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THE CUBA-VENEZUELA ALLIANCE: “EMANCIPATORY NEO-BOLIVARISMO” OR TOTALITARIAN EXPANSION?

By Hernán Yanes
Abstract

This study examines the background as well as the ideological foundations underpinning the Cuba-Venezuela alliance. Castro and Chavez are now trying to consolidate a new political axis in Latin America, funded by Chavez’ oil diplomacy. Similarities with the Cuban experiment are highlighted, as well as Castro’s collaboration with the leadership of the Movimiento Revolucionario Bolivariano-MBR 200. The various dimensions of the cooperation between Venezuela and Cuba are explored, with emphasis on its political objectives and impact on each country. Following are some of the main conclusions of the study:

- Venezuela is providing in excess of 90,000 barrels of petroleum daily to Cuba.
- Cuba’s debt to Venezuela has surpassed the $3 billion mark.
- Cuba is reselling, with Venezuelan support, part of the petroleum in the world market.
- Part of the Venezuelan oil subsidy is repaid by Cuban personnel working in Venezuela. It is estimated that more than 40,000 Cubans are now in that country including military advisors, security officers as well as teachers, nurses and physicians.
- This large number of Cubans has helped in Chavez’ consolidation of power and in influencing internal developments and public opinion in Venezuela.
- Chavez is attempting to perpetuate himself in power and to replace representative democracy with a new form of “popular democracy.”
- A close relationship has developed between Cuba’s FAR and the Venezuelan Armed Forces, FAN. FAN has established doctrines on “asymmetrical war” against “U.S. imperialism” and on Cuba’s “War of all the People” adapted to the Venezuelan case.
- Numerous military exchanges have taken place and the eventual integration of the two institutions will represent a formidable military force in the Caribbean Basin.
- Venezuela is modernizing its military with substantial purchases of weapons from Russia, Spain and others.
- The developing Cuba/Venezuela axis is aggressively supporting groups and leaders in Latin America. In particular, the two countries have focused on Bolivia and Evo Morales presidential candidacy. Other support has gone to violent and non-violent groups in the region such as the Fuerzas Armadas de Colombia.
(FARC); the Sandinistas of Nicaragua; the FMLN in El Salvador; and indigenous groups in Ecuador and Peru.

- Venezuela has moved closer to Iran and North Korea expanding political and economic cooperation.

- Venezuela, with Argentinean and Cuban support, have established Telesur, a government controlled network broadcasting throughout the region the anti-American message of Chavez and Castro.
The Cuba-Venezuela Alliance:  
“Emancipatory Neo-Bolivarismo” or Totalitarian Expansion? 

By Hernán Yanes*

1. Hugo Chavez: Castroism before Bolivarism

Like Fidel Castro – his political mentor – President Hugo Chavez is an example of doctrinaire eclecticism and political pragmatism. In the midst of the initial conceptual uncertainty, characteristic of the Movimiento Bolivariano Revolucionario -MBR 200 and its political allies in the mid-1990s, the first “founding myth” restored by “Chavism” has been the premise that the armed forces should abolish the political representative systems comprised of traditional political parties which are considered corrupt. As a consequence, the armed forces should ally themselves directly with the people. For some, this is merely another example of Latin American military praetorianism, or simply caudillismo. For others, an original manifestation of neo-Bolivarism. A close examination of several years of Hugo Chavez’ rule supports the belief that Chavism is close to Castroism. Certain similarities with the Cuban case are apparent, including the course taken by Chavez in his rise to power. First there was the attempt to seize power by force along with the armed forces. This was Chavez’s own version of the failed Moncada attack of Castro in 1953. Then the building of his image while in jail. And finally his visit to Havana after being released from jail in 1994.  

Since that time, Castro was eager to support his young Venezuelan pupil. He provided intelligence, thru the Cuban embassy, in Caracas to Chavez and his allies. From an early time Castro saw Chavez potential and the weakness of Venezuela’s political system. Castro’s relationship with Chavez was definitively consolidated with the victory of the former lieutenant colonel in the 1998 presidential elections in Venezuela. Some former Castro officials and pro Castro sympathizers became part of the president’s inner circle. These people have close ties to the Americas Department and to Cuba’s military intelligence. Among the most prominent are former Venezuelan Energy and Oil Minister Ali Rodríguez, who became president of PDVSA and Foreign Minister.  

The similarities between Chavez and Castro reflect a combination of ideological as well as pragmatic motives. The relationship between the two leaders was solidified in November 2004, the tenth anniversary of Chavez’s first visit to the island. On that occasion, accompanied by his main civilian collaborators and top commanders of the

*The author wishes to acknowledge and thank Professor Jaime Suchlicki for his comments and suggestions on this paper. This study grew out of a colloquium at the Institute for Cuban and Cuban-American Studies.

1 I personally had the opportunity to attend the ceremony Castro gave in honor of Hugo Chavez at the Aula Magna of the University of Havana in 1994. An evaluation of the Venezuelan case was published by the Americas Study Center (Centro de Estudios sobre America- CEA). We underscored the absence of a coherent project on the part of the emerging Revolutionary Movement (Movimiento Bolivariano Revolucionario-MBR) 200.

2 In 1992, while working as a researcher at the CEA, I interviewed Ali Rodríguez given his expert status in the petroleum area in Venezuela. The interview was arranged by Carlos Antelo, official at the Cuba’s Communist Party Central Committee Americas Department in charge of Venezuela.
National Armed Forces - FAN – Chavez again proclaimed himself in favor of socialism. He said Castro’s speeches inspired him and the creation of the Movimiento Bolivariano Revolucionario – MBR 200. During his trip, Chavez signed economic and political agreements bringing Cuba and Venezuela closer together.

