# 查維茲特輯

# The Influence of Chavism and Venezuelan Populism on Argentina: "Don't cry for him, Argenzuela"

# Juan Uriburu Quintana<sup>1</sup> 中央研究院歐美所博士候選人

"A man is nothing but breath and shadow" Sophoeles, *Ajax the Locrian* (ca. 450 BC)

# Abstract

This paper seeks to examine the influence that Venezuelan late president Hugo Chávez Frías had on the Argentine administrations of N. Kirchner and Cristina Fernández de Kirchner, his wife and successor. It argues that Chavism impacted Argentina in several ways, from the leftist populist policies adopted by the Kirchners since 2003 to the cult of personality and authoritarianism that characterized Chávez' Venezuela - and which have been more noticeable in Argentina since the death of Kirchner in 2010- to the nationalization of foreign companies and the state intervention -that has resulted in the weakening and undermining of democratic institutions in both countries - to the international isolation in which both countries currently are immersed. It concludes by arguing that, pessimistic as it is, it is nevertheless realistic to assume that Venezuela's turbulent past and difficult present seriously jeopardizes Argentina, thus becoming critical to understand the caveat that the Venezuelan case represents for opposition parties and law-abiding citizens alike to unite and prevent it from becoming "Argenzuela".

<sup>&</sup>lt;sup>1</sup>Juan Uriburu Quintana, 拉丁美洲經貿研究中心研究員, 感謝作者惠允轉載。

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## Introduction

In their famous book *Images of the Greek Theater*, the late Classics specialist Eric Handley – who for several years was Regius Professor of Greek at the University of Cambridge– and his co-author, Richard Green, pointed out that "if Aeschylus is the creator of Greek tragedy, it was Sophocles who brought it to perfection."<sup>2</sup> It would perhaps be convenient to recall that, in classical terms and according to the Cambridge Dictionary, a "tragedy" can be defined as "a play about death or suffering with a sad end."<sup>3</sup> It is thus in this sense of the concept that this paper will argue that Chavism – the left-wing, populist and authoritarian model of Venezuela's late president Hugo Chávez Frías– and its oil-fueled<sup>4</sup>, demagogic "Twenty-First Century Socialism" –based on fierce anti-imperialistic rhetoric, with Chávez having been an active pro-Castro supporter– can be said to be the major endogenous causes of the perfectly tragic situation in which –following the death of the messianic leader– Venezuelan institutions have been left today, and which constitute exogenous threats to Argentina, given the fact that the development of such symptoms has become particularly noticeable in this country in the last few years.<sup>5</sup>

This paper will attempt to conduct a comparative study of Venezuela and Argentina by pointing out the remarkably striking and disturbing similarities that exist between the two countries, with both of them exhibiting an alarming number of

<sup>3</sup> The Cambridge Dictionary of the English Language <u>http://dictionary.cambridge.org/dictionary/british/tragedy?q=tragedy</u>

<sup>5</sup> "La Argentina: tras los pasos de Venezuela" – La Nación – April 26, 2013
 <u>http://www.lanacion.com.ar/1576302-la-argentina-tras-los-pasos-de-venezuela</u>

<sup>&</sup>lt;sup>2</sup> Richard Green and Eric Handley, *Images of the Greek Theater* (London: Trustees of the British Museum, 1995)

<sup>&</sup>lt;sup>4</sup> It has been argues that, due to their rich natural-resources endowment, soybeans are for Argentina what petroleum is for Venezuela. Indeed, the Venezuelan economy is highly dependent on oil, which represents almost 90% of its exports revenues, and much of its fiscal recepits. See Edmar L. Bacha and Albert Fishlow, "The recent commodity price boom and Latin American growth: more than new bottles for an old wine?" in J. A. Ocampo and Jaime Ros, editors, *The Oxford handbook of Latin American Economics* (New York: Oxford University Press, 2011), 404.

common features that are of deep concern to observers, political pundits and common citizens alike. Due to space constraints, it will prioritize the analysis of the detrimental consequences that state intervention has had and continues to have in democratic institutions, with special emphasis on Argentine press and the country's judicial system, which have led the well-known Argentine journalist C. Pagni to argue that recent events in Argentina have put the country on the verge of being a "plebiscitary democracy."<sup>6</sup> Unfortunately, the nationalization of foreign companies that had been privatized in recent years, such as Aguas Argentinas –partly-owned by French group Suez– in 2006 and the expropriation of Argentina's flag-carrier Aerolíneas Argentinas –from Spanish tourism group Marsans– in 2008 or, as recently as 2012, the expropriation of 51% of the shares of YPF–until then Spain's Repsol oil subsidiary– relevant as they are for the purposes of this analysis, exceed the scope of the present study.

