party peacefully ceded the presidency to the political opposition after fair elections, and willingly stepped into the role of ‘loyal opposition.’ Caldera and COPEI continued the social development initiatives of AD, including efforts toward land reform and education improvement.

However, he brought with him a shift in foreign policy “...designed to ease tensions between Venezuela and Cuba and, therefore, with the rest of the socialist world” (Tarver and Frederick 2005: 120). Leftist political parties such as Partido Comunista de Venezuela (Communist Party of Venezuela), long outlawed due to the communist insurgency, were reinstated and amnesty offered to and widely accepted by the guerrillas. US response to this was not particularly strong, though the 1973 presidential campaign saw Carlos Andrés Pérez, the AD candidate, receive so much US advice and assistance that “one political leader referred to the Pérez campaign as having been ‘Made in USA’,”(Tarver and Frederick 2005: 120). Whatever he did worked, and Pérez returned the presidency to AD, which also resumed a majority in both chambers of Congress for the first time since 1958. The next three administrations saw the regular exchange of power between AD and COPEI.
Sowing the seeds of oil

A proper perspective of the period from Pérez’s election in 1973 to his eventual return to victory in 1988 merits shifting to a focus on the primacy of oil in Venezuelan affairs. First, a brief review of petroleum’s role in the decades previously discussed is in order. Its importance in the development of events from 1936 onward can not be underestimated: “Although petroleum wealth alone would not have achieved the democratization of Venezuelan society, neither would the process have occurred without petroleum,” (Lombardi 1982: 243-244). The origins of a focus on petroleum go back as far as the 1860s for some visionaries (Tarver and Frederick 2005: 15). The next serious step would be a dawning realization by the Venezuelan elite during the Gómez years: a continuation of the materialistic high life for them would be closely tied to petroleum expansion, which in turn would require what Lombardi refers to as “ambitious development programs,” (Tarver and Frederick 2005: 245). The years of democratization following 1935’s shift of power began with López Contreras attempting to modernize the economy under a slogan of “sembrar el petróleo”, or sowing the seeds of oil (Tarver and Frederick 2005: 86). From the perspective of modernization through the ‘seeds of oil’, the political back-and-forth over the next few decades, be it between AD and COPEI or the dictatorship of Pérez Jiménez, changed little. One and all,

“It seemed to give them, whether under the rule of Marcos Pérez Jiménez or Rómulo Betancourt, a sense of limitless possibilities...As a consequence, these leaders, and the technological elite that followed
them, developed an acute sense of impatience when confronted with the complexities of the social and economic transformation they had initiated,” (Lombardi 1982: 246-247).

Under the leadership prior to 1973’s election of Pérez, little changed in petroleum prices, but the 1960’s creation of the Organization of Petroleum Exporting Countries, or OPEC, offered a control that would suffice until the other major event of 1973: the Arab-Israeli War. Arab oil embargoes instituted in response to US support for Israel during that conflict shot the price of Venezuelan Light Crude from $11.44 a barrel in 1973 to $36.84 in 1974. Just as Pérez assumed power, his nation had happened upon what Tarver and Frederick fittingly name “a bonanza of wealth”(2005: 15). This money opened a lot of doors to Pérez. He had the power to use Venezuela’s financial status to wield influence on the international stage, even as his administration instated an array of domestic welfare programs. Indeed, the need to avoid causing inflation through a sudden massive influx of government revenue created the need to find external applications.

Thus, Pérez “attempted to transform himself into the spokesman for Latin America”(Tarver and Frederick 2005: 123). As he loaned capital through the newly established Fondo de Inversiones de Venezuela (Venezuelan Investment Fund) and other, older international institutions to Central America and Perú, he also attempted to engage Venezuela’s (and by extension much of Latin America’s) more developed trading partners in a dialogue designed to evolve their relationship. Pérez was critical of
a system that favored the developed consumer states at the cost of the developing nations producing raw resources. In general, “...for the first time since 1850, Venezuela projected itself overseas through a foreign policy of its own,” (Tarver and Frederick 2005: 128). This projection was lent legitimacy by Venezuela’s domestic developments occurring at the same time. The ‘bonanza’ was highly evident in domestic affairs as well. Pérez’s application of petroleum wealth toward agricultural development and the subsidization of food/commodities pricing is not surprising for a man who gave himself the title of “President of the Peasants” while campaigning (Tarver and Frederick 2005: 126). Pérez took advantage of widespread Congressional support to undertake efforts for expanded education, wage increases, et al. The tangible results were the doubling of public employment over his term and a technical scholarship program leading to the “successful training of tens of thousands of Venezuelan students” (Tarver and Frederick 2005: 128).

It is important to mention the growth of increasingly rampant corruption that accompanied the sudden exponential wealth the nation found. Campaigns in 1978 focused largely on condemning said corruption in Pérez’s administration, and Venezuelan Congressional review declared Pérez responsible for such scandals as the purchase of a Norwegian refrigerated freighter, the Sierra Nevada, for $20 million, almost 200 percent of its actual value. Luis Herrera Campíns and COPEI were next in the presidential succession, but little changed. The Iran-Iraq war and other developments again gave Venezuela massive increases in oil revenue. Foreign debt
began to catch up, somewhat mitigating the effects of the latest jump in crude prices. Corruption continued on much the same scale as under Pérez. In 1983, AD took its turn in the presidential palace at Miraflores when Jaime Lusinchi easily won the election. More notably, oil prices peaked at $64.47 per barrel (Tarver and Frederick 2005: 15). Lusinchi’s administration was marked by a steady decline in oil prices; by the time he left office the price of a barrel had dropped sharply to $19.33 (Tarver and Frederick 2005: 15). This necessitated a focus on his part on a developing and spiraling economic crisis. Lusinchi ably fought the battle fate had chosen for him, achieving “the guarantees of oil industry self-sufficiency; reduction of the national deficit; the achievement of equity in the balance of payments...,”(Tarver and Frederick 2005: 132). Matters were much simpler for the general Venezuelan public. The government programs begun under Pérez had disappeared, and in 1988 Pérez ran again for President. His victory with 52.89 percent of the vote in an electorate split between 24 candidates emphatically illustrated the public’s recognition of this correlation and their desire to return to the glory days Pérez represented to them. “..His status,” say Tarver and Frederick, “came from his own political image...soon after his 1988 reelection, that status would come crashing down” (Tarver and Frederick 2005: 137).

Reaping what was sown

That crash began early, with Pérez delivering a frank inaugural speech that foretold of upcoming strict measures needed to correct the economy. The quick introduction of reduced public spending, devaluation of the Bolívar, and a removal of governmental
price controls created an equally quick public reaction. Only one month after Pérez assumed power, rioting erupted in Venezuela’s ten largest cities. The heavy-handed police and government response resulted in civilian deaths, the number of which varies wildly from source to source. Austerity combined with a lack of government communication or explanation to foment the strong emotions exhibited in the February 1989 riots. More to the point, some assert that the policies were not just being inadequately explained; they simply were not working (Molina 2004: 162). The disenchanted public had now turned to each of the major parties as their method for expressing disapproval of the nation’s condition, and both parties had proven unable to rise to the economic and domestic challenge. The initial string of riots occurred on such a scale that they created an environment of violent unrest which would continue to feed off itself: “Subsequent price increases and spending cutbacks have sparked student riots, teacher strikes, and even general strikes by the normally pro-government labor organizations” (Tarver and Frederick 2005: 141). These strikes shook the general perception of a status quo of a two-party system with widespread and pervasive support, and led to more serious unrest: 1992 saw two separate coup attempts by unrelated elements of the military. The larger of these was led by Lieutenant Colonel Hugo Chávez Frías, at the head of his Movimiento Bolivariano Revolucionario-200. As a result of the attempted coups, the stable two-party system myth was “shattered,” says Molina. “[the coups] intensified the search for alternatives to AD and COPEI” (2004: 162).
In 1993, the public spurned both AD and COPEI for the first time by electing former President Rafael Caldera. Caldera, one of the founders of COPEI, had split with that party and ran separately. Venezuela had struck out into new, deinstitutionalized territory. Caldera again came to power in a manner not unlike Pérez: familiarity brought with it great expectations. Also like Pérez, Caldera’s administration “proved incapable of alleviating the economic crisis, and the resulting disillusionment proved fatal for Punto Fijo democracy,” (Molina 2004: 169). Whether or not Caldera is rightfully blamed for failing to produce a turnaround, the electorate was now ready for something completely different: Hugo Chávez.

**The current president**

Hugo Chávez Frías was born on July 28, 1954 to two schoolteachers. In his early teen years Chávez focused his natural curiosity on an ideological mentor, José Esteban Ruiz Guevara. Guevara was not only the father of two of Chávez’s childhood friends, he was a steadfast communist. The two would have a strong political discourse for decades to come, centered around the Guevara family library. Their discussions could not be anything but influential, as they are purported to have spent entire days tucked away in the library, deep in conversation. In 1971 Chávez was enrolled in Venezuela’s military academy. One especially prominent event in his education years was a 1974 academy visit to Perú. This visit was flavored by Perú’s rule under the progressive General Juan Velasco Alvarado, and by Perú’s continued exaltation of the legendary Simón Bolívar (Gott 2005: 35-36). Alvarado showed Chávez what benefits could be reaped from a
military coup. “...I already had very clear political motivations,” Chávez has recounted; the trip served as a tour of what he could one day do with them (Marcano and Tyszka 2004: 36). Ecuador had also come under the rule of a progressive-minded military government just two years prior; lessons on the legitimacy and positive potential of military rule seemed hard to avoid. Chávez never drew similar conclusions from the ultimate failure by the end of the decade of military regimes in both Perú and Ecuador.

He graduated soon after, and was a lieutenant at the age of 21. Two years later, Chávez formed his first revolutionary group with some friends, known as the Ejército de Liberación del Pueblo de Venezuela (The Liberation Army of the Venezuelan People, or ELPV). The group was nothing more than a token act, with no specific goals or plans. “But,” as Gott points out, “it was an important pointer to the future,” (Gott 2005: 37). Then-Captain Chávez returned in 1980 to his alma mater as Chief Sports Instructor, a position that gave him much popularity with students and fellow officers alike. His five years there coincided, of course, with the increasingly marked decline of oil prices and the genesis of the economic crisis that followed. Thus, in 1982 Chávez initiated a matured version of the ELPV: the Movimiento Bolivariano Revolucionario-200 (Bolivarian Revolutionary Movement, or MBR-200) (Gott 2005: 38). The group became disillusioned with Venezuela’s democracy years before the general public would come to similar conclusions, and quickly began laying the groundwork for future action by taking advantage of their academy positions to recruit junior officers to the MBR-200 (Gott 2005: 39). The Venezuelan government, specifically military intelligence,
inevitably got wind of the existence of the MBR-200. A misunderstanding of the scale of conspiracy and the status of suspected conspirators as “some of the most competent, popular, and promotable young officers in the army,” (Gott 2005: 40) meant that they were, in a way, untouchable. The solution was to transfer Chávez far from places of power. This did not slow the march toward a coup, and finally Chávez and his movement acted in February of 1992. What had once been planned as a civilian-military enterprise was executed solely with military units, and ended in defeat. He would spend two years in jail, then focus on doing through politics what he had failed to do with a coup.

The February 1992 failure necessitated a change, and efforts were shifted to political campaigning. For this, Chávez had a powerful tool that he had long been familiar with; the idea of Bolivarianism. Chávez has long had a fascination with and great admiration for Simón Bolívar, the 19th century Venezuelan liberator of five South American countries. Nor is he the only one to hold that sense of awe for Bolívar; indeed, much of the continent feels similarly. One can not underestimate the power of Bolívar in the minds of Latin Americans in general and Venezuelans in particular. The mythology surrounding the man approaches what Marcano and Tyszka refer to as “an absolutely religious culture,” (2004: 93). Chávez’s use of Bolívar’s name was not a sudden shift, as is reflected in the title of the MBR-200. Even Chávez’s decision to capitalize on the image of Simón Bolívar was not a pioneering one; many if not most South American leaders since the 19th century would at least pay lip service to Bolívar. Chávez was
interested in more than simply invoking the name, though. Very early in his political run, he “began to speak of the need for a ‘Bolivarian Revolution’ that would end the corruption and the serial treachery of the two-party system.”(Ali 2006: 68). Chávez feels a very strong connection with the ideals of Bolívar, Bolívar’s mentor Simón Rodríguez, and Ezequiel Zamora, a Bolivarian revolutionary in 1850s Venezuela. These three held strong beliefs in the need to integrate and unify South America. They are romantic figures, Bolívar and Zamora being Generals in many battles. Equally important for Chávez, they are Venezuelan and thus evoke intense nationalistic pride in that country. To stress the depth of his affinity for their perspective on the world, it is worth noting that Chávez has reportedly revealed to close friends more than once that he honestly believes he is the reincarnation of Zamora (Marcano and Tyszka 2004: 97).