Since his rise to power, Chavez has utilized several methods to consolidate power and win popular support. First he has been emphasizing the Bolivarian Revolution, with neopopulist programs centered on mobilization of the lower, more marginalized sectors of society. Chavez has made good use of “plebiscite democracy” as a means of “deconstructing” the preexisting democratic system, win consecutive plebiscites, approve his own “Bolivarian” constitution, dominate the new Chamber of Deputies, the only existing legislative body, appoint followers to the Supreme Court and use FAN to resolve conflicts. The FAN has become recently the most important institution in Venezuela’s political system. Chavez also borrowed from Castroism the idea of Bolivarian circles, paramilitary institutions inspired by Cuba’s Committees for the Defense of the Revolution (Comites de Defensa de la Revolucion). Finally, just like in Cuba, Chavez has used political discourse charged with nationalistic and “anti-imperialist” elements aimed at labeling the United States the main foreign danger and national “enemy” - identifying his opponents as “enemies of the state.”

FAN’s internal ideological differences and fissures seemed to have played a decisive role when, under pressure from a massive opposition movement, a military faction led to the president’s resignation in April 2002. Within 48 hours, Chavez was back in power thanks to his military allies. The attempted coup allowed Chavez to reorganize the military and purge “disloyal officers.” Chavez’ control over FAN has increased significantly, and the institution now appears completely loyal to its commander in chief. This explains in part the growing repressive capacity of the regime over the political opposition, civil society and the media. Remaining to be explained are the past relations of Chavez’ friends and the president himself with Peruvian special services, and with Vladimiro Montesinos, Peru’s former intelligence chief. Fujimori’s experiment in Peru of presidential authoritarianism seems to have also inspired Chavez. There were four elements of the Fujimore process that may have inspired Chavez: guarantee of presidential power and immediate reelection; subordination of legislative power, with the elimination of the Senate, and modification of the rules for approving laws; expansion of

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judicial power with the purpose of manipulating it; and the political-territorial
deconcentration recourse as a brake on political-administrative decentralization.5

Increased control over FAN, the legislative and judicial bodies allowed the president to
invalidate millions of pro referendum signatures collected by the opposition or to
militarize PDVSA in 2003. Furthermore, control over the military and the electoral
process allowed Chavez to legitimize his power during the 2004 referendum.

A populist regime exists in Venezuela which is now not based on coalitions,
conciliation or political participation, but on the possession of abundant oil resources and
their “discretional” use by the president. A recent study conducted by the Venezuelan
organization “Sumate” concluded that, after nearly seven years of Chavez government,
the country’s democratic institutions are showing signs of losing their autonomy and
independence, embracing instead revolutionary change.6

Since the beginning of 2005, Chavez has strained relations further with the United
States. The Venezuelan president and his cabinet never lose a chance to criticize or
accuse the U.S. administration.7 They claimed that the United States was planning to
assassinate Chavez; they denounced the “Balboa plan” thru which the U.S. could invade
Venezuela. On several occasions, Venezuela has published accusations of maneuvers by
the U.S. military near the country, including neighboring Curacao. Chavez has threatened
to cut Venezuelan oil shipments to the U.S and sell it instead to China. Also the
Venezuelans have expressed an interest in selling their Citgo chain of gasoline stations in
the U.S. and to divest themselves of their large share of government investments in U.S.
securities.8

Chavez’ speeches are full with insults, first against U.S. Secretary of State
Condoleezza Rice and increasingly against President Bush. Chavez has called Bush “Mr.
Danger” in an unprecedented surge of anti-U.S. speeches and in support of the so-called
“socialism of the Twenty First Century.” Chavez recently suspended cooperation with the

5 See Guillermo Alfonso Martín. “Cambio institucional y problemática fiscal en Venezuela: La reforma del
Estado y la “revolucion pacífica” (1989-2000) seen from the perspective of intergovernmental relations.
México City, 2005, draft pending publication. I would like to express my appreciation for the generous
 collaboration and fruitful discussions offered by Dr. Guillermo Alfonso Martín, who shared with me
valuable information in the preparation of this study, as well as profound reflections on the Venezuelan
 case.
6 See Francisco Olivares. “Solo Hechos. El Estado de la institucionalidad en Venezuela. La democracia
7 The controversial statements made by Evangelical pastor Pat Robertson in August suggesting magnicide
on the Venezuelan president are an example. Although U.S. spokesmen and important officials of the U.S.
administration, such as Donald Rumsfeldt, immediately denied having anything to do with it and even
denounced the pastor’s statements, the Hugo Chavez government tried to establish a link between
Robertson’s opinions and the White House. See President Chavez: Si algo llega a pasarme el responsable
8 See: Si atentan contra Chávez. Ramírez: Venezuela podría suspender venta de crudo a EEUU. The
distortion it would cause the world market would be gigantic. This statement was made by Venezuelan
Energy and Oil Minister Rafael Ramirez at the close of the OPEC ministerial meeting in Iran, where it was
decided to raise production to 50,000 b/d. Cadena Global/AFP, March 16, 2005; Chavez again threatens to
cut off oil to the U.S. Ultimas Noticias, August 15, 2005: “Es un precio que hay que pagar por la
soberania.” Ramirez: Suspenderemos petróleo a EEUU si siguen agresiones. Cadena Global/ABN, August
17, 2005.
DEA’s drug program in Venezuela accusing the agency of espionage in Caracas. This has been denied emphatically by the U.S. administration.

2. Military Transformation and Anti-Americanism

The Venezuelan president and top military leaders have reconstructed the country’s military doctrine along the lines of what they call “doctrine of the asymmetrical war.” It assumes a military conflict with the United States (a “U.S. invasion”) or a military conflict with U.S. allies in the continent, such as Colombia. The internal priorities of the Chavez government are to continue to increase the president’s personal control over the armed forces and developing a major and efficient repressive apparatus. Venezuela announced on September 26, 2005, a new National Armed Forces Organic Law (LOFAN). It includes an anti-imperialist “military doctrine” with a strategic design based on territorial control of “integral defense zones” and a role for the reserves. The law mimics the Cuban doctrine of “War of the Entire People.”

In recent weeks, Chavez has even defined as the “sacred mission” of his foreign policy and of Bolivarian Venezuelans the “saving of humanity” from the “U.S. threat” and promotion of a multipolar world. The Venezuelan president has called on his new partners in the region to prepare for the collapse of the North American “empire” and to join in the construction of a Cuba-inspired socialist model. Even with the U.S. in the grip of a natural disaster, Hurricane Katrina, Chavez could not resist the temptation to charge the U.S. administration of being racist for its slowness in helping hurricane victims in Louisiana. Shortly afterward, the Venezuelan president delivered an electrifying “anti-imperialist” harangue at the OAS, considered by many observers a repeat of past appearances by Fidel Castro before the organization. Chavez wrapped up his visit to New York with what many viewed as a theatrical performance with a handful of sympathizers in Harlem.