Indeed, it could be said that few countries in Latin America –or, as a matter of fact, in the world– have been as influenced by Chavism as Argentina. For almost a decade and a half –more precisely, during the slightly over fourteen years (between February 1999 and March 2013) that he was in power– Chávez governed Venezuela with an iron fist and used the country's abundant financial resources provided by petroleum to expand and consolidate the influence of Venezuela –the world's fifth largest oil exporter and which has some of the largest proven oil reserves in the planet – both in the region and beyond it. As aforementioned, Argentina was one of the countries –together with Bolivia, Ecuador and Nicaragua, among others–in which the impact of Chavism was felt the most.

It was under the successive administrations of N. Kirchner and his wife and

<sup>&</sup>lt;sup>6</sup> "Poder absoluto a las mayorías" – *La Nación* – April 25, 2013 http://www.lanacion.com.ar/1576055-poder-absoluto-a-las-mayorias

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successor, C. Fernández de Kirchner –who have been governing Argentina for three consecutive terms, in what would have been the perfect mechanism to avoid the constitutional limitation of two successive terms had not been suddenly interrupted by Kirchner's sudden death in 2010–that these effects were most particularly notorious. This paper will argue that both the personalities and the decade-long personal, and somewhat ambivalent, friendship between Chávez and Kirchner were important factors in understanding the nature of their relationships.

It is a well-known fact that both men were very ambitious. Additionally, Chávez was also a charismatic leader, while there was nothing especial about Kirchner in this regard. As regards the domestic sphere, Chávez had a very strong connection with the poor, and he liked to be called "comandante" (commander) by the Chavistas. Such a details was to be conveniently ignored by the Kirchners, in spite of their notorious dislike for the Armed Forces. But what they undeniably have in common is their narcissism. In this regard, Chávez has been referred to as a "narcissist" by the Argentine-American journalist A. Oppenheimer, who depicts a clear picture of him by saying: "Like Perón, Chávez was a military officer and coup plotter who first flirted with fascism, later turned to the left, and once in power gave millions to the poor thanks to a boom in world commodity prices, which set him apart from previous Venezuelan presidents who had only paid lip service to the country's poverty-stricken masses. And like Perón, Chávez was a narcissist — he once used the word "I" 489 times in just one speech, on Jan 15, 2011 — who built a personality cult around himself, and impulsively gave away billions of dollars at home and abroad without any accountability, at the expense of destroying his country's institutions and much of the economy."<sup>7</sup> The aforementioned features would contribute to explain the

<sup>&</sup>lt;sup>7</sup> "Chávez's 'revolution' will lose steam abroad, but not at home"–The Miami Herald–April 17,

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fact that Chávez had 8 vice-presidents during his 14 years in power,<sup>8</sup>while the Kirchners had one in each of their terms in office (with the third and current one, Amado Boudou, being currently investigated under corruption charges and involved in several financial scandals)

But, complementing this line of analysis of some of the domestic aspects, it could be argued that –with regard to the international sphere– the attention paid by the Kirchners to their Venezuelan counterpart does not seem to reflect any strategies in terms of neither Argentine foreign policy nor the country's stand in international relations.

What the abovementioned help to make more noticeable is a disturbing coincidence in the similarity of the governmental actions implemented in these two countries, which have been largely detrimental to their democratic institutions. Indeed, some –but not all– of the most striking similarities that exist between Venezuela and Argentina could be said to be: a notorious and unprecedented concentration of political power, acute socio-political polarization and division, the political subjugation of the media and of the Justice, scandalizing levels of corruption, rampant inflation and an stagnant economy, insecurity and lack of investments, among others.

The situation in Venezuela has worsened following Chávez death on March 5, 2013, and the calamitous effects it provoked were described by one of the most acute observers of Latin American politics, the Peruvian Nobel Prize for Literature 2010, Mario Vargas Llosa, who referred to the state of despair in which the Chavistas are

2013.

<sup>&</sup>lt;sup>8</sup> Namely, I. Rodríguez –in 2000, A. Bastidas –2000-2002, D. Cabello –2002 [currently the President of the National Assembly], J.V. Rangel –2002-2007, J. Rodríguez Gómez –2007-2008, R. Carrizales –2008-2010, E. Milano –2010-2012, and Nicolás Maduro –2012-2013, who had been his hand-picked successor and became president on a very contested and irregular election held on April 14 this year.