Once the 1998 elections had brought him to power with 56.2 percent of the vote (Tarver and Frederick 149), Chávez moved with a purpose. Sánchez (2008: 182) identifies four distinct stages of Chávez’s Presidency: moderate-transitional (1999-2001), confrontational (2001-2003), consolidation (2003-2006), and outset of Twenty-First Century Socialism (2006-present). No time was wasted in entering the moderate-transitional stage. A national Constituent Assembly was quickly convened and proceeded to create a new constitution. The dissatisfaction with AD and COPEI was made manifest by the Constituent Assembly. Out of 131 elected individuals, the Assembly only possessed six members not associated with Chávez’s winning political coalition from the previous year’s elections. This group set out to institutionalize the
exclusion of traditional political elites and power players. At the same time, breaks with the past were moderated by a continuation in this new constitution of certain powers being held by regional and community governments.

The general strategies and intentions of Chávez’s ‘Bolivarian Republic of Venezuela’ have become increasingly clear and publicized during his years as President. This gave him the popular support of the masses, but moved him in an economic direction which alienated the middle and upper classes. As such, the confrontational stage was inevitable and did not take long to develop. This was never a troubling prospect for Chávez. His electoral success relies very little on cultivated relationships with higher socio-economic classes. Beginning in 2001, government rhetoric and actions began to more openly favor Chávez’s voting base. Venezuela’s “entrenched business interests” (Sánchez 2008: 184) were treated in a more combative manner, including key nationalizations. Organized labor unions, often a source of support for socialist or populist politicians, had little of interest for Chávez due to their long alignment with the traditional parties of AD and COPEI. Labor strikes to protest the nationalization of oil and other industries resulted, but had little success even on influencing later nationalization efforts. Chávez’s efforts to broaden the powers of the Venezuelan presidency (beyond the expansion found in the 1999 constitution) also have their origins in this stage. As is so often the case, different interests within Venezuela interpreted the efforts of the new Bolivarian Republic in very different ways.
In 2002, certain conservative elements of Venezuelan society and the military highlighted the country’s divisions when they moved against Chávez in a coup. His temporary captors quickly appointed a new president, whose administration was immediately recognized by the United States. If this *golpe d’estado* showed the depth and intensity of dissent in Venezuela, though, the chain of events that returned Chávez to power less than two days later also emphasized the strength of his popular support. The US reaction to the process would not be forgotten by Chávez and his supporters.

His triumphant return to office after the failed coup combined with a timely period of economic growth (spurred by skyrocketing international oil prices) to greatly strengthen Chávez’s position. Thus, his government progressed to a phase of consolidation. New oil windfalls were quickly translated into government *misiones* (missions) aimed to directly help Venezuela’s poor. These programs also greatly strengthened Venezuela’s ties with Cuba, as most of them revolved around “an education/medicine-for-oil exchange program” between the two countries (Tarver and Frederick 2005: 153-54). It is important to note that the *misiones* were carefully presented to the public in a manner that directly associated them with President Chávez, rather than the government. Internal consolidation allowed Chávez to shift some of his focus to foreign policy considerations.
**Chávez and the US**

For decades he had viewed the US as an imperialistic, negative force in Latin America and the world; diary entries from young adulthood reveal his hesitance even to enjoy the sport of baseball because of its American origins. Beginning in 2003, Anti-Americanism developed into a major foundation to Venezuela’s foreign policy. This may seem to be a questionable assertion. It is undeniable that direct US-Venezuelan relations have in many ways remained unchanged outside of the rhetorical realm. At the present time, there remains a great amount of economic affinity between the two countries. Venezuela is the fourth-largest supplier of oil to the United States, and the United States buys much more oil than any of Venezuela’s other customers. Chávez may come to a point in the future where his other foreign endeavors have come to sufficient fruition for him to carry through on his occasional threats to suspend oil sales to the United States, perhaps by shifting the bulk of his oil exportation to expanding markets in China, India, or elsewhere. However, that day is distant.

Other factors show the extent of the Bolivarian Republic of Venezuela’s anti-American basis, though. First, Chávez’s diatribes against President George W. Bush and the US at large can not be ignored. It is possible to examine them with an eye toward Chávez’s domestic political considerations, but attention must still be paid to the rhetoric. Chávez remains convinced that the US played a key supporting role in his attempted 2002 ouster. Since that event, his speeches have included such highlights as his calling Bush ‘the Devil’ at a 2006 address to the UN General Assembly (“Chavez: Bush ‘devil’...
The prospect of a new President in 2009 never presented much opportunity for a clearing of the air between Venezuela and the US; during campaigning in 2008 Chávez dismissed both of Bush’s potential replacements, saying that

“the two candidates for the U.S. presidency attack us equally, they attack us defending the interests of the empire. Let’s not kid ourselves, it is the empire and the empire must fall. That’s the only solution, that it comes to an end.” (“Venezuela’s Chavez...” 2008).

Indicators of anti-Americanism can be found outside of rhetoric, as well. In 2004, in the middle of the consolidation stage, Venezuela spearheaded the creation of the Bolivarian Alternative for the Americas (ALBA)¹, a trade bloc of Latin American countries which is “supported by anti-capitalist values” (Bossi 2009) and now boasts nine members. The following year Chávez kicked all US Drug Enforcement Administration agents out of Venezuela, insisting that “in the case of the DEA we have detected intelligence infiltrations that threaten the security and defense of the country” (Chavez Accuses... 2005).

Foreign policy endeavors were also undertaken by Venezuela in other arenas during this stage. Outside of ALBA, he began to offer such gifts as subsidized oil and aid in infrastructure development to states “ideologically aligned with Chávez...such as Bolivia, Paraguay, Nicaragua, Ecuador and, of course and most prominently, Cuba.” (Sánchez 2008: 186). A serious but unsuccessful campaign was mounted during

¹ The current member countries of ALBA are Antigua & Barbuda, Bolivia, Cuba, Dominica (not the Dominican Republic), Ecuador, Honduras, Nicaragua, St. Vincent & the Grenadines, and Venezuela.
these years for Venezuela to obtain one of the rotating UN Security Council seats, and Venezuela also noticeably increased its participation in the Organization of American States (OAS). Chávez began his habit of purposely strengthening diplomatic and military relations with divisive (read: anti-US) states such as Iran, Syria, and Russia.

The Bolivarian Republic’s current stage
The onset of ‘Twenty-first Century Socialism’ succeeded the consolidation stage of the new Bolivarian Republic begun with Chávez’s first inauguration. This fourth stage continues on to the present. It is marked by an increasingly open revelation of Chávez’s goals, as well as his strategies for obtaining them. He studiously avoided use of the word ‘socialism’, with all its attendant baggage, for years after his initial election. It was not until 2005 that the current government’s programs and actions were officially attributed to the pursuit of a socialist polity, updated and customized for the modern world. In December 2006, Chávez was again reelected President. His new term, to last until 2013 due to constitutional reform pushed hard by Chávez in preceding years, coincided with a greatly increased presence of supporters and allies throughout the other branches of government. Legislative elections held in 2005 were boycotted by political opposition groups, who claimed that “the conditions for free and fair elections were not met” (Sánchez 2008: 186). Whether that is true or not, their decision turned what may have seemed an unfair advantage into inevitability; MVR and associated parties swept the elections. Additionally, the 2004 Organic Statute of the Supreme Tribunal had allowed Chávez to add a number of handpicked individuals to the Supreme Court.
With this firm foundation, Twenty-First Century Socialism has begun moving ahead more rapidly. Chávez personally presented the Plan for Social and Economic Development at the onset of his new presidential term, outlining how socialism would be pursued from 2007-2013. This plan fits into the larger scale ‘Simon Bolívar National Plan 2007-2021’, also unveiled in the beginning of 2007. That document, outlining the overall strategy of Venezuela’s pursuit of socialism, essentially boils down to three basic goals. Chávez’s actions and efforts in the time since the National Plan’s release show an actual commitment to these goals, which are as follows: first, create a much more unified Latin America. Second, strengthen ties with other ‘third world’ states around the world. Finally, Chávez intends to minimize/neutralize the influence of the United States around the world (Republica Bolivariana...2007). The unified Latin America is being pursued from a few different directions. Petrocaribe and Petrosur, created early in Chavez’s years as President, combine to offer subsidized oil to twenty Latin American countries. Although many recipients are by no means aligned with Chávez’s overall goals, these subsidies have been a factor in making Venezuela a consistently greater contributor of foreign aid in the region over the last few years than the United States. Venezuela also largely sets the agenda for ALBA, an organization which will be discussed in greater detail in the final chapter of this paper.

During this time his government has also pursued more openly controversial domestic actions, even in the face of large scale opposition. An interesting example can be found in the refusal to renew the broadcasting license for Radio Caracas Television—“the
oldest private channel in Venezuela,” despite polls showing popular opposition of up to eighty percent (Schoen and Rowan 2009: 61). RCTV has been a strident opponent of the Chávez Administration since 2000, and played a controversial role in the 2002 coup attempt. Edwards (2007) presents compelling evidence that RCTV’s decisions on what news to report and what to ignore during those few days in April 2002 equate to participation in the coup. The validity of Chávez denying RCTV’s license on these grounds is weakened, however, by his own practices of using public resources for his own campaigning purposes. His effort in 2007 to force the passing of a constitutional referendum allowing, among other things, unlimited consecutive terms in office is just one instance of this abuse.

Chávez’s constitutional referendum bid was blocked in a rare electoral defeat, however, in December of 2007. The setback was only temporary, and a smaller referendum which still abolished term limits was successfully passed in February of 2009. Chavez had no problem interpreting this as a continued endorsement of the Venezuelan people despite having willfully ignored the implications of the referendum’s defeat fourteen months earlier, declaring at a victory rally immediately afterward that “this soldier is a pre-candidate for the presidency, for the period 2013-19” (“A Firmer Grip...” 2009).

**Conclusion**

The ability of Hugo Chávez to chart a new course for Venezuela, so different from its political traditions, is only understandable in light of the very history those traditions
created. From the restrictive two-party nature of the Punto Fijo Pact to the economic unbalancing caused by oil revenue, Venezuela’s past forms the foundation for the present domestic political atmosphere. Chávez has now proven his viability as a long-term player in Venezuelan politics through repeated reelection for him and his political movement. With the removal of term limits, the only serious stumbling block between Chávez and a long future as president is his heavy use of oil revenue in most policy endeavors.
CHAPTER III

ECUADOR

José María Velasco Ibarra, perhaps the most perennial and famous politician in Ecuador’s history, once observed in a bit of understatement that “Ecuador is a difficult country to govern” (Schodt 1987: 87). The political history of Ecuador is not a stable one. Independent since 1830, its first one hundred years were quite chaotic, with 34 changes of government in just over 60 years (Corkill and Cubitt 1988: 10). Like the case study of Venezuela, this review of Ecuador will focus on its political evolution in the twentieth century. Attention will first be focused on the actual timeline of events in twentieth-century Ecuador. As will be shown, political parties in Ecuador never developed into the type of strong, influential entities that we see in Venezuela’s political past. This can be explained in part by next examining the influences and dynamics of Ecuador’s economic problems, as well as geography, on its troubled effort to democratize effectively. Finally, current President Rafael Correa’s political agenda and its implications for the near future will be looked at in greater detail.

Like many Latin American countries in the 19th and early 20th centuries, Ecuador’s political scene was dominated by competition between Liberal and Conservative party ideologies. The distinctiveness of each party around the turn of the century was often dubious at best, based more on religious issues than anything else. Conservatives embraced the Catholic Church as having an important role to play in Ecuador’s political
life, while Liberals sought a secular government and the separation of church and state (Hurtado 1980). Unique to Ecuador was the strong geographic separation of the two parties. The Liberal party had its power base along the coastal regions of the country, most prominently the port city of Guayaquil. For the Conservatives, their traditional seat of power was Quito and the central highlands. This littoral-highland rivalry continues to remain a major influence today.