The Caracas government continues strengthening its alliance with Cuba and fostering similar policies. It has promoted anti-ALCA measures and continental destabilization by supporting political candidates in various countries such as Evo Morales in Bolivia and revolutionary groups such as the Fuerzas Armadas Revolucionarias (FARC) in Colombia. Furthermore, Venezuela has moved close to enemies of the U.S. such as Iran and North Korea, increasingly cooperating with these regimes and expanding commercial and political ties. Beyond sporadic manifestations of a desire to improve relations with Washington, the tone of Venezuelan rhetoric is still such that it appears aimed at provoking U.S. response in the direction of a wider diplomatic conflict and eventual breaking of formal ties between the two nations.

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11 See Speech by the President of the Bolivarian Republic of Venezuela, Hugo Chavez, at the Sixieth UN General Assembly, ABN September 15, 2005.

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New plans have been recently developed for a “Territorial Guard” made up of the civilian population to serve as “local resistance” against “internal or external attacks.” The Guard would be controlled by the president together with the reservists. In effect, control at the local level is being strengthened, under the President’s direct command.13

The Chavez government has been purging military commands and even changing military rotation and promotion patterns. It launched the new anti-imperialist “military doctrine” and replaced the former FAN uniform with another, ostensibly similar to that used by Cuba’s FAR. In Chavez’ own words, the “ideological deviation and submissive spirit that existed within the country’s top commands led the army to gradually begin using a uniform that was not theirs,” describing it as part of the “imperialist domination” past.14 Along with this, there has been a series of changes in military thought and a new training manual for officers and soldiers. The underlying objective is to try to achieve FAN’s total transformation “a la Cuba”, as an unconditional instrument at the service of the Chavez project.

Recently the government has purchased millions of dollars in weapons, primarily from Russia. This places more pressure on neighboring Colombia, and could be a step toward strengthening a military alliance with Cuba. A close military collaboration with Cuba allows for Venezuelan military personnel to be trained in the island or for Cuban advisors to train Venezuelans in their own country. The Venezuelan acquisition of MIG 29’s is particularly important in providing the Air Force with a significant capability in South America. The combined Cuban/Venezuelan Air Force now with new spare parts and capital from Caracas makes this not only a potentially destabilizing force in the continent but a foundable force to contend with in any regional conflict.15

In many ways, the collaboration between FAR and FAN’s top leaders has intensified in past years. Along with frequent visits to the island by military delegations from the Instituto de Altos Estudios de Defensa Nacional (IAEDEN), the Navy and Air force and other FAN units there is the unprecedented appointment of Fidel Castro as “godfather” of 85 officers graduating from the Venezuelan Army’s Military Command. This is the generation of officers who will have command over the Venezuelan army for at least the

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13 Guillermo Martín Castellano, Op. Cit.; see also “The President of the Permanent Defense Commission of the Parliament, Edis Rios, explained that following at a meeting with President Chavez and Defense Minister Jorge Luis Garcia Carneiro, it was agreed to incorporate in the report on rules new articles that revoke the Defense Office’s control over FAN reservists, which, if the Executive’s goal is met, could be around 100,000. Rios said the reservists would answer to state governments and the president of the republic.” Quoted by El Universal, March 16, 2005. http://www.eluniversal.com . See also “Machillanda acusa a Chávez de crear ejercito paralelo.” Retired colonel Jose Machillanda, member of the Frente Institucional Militar (FIM) and expert in military affairs, said yesterday that the announcement that Hugo Chavez was appointing Gen. Julio Ramon Quintero Viloria to head a 100,000-man reserve unit is meant to create a parallel army to pursue the dissidence. Machillanda said the creation of the reserves weakens the military institution and seeks to turn it into “Cuban-style militias.” “The Victoria case reveals the great fear of the president who has no other option than to appoint a submissive man to increase the reserve element, which diminishes the land, air and naval branches of the armed forces,” he told Union Radio, ... DPA agency (...). El Universal, Caracas, Monday, March 21, 2005. http://www.eluniversal.com.
next decade. After the graduation ceremony, a majority traveled to Cuba along with their closest relatives. There they were decorated by Fidel Castro himself in August 2005. A similar visit occurred after the graduation of 40 officers from the Air force, who visited the island for special training and familiarization with Cuba’s air force.

The “Bolivarian Alternative for the Americas” subscribed to by the governments of Havana and Caracas is being used as a “legal umbrella” for joint training and programs involving the military of both countries. Programs such as “Operation Miracle” which brings Cuban medical personnel to Venezuela have been confirmed at key facilities such as Fuerte Tiuna hospital. Venezuelan civil society sources have also reported the presence of Cuban advisors in Venezuelan prisons, in part to provide prisoners with psychological treatment.

As a rule, coordination between the Cuban and Venezuelan military is carried out discretely allowing them to avoid as much as possible the attention of the media and international observers. One example is the FAN brigade participating in the construction of “Villa Bolivar” – one of the towns conceived under the Alternativa Bolivariana para la America (ALBA) in an area near Sandino in the Cuban province of Pinar del Rio in 2004. Until the visit by Chavez to Cuba in August 2005 in the midst of a propaganda blitz put on by both governments, the international press was little aware of the presence for several months in Cuba of a Venezuelan military detachment.16

Chavez’ can not be completely sure of military loyalty. In contrast to Cuba, the Venezuelan president has inherited armed forces from the former regime, which he himself belonged to. Since the beginning of 2005, there have been speculations about concerns and even “discussions” by unidentified officers concerning issues such as Venezuela’s economy if they lose the U.S. oil market and CITGO is sold, a topic that spawned a controversy within Venezuelan society. There have also been disagreements within the military over the new trial ordered by Attorney General Isaías Rodríguez of officers involved in the April 2002 events, whose causes had been dismissed. Some officers took refuge in neighboring countries.17 Suspicions persist within FAN concerning the burning death of two soldiers in custody this year.18 Around the same time troop movements sparked rumors in the city of Maracay about possible unrest in the