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following the death of their leader and the adverse results of the April 14 election, pointing out that it reveals the true colours of the regime: "its intolerance, its anti-democratic vocation and its delinquent inclinations."<sup>9</sup>

It is disturbing to note that distinguished specialists have pointed out that, at least potentially, a similar scenario could take place in Argentina once the second presidential term of Fernández de Kirchner might be closer to an end, in 2015.

# Comparative Analysis of Government Intrusion in Institutions, Courts and Press

As aforementioned, both Chávez and Kirchner loved power, and both of them knew how to create it. Kirchner was particularly urged by the need of strengthening his position, having won the presidency "by default" with the lowest vote percentage ever recorded (22%) in Argentine history. <sup>10</sup> Not only Kirchner was politically weak when he became president. The country was still struggling to leave the worst economic and financial crisis of Argentine history behind, and economic recovery was still shaky.

As it was the case with several other countries, oil played an extremely important role in cementing the Chávez-Kirchner relations. The reason is that, when Kirchner took power, the country was undergoing a difficult and complex period in terms of energy security. In mid 2005, Argentina was suffering from an energy crisis due to a shortage of natural gas. As he would do in other occasion, Chávez decided to help Kirchner and, at the same time, gain leverage over him. Thus, an agreement was signed between the governments of Venezuela and Argentina, which the Venezuelan oil company (Petróleos de Venezuela S.A., PDVSA) sent 50 million tonnes of fuel oil

<sup>&</sup>lt;sup>9</sup> "La muerte lenta del chavismo" -*El País* - May 5, 2013 <u>http://elpais.com/elpais/2013/05/03/opinion/1367582921\_288595.html</u>
<sup>10</sup> "Kirchner: President by default" - *BBC* - May 15, 2003. <u>http://news.bbc.co.uk/2/hi/americas/2981797.stm</u>

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to Argentina, in order to alleviate the effects of the crisis. The case described above helps to illustrate the case of the strategic use of oil by PDVSA and the Venezuelan government, which helped expland Chavez' influence in the region within the framework of the "Petroamérica" initiative, "a geopolitical device aimed to the establishment of cooperative and integrative mechanisms oriented to the use of the energetic resources in the Caribbean, Central-American and South-American regions for the socio-economic development of the different peoples of the continent." <sup>11</sup>

But Chávez influence was not only reflected in term of fuel oil. In 2007, when Kirchner was stepping down in order to allow his wife to run for president –thus becoming his successor, an scandal took place when a Venezuelan, by the name G. Antonini Wilson, was caught trying to smuggle to Argentine soil, and flying on board of a plane rented by the Argentine government, a suitcase full of money (about US\$ 800,000). It is believed that the money in the suitcase –one of several suitcases believed to have been sent from Venezuela– was to be used in the presidential campaign of then first-lady C. Fernández de Kirchner.

In addition to their power ambitions and money needs, neither Chávez nor Kirchner did give much attention to the limitations that the constitutions of their respective countries imposed to consecutive presidential terms. Once Chávez, having attempted –and failed– a coup d'etat in 1992 (for which it was sent to prison until 1994), won the presidential elections of 1998 and was sworn in office in February 1999, he quickly understood –upon becoming president–that his objective of starting the so-called "Bolivarian Revolution" could be prevented or frustrated by the system of division of powers established the Venezuelan Constitution. Thus, he devoted his efforts to achieve the dominance of the courts of the judicial branch and of the

<sup>&</sup>lt;sup>11</sup> Petróleos de Venezuela S.A., PDVSA See: http://www.pdvsa.com/

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Legislature. Unfortunately, he succeeded and his success turned out to be a source of inspiration for the Kirchners.

As aforementioned, when Kirchner died in October 2010, he was preparing himself to run once again for the presidency, in order to try to succeed his wife and to, had he been elected, start the fourth consecutive term with one of the members of the couple in power. Had this happened according to Kirchner's plans, this would have allowed the couple to continue their pursuit of the subjugation of justice just as it had occurred in Venezuela. In addition to already compliant Congresses, in which the party in power holds majorities in both the Senate and the Representative houses, today both countries have judges who do not dare to administer justice when the government is involved. The Argentine judicial system has undergone several reforms, as in the course set by the Venezuelan model.