The 20th century began with the Liberal Party boasting a firm hold on Ecuador’s government. This dominance had been attained in 1895 through revolt against President Luis Cordero, who managed to unite Liberals, Conservatives, and the Catholic Church in a drive to remove him from office (Hurtado 1980: 113). Both on paper and rhetorically, it seemed that the Liberals quickly ushered in a new era of human rights and constitutionally guaranteed freedoms. In practice, “enemies of the regime were exiled or executed; the property of adversaries was confiscated...elections, never a paragon of honesty, became manifestly fraudulent...”(Hurtado 1980: 116). Internal dissent and disagreement within the party also delayed a true national unification of purpose for the Liberals until 1923—a mere two years before a new governmental overthrow would end the thirty year Liberal period of control. This intraparty conflict and lack of coordination would also be indicative of Ecuador’s political future.

On July 9, 1925 the Liberal government was overthrown by a group of Conservatives and junior military officers. From this point on, Ecuador began what has mostly been a
long tradition of chronic instability. Twenty-seven different governments rotated through power within the next twenty-three years (Hurtado 1980: 122). This parade of aborted administrations was interrupted from 1948 to 1960 by the unprecedented spectacle of three consecutive presidents serving full terms in office. It was in this period that José María Velasco Ibarra, Ecuador’s first and greatest populist, who was elected President five times from 1933 to 1972, served his only full term—his other four ending early from military intervention. (Becker 2008: xv-xix). Fittingly, Velasco Ibarra also presided over the conclusion of successive democratic administrations. After his election in 1960, it took just over a year for dissatisfaction and unrest to culminate in his second overthrow at the hands of the military. His vice-president, Carlos Julio Arosemena Monroy, stepped in as president in Velasco Ibarra’s place. In a Cold War world recently shaken by Fidel Castro’s repeated successes in creating a communist Cuba, Arosemena Monroy made the mistake of “attempt[ing] to pursue an independent foreign policy—in particular, by refusing under heavy pressure from the United States to break relations with Cuba” (Schodt 1987: 82). After less than two years in office, he was in turn the victim of a coup on July 11, 1963.

After these consecutive coups, the military established a junta to take direct control of the government in replacement of Arosemena Monroy. Unlike military rule in some other Latin American countries, Ecuador’s military juntas have traditionally sought reformist objectives. The 1963 junta quickly began pursuing efforts to concentrate and increase governmental power through the simplification and centralization of what had
evolved over the years into a byzantine tax structure. Personal income tax was introduced, but from 1964 to 1968 over 1,100 taxes were eliminated or consolidated (Schodt 1987: 83). The expected growth in the national government’s ability to operate effectively was to be translated quickly into successful reform in other sectors of Ecuadorean society, chiefly the agrarian sector. Even after a fairly steady rural-to-urban migration throughout the first decades of the twentieth century, Ecuador still had a much more rural population than many other Latin American countries in 1963. Additionally, when compared to its regional neighbors, Ecuador’s distribution of land stood out as particularly unequal in a region plagued by distinct inequality in land ownership.

Both of these efforts predictably alienated a wide array of elites. The wealthy of Guayaquil and the coastal region viewed the tax reforms as the theft of their regional wealth “to support a parasitic central government” (Schodt 1987: 83). Meanwhile, the landed elite of both the coast and the highlands were hostile to any effort to reallocate any of their property. Successful implementation of reform proved as difficult as it had always been in Ecuador. The authoritarian junta made little effort to offset opposition by seeking to build support among potential beneficiaries, suffering from what Schodt calls a “fairly technocratic vision of government” (1987: 85). Without what counterbalance such political or popular support may have offered, elite opposition effectively manipulated events to thwart the military’s efforts. Public opinion quickly turned sour as results failed to appear. Choosing not to strengthen its hold on power by force, the junta stepped aside in March of 1966 to allow the return of civilian rule. Clemente
Yerovi Indaburo presided as interim president over the creation in 1967 of a new constitution. On its way out, the military set in place the “Plan for the Juridical Restructuring of the Nation,” a three-part program which would result in the new constitution being chosen from three alternatives via popular plebiscite (Hurtado 1980: 298).

With a new constitution in place, presidential elections were held in 1968. Velasco Ibarra swept out of exile in Argentina “to head his usual heterogeneous coalition of opportunistic supporters” to electoral victory (Schodt 1987: 86). He quickly became frustrated with the weak executive branch crafted by the 1967 constitution, hamstrung as it was by a return of tax and public institution control to literally hundreds of autonomous entities. This problem was further exacerbated by a hostile Congress and unsympathetic courts, both of which blocked Velasco Ibarra’s efforts to consolidate control and move forward with basic governance of the country. Military rule followed by 1970, although this time it was Velasco Ibarra who assumed dictatorial powers. This state of affairs in turn lasted less than two years.

The return of the military

At the same time that Ecuador’s government was proving spectacularly inept, the country found itself on the verge of becoming a major oil exporter. Petroleum had been a known resource in Ecuador for most of the twentieth century, but when the Trans-Andean Pipeline was brought online in 1972 Ecuador had found its next great revenue
source. The imminent oil boom in Ecuador also sparked a military coup that deposed Velasco for the last time. This would seem to offer a contradiction to the hypothesis of economic gain creating stability; however, Velasco had already alienated nearly the entire country prior to the military’s move. His political strength was always based in populism and tenuous alliances of convenience. Even his supporters in any given election were rarely more than tolerant of Velasco Ibarra. Thus, when moves such as “assum[ing] dictatorial powers in June 1970...,”(Corkill and Cubitt 1988: 21) upset the general populace, Velasco was left with no support base at all. Other issues led to acceptance and even support of the coup as well. Citizens in the region in the early 1970s were admiring the works of a progressive and reformist military government in neighboring Perú (Corkill and Cubitt 1988: 22-23). A military government was thus capable of taking over in a much more receptive atmosphere than may have otherwise been the case. No less important, both to the military officers and much of the general population, civilian government had proven it would be utterly incapable of handling the new national wealth from oil in a positive way.

On the 15th of February 1972, General Rodríguez Lara led a coup and Velasco Ibarra fled to Argentina. It had been less than a decade since the 1963 junta had taken control of Ecuador to seek reform, and only half that long since the military had in exasperation bowed to demands for a return to civilian rule, but Rodríguez Lara and the armed forces had reached new heights of disgust with Ecuador’s civilian political games. This time,
“it would have to be different... there would be no temporary interventions just in order to turn power over to the same old politicians, the same old parties” (Fitch 1977: 179).

This new military regime held fresh in its mind the extensive criticism the 1963 junta had been subjected to in its final years. With a renewed resolve to create a stronger Ecuador, the government set forth a development plan for 1973 to 1977 which centered around greatly increased state participation in the economy (Schodt 1987: 116). Their ambitious expansion of the state’s role in stimulating growth was a crucial foundation to making longtime dreams of reform a reality. There were plans for changes in the domestic tax structure (which, under the 1967 constitution, had mostly reverted to its complicated pre-1963 junta setup), agrarian reform, housing, education, and health programs. Mindful of “...allegations that the 1963 military junta had forfeited the country’s patrimony in exchange for foreign loans...”(Schodt 1987: 116), Rodríguez Lara’s government also set out to put a much more nationalist and assertive face on its oil industry (Corkill and Cubitt 1988: 27-28). This seemed to begin well when Ecuador became a full member of OPEC in November of 1973, but it was a short lived optimism. Moves such as the creation of the Corporación Estatal Petrolera Ecuatoriana (CEPE, a state-owned oil company) and demands that CEPE be given a majority stake in foreign oil operations within Ecuador created a unified opposition among foreign oil companies. These companies responded by “boycotting new exploration bids,” (Corkill and Cubitt 1988: 28), among other actions. Such events combined with a slight recession among the developed countries importing Ecuadorian oil to force a drop in oil export revenue
from $527 million in 1974 to $516 million in 1975. Disappointments like this were a more general theme of the military rule in the 1970s. Agrarian reforms were promised, but Rodríguez Lara’s government proved as incapable as every other when it came to bringing results. Twenty thousand families benefited from agrarian reform acts, but “...this was only a tiny proportion of the rural population...” (Corkill and Cubitt 1988: 35) and much, much more had been promised. Ecuador also proved to be vulnerable to the temptation of responding to oil windfalls by greatly increasing government expenditure. The theme, as in so many cases, was that “Development was to be promoted by ‘sowing the petroleum’ which would provide the investment capital for the government’s ambitious plans to build up infrastructure and agricultural, industrial, and social projects,” (Corkill and Cubitt 1988: 25). The result was less grand. In addition to unrealized reform and development goals, heavy foreign investment led to a growing debt. By the end of the decade, over one-fifth of Ecuador’s budget was going to debt servicing (Corkill and Cubitt 1988: 33).

As the 1970s progressed it became clear that optimistic outlooks on what Rodríguez Lara’s government could accomplish were not going to become the reality. Domestic unrest rose accordingly, with organized labor demonstrations in 1975 and 1976. The military junta sided with employers, and reacted to labor mobilization “...by banning political demonstrations...and outlawing ‘subversive activities, strikes and anti-government campaigns” (Corkill and Cubitt 1988: 40). Clashes resulted in massacres of strikers by police. One such instance in October of 1977 left approximately one hundred
dead. In 1976 unrest manifested itself in a different manner when a military triumvirate replaced Rodríguez Lara against his will. By 1978 the military was pressured from most sectors of Ecuador into moving toward elections. This heterogeneous foundation for the transition led to the first presidential campaign being heavily manipulated by a number of diverging interests, including the triumvirate itself. Despite the meddling of elites interested in a constituent assembly “which...undoubtedly dominated by elite groups, would select the next president” (Schodt 1987: 128), the transition back to democracy was at least somewhat legitimate. Again, the new constitution was chosen by voters from two options, and the 75% participation rate among eligible voters gave the choice of constitution formation process tacit approval (Schodt 1987: 129).

A troubled return to democracy

The triumvirate’s least desired candidate, Jaime Roldós, still won and the military honored the results. Roldós took advantage of continued high oil profits to enact his own reform plans, and quickly “styl[ed] himself ‘president of the poor’,” (Corkill and Cubitt 1988: 46). An unusually bitter personal enmity between Roldós and Asaad Bucaram, his former mentor and another perennial powerhouse on the Ecuadorean political scene, developed to epitomize the difficult years Roldós experienced as president. Roldós began the race as a stand-in candidate for Bucaram’s Concentración de Fuerzas Populares (Concentration of Popular Forces, or CFP) due to Bucaram being specifically prohibited from running by the triumvirate. When he increasingly distanced himself from Bucaram during the course of the campaign, events were set on a course
that led to an open split in CFP: “Bucaram, in one of the bewildering displays of ideological inconsistency so characteristic of traditional Ecuadorian politics, entered into negotiations with rightist politicians to try to block Roldós from taking office” (Schodt 1987: 140). Unsuccessful in this, Bucaram then maneuvered himself into taking direct control of Ecuador’s congress by becoming president of the Chamber of Representatives (Schodt 1987: 140). Bucaram was able to effectively antagonize Roldós’s administration by manipulating traditional political rivalries based around geographical divisions. Roldós and Osvaldo Hurtado, his vice-president, found their efforts at reform, modest though they had been, completely stonewalled by the hostile Congress even during a resurgence of oil revenue in 1979.

Government policies were forced to the right when oil revenue began to disappear, and the popular response was not pleasant. Though systemic reform had always proven beyond any government’s grasp, Ecuador’s rulers had thrown enough money into social welfare programs to make aid the status quo. The political affairs of Ecuador were thrown into further disarray when on May 24, 1981, Roldós died in a plane crash. Hurtado stepped into the presidency opposite a still-chaotic but largely hostile Congress. Although those relations became more civil following Bucaram’s death in November of 1981, Hurtado faced greater opposition than his predecessor from business leaders around the country. Hurtado had been a prolific writer and academic for much of his life, and his literature reflected a longtime commitment to reform and values bordering on socialism. Business interests found much to be wary of in Hurtado, and obstinately
combated his every move just as Bucaram had done to Roldós in Congress. Despite a
continuation of moderation in his fiscal and reformist proposals, his time in office was
marked by constant uproar throughout Ecuador. In late 1982 strikes and protests became
so pervasive that a state of emergency was declared (Corkill and Cubitt 1988: 52).
Democracy narrowly avoided several plotted coups, and elections were again held in
1984. The conservative businessman Leon Febres Cordero emerged the winner.
Unfortunately, Febres Cordero proved no more capable of establishing a cooperative
relationship between the executive and the legislature. In this atmosphere components
of the military once again revolted, though unsuccessfully, on March 7, 1986. The
continuing hostility inside Ecuador’s government was subsequently made manifest when
Gen. Frank Vargas Pazzos, the leader of the rebellion, was brazenly pardoned by
congress (Pineo 2007: 202-3).