17 Former vice president of the Republic and first vice president of the Constitutional National Assembly of the Chavez regime, Attorney General of the Republic, Isaias Rodriguez is the only official who can initiate political trial procedures in Venezuela. Concerning the case mentioned, see statements by members of the public ministry, quoted in El Mundo, March 14, 2005; see also, Roberto Giusti. El otro pais (The other country). El Universal, Caracas, June 14, 2005; Roberto Giusti. La (Re)vuelta de los fantasmas. El Universal, Caracas, Wednesday, June 14, 2005-11-13

18 The year before, a similar incident occurred in another cell at Fuerte “Mara,” which also ended in the loss of human life. Gen. Francisco Uson, former Finance minister of the Chavez regimen who later turned against it, suggested that instead of an accident, as official reports were claiming, the fire may have been intentionally set with a flamethrower. Similar statements were considered “delitos de injuria” (perjury crimes) and the general was initially sentenced to five and a half years in prison. Since then, rumors have spread of the unprecedented torture methods practiced by certain commanders. Beyond the debate over the veracity of these reports, they gained momentum with the case of the soldiers burned under “strange circumstances” (officially, another incident) in one of the cells. The reports have included Cuban advisory assistance in the “investigations” carried out by the Chavez government at various FAN levels.
military. Army General Commander Raul Isaias Baduel said that these were “persons foreign” to the armed forces “who intend to generate a situation of confusion in the institution to use a portion of FAN against the nation’s interests.”

In June 2005, the Chavez government faced tensions with commanders of the National Guard in the country’s interior. However, several weeks later, after promotions and military salary increases, as well as the replacement of the Defense Minister, the government appeared to be in much better control. In mid-August 2005, Chavez boasted publicly that he no longer saw any chance of a military coup against his government. The president followed this with a change of leadership in the National Guard and by the complete replacement of nearly all of the top military command of FAN. The president finally introduced a police law that ensures the restructuring and centralization of the institution in the hands of the executive.

In the meantime, Chavez continues to lead the country toward his “own model” of Cuban inspiration as well as a continental “emancipation” movement. Chavez’ propaganda on alleged U.S. aggression and attempts to assassinate him, as well as Venezuela’s willingness to “repel and respond” to any attack by the Bush Administration is being used as a justification to gain control over the military, to tightening political control over the population at large and to welcome Cuban military advisors and security personnel.

3. Significance of Venezuela for Cuba

The Cuban decision to baptize 2005 as “the Year of the Bolivarian Alternative for the Americas” should not be seen as a simple gesture of political sympathy. The economic survival of the Castro regime depended during the first half of the present decade on an initial supply of 53,000 b/d of oil under an agreement between Cuba and Venezuela signed on October 30, 2000. Castro sees Venezuelan economic support as an indispensable help to muddle through the difficult times after the collapse of the Soviet Union and to insure a smooth succession and to avoid any transition in the island. This helps explain the direct involvement of the Castro government, and of its intelligence

19 Cadena Global, Thursday, March 10, 2005.
23 References of a “modelo propio” of socialism could be related to the advice given Chavez from people like Marta Harnecker, director of the research center Memoria Popular Latinoamericana (MEPLA) based in Havana. Harnecker is well known as author of hard-line Marxist texts that were widely published throughout Latin America in the 1970s and 1980s. She has spent the last 10 years writing about the local Brazilian PT governments with emphasis on Sao Paulo.
services helping restore Chavez to power in April 2002. Venezuelan oil exports to Cuba have become vital and are now at 90,000 barrels a day.

Independent studies have shown that Venezuelan oil exports to the island are an unpaid subsidy despite references to payments by Cuba. The quantity of Cuban health personnel, sports trainers and teachers sent to Venezuela or the “free” treatment of Venezuelan citizens at the island’s hospitals does not even come close to pay for Venezuelan oil sent to Cuba. Authorities from both countries took a long time in recognizing what other more realistic estimates were saying: that the supply of Venezuelan crude to the island had risen to no less than 70,000 to 80,000 barrels a day beginning with the most intense phase of the electricity crisis on the island in 2004. Venezuelan government and PDVSA executives were manipulating public information to try to undermine the close Cuba-Venezuela relationship and the true amount of crude supplied to Cuba.

In September 2004, coinciding with the electricity crisis in Cuba, Venezuela’s Energy and Oil Minister spearheaded a “mission” to Cuba to “strengthen binational cooperation.” Cuba and Venezuela approved 116 new cooperation projects in 15 sectors. The meeting reviewed the existing collaboration program between Havana and Caracas and agreement was reached for future projects. The meeting was opened by Cuba’s Vice President Carlos Lage and Venezuelan Ambassador to Cuba Adan Chavez, brother of the Venezuelan president. The communiqué explained that “according to the Integral Cooperation Agreement, Venezuela sells Cuba some 53,000 barrels of oil daily at preferential prices and thousands of Cuban health, sports and education professionals and technicians are collaborating in Venezuela.” Though no analysis of the energy agreement was mentioned publicly, PDVSA sources in Caracas as well as in Mexico City spoke of recent increases to Cuba. The media published an official PDSVA communiqué playing down recent increase in oil exports.

It appears as if Venezuelan and Cuban officials collaborated in an attempt to conceal the extent of the Cuba-Venezuela oil agreement. At the same time, it was reported that Venezuelan trade with Cuba had risen to some 1 billion dollars in 2003, but it was not specified how much of that corresponded to oil. Another example of the vagueness of the information available for this item is the following table which shows the type of disaggregate data on exports by destination issued by official Venezuelan governmental sources. Note that despite the “total export” denomination, the figures corresponding to public sector iron and oil exports were omitted, while private sector ones were included. In fact, the former were provided by the Banco Central de Venezuela only as an aggregate, without going into detail about the relative share of receiving countries. Cuba is not even mentioned as supposedly included into “others.” There was no clear information in this regard on PDVSA’s website or on that of the Minister of Energy and Energy and Oil Minister spearheaded a “mission” to Cuba to “strengthen binational cooperation.”