But things have become even worse in Argentina since Kirchner's wife, C. Fernández de Kirchner, obtained a landslide victory in 2012, and was re-elected for her second term in office. In what constitutes nothing less than a new advance over the courts, Fernández de Kirchner has demanded –and obtained– that the addict congressmen the legislative approval of the popular election of the members of the Judicial Council, whose members will be nominated in partisan ballots: a clear encroachment on the rights of citizens against a State which is overpowering citizens' freedoms and constitutional guarantees.

Nevertheless, it is in the domains of freedom of expression and freedom of the press that the Kirchners have been most keen in following the footsteps of Venezuela: by putting pressure on independent media. In this regard, it would be convenient to recall that it was in 2007 that Chavez decided to remove from the air and cable

television channel Radio Caracas Televisión (RCTV, leaving Globovision as the only TV station critical of the government. Naturally, the Chavez regime persistently attacked it, and several and notorious bureaucratic efforts were made to try to force it to close its doors.

A few years later, by the end of 2010, the Venezuelan National Assembly extended these flagrant restrictions to freedom of expression included in the so-called "Social Responsibility Law" of 2004 to the Internet. The government also added the prohibition of broadcasting any contents that "promote anxiety in the citizenry or that alter the public order".

In what constitutes one of the most evident and striking similarities between Venezuela and Argentina, it should be mentioned that, aware of the power of television appearances and in order to achieve its authoritarian goals, the Chavez regime the National Commission of Telecommunications of Venezuela (Comisión Nacional de Telecomunicaciones de Venezuela, Conatel), the agency that –controlled by the Venezuelan government– applies the sanctions to violations of the laws, having also the power to force national chain, which frequently interrupts the regular scheduling of the programmes. The Chavistas euphemistically refer to the Conatel as a "public servant" and point out that "in 1999 [it] started an institutional strengthening process with the goal of guaranteeing higher efficiency and more technical capability... " explaining that "in 2007 the Popular Power Ministry of Telecommunications and Informatics was created" and that the Commission seeks to "foster the democratization of the telecommunication sector."<sup>12</sup>

The wording of these roles, functions and goals is extremely disturbing, and it needs to be highlighted that, as astutely pointed out by a recent editorial of one of the

<sup>&</sup>lt;sup>12</sup> Comisión Nacional de Telecomunicaciones de Venezuela (Conatel) <u>http://www.conatel.gob.ve/#http://www.conatel.gob.ve/index.php/principal/resenahistorica</u>

most prestigious Argentine newspapers, "the similarity with the progress on the independent press in Argentina is clear enough. Also crystal clear are the restrictions to obtain information from the government. It is quite possible that the Kirchner administration has outstripped the Chavez regime, which has not yet gone as far as to proceed to the outright distortion of statistics, as the Kirchners have done with Argentina's National Institute of Statistics and Census (INDEC). "<sup>13</sup>

In the last few months, the aforementioned similarities could be said to have been gained momentum and attracted enormous public attention in Argentina, particularly following a corruption scandal involving the Kirchners and revealed by Argentine journalist Jorge Lanata<sup>14</sup>–who had already showed the harassment to which he had been subject in October 2012 when he was covering the Venezuelan presidential elections, the last in which Chavez took part and in which the Venezuelan opposition candidate, Henrique Capriles Radoski, obtained a historical 44% of the votes. Back then, Lanata had been detained and interrogated by Venezuelan secret service agents at a basement at the Caracas airport.<sup>15</sup>

One of the most interesting points of the investigative reports by Lanata -who, having founded the Argentine newspaper Pagina 12, has today became the most respected voice in the Argentine media due to his professionalism, civic courage and journalistic compromise- is that they reflect, in an extremely clear and revealing way, that it would not be inaccurate to argue that in both cases, Chavez's Venezuela and the Kirchner's Argentina, can be defined as being typical examples of leftist

<sup>&</sup>lt;sup>13</sup> "La Argentina: tras los pasos de Venezuela" – La Nación – April 26, 2013 http://www.lanacion.com.ar/1576302-la-argentina-tras-los-pasos-de-venezuela

<sup>&</sup>quot;Jorge Lanata habló sobre los rumores de intervención" - Clarín- May 12, 2013 http://www.eltrecetv.com.ar/periodismo-para-todos/jorge-lanata-hablo-sobre-los-rumores-de-intervenci on 061096 <sup>15</sup> "Lanata mostró el video de sus incidentes en Venezuela y disparó contra el gobierno" –*La Nación* –

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http://www.lanacion.com.ar/1517380-lanata-mostro-el-video-de-sus-incidentes-en-venezuela-y-disparo -contra-el-gobierno

populist, demagogic regimes, characterized by authoritarian/totalitarian features.

