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### Invested in the Chavez legacy

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Hugo Chavez.

AP

***India is a major beneficiary of the Venezuelan President's Bolivarian restructuring of South American politics and economy***

Nicolas Maduro's tears at a public ceremony in Caracas on December 11 revealed more than emotional turmoil. Vice-President of Venezuela for barely two months, he had just been anointed the political successor of Hugo Chavez, in the event the latter did not return from an emergency surgery in Havana, or survive thereafter to assume the presidency for a fresh six-year term. Mr. Chavez has undergone four operations in Cuba, radiation and chemotherapy for a cancer first detected in June 2011. His supporters claim he is in command from Havana, where he is convalescing. Nervousness and doubts have nevertheless increased.

The 58-year-old Mr. Chavez's condition is world news. Backed by Venezuela's proven oil reserves of 297 billion barrels – more than Saudi Arabia – Mr. Chavez has successfully challenged the established order in the Americas. The U.S. Embassy in Caracas has been mostly without an Ambassador since September 2008, when Mr. Chavez expelled Patrick Duddy and also rejected a successor nominated by the U.S. government. Though the U.S. is still the largest buyer of Venezuelan oil, the equity in Venezuelan oilfields is now shared by companies from friendlier countries.

Since he assumed power in February 1999, Mr. Chavez has revolutionised the political economy of Venezuela and had a major impact on the entire continent too. His Bolivarian Alliance of the Americas (ALBA), which includes Cuba, Ecuador, Bolivia and Nicaragua, constitutes a vociferous lobby within regional organisations. In December 2011, Mr. Chavez convened the first summit of the Community of Latin American and Caribbean States (Celac), which comprises all 33 states of Latin America and the Caribbean, including Cuba – pointedly excluding the U.S. and Canada. In 2013, Cuba will assume *pro tempore* presidency of the organisation.

In 2005, Mr. Chavez launched Petrocaribe, an Energy Cooperation Agreement through which Venezuela supplies crude oil on concessional terms to 17 Latin American nations. Venezuela carries heft in Unasur (Union of South American Nations) – a vibrant political grouping of all South America; and Mercosur (Southern Common Market) – a customs union between Brazil, Argentina, Paraguay, Uruguay and Venezuela, which Bolivia has applied to join.

He has cultivated relations with China, Russia and Iran. He expelled the Israeli Ambassador in January 2009 and broke off diplomatic relations over the war in Gaza. 100,000 barrels of oil a day finance a contingent of thousands of Cuban doctors, teachers, and other technical personnel who man Mr. Chavez's social programmes.

#### **Social missions**

His social missions, which provide free health, education and several subsidised benefits to poorer Venezuelans, enabled Mr. Chavez to win the October 2012 presidential election with a 55-per-cent vote share. He withstood a strong challenge from 40-year-old Henrique Capriles Radonski, candidate of a united opposition. Results of elections to 23

governorships held on December 16 prove that this challenge persists, though Chavismo won back four of the seven States the opposition held, including the oil producing, populous western State of Zulia. Mr. Capriles retained his post as Governor of the crucial State of Miranda, consolidating his status as leader of the opposition.

Mr. Chavez's main threat, however, comes from 'within.' Despite the upbeat portrayal of his medical condition, his supporters now realise he will not continue indefinitely. Even if Cuba's diligent medical system keeps him alive, his strength and capability to sustain his image, through debilitating physical appearances and marathon speeches, cannot be taken for granted. How long before the opposition — and its expatriate supporters — gather sufficient strength to put an end to his era?

### Centralised revolution

If Mr. Chavez's revolution seems vulnerable today, the centralised nature of his presidency is a major reason. All his Vice-Presidents have been hand-picked for their loyalty. Mr. Maduro is the eighth in 14 years. A member of Mr. Chavez's Constituent Assembly, and thereafter Parliament — of which he was the Speaker — since 1999, he continues to hold the Foreign Affairs portfolio since 2006. His ability to win a presidential election — which will have to be called within 30 days if Mr. Chavez does not take the oath on January 10, or dies before completing four years in office — is something even many Chavistas would not bet on. Some analysts predict a power struggle within the ruling establishment, which includes the United Socialist Party of Venezuela (PSUV) founded by Mr. Chavez in 2007, the military establishment, and the grassroots organisations created by Mr. Chavez to broaden the base of his 'Socialism of the 21st Century' political project. The other establishment figure with some standing is former Vice-President Diosdado Cabello, who is believed to have the support of the military.

India has high stakes in Venezuela. Foreign Minister Mr. Maduro met S.M. Krishna in Delhi in August 2012. In October, Reliance Industries signed an MoU with PdVSA — the state-owned oil company — to enhance crude oil purchases in coming years to 400,000 barrels per day. In 2011-12 India imported almost \$7 billion worth of crude from Venezuela, around 7 per cent of India's total crude imports. ONGC (Videsh) Ltd., along with Oil India and Indian Oil, are heavily invested in two Venezuelan oilfields, while Reliance has announced plans to go upstream. In his manifesto for the election published in June 2012, Mr. Chavez emphasised the need for a strategic relationship with India.

Whichever way the dice rolls for Hugo Chavez, his era will be remembered for the creation of a new paradigm for the Left in Latin America. His policies not only opened up exciting possibilities for the social and economic transformation of Venezuela and the region but also created strategic space for new powers in a region that was once completely under the sway of the U.S. India, which has benefited from the rise of the Bolivarian project, needs to pay close attention to how Chavismo evolves and develops in the years to come.

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