Oil. Total FOB goods exports for 2004, according to BCV, were 39,371 million dollars, of which public sector oil exports contributed 27,640 million dollars (70.2%). Oil accounted for 94% of public exports.\(^{29}\) Therefore, with the information on Venezuelan exports by the National Statistics Institute (INE), is impossible to show exactly how much oil Cuba receives from Venezuela.

Total Venezuelan Exports, according to country of destination, January-July, 2000-2004

<table>
<thead>
<tr>
<th>Country of Destination</th>
<th>2003 Millions of US$</th>
<th>2004 Millions of US$</th>
<th>Variation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,777</td>
<td>4,188</td>
<td>50.8</td>
</tr>
<tr>
<td>Colombia</td>
<td>328</td>
<td>532</td>
<td>62.2</td>
</tr>
<tr>
<td>United States</td>
<td>1,094</td>
<td>1,840</td>
<td>68.2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>119</td>
<td>150</td>
<td>26.1</td>
</tr>
<tr>
<td>México</td>
<td>176</td>
<td>225</td>
<td>27.8</td>
</tr>
<tr>
<td>Ecuador</td>
<td>95</td>
<td>128</td>
<td>34.7</td>
</tr>
<tr>
<td>Japan</td>
<td>57</td>
<td>76</td>
<td>33.3</td>
</tr>
<tr>
<td>Brazil</td>
<td>55</td>
<td>74</td>
<td>34.5</td>
</tr>
<tr>
<td>Peru</td>
<td>40</td>
<td>65</td>
<td>62.5</td>
</tr>
<tr>
<td>Italy</td>
<td>51</td>
<td>58</td>
<td>13.7</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>17</td>
<td>2</td>
<td>-91.2</td>
</tr>
<tr>
<td>Chile</td>
<td>21</td>
<td>33</td>
<td>57.1</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>23</td>
<td>28</td>
<td>21.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>18</td>
<td>34</td>
<td>88.9</td>
</tr>
<tr>
<td>Others (include Cuba)</td>
<td>663</td>
<td>903</td>
<td>36.2</td>
</tr>
</tbody>
</table>

Figures are provisional.\(^{1/}\) Excludes oil and iron exports of the public sector and includes oil exports of the private sector. Source: Servicio Nacional Integrado de Administración Tributaria (SENIAT). Processed by the National Statistics Institute (INE).

Given this, studies have become necessary based on indirect calculations, which have helped conclude the increase in oil exports to the island in 2004.\(^{30}\) Media sources have confirmed the fact that in the same period a generalized increase in crude exports occurred without Venezuela apparently knowing why. More importantly, independent studies have concluded that Cuba would be selling on the world market part of the oil received from Venezuela as a way to obtain dollars estimated by some to be close to 1 billion dollars annually. Five years into the agreement, experts say, Cuba’s oil-related

\(^{29}\) See Guillermo Alfonso Martín, Op. Cit.

Venezuela’s economic support has allowed Castro to recentralize political and economic control. The partial liberalization of the last decade has come to an end. The circulation of the dollar has ended. The number of foreign companies operating in Cuba has been reduced. And the number of Cubans allowed to operate independently of the state, cuenta-propistas, has been gradually reduced. Cuba is undergoing a Chinese type cultural revolution, albeit less violent, where an aging and sick leader attempts to create the conditions for a succession to his brother Raul and the military. Castro’s objective, helped by Venezuela’s aid, is to prevent a transition in Cuba toward a market economy and a free society. Venezuela’s support has come to alleviate Cuba’s chronic problems. These include: an anticipated failing electric grid, a disastrous sugar industry, an apathetic label force, and in general, a failed economic system. The drop in remittances and Bush’s policies and mutual disasters have come to aggregate a difficult situation.

Together with “counter reform” associated with the “battle of ideas” model and symbolized politically by a Union of Communist Youth Congress-UJC at the end of last year and the Bastion 2004 Military Exercise, triumphalism has returned to the rhetoric of regime about the future of the Cuban economy and its social “programs.” Castro has signed oil exploration agreements with China, Canada, and Spain. There is significant hope for Cuba’s offshore oil reserves and the possibility that in a few years Cuba would be self sufficient in its petroleum needs.

The launching of the so-called Bolivarian Alternative for the Americas –ALBA in Havana in December 2004 was the culmination of the strategic alliance between two caudillos. The agreement provides for a “legal umbrella” for accelerated integration between the governments of Chavez and Castro and for “reciprocal assistance.” Other

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31 Much before the peak in bilateral economic relations, estimates by independent Venezuelan experts indicate that at the end of 2003, Cuba’s debt with Venezuela was close to 1 billion dollars. See Marianna Parraga. Cuba acumula deuda de $891 millones con Venezuela. El Universal, Caracas, January 14, 2004.
33 See Mar Marin. Fondos/ Han cerrado unas 100 empresas de capital mixto. Cuba pone orden en inversiones extranjeras. Las alianzas con China y Venezuela han hecho que el país sea más selectivo a la hora de escoger. EFE/El Universal, Caracas, June 17, 2005.
35 See The Agreement between the president of the Bolivarian Republic of Venezuela and the president of the Counsel of State of Cuba for Expansion of the Bolivarian Alternative for the Americas, signed on December 14 in Havana. The Agreement is not transparent and gives the idea that it really hides much of what could happen under the legal umbrella. For example, its Article 3 is quite vague: “Both countries will prepare a strategic plan to guarantee the most beneficial productive complement on the basis of rationality, use of the advantages existing everywhere, resource savings, expansion of useful employment, access to markets or other considerations sustained in true solidarity that empower the forces of both.” Or Article 4: “Both countries will exchange integral technological packages developed by each in areas of common interest, which will be provided for use based on principles of mutual benefit.” In sum, they lack details. Article 6 provides legal coverage to every type of company in both countries without providing any details about the companies themselves. Another part talks about opening bank accounts in each country as well.
terms of the agreement include the lifting of tariffs and taxes, access to 100% of investment property in Cuba by Venezuelan government investors, access to Cuban ports, for Venezuelan ships. But the topic of “open skies” stands out as it grants Venezuelan airlines the same benefits and permits as it grants Cuban government airlines, including passenger operations in the island. For some years now, CARICOM country airlines such as Air Jamaica have requested similar treatment. However, these concessions were never made based on claims of national sovereignty and the exclusive control by Cubana de Aviación. An agreement of this sort usually is not allowed in other countries given the competition for national companies. Governments generally try to avoid granting licenses to foreign companies to transport passengers nationally.