Furthermore, the aforementioned editorial also points out that several features of past patterns followed by the Argentine economy in recent years, allows observers to recognize them in the way in which the Venezuelan economy has been managed in recent years. Indeed, the recent election of Nicolás Maduro –whose supposed electoral triumph of April 14 has been and it still is seriously questioned, in spite of having been sworn on April 20– does not allow to forecast any changes in the way the country's economy will be administered.

One of the common features shared by these regimes is their ever increasing public spending –although not directed towards much-needed investments in infrastructure. Such expenditures rather have political goals and objectives, and clientelism (understood as the disbursement of funds, goods or services in return of political support) dominates the agenda. Another relevant feature is the fiscal deficit that both governments suffer. In Venezuela, about 8% of the GDP, and inflation is rampant (estimated in 25% annually) The government does not allow the exchange of foreign currency (which has, logically, resulted on a black market), applies import restrictions and shortages of basic products are becoming common.

Far from taking any lessons of what might happen if the set course it not changed, Fernández de Kirchner maintains Argentina and Argentines host of her increasingly authoritarian regime and of her remarkably incompetent economic team.

Needless to say, following the same road can only take Argentina to the same situation in which Venezuela is today. A devaluation of the Argentine peso will have to be done, rather sooner than later. The main issue is that, unavoidable as it is, it will also be as useless as it has been in Venezuela. Argentine soybeans –the main source of

government revenues- will not be able to do with Venezuelan oil could not.

If the Argentine government has given up any regional leadership aspirations it might have ever had, and if the country will be a follower, there are plenty of other countries in the region –Chile, Brazil, Peru or Colombia– which model Argentina could follow, rather than Venezuela, the editorial concludes. Needless to say, the arrogance, stubbornness and incompetence of Fernández de Kirchner is truly remarkable.

At the time these lines go to press –on May 8th, to be precise– Maduro, the allegedly new Venezuelan president will be visiting Argentina as part of his first State visit abroad (after visiting Uruguay and before travelling to Brazil), in what will be his second trip abroad, having visited Cuba on his first trip in such capacity.<sup>16</sup>

## **Concluding** Remarks

This paper has tried to briefly present the similarities that exist between the courses that Venezuela and Argentina have been following for over a decade now. Inflation, insecurity, corruption, mismanagement of the economy of these two otherwise rich countries seem to be the features of the legacies of Chávez and Kirchner. As the Argentine journalist Carlos Pagni has noted, in the last few years Argentina has undergone a process in which "opportunities were replaced by threats: physical insecurity and economic uneasiness lead the concerns of Venezuelan and Argentine citizens. In the third place, corruption is to be found."

Based on the evident similarities on the paths that both countries have been following in the last few years, this paper concludes with more questions than answers. When taking into consideration the power vacuum that could follow the death of the

<sup>&</sup>lt;sup>16</sup> "La muerte lenta del chavismo" *–El País* – May 5, 2013 http://elpais.com/elpais/2013/05/03/opinion/1367582921\_288595.html

leader (Chávez or Kirchner), one would be tempted to ask whether would it possible to have Chavism without Chavez, or if Kirchnerism can survive without Kirchner. And how about Fernández de Kirchner? Are the Argentine opposition parties capable of reaching an agreement, joining forces and allow the country to avoid becoming "Argenzuela"?

It would be highly desirable to be wrong, but so far it seems that it would be possible to forecast two different scenarios: the first one is that, given the set course taken by the Argentine government and the reluctance of Fernández de Kirchner to alter it, it seems that Argentina will continue its collision course. In this case, either a constitutional reform (allowing her a third consecutive term in office, with which the path of Chávez' 4 terms would be being followed) or a power vacuum (with which the scenario of post-Chávez chaotic transition, with a very weak official party successor like Maduro)

The conclusion of this paper would be that it is not likely that Fernández de Kirchner will release power (since it guarantees its immunity), unless she is forced to step down by uncontrollable economic problems. It is equally unlikely to expect the Argentine opposition parties to finally understand the need to act together in order to have their chance of defeating Fernández de Kirchner or her candidate in the next elections. It would be a very pleasant surprise if Argentines would be able to follow the example of the Venezuelan opposition and supported one candidate. In both countries the democratic institutions have been too weakened, the civil society too divided, and there is too much polarization in the political sphere. And the lesson does not yet seem to be understood.

With such an alarming scenario, it would be convenient to conclude by recalling that it was J.W. von Goethe, the great German writer and artists, who said that "there is nothing more frightful than ignorance in action.

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