Rodrigo Borja succeeded Febres Cordero as president, serving from 1988-1992. He and
his elected successor, Sixto Durán Ballen, held on as Ecuador suffered the same
problems it had for some time—a troubled economy, rising debt, and a lethargic
governmental system. Still, this period since the election of Roldós at least marked an
unprecedented four consecutive democratically elected presidents, all of whom had
completed their terms in office (recognizing that Hurtado had to finish Roldós’s term
following his untimely death). The 1996 elections at the conclusion of Durán Ballen’s
term brought Abdalá Bucaram to office. His uncle had been the very Asaad Bucaram
who had begun the troublesome tradition of executive-legislative power struggling. As a
candidate who embraced the nickname *el loco* (the crazy man), Abdalá would prove to be an even greater trial for democracy in Ecuador.

*Challenges to democracy*

Bucaram campaigned his way to victory by pitching himself to Ecuador’s poor majority. He built his platform on being “like them... a person of color, someone despised by the elites” (Pineo 2007: 205). To complement such self-depictions, he repeatedly went on unpredictable and strange tangents, often breaking into song or appearing at stops dressed as Batman. Bucaram would even “boast of his sexual virility” in bizarrely explicit detail—*el loco*, indeed (Pineo 2007: 205). Much more importantly for the next few years, he railed against neoliberal policies and the Washington Consensus. Austerity measures which had been introduced by president after president since the early 1980s were condemned and repeals promised.

Of course, Ecuador’s economic woes and heavy foreign debt did not disappear with Bucaram’s inauguration. It did not take long for Bucaram to launch his own “neoliberal austerity program” (Pineo 2007: 206). When this seeming betrayal of his base was combined with Bucaram’s dubious status as far and away the most corrupt leader Ecuador had seen in decades, it took less than a year for millions of citizens throughout the country to begin striking in protest against him. People took to the streets on February 5, 1997. The following evening, congress passed a measure essentially removing Bucaram from office for being clinically insane. Rather than have Bucaram’s
vice president Rosalía Arteaga take over as the constitution dictated (and as the US was strongly pressuring them to), congress then compounded its dismissal of constitutional procedure by voting to install Fabián Alarcón as interim president. Within a period of a few days, the congress had taught Ecuadoreans who were paying attention a couple of key lessons. The impact of these would prove to be far-reaching, as the rest of this section will show.

First, mass mobilization as a manifestation of dissatisfaction with an administration could create immediate results. Second, Ecuador’s constitution at any given time could easily be treated as little more than a collection of strong suggestions. In fact, within a year a plebiscite called for the creation of yet another constitution, the country’s eighteenth. Though many had preceded it, they had invariably been created at major transition periods; civilian to military, or the reverse. Just how damaging these arbitrary actions, which the US Ambassador to Ecuador at the time called “a farce” (Pineo 2007: 209), were to democracy in Ecuador has become increasingly apparent over most of the following decade. The first president elected under the new constitution, Jamil Mahuad, took office just as Ecuador’s consistently weak economy truly fell apart. In January of 2000, he was overthrown by a coalition of junior military officers and, in a groundbreaking development, indigenous Ecuadoreans. The Junta of National Salvation was formed to replace Mahuad, and then immediately circumvented by more senior officers motivated by threats from the US Ambassador to financially isolate Ecuador if democracy were not restored.
The Generals forced Mahuad’s vice president, Gustavo Noboa, into the presidency for the remainder of the term. The next election held echoes of Hugo Chávez’s successful 1998 campaign in Venezuela, as Lt. Col Lucio Gutiérrez moved from a primary role in the Junta of National Salvation’s original coup to victory through votes. His term followed a now-familiar pattern. Gutiérrez swept into office in 2003 with strong anti-neoliberal rhetoric, and quickly enraged the public by installing a whole new system of austerity measures as soon as he was inaugurated. By 2005, restive groups were again beginning to take to the streets. The *Forajidos* (bandits)—a name the anti-Gutiérrez movement embraced after the president labeled them so—spread even more rapidly than in the past by utilizing modern technology such as text messaging (Larrea 2009: 24). Before long, hundreds of thousands began choking the streets of Quito. Counter-demonstrations orchestrated by the Gutiérrez administration led to limited violence, and on April 20th Gutiérrez was forced to ignominiously flee the presidential palace and seek asylum in the Brazilian embassy (“A Coup b...” 2005).

Alfredo Palacio, vice-president at the time of Gutiérrez’s ouster, stepped in until 2007 to finish the current term. Palacio utilized his two years in office to shift Ecuador away from a focus on debt repayment and back toward programs of social aid. Such a move was made easier by international oil prices continuing to trend toward unprecedented highs, a trend that would not reverse until the waning months of 2008. As an indicator of his administration’s new fiscal direction, Palacio brought in a new economic minister by the name of Rafael Correa.
Well known as a leftist opposed to Ecuador’s adoption of the US dollar (“After the…” 2005), Correa’s appointment was met with initial unease from both domestic and foreign financial players. As he proved to be the Palacio Administration’s strongest proponent of shifting growing oil revenue from debt repayment to social expenditure, unease coalesced into growing pressure for his removal. Correa only lasted four months into Palacio’s presidency as the economic minister before Palacio bowed to the pressure, but not before he had indelibly linked his name and image to a fight for the common person of Ecuador. He had demonstrated a willingness to actually act out the empty rhetoric that had been spouted by so many campaigning politicians in Ecuador for decades—a proud, nationalistic emphasis on placing Ecuadorians before Western investors. As election campaigning began the following year in 2006, this was reflected by Correa’s strong presence in polls throughout the months leading up to election day.

From the start of his official bid for the presidency, Correa cultivated the strong, nationalist image. In Latin America, one of the simplest methods for successfully doing this is by finding ways to visibly distance oneself from the US. It is a tactic heavily utilized and abundantly clear in Chávez’s years as President of Venezuela. Its salience to both Correa and Chávez should not be taken lightly, and will be discussed in greater detail later in this thesis. Correa began with pushes for social spending, and during campaigning added his insistence that the US would not be allowed to renew its lease on a military base in Manta (“An Enigmatic Leftist…” 2006). At the same time he set himself apart from competitors by championing the idea of holding a constituent
assembly to draft yet another constitution, a shrewd move for anyone hoping to tap into what was obviously broad dissatisfaction with Ecuador’s governmental business as usual—exemplified by the key role of mass demonstrations in the early removal of the past three elected presidents. At the same time Correa’s party, Movimiento País, loudly spurned the idea of running candidates for the “sewer” (Conaghan 2007: 80) of Ecuador’s Congress, a strategy with interesting long-term implications if a president is truly committed to reform through the structures of democracy.

When election day arrived, Correa made it to a runoff by placing second in a wide field of thirteen candidates from various “populist and personality-driven parties” (Conaghan 2007: 79). Although still politically alive, the Correa campaign was startled by their early loss to another candidate. Alvaro Noboa, a Guayaquileño and Ecuador’s richest citizen, had earned 27% of the first-round vote to Correa’s 23% (“Noboa Set...” 2006). Correa proved to be a quick student of Ecuador’s personalistic politics as the runoff election loomed. He took a page directly from Noboa’s campaign, which had been championing populist promises of “a million new jobs, 300,000 new homes each year, and... millions of dollars in loans to small businesses” (Conaghan 2007: 79) to offset his public commitment to the vitality of continued foreign investment. Similar promises began to appear from Correa, bringing his platform much closer to the center. With distinctions blurred, campaigning shifted from the issues to factors of charisma and smear campaigning. Correa’s relative youth and vitality pushed him ahead as the runoff election date approached. Interestingly, Noboa’s strategy to drive votes back his way
revolved around the smear tactic of calling his opponent “a Chávez loving communist,” and “accus[ing] Correa of receiving campaign funds from Chávez” (Conaghan 2007: 80).

Unfortunately for Noboa, these were not the most effective arguments to offer to Ecuador’s voters. Latinobarometer includes a question each year that gauges opinion on various regional and world leaders—“I am going to list a number of leaders of foreign countries. I want you to evaluate them on a scale from 0 to 10, in which 0 means “very bad” and 10 is very good, or do you not know the person well enough to respond?” (Latinobarometer 2008). Figure 2 on the next page shows the Ecuadorian respondents’ opinion of Chávez. Survey data for the actual campaign year, 2006, is unfortunately not available. Still, the general picture from the surrounding years is sufficiently clear to show that Ecuadorians are not overwhelmingly opinionated about Chávez. One can trace a negative trend from 2007 to 2008, but this would have had no impact on the 2006 election.
Correa emerged victorious with a resounding 57% of the vote. Like any of a number of populist candidates who had preceded him to the Presidency, Correa now faced the challenge of reconciling the diverse tactics and pledges that had successfully brought him to that point. His record at accomplishing this will be discussed later. Before moving to contemporary dynamics, however, it is worth taking a moment to review the interplay of Ecuador’s unique economic and geographic characteristics, and the impact they have had on the events reviewed up to this point.

**Economic and geographic influences**

*Economics*

For the vast majority of its history as a Spanish colony and independent country, Ecuador has had a rural, agricultural economy. While this could be said of most of
Spain’s former colonies in Latin America, Ecuador stands out for having stubbornly resisted modernization longer than most of its neighbors. Fertile lands and relative isolation from much of the world offered very little impetus for change, until the 1914 completion of the Panama Canal (Hurtado 2010: 82). Improved access to lucrative markets such as Europe and the US’s east coast led to a peak in 1914 of Ecuador’s cacao exportation, the first of several single export products to utterly dominate Ecuador’s economy. ‘Dutch Disease’, discussed in the literature review, has been a perennial challenge to Ecuadorian political stability. Cacao had already become the staple of Ecuador’s exports in the final decades of the 19th century, and still made up to 70 percent of the country’s total export value for the first twenty-two years of the 20th century (Schodt 1987: 36). By 1922, however, favorable conditions had been steadily declining for some years. The growth rate of world demand for cacao seriously slowed with the advent of World War I, and at the same time, increased production and competition dropped cacao’s market price from 50 cents to 19 cents in one year (Schodt 1987: 40).

Although brief, the cacao boom quickly raised general social expectations. The wealthy landowning elite which reaped the vast majority of the benefits from cacao revenue had a growing urban working population to contend with for the first time in Ecuadorean history. Organization and mobilization of labor was not a major phenomenon at this point, but by November of 1922 the crash of the cacao boom did spur “Ecuador’s first mass urban protest,” in Guayaquil (Schodt 1987: 42). Thus, Ecuador’s quick acceptance of cacao as the foundation of an entire economy became something of a double-edged
sword. Originally the multi-decade boom opened the door for the success of the Liberal party at the turn of the century, and by extension the first tentative efforts at democratization. However, cacao’s decline by the 1920s showed the vulnerabilities of such an economic model, not least the social unrest that can so easily follow recession. These two facets of Ecuador’s single-export dependence offer a pattern that can be traced through the following decades as well.

The country staggered through a turbulent period of economic misfortune, but it was not long before fortuitous (for Ecuador) developments in the international banana market began to open the way for an Ecuadorean boom in banana exportation. Traditionally a minimal contribution to export revenue, the proportion of total export revenue that came from bananas began to rise following the appearance of United Fruit Company in 1933. Following World War II, however, the dominance of bananas really took hold. Production grew steadily from 1947 to 1955—increasing 800 percent in that time (Schodt 1987: 56). Ecuador’s government quickly embraced this new export staple with open arms, displaying either an inability to learn from the recent cacao decline or a lack of desire to do so. The short-term but undeniable benefits of buying off any potentially dissatisfied region or social component of the country, regardless of location, motivation, or demand, were made manifest by the successful 1948-1960 democratic effort.
Ecuador’s dominance of the global banana market was fleeting. By the end of the 1950s, Central American producers such as Guatemala had recovered from their earlier troubles to offer serious competition for the world market. Prices subsequently dropped. Simultaneously, the plant diseases that had weakened Central America’s banana exports and opened the door for Ecuador in the first place began to become regular problems for Ecuadorian farmers as well (Schodt 1987: 60). In only a few years of booming exportation, Ecuador’s leaders had set up the country’s economy to depend on continued rapid growth. These slowing factors meant that, even as gross domestic product continued to increase, the “relative stagnation and increased instability that set in after 1955,” (Schodt 1987: 60) created serious problems. Again, these problems are exhibited by upheaval in the 1960s—transitions back and forth between military and civilian leadership.