Cuba enjoys an important subsidy allowing it to pay 29 U.S. dollars for a barrel of Venezuelan crude at a time when prices are skyrocketing on the world market. Venezuelan energy assistance is key to ensuring Cuba access to dollars, and at least allowing a modest increase of 3% for the island’s economy in 2005. It also helped Castro cushion the effects of the reduction of Cuban-American remittances to the island and to negotiate more independently with other countries in Europe and elsewhere.

In a series of speeches in 2005, Castro focused on a program of distributing pressure cookers and rice cookers, together with promises of future sales of electric stoves and other appliances in the short term. In those speeches, Castro made it clear that the time of power shortages was over, that this was one of the miracles of the Revolution. He said over and over that the country would continue to receive supplies and products from Venezuela. Castro constantly invoked Chavez’ name, underscoring the close coordination and exceptional mutual support existing between Venezuela and Cuba. Chavez’ visit to Cuba in April 2005 further cemented the relationship. As part of the “First Cuba Venezuelan Meeting on the application of the Bolivarian Alternative for the Americas,” 49 agreements were signed, which included a “strategic” plan that represented a “flexible instrument” that would continue to further political and economic integration. According to official figures, more than 300 million dollars were added in bilateral contracts, while Cuba would acquire from Venezuelan 412 million dollars in products. An increase in Venezuelan oil to the island was openly recognized to be no less than 80,000 barrels a day. Other highly publicized agreements were signed valued at up to 200 million dollars.

The agreements were far reaching. They encompassed areas such as basic industry, telecommunications and informatics, the iron and steel industry, air and maritime...
transport, agriculture, water resources, culture, sports and television. There were several agreements on the oil alliance between PDVSA and CUPET. PDVSA opened an office in Havana. Joint ventures were organized to build or expand tank terminals as well as the joint refining of oil for distribution to other Caribbean countries. It was announced that Venezuela might help finish the Cienfuegos refinery to process Venezuelan oil for distribution to the Caribbean and build another refinery in Matanzas near the island’s main tank port. An agreement was signed to build a lubricant plant in Cuba. Brazil’s Petrobras was invited to participate in this “joint venture.” PDVSA would also undertake oil drilling, pumping and refining in Cuba’s economic zones in the Gulf of Mexico, where, among other public and private companies, Repsol, Sherrit and even Petrobras have interests. Another agreement had to do with providing Cuban land for a branch of the Banco Industrial de Venezuela to be built in the island.

The number of agreements contained in this so-called Strategic Plan show a degree of unprecedented coordination between the two governments. Cuba and Venezuela are integrating politically, economically, and militarily. Obviously, these agreements would have legal ramifications if the existence of any of the two regimes were to come to an end.39

Beyond sporadic official reports containing partial information, both governments seem to try to keep other countries from knowing the extent of their relationship. Perhaps Chavez is concerned about the reactions of Venezuelans as the extent of his subsidies to Cuba is known.40 The figures announced at the First Cuban-Venezuelan Meeting for Expansion of ALBA, showed that Venezuelan trade with Cuba in 2004 grossly over the 1.4 billion exceeded that with China (approximately 1.3 billion) and Spain (some 879 million). But since the relationship between Venezuela and Cuba is based on exchange of expertise, medical, educational, and military, for there to be even an approximate figure is extremely difficult.41 To complicate the inconsistencies of the available data Castro, during a speech on July 26, 2005, said that trade with Venezuela exceeded three billion dollars.

In any case, the strategic political variables associated with creating better conditions for “socialist construction” in Venezuela and the expansion of its continental political influence must dominate Castro and Chavez’s thoughts above economic rationality. Also, Chavez’ support for Castro is allowing Cuba to freely reexport Venezuelan oil -petroleum that does not necessarily have to reach Cuba’s coasts and can be reexported directly to other destinations as long as the revenues go to Cuba. This could perhaps take place through a concessionary “platform” granted by Cuba and Venezuela to Asian partners such as China. Oil export and reexport agreements to the Asian giant probably


40 See Orlando Ochoa. ¿A quien le venderemos el petróleo? El Universal, Caracas, Friday, April 29, 2005.

would involve certain guarantees and agreements by Cuba (for example, permission for oil drilling) as well as Venezuela to China. China, in turn, would have to manage the situation carefully not to jeopardize its relations with the United States. Shortly before Raul Castro’s Asian trip in 2005, the Chinese SINOPC Group and its Shengli Administration spent some 400 million dollars on gas and oil drilling in Cuba. It was around this time that Cuba closed an oil production agreement with the Chinese group. In mid-August 2005, Venezuelan Energy and Oil Minister Rafael Ramirez stated that since the beginning of the year, Venezuela had sold 14 oil tankers to China that could hold 2 million barrels of oil each.42

The “Chinese move” by Venezuela could create a complex oil trade triangulation that would benefit Cuba. Current oil prices in the world market would allow the Chavez government to pay for such programs including transportation costs.43 Recently, the Banco Exterior de Cuba has opened a branch in Venezuela under the name Banco de Exportacion y Comercio, S.A.44 Venezuelan support has also made it possible for Cuba to regain geopolitical influence in its immediate vicinity by becoming the administrative center for redistribution of oil in the recently created PetroCaribe. That same support has allowed the Cuban government to secure other multilateral projects such as a recent agreement with Venezuela and Brazil for ethanol production.45

On the home front, the Castro government announced a program for the construction of at least 100,000 houses a year beginning in 2006. The Cuban leadership is capitalizing on the beneficial relation with Venezuela and reinforcing among the island’s population the idea that the worst of the “special period” is almost over.

