

Venezuela and the New Latin America

By Anne Winkler-Morey

The Latin America of the 21st century is not so easily controlled by gunboat and dollar diplomacy. In spite of dire media reports about Venezuela, U.S. power is on the decline while cooperation between Latin American states is increasing.

Venezuela moved to the front page as a theater of protest and violent state repression this spring. We saw pictures of young people, fists raised, facing Venezuela National Guards, cars burning, and reports of growing body counts. Actors at the Academy Awards sought points by lamenting state violence in Venezuela. U.S. Secretary of State Kerry called the Venezuelan forces “terrorists.” Venezuela accused the U.S. embassy of coordinating and supporting protests, and ousted three diplomats. The U.S. followed suit and began talking about economic sanctions. Today as I write, the death toll has reached 40. Venezuelan President Maduro has asked the Pope to mediate between his government and the opposition. The story is developing daily.

One aspect of this story that deserves more notice is the role of Latin American nations in the conflict signaling a profound change in the power of the United States in the region.



Mural on the side of a building in Caracas commemorating Simón Bolívar, the father of Latin America's struggle to free itself from colonial rule. Created by Guerrilla Comunicacional.

Historians will note that from his first election in 1998, Hugo Chavez advocated regional sustainability, economic diversity, and solidarity in Latin America as a way to loosen the domination of the United States and other “First World” or Global North powers. He wasn’t the first leader to do so. Fidel Castro, in his role as a leader of the nonaligned movement during the Cold War, championed South-South inter-cooperation even while remaining economically dependent on the Soviet Union. In a similar vein, Jamaican leader Michael Manley pushed for Caribbean inter-cooperation, countering Reagan’s South-North oriented Caribbean Basin Initiative. These past efforts faltered due to the overwhelming economic power of the U.S. during those periods.

By the 21st century, however, U.S. power in Latin America was on the decline. A decade of wars in Iraq and Afghanistan and the rise of other global powers, most notably China and the EU, made it easier for Latin American states to diversify products and trading partners, as well as to pursue inter-Latin American trade and cooperation. The free trade agreements beginning with NAFTA can be seen as an effort by the United States to codify old relations and counter Latin American steps to break centuries of dependency.

The same year NAFTA became law (1994), Brazil and Argentina initiated a regional trade organization, MERCUSOR. It now incorporates most South American states. Venezuela became a full member in 2006, and due to Chavez's leadership the trade group established the Bank of the South, a bold antidote to the IMF. Instead of increasing indebtedness and First World control of the Global South, this new bank supports redistribution and inter-American economic cooperation.

In addition, Chavez took unilateral action, using Venezuela's seemingly inexhaustible oil resources to engage in its own inter-American oil diplomacy, providing grants, barters, and no-interest loans to Caribbean and Central American nations and NGOs, even providing grants to low-income communities in the United States. In Minnesota, the Red Lake and Fond du Lac reservations received winter fuel through Venezuelan-owned CITGO.

The economic crisis in Venezuela and the protests.

Ironically and unfortunately, while championing economic diversity in the region, Venezuela remained dependent on one product and one partner. The decades-old dependence between the United States and Venezuela continued after 1999, creating a strange undercurrent to the open hostility between the two countries. For all the bellicose rhetoric (and political and military aggression on the part of the United States), neither nation has wanted to interrupt their oil trade. Within Venezuela these oil revenues are plowed into clinics, schools, food and housing subsidies as they never have before leading to steady decline in the poverty rate, but like all single-product economies, such dependence leaves one vulnerable to the vagaries of global capital.

The dramatic increase in oil exploration in the United States in the last few years – much of it using fracking technology – has decreased U.S. dependency on Venezuelan oil. It is one reason for the recent fall of oil prices, which led to Venezuela's current economic downturn and threatened its ability to bring its redistributive policies to full fruition. Still, poverty levels have continued to fall: at 55 percent in 2004, they were down to 25 percent in 2012. (We don't have any figures for the last 16 months. It is quite possible these figures will go in the wrong direction as rising prices cut into working-class budgets.)



The U.S. military places Central America, South America, and the Caribbean under its South Command.