The next, and greatest, false source of stability would be oil. Ecuador’s oil production dates back to 1918, but did not become a major factor in the Ecuadorian economy until the Trans-Andean pipeline began moving crude oil in 1972. The lucrative global market for petroleum made it quickly become the apex of single-export dependence in Ecuadorean history. By the end of 1972, petroleum was already about a quarter of Ecuador’s total export value ($60 million out of $243 million). By 1975 it had grown to constitute over half ($516 million compared to $373 million from non-petroleum exports) (Ghanem 1986: 65). This proved to be a fortuitous time to develop a growing dependence on oil, as international events led to large global price increases. The
Rodríguez Lara regime made vague attempts to create policies that would “sow the seeds of oil”, the eternally popular metaphor for so many oil-exporting countries (including Venezuela). Although the military leaders and others at times indicated an understanding of the pitfalls that could arise from relying too heavily on oil revenue, hence the rhetoric on sowing the oil, Rodríguez Lara and his successors were entirely unsuccessful in avoiding those dangers. The military regime attempted right from the start to address a number of criticisms the last military government had faced. The nationalistic tone that followed quickly alienated foreign oil company investment and interest in the country. At the same time, unreliable oil revenue meant that foreign involvement was quickly made more and more essential by the public aid programs the regime was simultaneously pursuing. The two endeavors were not compatible.

Rising oil prices in the 1970s, along with heavy use of foreign loans, made up the difference in stagnant production for a time. Serious problems lay just under the surface, though. Foreign debt spiraled out of control, and just as petroleum reached new heights of dominance in the Ecuadorian economy in 1982, comprising 65% of the country’s export revenue—and more tellingly, “financing approximately 40 percent of public-sector expenditures” (Schodt 1987: 110-1)—the price also peaked. The following year, export prices fell from $32 a barrel to $27, even as oil gained another 7% of total share of export earnings. World oil prices remained low throughout the 1990s. Dissatisfaction had prompted the shift back to civilian government at the conclusion of the 1970s, and the string of elected presidents that followed each took their turn facing the necessities of
austerity policies to combat a listless economy and major foreign debt payments. While the peculiarities of President Bucaram resulted in the upheaval described earlier, years of falling government subsidies had created an unstable situation just waiting to be set off.

Geography

Like Venezuela and several other Andean neighbors, Ecuador’s unification as a nation has been historically challenged by sharp diversity in terrain, among other factors. Ecuador has four distinct geographical regions: the Galapagos Islands off the northeastern coast, the littoral coastlands in the west, the mountainous sierra highlands which dominate the center of the country, and the much less populated but quite large oriente comprised of Amazon rainforest in the east. Population concentrations have made the littoral and sierra the dominant political competitors in Ecuador’s history, centered around the port city of Guayaquil on the coast and the capital city of Quito in the highlands. With little in the way of dominant political parties, the competition between these two regions has often taken a much more personal approach. From election to election, the country chooses between individuals as individuals—albeit with reciprocating regional loyalties—rather than representatives of well-formed parties with clear and dependable platforms.

Beginning with the cacao boom, the three waves of major economic growth spurred by the advent of a specific export each contributed to domestic shifts in population concentration. As with most industrializing and modernizing countries, the trend has
been rural-to-urban migration. Ecuador’s population dynamics through the twentieth century did indeed follow the general outline of many of its neighbors—industrialization and urbanization, followed by rising discontent and political mobilization of the overcrowded masses for which “the urban environment,” served to bring “...them into contact with other individuals experiencing the same problems” (Hurtado 1980: 195). For Ecuador, however, urbanization remained a relatively slow and less total process than it had been in other Latin American countries.

Still, the political awakening of what Hurtado called “the marginal masses” (Hurtado 1980: 196), itself a consequence of urban migration, resulted in the advent of populism in Ecuador in the 1950s and on. Populism, embodied so well in the persona of Velasco Ibarra, has undoubtedly contributed strongly to Ecuador’s political instability. Ecuador’s increasingly expectant population—conditioned by the shortsighted generosity of the government in the various boom years—has, over the past century or so, proven quite responsive to magnanimous and bold campaign promises. The inherent problems in the populist approach “only appear after a movement of this type has triumphed politically, when in the exercise of government it is unable to respond to the expectations awakened by the demagogue during the electoral campaign” (Hurtado 1980: 209).
These geographic and economic factors have left an indelible mark on Ecuador’s history, and they will continue to remain influential into the near future. The current course of Ecuador will now be reviewed through a look at President Correa’s time in office.

**The current administration**

President Correa’s time in office is much less publicized and debated on the international stage than his counterpart in Venezuela. This can be attributed in part to the length of the respective administrations, as Chávez has been leading his country for ten years as opposed to Correa’s three. Another contributing factor, though, is the quieter style of Correa. Ecuador is a country with many challenges—economic, social, etc. Correa’s attention is by necessity focused largely on such domestic issues, with less time or ambition remaining to stir up global controversy.

His government “veers between social democracy and a more autocratic, radical brand of leftism” (“Correa and the...” 2009). Correa has been much quicker to embrace “21st Century Socialism” as the country’s goal than Chávez was. This has been incorporated into the country’s 20th constitution, which Correa successfully championed to implementation from 2007 to July of 2008, by the declaration of a “social and solidaristic economy” (“Ecuador: The Good...” 2008). Correa has maintained a high level of popularity through most of his time in office by implementing liberal social spending. Not unlike its counterpart in Venezuela, the government’s expanded social programs are heavily dependent on oil revenues. The Correa Administration’s focus on
maximizing short-term benefits is also evident in Ecuador’s default on much of its debt in late 2008 (Chauvin 2009). Unacceptable elements of corruption and unfair play within the terms of the debt repayments were cited as the justification for cancellation of payment, a perspective that is predictably debated and internationally controversial (“Ecuador’s Debt…” 2009). Regardless of the veracity of those claims, the future implications for Correa’s ability to attract foreign investment will not be positive.

Although his electoral success in April of 2009 made Correa the first Ecuadorian president to be reelected to a second consecutive term in over a century\textsuperscript{2}, the complicated and often conflicting demands of governing Ecuador are becoming more apparent. Faced with declining oil revenue—such a keystone to his ambitions—Correa has begun to look elsewhere for options. The unilateral debt restructuring just discussed can be interpreted as one such move. His administration has also begun to champion a major expansion of gold, silver, and copper mining within Ecuador. It is believed that there is considerable potential for mineral mining to become a lucrative revenue source; however, pursuit of this endeavor has placed Correa at odds with many of the social movements which have supported his elections and the passing of the 2008 constitution. Some former supporters see in his call for a reinvigorated mining industry a betrayal of the anti-neoliberal rhetoric which drew so many of them to vote for Correa in the first place (Dosh and Kligerman 2009: 23). His reaction has been to dismiss dissenting

\textsuperscript{2} The creation of the 2008 constitution led to a new presidential election in 2009. Thus, Correa’s first term and subsequent reelection occurred on an abbreviated time scale.
individuals and leftist movements as “childish environmentalists” (Dosh and Kligerman 2009: 22).

This is the central dilemma that Correa now faces: his political rhetoric and social programs have simultaneously created a need for steady revenue and helped to legitimize opposition to exploitation of the best options for revenue that Ecuador currently has—mineral and resource extraction. *The Economist* estimates that Ecuador’s government will require four billion dollars of borrowed foreign capital to meet the demands of its current budget (“Smile Turns to…” 2010)—just as foreign investment has been discouraged by Correa’s nationalistic debt default a year ago. For the first time since taking office, Correa finds himself steadily losing approval from his constituents. His domestic approval rating fell in 2009 from 72% in January to 42% by November (“Smile Turns to…” 2010). The outcome of this dilemma is far from pre-ordained.

One can find certain parallels between Correa’s current situation and either of two examples from the recent past, leading accordingly to two very different conclusions. The political fate of the three Ecuadorian presidents preceding Correa has been documented already. Though Correa has already maintained his position considerably longer than any of his recent predecessors, three years still is not a long time. The same day that Ecuador’s government passed new laws friendly to mining, tens of thousands protested throughout the country (Dosh and Kligerman 2009: 23). When mass protests have arisen in Ecuador in the last two decades, the president’s days have been numbered.
That is not as evident here, in part because the protests mentioned above were not ‘mass’ on the same scale as those in earlier years. This indicates that those mobilizing are not nearly as universal a segment of Ecuadorian society as was the case earlier. Still, these tens of thousands are comprised of many of Correa’s own former voters—a troubling development for the future of President Correa’s success in office.

President Hugo Chávez’s early years in office could be selected as an alternate indicator of what may be in store for President Correa. We have seen that Chávez faced considerable domestic opposition in his first two or three years as president, culminating in the attempted coup of April 2002. Of course, he managed to weather those early storms and remains president over a decade after first being elected—with a highly disorganized opposition ever since 2002. The optimism for Correa that this happy ending might imply is problematic, though. First, Chávez circumvented much of his opposition through the employment and expansion of the misiones—social welfare programs, which Correa has already been using and gaining popularity from. Second, Chávez’s opposition was never from within his original target constituency—the poor majority of Venezuela. He was challenged through strikes and protests from Venezuela’s middle class, labor unions facing the prospect of nationalizations, and the traditional wealthy elite of his country. Correa undoubtedly must deal with ideological opposition from similar elements within Ecuador, and is now facing the prospect of alienating his own supporters.
Conclusion

Rafael Correa’s actions and rhetoric since becoming Ecuador’s president are reminiscent of his fellow leftist leader, Venezuela’s Hugo Chávez. Though both purport to guide their countries to the achievement of twenty-first century socialism, Correa finds himself in a much more difficult position to make that goal a reality. Ecuador’s history created an environment favorable to his election, but it also leaves Correa with many serious domestic considerations—from unreliable sources of revenue which are the foundation of Ecuador’s economy, to the habitualization of abortive presidential terms—which must be factored into any and every policy decision.
CHAPTER IV
LOOKING TO THE FUTURE

Attempting to discern the direction of US foreign policy toward Latin America in the near future is an endeavor that must rest on an understanding of the actors involved. The Latin American Left has already been introduced at length. Through a review of survey data throughout the region and a more in-depth look at the political currents which have brought Ecuador and Venezuela to their current positions, one vital lesson becomes apparent: any ‘rise of the Latin American Left’ is only identifiable as a unified movement in the loosest sense. This section will begin by providing the briefest of reviews of the United States’ history of involvement in Latin American politics, in an effort to underline the general patterns of ignorance and intervention which make the question of our future policy direction such a worthwhile one. Contemporary motivations for US policy within the region will then be discussed. Creating blanket policy decisions based on a superficial understanding which makes no effort to differentiate between the individual countries of the new Left in Latin America will yield unsatisfactory results. That being said, realistic limitations can lead one to expect that the Obama administration (and any which may follow in either 2013 or 2017) will at best manage to customize the manner in which general goals are pursued from country to country.
To illustrate the nature of this policy pursuit in action, the main feature of this section will revolve around application of Bueno de Mesquita’s predictive model, previously discussed in the Literature Review section, to policy issues currently existing between the two case study countries—Venezuela and Ecuador—and the United States. I will look at two specific issues. First, the model will be used to predict the future direction of Ecuadorian and Venezuelan relations with Iran. The second model will be used to predict the outcome of tensions between US economic interests and Correa’s and Chávez’s efforts to economically distance themselves from the US. This question will be framed primarily in reference to the future of the Bolivarian Alternative of the Americas, a small but growing regional organization built around shared anti-capitalist and anti-imperialist values.

Both issues will be approached for simplification purposes as a bargaining process taking place in a limited setting, with the United States and either Ecuador or Venezuela being joined by only a few other players in the game—i.e., four separate models will be run, two for each issue. Breaking them down in this manner will also underscore the differences between each country’s underlying motivations, and the effect of those differences on bargaining outcomes. The administrations of President Correa in Ecuador and President Chávez in Venezuela reveal how even the more rhetorically and ideologically similar leaders of the Pink Tide have risen to power in unique ways, and their countries’ divergent histories create distinct domestic pressures and influences. The key components of Bueno de Mesquita’s model—actors, their influential power,
their stated position on the issue at hand, and that issue’s salience to them—will be
determined and explained for each ‘game’ to be run through the predictive model. For a
reminder of the significance and background of each portion of Bueno de Mesquita’s
modeling, please refer back to ‘The Predictive Model’, found on page 11 under
“Important Concepts” in Chapter I. The explanation of assigned values within the model
will be followed by a discussion of the results.