The FAR is also benefiting from the relations with Venezuela. Intelligence and other services are being provided by Castro’s Interior Ministry (MININT), which have resulted in generous “under the table” compensations from the Chavez government. Castro has increased the budget and made available more resources to the military. More police are being recruited throughout the island. Recently, several hundred students from public safety training courses at the Basic National Police Academy (PNR) – have graduated and assigned to urban patrols.

4. Cuban Involvement in Venezuela and the “Consolidation” of the Chavez Regime.

In the latter part of 2005, the Castro regime had more than 40,000 “internationalists” in Venezuela advancing the Chavez government’s populist policies. Of the 40,000, 20,000-30,000 are public health workers, together with more than 5,000 sports trainers and thousands of others in various areas. Part of the Venezuelan subsidy to Cuba includes airfares, room and board, professional stipends and others expenses, for these internationalists.46

42 See “Es un precio que hay que pagar por la soberania.” Ramírez: We will suspend oil to the United States if the aggression continues. Op. Cit.
The high levels of defections among Cuban workers, particularly in the area of health, have led to a Cuba-Venezuela agreement on Legal Matters, announced in December 2004. The agreement allows Cuba and Venezuela to arrest citizens from each other country, and appoints the ministers of justice of both countries to conduct criminal investigations and trials. The agreement has extended Castro’s repression into Venezuelan territory.

Agreements in progress in past months include the so-called “Labor Plan between the Pedro Gual Institute of Higher Diplomatic Studies of Venezuela’s Foreign Ministry, and the Raul Roa Garcia Higher Institute of International Relations of Cuba’s Foreign Ministry,” signed in Havana on October 8, 2004. Members of the Venezuela’s Foreign Ministry will travel to the island to undergo diplomatic training. Other agreements relate to Venezuela’s media sector, including Cuban advisors to the Bolivarian News Agency – ABN. A Media Cooperation Agreement between Venezuela and Cuba was signed by Prensa Latina, Cuba’s news agency, and the Bolivarian News Agency. The agreement states that the Cuban agency Prensa Latina must help restructure and reactivate the ABN, as well as advise the ABN “on the information side of the news, in training personnel and in training in new multimedia technologies.” According to Venezuelan officials, the agreement would help “internationalize” the ABN since they hope to have “a network of correspondents abroad and spread the truth about Venezuela and gather information of interest to the Venezuelan people.”

Probably the most strategic aspect of Cuban collaboration has been the least publicized. Cuba’s intelligence operatives are helping Venezuela’s Interior Ministry in “Mission Identity” to ID new citizens by the National Identity and Foreign Office-ONIDEX. Since 2003, the Interior and Justice Ministry of Venezuela created an institution made up of youths trained in Cuba called Frente Francisco de Miranda, to supervise Colombian nationals and people from other countries. Cuban advice seems to be increasing in matters concerning ONIDEX’s national reorganization.

With increased petroleum wealth, growing internal control, and increased Cuban support, Chavez now makes references to his unlimited tenure, offering as a likely date of his retirement the year 2030. Chavez continues to repeat the logic of the Cuban model. Besides his growing control over the military and the creation of the “Territorial Guard”-

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47 See Eligio Rojas. Tildan de inconveniente Tratado Penal con Cuba. The agreement was published in the Official Gazette last December, but its content went unnoticed. Ultimas Noticias, January 25, 2005.
recent steps have included: a stepped-up offensive against the media and the beginning of a series of confiscations and expropriations of “unproductive lands.” The Venezuelan president has declared an “all-out war” against large landowners and warns that private property will not be something untouchable in the country.\textsuperscript{52}

5. A new continental political axis.

The growing Cuban-Venezuelan integration has been particularly noticeable in foreign policy and the Venezuelan power projection. Venezuela has been expanding its “oil diplomacy” while Castro intelligence apparatus is infiltrating and destabilizing countries in the region, particularly Bolivia and Colombia. Castro has transferred to Cuba’s embassy in Caracas a team with expertise in penetration and destabilization plans, including people like Felipe Gil Chamizo, Cuba’s Political Adviser in Venezuela, considered one of the most important analysts of the Americas Department; widely associated with the Latin American left and the Foro de Sao Paulo and Foro Social Mundial organizations. Cuban Embassy websites dedicate significant space to Chavez’ speeches as well as “Bolivarian” programs and policies.

Recent Chavez’ involvements in Colombia, mainly through FARC, and in Bolivia in support of Evo Morales are widely known. In recent months there are reports of a Chavez network in Mexico (Friends of Venezuela Network in Mexico) and in North America.\textsuperscript{53}

The intense anti-ALCA campaign and an attempt at creating an alternative regional integration pole through “ALBA” are obsessions of the two leaders set on creating a new strategic Havana-Caracas axis that reminds one of the anti-American projects of Castro in the 1960s.

In early 2005 in Porto Alegre, Chavez said that the delay in launching ALCA was “a victory for all peoples.” In Chavez’ “strategic map” of Latin America, the old Castro idea of continent-wide exporting of revolution has been practically revived. Chavez assumes the existence of two counter axes: Caracas, Brasilia, Buenos Aires or the “Bolivar axis.” This axis was strengthened by Tabare Vazquez’ victory in Uruguay and a possible of Morales, in Bolivia. Opposing this group would be the “Monroe” axis “dominated by the Pentagon” and made up, according to Chavez, of “Bogotá-Quito-Lima-La Paz-Santiago.” “Our strategy,” said Chavez, “must be to break that axis, and create South American unity.” “I do not think,” emphasized Chavez, “it is a dream, I believe that never before in America has there been a situation like this. Three years ago, it was just Cuba and Venezuela, but now the situation has changed.”\textsuperscript{54}

This helps explain the strengthening of ties among Chavez, Castro and leaders of the most radical social and political movements in Central and South America. These include the Sandinista movement in Nicaragua, the FMLN in El Salvador, and the leftist Indigenous groups of the Andean region, such as Evo Morales’ Movimiento al Socialismo in Bolivia, Pachacutik and CONAIE in Ecuador, and the so-called ethno-Caceres movement of the Humala brothers in Peru.