Map: U.S. Army Combined Arms Center

As of this writing there is still a race and class divide between the protestors (whiter and wealthier) and Maduro's supporters, even though the problems the protestors purport to address—shortages, rising prices, and increasing violence— affect poor Venezuelans most acutely. Many see the protests themselves exacerbating these problems. Meanwhile both the opposition and the government forces are splintered—a situation that is fed by and, in turn, intensifies the economic crisis. The continued dependence on oil is only one aspect of the current economic crisis. Inflation is a long-standing problem that predates both Presidents Maduro and Chavez. Maduro's recent efforts to crack down on the black market hurt middle-class operators dependent on this illegal trade in goods and dollars, and that is one of the issues fueling the protests. The black market doesn't have a one-state solution, as it involves profiteers transferring funds out of the country and selling goods across borders.

Therein lies the potential of inter-Latin American cooperation. I don't mean to say that these state actors do not have serious disagreements— or that they are inherently progressive. Indeed, Colombia is a key and uncooperative player. But the more the region is economically liberated from the United States, the more non-state actors involved in land reclamation, indigenous rights, Afro Latin American liberation, local peasant autonomy, labor unions, women's rights, and coalitions opposed to neo-liberal trade policies can demand action to redistribute wealth and increase democracy.

Role of the mainstream and social media.

So, for us in the United States the task remains to insist that our country let Latin America be. This means demanding that our media inform us about the extent of U.S. involvement and at least not act as a mouthpiece for the State Department.

Though most mainstream media sources now admit the protests of March and early April represent wealthy segments and elite districts, early images and messages linger. False characterizations of the situation in the press and social media have the potential to create harm even when retracted, and make them come true. The overblown coverage of the protests must have helped them grow.

The New York Times misreported the rate of Venezuela's inflation, claiming it was 300 percent. The false graph on the front page had a much greater impact than the delayed and buried correction: 57 percent. Such falsehoods, economist Mark Weisbrodt notes, can become a self-fulfilling prophecy by creating panic and hyperinflation. Weisbrodt's point reminds me of Henry Kissinger pledging to "make the Chilean economy scream" after the election of Socialist Salvador Allende in 1970. The hyperinflation that ensued in Chile paved the way for the U.S.-sponsored coup that installed military dictator Augusto Pinochet.

While social media provide an essential platform for reports from observers on the ground in Venezuela, they can also be the source of detrimental fabrications. A fake tweet calling for Maduro's ouster and attributed to Chilean President Michelle Bachelet still comes up first in Google if one searches for Bachelet and Maduro – obscuring the nearly universal support from Latin American leaders for Maduro, including the Chilean president. It is not clear who sent the fake tweet.

The diminished power of the United States in Latin America.

Though I think it is an oversimplification to say the protests in Venezuela are U.S.-inspired, I am convinced the United States seeks to destabilize Venezuela with tactics it used in Chile, Cuba, and dozens of other places throughout the 20th century. But Washington does not have the power it once had in the region. Compare today to half a century ago:



One of the murals created by Cuban satirists declaring “War against war” mocking U.S. aggression, as well as in support of one of Cuban Five, also a satirical cartoonist.
Drawntripping.com

In 1962 the United States brought a resolution to the Organization of American States (OAS) calling for the ouster of Cuba from the hemispheric body. The vote passed with 14 yeas and six abstentions. Not one Latin American nation dared to vote against the United States, though it cost them popular support. The economic and political costs of confronting the United States were too high in 1962. Trade within the Americas still moved south to north. Latin American states competed with each other for a bigger piece of the U.S. market. Their economies were dependent on a few products. The exchange of their bananas, coffee, and tin for the United States’ finished goods was inherently unequal, hampering all internal efforts at development.

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When the U.S. supported the coup regime in Honduras in 2009, the Latin American states gathered in Venezuela and formed a regional political organization, CELAC which includes the Caribbean nations to protest U.S. interference in Honduras. CELAC excluded the United States, Canada, and the illegitimate government of Honduras. South American nations also formed UNASUR, a political coalition. UNASUR representatives gathered in Caracas to try to broker a peace between the Honduran government and opposition forces.

On March 7, 2014, the U.S. brought a resolution to the OAS sanctioning Venezuela and supporting antigovernment protesters. The effort backfired. Only Panama and Canada supported the U.S. resolution. A counter-resolution, passed by the remaining

29 states, declared: “Appreciation, full support, and encouragement for the initiatives and the efforts of the democratically elected Government of Venezuela.”

This year CELAC met in Havana, with 32 Latin American governments represented. UN Secretary Ban Ki Moon was invited. The U.S. was not. The agenda? Overcoming poverty and inequality. To achieve those essential goals will require the flowering of social movements, governments that represent the interests of those most impoverished, inter-Latin American cooperation, and—our job as U.S. citizens—reining in the United States.

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