**US history in Latin America**

If one focuses on the same period which was explored in greatest detail for the case
studies of Ecuador and Venezuela, then US intervention in the affairs of Latin American
countries is not immediately apparent. That is especially true when compared to the
decades surrounding the transition from the nineteenth to the twentieth centuries; starting
with the US jumping into Spain’s war with Cuba on questionable pretexts in 1898, the
US intervened militarily in Latin American countries over thirty times before the Great
Depression. US President Franklin Roosevelt’s Latin American policy reflected the
strong desire to stimulate the US economy by finding more markets to export US goods
to, and increase trade all around. The answer was the Good Neighbor Policy, which
sought to trade pledges of noninterventionism and noninterference in Latin American
affairs for preferential one-on-one reciprocal trade agreements with countries in the
region. Though it was not a cure for the Depression the policy was generally quite
successful, with sixteen agreements being signed by the time World War II erupted.
The paranoia of the Cold War quickly grew to dominate US policies following the conclusion of World War II. The reader can and should consider parallels between Cold War pressures and contemporary pressures on policy-makers from the Global War on Terror. Under the Truman and Eisenhower administrations, policy-makers decided that the world had entered a zero-sum game where either communism or democracy/capitalism would win only with the annihilation of the other ideology. With such a clear-cut battle line—victory or death—all priorities centered on preventing the spread of communism. This theory of containment was at the heart of the Truman Doctrine set out in the initial years of the Cold War. It did not take long to manifest itself in a US return to intervention and interference in Latin American affairs. While token effort was made to keep up pretenses of the Good Neighbor policy, covert and clandestine involvement in ‘anti-communist’ actions began with the 1954 overthrow of democratically elected Jacobo Arbenz in Guatemala. Other endeavors, behind the scenes to varying degrees, followed throughout the Cold War—the Bay of Pigs in Cuba, support for the ouster of President Allende in Chile in the 1970s, and the infamous School of the Americas, to name a few. The White House deliberations preceding these efforts are studied in depth by Michael Grow in his 2008 book, U.S. Presidents and Latin American Interventions. The evidence is compelling: concerns over perception—domestically within the voting public, and internationally among allies, enemies, and neutral states—played a vital role in compelling the various administrations to act (Grow 2008: xi-xii).
The authoritarian regimes that resulted at least in part from these US interventions, along with much older dictatorships in Nicaragua, the Dominican Republic, and other countries, generally enjoyed the support and backing of the United States for much of the Cold War. Their human rights records were atrocious, but that same repression made them staunch allies in anti-communist efforts. There is a popular quote that has been attributed to various US secretaries of state in reference to various Latin American dictators: “He’s a son of a bitch, but he’s our son of a bitch”. The sentiment is clear even if the source is not, and reinforces the theme of the time—stop the spread of communism at all costs.

The fall of the Soviet Union left US-Latin American policy without a guiding light throughout the 1990s. Specific concerns came and went, the greatest being the concept of a Free Trade Area of the Americas (FTAA) introduced by the elder President Bush and championed by President Clinton. Clinton’s successor seemed poised to replace this policy listlessness with a level of hemispheric dialogue and rapport not seen since the heyday of the Good Neighbor Policy. President George W. Bush chose Mexico as the destination for his first foreign visit, and hemispheric talks regarding the FTAA moved to a new level of optimism (Emerson 2010: 58). Listlessness and the absence of unified policy would indeed disappear early in Bush’s first term, but for entirely unforeseen reasons: the events of September 11th, 2001.
The result of the September 11th attacks was a return to the primacy of security considerations. Perhaps the best and most controversial example is the concept of preventive war, embodied by the 2003 invasion of Iraq.

**Actors**

Each of these three countries—Venezuela, Ecuador, and the US—has multiple actors interested in the outcome of the issues we will examine here. No dialogue between states exists in a vacuum; however, the model iterations run below will intentionally trade detailed accuracy for simplification. This means that each state will be considered a unified actor when the model is run. Additionally, only a few other actors will be included in each of the two issues. These external players will be given much simpler policy positions, and are only added in recognition of the inevitable importance of third party actors in any deliberation. For the Iran models Iran itself will be included, as will the Organization of American States—in a representational capacity to serve as an amalgamation of the Latin American countries not explicitly represented. For the ALBA models Venezuela will also be included as a player in Ecuador’s game, and Cuba and Bolivia will appear in both games to signify the mutually supportive nature of ALBA in the face of US pressure. Colombia—a traditional US ally, made all the more so by the regionally controversial military leases signed in 2009 between the two countries (“Bases Militares Dividen...” 2009)—will also be added to the ALBA models, to reflect the fact that the US does not act completely without support from states in the region. The pressures of domestic influences within each country—particularly the United
States and Ecuador—will be represented indirectly by their effect on the actors’ desired outcome and the salience attached to each issue. For each of the Presidents, political self-interest will be assumed to play a role in considerations.

The United States

In the United States, President Obama faces the necessity of factoring in the scrutiny of opposition politicians. Republican party officials stand eternally ready to highlight any perceived act of weakness in foreign affairs on the Obama administration’s part. The 2008 campaign actually illustrates perfectly the relationship between appearing tough and discussing Latin American policy. Thornton points out the uniformity of anti-Chávez talk throughout each presidential hopeful’s campaign, cataloging the various Republicans’ and Democrats’ efforts to outdo each other in tough rhetoric aimed at Hugo Chávez. For instance, Sen. McCain’s

“..campaign Web site featured an online petition calling for support in his quest to ‘stop the dictators of Latin America,’ and which called for the ouster of Chavez ‘in the name of democracy and freedom throughout our hemisphere.’ (To whom this petition would be addressed was unclear...)(Thornton 2008: 3).

The potential pitfall of perceived weakness continues to raise its head as a focal point of criticism for President Obama (Perle 2010), a revealing indication of the potential impact appearing weak may have on public opinion—and eventually votes.
Ecuador

Rafael Correa in Ecuador is in the most directly fragile position of the three primary actors, if for no other reason than the historically chronic ease with which his predecessors have found themselves prematurely removed from office. The implied pressures of this history originate from diverse sectors of his country, and give Correa a number of considerations to juggle. We have seen how indigenous leaders played a major role in mobilizing massive popular demonstrations which directly contributed to the ouster of three Ecuadorian presidents within the past twenty years. The Ecuadorian military, though hesitant to intercede in government after relinquishing control at the start of the 1980s, did act as an extension of the popular will in the three occasions just referenced. Correa himself has actually reinvigorated the concept of blurring the lines between civil and military affairs during his time in office. The new constitution of 2008 firmly established social and state-run business roles which “illustrate a strategy that utilises the military in a manner outside traditional security roles” (Avilés 2009: 1556). One must wonder how easy it is to shut that door once it has been opened; however, Correa’s leadership in creating the current situation reflects the lesser salience of military considerations as an influential factor.

Venezuela

The President of Venezuela is in the strongest domestic position of the three primary players. Chávez has been in power for a decade now, and his popular mandate has been confirmed multiple times through electoral victory. His military background and
aggressive demeanor toward surrounding himself in all branches of government with supportive and acquiescent personnel, combined with the disorganization of political opposition in Venezuela, leave him with few causes for serious hesitation when determining his preferred policies.

Case 1: Iran

An examination of Iranian influence in Latin America is marked by the ambiguities and contradictory views which define the commentary surrounding any contemporary, developing issue. What is not in debate is that Iranian diplomatic endeavors in Latin American countries have been markedly increasing in scope and frequency since current Iranian President Mahmoud Ahmedinejad was elected in 2005. Ahmadinejad has become a familiar face in Latin America within the last two years in particular. As his country’s efforts to pursue a nuclear program and US policy built around internationally isolating Iran make much of the world wary of seeking warmer relations, Iran has decided upon an aggressive foreign policy to counter and undermine US-led isolation efforts. As a consequence, state visits between Iran and Latin American countries have become a regular occurrence. Brazil, Cuba, Bolivia, Ecuador, and Venezuela have all played host to Iranian diplomatic visits. For Venezuela’s part, one can recall from previous discussion of the Chávez Administration’s Simón Bolivar National Plan that it places great weight on a strengthened alliance with Iran, among others—strategically, politically, and economically (“Friends in Low...” 2009). Additionally, promulgating ties between Chavez’s friendly neighbors—the ALBA countries, political implications to
be discussed in the following section—and Iran further enhances Venezuela’s regional leadership. The result has been countries such as Bolivia, Ecuador, and Nicaragua, “…increasing trade links, inaugurating diplomatic relations, establishing energy cooperation, promoting bilateral presidential visits, maintaining a common agenda which seeks to deal with the US presence, and supporting, to varying degrees, Iran’s nuclear plans” (Caro and Rodríguez 2009).

The potential viability of such a broad alliance is subject to debate; labels for it range from the chilling “Tehran-Caracas Nuclear Axis” (Stephens 2009) to the less alarmist “Axis of Annoyance” (Arnson 2008).

Foremost among the potential problems is the basic challenge of discovering what Venezuela and Iran actually have as common ground. From a variety of perspectives, the answer appears to be very little. From origins to long-term objectives, Hugo Chávez’s Bolivarian Republic and its quest for 21st century socialism is fundamentally different from Iran’s religious state. Chávez came to power through democratic election, while the true power in Iran—the Ayatollahs—took power through violent revolution. The resulting systems seem antithetical to one another: the prospect is of “an alliance between a leftist, socialist government and a conservative, theocratic one” (Kavon 2009: 80). Economically one also finds little to draw the two countries together, since both Iran and Venezuela have economies based on oil exportation. As such, joint trade or economic ventures are primarily justifiable for their symbolic value.
That symbolic value is desirable to supplement and justify international political goals. Converging diplomatic and foreign policy interests offer the firmest impetus for growing ties. This is still more than enough reason to take those growing ties seriously—for Venezuela, Iran, and outside observers. Both countries’ presidents espouse anti-imperialist, anti-US, revolutionary rhetoric. The dialogue reflects concrete global interests which serve to make Iran and Venezuela sufficiently suitable bedfellows; those interests for both countries’ leaders have been elaborated earlier. In practice, multiple applications of this concept can be found. For example, Venezuela’s 2006 bid for one of the rotating United Nations Security Council seats was supported by Iran; the favor was returned during Iran’s own bid two years later (Kavon 2009: 82). Of more direct interest: when the International Atomic Energy Agency submitted to the UN a condemnation of Iran for its nuclear program, Venezuela was one of only three countries to oppose its ratification—the other two being Cuba and Syria (Kavon 2009: 82).

The logic underlying these challenges to, and motivations for, growing Iranian relations with Venezuela can be applied with varying degrees of success to other Latin American countries, as well. Ecuador again provides an excellent example. In 2008 President Correa signed 25 bilateral trade agreements between his country and Iran while visiting Tehran, and as recently as November of 2009 talks were underway for Ecuador to seek loans from Iran to be used on hydroelectric power plants (“Iran and Latin...” 2009). Reciprocal embassies were opened in January 2009 (Caro and Rodriguez 2009); however, the potential for future strategic alliance, particularly of the sort which would
give the United States the greatest cause for concern, is more limited than in Venezuela’s case. President Correa’s interest in independence from US influence is more measured and qualified than the central role it plays for Presidents Chavez and Ahmadinejad. Furthermore Correa, unlike Chavez, has no vested interest in promoting Iranian ties within the region at large. Ecuador, Venezuela, and Iran are all members of OPEC; however, that connection is much less meaningful for Ecuador. Whereas that organizational tie has equated to a continuous working relationship between Venezuela and Iran since OPEC’s creation, Ecuador only became a member thirteen years later, in 1973—and withdrew its membership from 1992 to 2007 (Organization of Petroleum... 2008). César Montúfar (2008) from the Universidad Andina Simón Bolívar in Quito, Ecuador goes so far as to directly equate future prospects for Ecuador-Iran relations with the status of Venezuelan influence within Ecuador’s government, predicting in July of 2008 that the apparent diminishment of said influence would soon lead to the abortion of whatever trade relations had grown between Ecuador and Iran. Obviously relations have actually expanded in the ensuing months, but this could be reasonably attributed to a revival of Venezuelan influence.

Meanwhile, the United States, among others, is pursuing efforts to create as universal an isolation of Iran from the international community as can be achieved. The policy is clear, and developments within Ecuador, Venezuela, and other ALBA countries continue to move in the opposite direction. This presents a dilemma. The question, taking everything discussed thus far into account, is threefold. The first and most basic part is
already readily answerable: what would the United States prefer to see happen to Iranian-Venezuelan and Iranian-Ecuadorian relations? Second, and much more to the point: what, if anything, will the United States seek to do to affect change? Finally, what is most likely to actually unfold?

*Predictive model data*

The first and second questions are addressed separately below for Ecuador and Venezuela, and represent the significance of the numerical result that each ‘game’ will produce. These are general policy highlights, rather than a comprehensively detailed list of alternatives. Specific reversals of position from one outcome to the consecutively lower one are in bold. The value of 100 represents the ideal outcome supported by the United States, while 0 represents a continuation of the status quo—the ideal outcome supported by President Chávez. Table 1 has the list of outcomes for Venezuela’s case.