Strategically, several of Chavez’ trips to Cuba in 2005 appear to have been carefully prepared as attempts to coordinate continental strategies and actions with certain allies of


the new Castro-Chavez axis. Objectives included the organization of NGOs and hemispheric transnational social movement networks that would organize a “resounding resistance” to the Summit of the Americas in Argentina - a mobilization and destabilization mechanism that must not be underestimated given the already high level of organization, agendas and capacity for action inside several Latin American countries. These movements identify Castro, Chavez and other continental leaders as the new “revolutionary vanguard” of the “anti-imperialist struggle.” Hence, a sort of “new Latin American international” led by Castro and Chavez is organizing and directing the next stage of subversion in countries like Nicaragua, El Salvador, Ecuador and Bolivia, with plans to spread to other nations in the region and, altogether, defend and propagandize the “Bolivarian Revolution” and the “ALBA” project.

One of the novelties of the ALBA continental strategy is the so-called Bolivarian Congress of the People and the Parliamentary Network for the Bolivarian Alternative of Latin America and the Caribbean (REDP -ALBA). This was organized in accordance with the agreements of the second Bolivarian Congress held at the request of the parliamentary faction of the Farabundo Marti National Liberation Front (FMLN) in El Salvador in July 2005. This network is made up of representatives from Argentina, Brazil, Costa Rica, Colombia, Cuba, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Uruguay, Venezuela, El Salvador, the Andean Parliament, the Latin American Parliament, Central American Parliament and the so-called Indigenous Parliament of America. The objective is to support Venezuelan proposals in regional political forums. Such proposals include the election of the Venezuelan ambassador to the OAS as president of the Americas Charter task force of that hemispheric organization. This network is also working for “revolutionary democracy” as opposed to the current political democracy that exists in a majority of the countries in the region. There are also specific plans for influencing elections in which leftist leaders have a chance to emerge victorious thus “preserving and developing the favorable correlation of forces that exist in Latin America.”

Castro and Chavez have also been coordinating policies toward the Caribbean. There is the recently created PetroCaribe agreement which has made Havana the center of oil and gas redistribution to smaller islands. There is also interest in projects such as MERCOSUR, where Cuba hopes to become a member, and in the Andean Community.

The latest milestone of Venezuelan diplomacy includes new bilateral agreements with Uruguay, Argentina and Brazil, with emphasis on regional energy integration and steps toward the creation of PetroSur and PetroAmerica. This is all part of a South American

56 See Petrocaribe Energy Cooperation Agreement, http://www.mre.gov.ve/Petrocaribe2005/acuerdo_final.htm; Juan Francisco Alonso, Today will be signed the agreement to supply crude oil to neighboring islands. Venezuela will act as president of Petrocaribe. El Universal, Caracas, Tuesday, September 6, 2005.
57 See MRE Press. Venezuela y Uruguay suscriben declaración conjunta para el fortalecimiento de la integración binacional. Also see, Presidentes de Venezuela y Argentina emiten comunicado conjunto para afianzar la amistad e integración; Raúl Pierri, El Petróleo hace la Unión. At http://wwwq.ipsnoticias.net/; Chavez y Lula celebraran encuentro de trabajo y evaluaran acuerdos de cooperación, Agencia Bolivariana de Noticias (ABN), August 11, 2005; according to Chávez, “Construcción de refinería Pdvsa-Petrobras podría se este año.” Jacqueline Gil, Agencia Bolivariana de Noticias (ABN), Brasilia, August 12, 2005.
“energy ring” that would include construction of an oil pipeline from “Venezuela’s northeastern gas fields to Rio de la Plata” and an alliance among South American oil companies. Convergence is sought among the projects of MERCOSUR, now led by Tabaré Vazquez and the Andean Community, under the presidency of Hugo Chavez since 2005. There are other integration projects promoted by Chavez such as CarboSudamerica, through bilateral agreements with Brazil and Argentina. The main objective is to build the so-called “South American Energy Arch” controlling Bolivian gas, a special objective of the Cuban-Venezuelan alliance.

Castro and Chavez have been promoting the geopolitical project of revolutionary expansion, now based on strategic control of energy resources and distribution means in Latin America and the Caribbean. In coordinating strategies, formulas have been included for transforming Venezuelan client and debtor nations into eventual political partners. As for Bolivia, the project means the country’s incorporation into the alliance as a full, long-term member. Evo Morales has announced that if he wins the December elections, he would replicate the government model established by Chavez, including the experience of the Venezuelan Constitutional Assembly for drafting of a new Bolivian constitution.58

Chavez is focusing also in promoting the recently created South American Community of Nations and intergovernmental projects such as Televisora del Sur – Telesur. This government television network was created with Venezuelan-Argentina financial support and is headquartered in Caracas. It began operating in mid-2005 and is expected to operate throughout the continent in competition with other US and Latin American networks. Its CEO, Uruguayan journalist Aram Aharonia, calls it the “first project against telecommunications hegemony in South America,” a network comparable to Al-Jazira. Before Telesur was launched, Andres Izarra, Venezuela’s former communications minister, announced the intention of reaching agreements with the Arab station.59 Telesur’s international directorate includes Andres Izarra and Ovidio Cabrera, former Vice president of the Cuban Radio and Television Institute (ICRT) who directed the “battle of ideas” program and round tables, in Cuba.60 In the planning is also the Radios del Sur project, intended as a world radio network.61

Chavez’ controversial ties with countries considered enemies of the United States such as Iran should be emphasized. The statements made by the Iranian president during his visit to Venezuela in favor of a nuclear program and against the United States should be a source of concern. Chavez is also promoting meetings and alliances with the recently created South American Community of Nations and the Arab League.62

58 Karem Gull/Cadena Global, August 11, 2005.
Castroism has been and continues to be one of the main inspirations for Hugo Chavez. The final destination of Chavez’ “Bolivarian” project seems to be a Castroite type dictatorship of Venezuela.
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Hernán Yanes Quintero was born in Havana and holds a doctorate in political science from the Universidad Nacional Autonoma de México-UNAM. For years he taught social sciences in Cuba. He was a researcher at the Centro de Estudios sobre America (CEA) in Havana, where he worked with institutions of various countries and joined the boards of two international NGO networks and academic centers in the Caribbean. He has published extensively on governmental and democratic issues in Latin America, transnational civil society in the Caribbean and civil-military relations in Cuba.