<table>
<thead>
<tr>
<th>Numeric Value</th>
<th>Policy Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100</td>
<td>Venezuela condemns Iran’s nuclear program; supports sanctions against Iran; calls for OAS and ALBA to do the same</td>
</tr>
<tr>
<td>80</td>
<td>Venezuela condemns Iran’s nuclear program and supports sanctions</td>
</tr>
<tr>
<td>60-70</td>
<td>Venezuela condemns Iran’s nuclear program, <strong>does not support sanctions</strong>, but breaks most political alliance ties with Iran</td>
</tr>
<tr>
<td>50</td>
<td>Venezuela condemns Iran’s nuclear program, does not support sanctions, <strong>seeks to maintain alliance with Iran</strong></td>
</tr>
<tr>
<td>25</td>
<td>Venezuela is neutral and silent on the issue of Iran’s nuclear program, but maintains alliance with Iran</td>
</tr>
<tr>
<td>10</td>
<td><strong>Venezuela is supportive of Iran and Iran’s nuclear program</strong>; refrains from encouraging allies to do the same</td>
</tr>
</tbody>
</table>
Table 1 Continued

<table>
<thead>
<tr>
<th>Numeric Value</th>
<th>Policy Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Venezuela continues on current path; continues to vocally support Iran and Iran’s nuclear program; pushes allies to do the same</td>
</tr>
</tbody>
</table>

Table 2 has the comparable spread of potential outcomes for relations between Ecuador and Iran.

<table>
<thead>
<tr>
<th>Numeric Value</th>
<th>Policy Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>Ecuador breaks ties with Iran; supports nuclear-related sanctions; encourages fellow OAS and ALBA members to do the same.</td>
</tr>
<tr>
<td>80-90</td>
<td>Ecuador breaks ties with Iran; supports sanctions; calls for neighbors to do so; in return US offers promise to give preferential financial aid and investment if needed</td>
</tr>
<tr>
<td>60-70</td>
<td>Ecuador breaks ties with Iran; supports sanctions; does not call for neighbors to do so; US offers promise of economic aid/investment</td>
</tr>
<tr>
<td>50</td>
<td>Ecuador breaks economic ties with Iran in return for US aid/investment; condemns Iran’s nuclear program but neutral on sanctions</td>
</tr>
<tr>
<td>40</td>
<td>Ecuador stops developing further trade and diplomatic relations with Iran; condemns Iran’s nuclear program but unsupportive of sanctions</td>
</tr>
<tr>
<td>30</td>
<td>Ecuador stops developing further trade and diplomatic relations with Iran; neutral on Iran’s nuclear program</td>
</tr>
<tr>
<td>10</td>
<td>Status quo: Ecuador continues to gradually develop trade and diplomatic relations with Iran; neutral on Iran’s nuclear program</td>
</tr>
<tr>
<td>0</td>
<td>Ecuador aggressively seeks a stronger, more comprehensive alliance with Iran; turns to Iran as source of financial loans and investment; neutral on Iran’s nuclear program</td>
</tr>
</tbody>
</table>

Overlap exists between US interests in each case, but in Ecuador’s situation financial and economic demands become a factor. The other primary difference is the position of the status quo. In Venezuela’s case, the status quo is essentially already the most
extreme scenario actually being supported by one of the actors. For Ecuador, current trends indicate a willingness to move from the status quo to a position even more distasteful to the United States.

The other numerical values required to run the Iranian models are summarized in the next two tables. First, the Venezuela-Iran model is laid out in Table 3.

<table>
<thead>
<tr>
<th>Table 3: Venezuela-Iran Actor Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actor</td>
</tr>
<tr>
<td>USA</td>
</tr>
<tr>
<td>Venezuela</td>
</tr>
<tr>
<td>Iran</td>
</tr>
<tr>
<td>OAS</td>
</tr>
</tbody>
</table>

The United States boasts the greatest potential power available to bring to bear on the issue—economic, diplomatic, military—and therefore receives the dominant influence rating. However, President Obama has plenty of other issues which take priority. For Venezuela and Iran, salience on the issue is much higher than it is for the US. Venezuela has placed long-term, strategic significance to relations with Iran, and Iran has definite interest in maintaining ties with one of the only states willing to oppose UN condemnation of its nuclear program. The Organization of American States is given a higher influence in order to make up for the Latin American states not represented in this
model. The OAS itself is quite explicit on the subject of nuclear weapons. In a resolution from the 2009 General Assembly, the OAS resolved “To reaffirm its commitment to continue striving for a disarmament and nonproliferation regime that is universal, genuine, and nondiscriminatory in every aspect” (Organization of American… 2009: 20). As such, it can be placed in a position deemed disapproving of support for Iranian nuclear ambitions. The issue is far from salient, though, and by the nature of the OAS it is the most flexible player.

<table>
<thead>
<tr>
<th>Actor</th>
<th>Influence</th>
<th>Position</th>
<th>Salience of Issue</th>
<th>Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>100</td>
<td>100</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Ecuador</td>
<td>40</td>
<td>0</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>Iran</td>
<td>60</td>
<td>0</td>
<td>60</td>
<td>15</td>
</tr>
<tr>
<td>OAS</td>
<td>70</td>
<td>40</td>
<td>20</td>
<td>50</td>
</tr>
</tbody>
</table>

Certain values are the same in Table 4 as they were in Table 3, but the salience is generally decreased for all parties involved since Ecuador is not as recognized a player in the international system.

**Case 2: The Bolivarian Alternative for the Americas (ALBA)**

Many Latin American countries have a contemporary economic history marked by efforts to pay off debt from foreign loans. In both Ecuador and Venezuela we see the
results of those efforts: the implementation of fiscally conservative or even austere governmental policies which are invariably unpopular—and rightfully so, one may argue, causing “reduced progress on social indicators for the vast majority of low- and middle-income countries” (Weisbrot, Baker, and Rosnick 2005: 1). The result is a region with elected leaders open to the value of campaigning with promises of alternate and more domestically popular economic paradigms. The lack of direct correlation between economic self-placement and political/ideological self-placement among Latin American respondents to the Latinobarometer survey within the past few years seems to raise a challenge to this. Political ambition theory provides a simple explanation, though: elected Latin American leaders—Venezuela and Ecuador again providing excellent examples—recognize the steep domestic political costs paid by their predecessors for continued adherence to neoliberal policies. Their voters may not always act on the basis of articulated ideological/economic views, but they certainly understand when austerity measures lead to the disappearance of governmental assistance. The openness to new paradigms, then, stems in large part from domestic political calculation.

This background has opened the door to a few different efforts. One of the most interesting—or troubling, or promising, depending on perspective—is La Alianza Bolivariana para los Pueblos de Nuestra América (ALBA, or by its chosen English name, the Bolivarian Alternative for the Americas). ALBA was first proposed in concept by Hugo Chávez in 2001, and became an actual international entity three years
later. Chávez and Venezuela have been the driving force throughout. It has grown from bilateral agreements between his country and Cuba in its first year to currently boasting nine members. The list is not exactly one of regional powerhouses, with various tiny Caribbean states comprising one third of the membership count\(^3\) (“¿Qué Es El ALBA...” 2009). However, modest membership belies ambitious and wide-ranging endeavors. These include the development of “Grand-National Projects” (“¿Qué Es El ALBA...”), social programs, and even the creation of an ALBA bank in 2008 to offer members an alternative source of investment opportunity outside of the IMF and World Bank (Hart-Landsberg 2009: 8). On its most basic level, the idea is to provide members with the opportunity to collectively and directly benefit from each state’s particular resource or economic strengths—international bartering, essentially. The exchange of Venezuelan oil for Cuban doctors and teachers is one of the first examples of the concept in its implementation.

Some, such as Hart-Landsberg, see in ALBA great potential for growth and increased regional influence. Many within Latin America and elsewhere are deeply wary of the organization precisely because of its Venezuelan, Chávez-led origins. The rocky process within Honduras that preceded eventual domestic ratification of ALBA membership provides an excellent example, one businesswoman in Tegucigalpa flatly saying of ALBA: "It wasn't a free-trade agreement, with norms and that sort of thing. It was a devil's pact with Venezuela." (Caldwell 2009: 16).

\(^3\) Again, the members of ALBA: Antigua & Barbuda, Bolivia, Cuba, Dominica (not the Dominican Republic), Ecuador, Honduras, Nicaragua, St. Vincent & the Grenadines, and Venezuela
Salience to the US

In terms of direct political or economic interest, ALBA offers little to present itself as a threat. Interestingly, trade between the United States and most members of ALBA has actually increased steadily since the organization’s inception. In Figure 3, one can see the total exports to the United States for Ecuador and Venezuela.

The US recession is apparent in 2009’s statistics, but a comparison of January 2010 trade figures in both cases to the previous Januaries’ numbers indicates that 2010 will return to the growth trends of 2008 and earlier (U.S. Census Bureau 2010). Although Ecuador did not join ALBA until 2009, it has been acting in concert with the ALBA countries since Correa’s inauguration in 2006.
Trade concerns clearly offer no impetus for the US to seek a change from the status quo, but the intangibles of international perception and influence likely do. The list of ALBA signatories reads as a veritable who’s who of Latin American states fond to varying degrees of anti-US, anti-imperialist rhetoric: in addition to Venezuela, Cuba, and Ecuador, there are Bolivia and Nicaragua. The foundations for the organization are antithetical to US influence within the region. A central explanatory document on the ALBA website lists ten points upon which ALBA is based; included are “The ALBA is supported by anti-capitalist values” and its status as “a political tool for liberation”, in recognition of the perception that “The United States government hopes to take advantage of the slightest weakness shown by Latin Americans and Caribbeans. If they sense dissension, they will try to put us against each other to later defeat us” (Bossi 2009).

Generally speaking, though, the reality is simple. The salience of this issue for the United States is not high. If ALBA were to grow significantly, or adapt more aggressive anti-US policies, that could change; as it stands, a plethora of other domestic and international concerns take precedence for the Obama administration (and likely any succeeding one in the next election or two).

Predictive model data

Comparisons and contrasts can again be drawn between the United States’ objectives and desired outcomes in the respective cases of Ecuadorian and Venezuelan involvement
with ALBA. In a common sense, one objective must be to maintain the ability to translate influence into support for certain issues on the international stage: votes on UN or OAS resolutions, for example. More fundamentally, the objective is to at least prevent the utter removal of US relevance in Latin America which is so explicitly sought by ALBA. The various positions and potential outcomes in each case, then, are below. As with the first case policy changes from a higher numeric value to a lower one are placed in bold, and 100 represents the starting position of the US. Ecuador’s case is presented first, in Table 5.

<table>
<thead>
<tr>
<th>Numeric Value</th>
<th>Policies and Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>Ecuador withdraws its membership from ALBA; disassociates itself from comparable ties with Venezuela and other anti-US countries; returns to embrace of a free trade philosophy</td>
</tr>
<tr>
<td>80-90</td>
<td>Ecuador withdraws its membership from ALBA; maintains comparable bilateral ties with Venezuela and others; seeks stronger free trade relations with US</td>
</tr>
<tr>
<td>60-70</td>
<td><strong>Ecuador maintains membership in ALBA</strong>; acts as moderating, more pro-US voice within ALBA; seeks stronger free trade ties with US</td>
</tr>
<tr>
<td>50</td>
<td>Ecuador remains a relatively minor member of ALBA; neutral and unsupportive of anti-US portions of organization; continues current level of trade with US</td>
</tr>
<tr>
<td>30-40</td>
<td><strong>STATUS QUO</strong>; Ecuador remains a member of ALBA; supportive of all anti-US portions of organization continues current level of trade with United States</td>
</tr>
<tr>
<td>10</td>
<td>Ecuador moves toward greater embrace of ALBA; tentatively seeks ways to shift trade relations away from United States</td>
</tr>
<tr>
<td>0</td>
<td>Ecuador fully embraces ALBA; <strong>aggressively</strong> seeks to shift trade relations away from United States</td>
</tr>
</tbody>
</table>

The different roles within ALBA played by Ecuador and Venezuela provide the primary distinction between objectives in each situation. Venezuela and its president are at the
heart of the organization. “There can be no doubt,” says Hart-Landsberg, “that ALBA’s progress to this point is largely due to the Venezuelan government’s leadership and financial generosity” (2009: 11). Ecuador, meanwhile, has not even been a member for a year as of the writing of this thesis. These differences are evident when Table 5 is compared to Venezuela’s case in Table 6.

<table>
<thead>
<tr>
<th>Numeric Value</th>
<th>Policies and Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>Venezuela uses leadership role to shift ALBA to a philosophy not hostile to US interests, politically or economically</td>
</tr>
<tr>
<td>80-90</td>
<td>Venezuela shifts ALBA toward a philosophy less hostile to US, but only politically; anti-capitalist values remain in rhetoric but less actively pursued</td>
</tr>
<tr>
<td>70</td>
<td>Venezuela refrains from seeking more members for ALBA; ALBA philosophy and goals remains the same</td>
</tr>
<tr>
<td>60</td>
<td>Venezuela refrains from seeking more members for ALBA; ALBA philosophy remains the same; Venezuela slowly diversifies use of ALBA as platform of support for various anti-US endeavors</td>
</tr>
<tr>
<td>50</td>
<td>STATUS QUO: ALBA seeks more members; slowly diversifies platform of support for anti-US endeavors</td>
</tr>
<tr>
<td>30-40</td>
<td>ALBA seeks more members, but in the process Venezuela loses some leadership ability; aggressive growth of anti-US endeavors</td>
</tr>
<tr>
<td>10</td>
<td>ALBA seeks to grow to encompass regional powers such as Brazil and/or Chile; gains serious power and ability to achieve stated goals; as organization grows Venezuelan leadership role diminished</td>
</tr>
<tr>
<td>0</td>
<td>ALBA seeks to grow to encompass regional powers such as Brazil and Chile; Venezuela maintains leadership role; gains serious power and ability to achieve stated goals</td>
</tr>
</tbody>
</table>

These two different games are illuminative of the unique nature of negotiations from one Latin American country to the next, no matter how many surface similarities exist.

Other data for the two ALBA models is below. Table 7 holds Ecuador’s data.
### Table 7: Ecuador-ALBA Actor Data

<table>
<thead>
<tr>
<th>Actor</th>
<th>Influence</th>
<th>Position</th>
<th>Salience of Issue</th>
<th>Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>100</td>
<td>100</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Colombia</td>
<td>60</td>
<td>80</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Ecuador</td>
<td>40</td>
<td>10</td>
<td>45</td>
<td>50</td>
</tr>
<tr>
<td>Venezuela</td>
<td>50</td>
<td>0</td>
<td>60</td>
<td>15</td>
</tr>
<tr>
<td>Bolivia</td>
<td>40</td>
<td>0</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Cuba</td>
<td>45</td>
<td>0</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>

Although this is Ecuador’s iteration of the model, the issue still has much more weight and salience for Hugo Chávez since Venezuela is far more invested in ALBA’s future. Cuba’s close ties with Venezuela make it more supportive than other ALBA members of the numerically lower outcomes. Those ties, and its influence over Venezuela, serve to make it more generally influential as well. Colombia advocates a position resembling that of the US, though not to the same extent. Relations with its leftist neighbors have been strained in recent years; troubling evidence of ties between Ecuadorian officials and Colombia’s insurgent FARC are indicative of more general trends—the two countries have not had diplomatic relations with each other for well over a year now (“From the Guerrilla’s...” 2009). As such, Colombia would prefer any move away from the ideological direction embodied by ALBA. Now the data for Venezuela’s model, in Table 8:
### Table 8: Venezuela-ALBA Actor Data

<table>
<thead>
<tr>
<th>Actor</th>
<th>Influence</th>
<th>Position</th>
<th>Salience of Issue</th>
<th>Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>100</td>
<td>100</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Colombia</td>
<td>60</td>
<td>100</td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>Venezuela</td>
<td>50</td>
<td>0</td>
<td>70</td>
<td>10</td>
</tr>
<tr>
<td>Ecuador</td>
<td>40</td>
<td>10</td>
<td>30</td>
<td>50</td>
</tr>
<tr>
<td>Bolivia</td>
<td>40</td>
<td>10</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Cuba</td>
<td>45</td>
<td>0</td>
<td>55</td>
<td>15</td>
</tr>
</tbody>
</table>

Here, Colombia is more directly in line with the US position. The general logic for Colombia remains the same as in Ecuador; similar evidence of ties between Venezuelan governmental officials and the FARC has been found (Cala 2010). Stakes are higher in general for all actors since Venezuela is both a more prominent actor than Ecuador and is so invested in ALBA’s success. In this case the position numbers reflect the only major policy preference difference between the ALBA countries acting in the model: other than Cuba (enjoying as much influence in Venezuela as it is), I expect that ALBA members would like to see a growth in ALBA correspond to the diminishing primacy of Venezuela within the organization. Between Ecuador and Bolivia, Bolivia’s longer membership in the organization and Bolivian President Evo Morales’ longer period in office equate to slightly firmer numbers across the board. Having put his name behind it from the start, Chávez gives far greater salience to the issue than any other actor—again, with Cuba the closest to Venezuela’s position for reasons already cited.
Results

General indications of expectable policy outcomes for each of the four unique games lie far from the United States’ ideal outcome. The table below provides the general range of the numerical output from the model in each case. The significance attached to each outcome in Table 9 is derived from referring back to Tables 1 and 2 for the Iran models, and Tables 5 and 6 for the ALBA models. Variations in the numerical outcomes reflect my running each scenario multiple times while tweaking variables—providing directly interested players (the US and either Venezuela or Ecuador) with a veto option, or altering individual actors’ saliences, influences, etc. The results are surprisingly steady even when the United States’ influence is jumped from 100 to 150.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Numerical Outcome</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venezuela and Iran</td>
<td>26-34</td>
<td>Venezuela is neutral on Iran’s nuclear program; maintains strategic alliance with Iran</td>
</tr>
<tr>
<td>Venezuela and ALBA</td>
<td>30-37</td>
<td>Venezuela seeks and finds more members for ALBA; organizational growth leads to diminishing Venezuelan dominance; moderate effort to develop ALBA’s anti-US efforts</td>
</tr>
<tr>
<td>Ecuador and Iran</td>
<td>26-36</td>
<td>Ecuador stops developing further trade and diplomatic relations with Iran; neutral on Iran’s nuclear program</td>
</tr>
<tr>
<td>Ecuador and ALBA</td>
<td>24-30</td>
<td>Ecuador slowly and only superficially strengthens ties with ALBA; otherwise only makes very tentative efforts to shift trade relations away from United States</td>
</tr>
</tbody>
</table>
The implication one can gather from these results is of the true importance of salience. Although the United States has more potential power at its disposal in any conceivable category—economic, military, and as a result of these two, diplomatic—it is not an omnipotent state. To paraphrase Henry Kissinger, “No country can act wisely simultaneously in every part of the globe at every moment of time.” The fact that the White House will rarely focus on Latin American issues as a priority over other concerns leads to a cost in Washington’s ability to wield regional influence.
CHAPTER V
CONCLUSIONS

These models are intended to serve as one source of information among several for gaining greater understanding of the future. They provide an indication of what shape realities in the Western Hemisphere may take in the near future, not the definitive answer. It is also not the primary purpose of the models, nor of this thesis at large, to predict to any great extent what specific economic or diplomatic policies Washington may utilize in its limited pursuit of US interests; however, a brief look at options is presented below. The instruments the United States has at its disposal are currently quite robust and offer powerful methods of persuasion—if the salience of regional issues were to become great enough.

Potential policy options

In a broad sense, one of Washington’s most powerful tools in Latin America is economic trade relations. We have already seen how, even with Ecuador and Venezuela’s memberships in ALBA, trade with the US has steadily grown in recent years. Threats to affect that trade would invariably be taken quite seriously by Latin American leaders subjected to them. At the same time, there is a level of interdependence—especially with regard to Venezuelan oil exportation to the US—that makes any sort of embargo an incredibly sharp double-edged sword for the US to try to use. Historically, US military power has also been readily used as a tool of influence. In the post-Iraq-War
international environment, US military action in Latin America would come at a much
greater price in global image than has been traditionally the case. Still, the lease of
seven military installations in Colombia and the reactivation of the Fourth Fleet in the
South Atlantic (including Brazil’s area of naval influence) reveal an intent to keep viable
all options.

Although the Colombian pact is generally agreed to be geared toward counter-narcotic
operations by adding a mere few hundred US personnel to the region, the actual terms of
the agreement are quite open for (distant) possibilities of future escalation: “The military
defined the threat to security and stability in South America so broadly—including
everything from poverty and natural disasters to terrorists and "anti-US governments"—
that it arrogated to itself a virtually unlimited mission” (Lindsay-Poland 2010: 23). This
includes serious potential for future humanitarian endeavors as well, another useful US
policy tool. Latin American governments in Colombia’s vicinity weren’t focused on the
friendly possibilities, though—in typical fashion, Chávez chose to interpret the
agreement as the next step in the supposedly looming US invasion of Venezuela. More
qualified but still serious unease has been the general regional reaction, though.

One of the few possible futures that would likely change the course that the model
results indicate would be for the salience of Latin America to greatly increase for the
White House. Accelerated developments in either of the current events cases
examined—Iran and ALBA—could conceivably create that reaction. For instance, if
Venezuela were to move from rhetorical support for Iran’s nuclear program to actual participation in it of one sort or another, political pressure to act in a much more serious manner toward Venezuela would create a much higher salience for the United States. Currently less apparent developments could have a similar impact. As things stand however, the United States can expect to see international competition for influence in Latin America continue to grow over the next ten years. Regional players such as Venezuela, Brazil, and organizations such as ALBA, show an unprecedented intention to distance themselves from being Washington yes-men, and international players such as Iran, Russia, and China are more than happy to fill any void left by the US. The tendency is to expect that growth of other states’ influence in the Western Hemisphere will be matched by a correspondingly gradual decline of The US’ own influential potential. Such an outcome is not necessary, though, and can be mitigated somewhat if US policymakers opt for choosing to work smarter rather than harder. The US must recognize what has been illustrated by the Latinobarometer data and case studies reviewed in this thesis: the individual governments that comprise the leftist trend in Latin America are quite distinct from one another in background, motives, and goals. Recognition must, of course, lead to policy tailored for each country. Identifying those unique motives and goals from state to state provides an excellent opportunity to emphasize common objectives and offer the most effective incentives for future cooperation.
Application of the case studies

Referring back to the case studies of Ecuador and Venezuela, we can see a comparison and contrast that provide an excellent example. The presidents of both countries have a record of anti-US rhetoric, but Ecuador’s Correa is an economist educated at the University of Illinois, who “can be pragmatic” (“Revolution! Please...” 2009). Correa is in a much more politically tenuous position than Chávez, both from the perspective of each country’s electoral tradition and each country’s current economic situation.

Venezuela continues to benefit from governmental revenue that allows Chávez to pursue his variety of domestic, regional, and international goals; however, Correa finds himself in a situation where a choice may have to be made between continued domestic objectives and foreign policy ones. These factors equate to an opportunity in Ecuador for the US to apply leverage in the pursuit of desired goals; perhaps a quiet loan offer as a solution to Ecuador’s domestic economic problems in return for the reestablishment of Ecuadorian support for the US’s international objectives.

Venezuela, on the other hand, offers no such prospect. The US could choose to embark on an attempt to marginalize Chávez in the region at large. The most effective and dramatic way to do this would be to replace him as the regional source of subsidized oil, loans, etc. If it is accepted that this will not happen at a level much higher than what we currently see, there are still possibilities. A perennial favorite is funding for groups spreading messages the US might prefer to hear. Latin American television channels are notorious for being conservative, or at least capitalist. Media owners are especially
interesting considering Chávez’s perceived crackdowns on free speech within Venezuela. In his decade as president, some stations critical to Chávez have been nationalized while others have not been allowed to renew operation permits. In the end, marginalizing Chávez is an endeavor made much easier by the man himself. His fiery rhetorical nature leads him to find a seemingly infinite number of ways to put his foot in his mouth. In 2006 elections throughout the region, it became evident that whenever “Chávez loudly proclaimed his support for like-minded presidential candidates,” it was “only to discover that his endorsement provoked sharp political backlash”(Smith 2008: 343).

It is clear, then, how valuable individually tailored policy will be, even if US objectives in Latin America remain more regional in nature. Within the cases of Ecuador and Venezuela, Venezuela presents itself as a situation where successful and fruitful dialogue with the current president is not a likely prospect. In Ecuador, however, such prospects are more encouraging. The inverse is true, as well: if customized effort is desirable, the implementation of blanket policies toward all leftist Latin American governments would be inefficient, costly on more than one level—financially, and in regional/international reputation—and likely ineffectual. Successful efforts to marginalize President Correa of Ecuador, for instance, would either contribute to more instability in a country that can ill afford it, or backfire and actually bolster Correa’s popularity. In either case, the lack of customization would unnecessarily create a future with much more uncertainty in the region.
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