



US-VENEZUELA POLICY:

A REALITY BASED APPROACH

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Introduction

It is time to allow reality to guide U.S. policy towards Venezuela and free Washington's agenda toward the rest of the Americas.

For too long, the United States' relationship with the Americas has been defined by its contentious dealings with Venezuelan leader Hugo Chávez. Nearly all public discourse in the United States regarding the Americas is filtered through this prism. The time has come to break that debilitating pattern and institute a policy of constructively ignoring Chávez.

Reality makes it possible to largely ignore Chávez. Mutual Venezuela-U.S. energy-sector dependence, for example, undermines Chávez's ability to access to oil coercively. Notwithstanding Venezuela's massive oil industry, Chávez's sphere of effective influence in the Americas and beyond is as overblown as his rhetoric. Profound changes are afoot in the Americas, but Chávez is neither their animating nor sustaining cause. In short, a Chávez-led Venezuela does not pose a national security threat to the United States at present or in the foreseeable future.

Reality also demands that we turn our attention away from Chávez and onto the very real changes occurring throughout the Americas. At the most practical level, with the unfortunately limited time and attention given to the Americas in the U.S. policymaking process, such precious resources should not be squandered and misapplied. Today's globalized, oil-crazed economy makes it virtually impossible to economically isolate Venezuela in order to force internal change. Rhetoric and empty symbolism merely emboldens Chávez and complicates efforts to reach out to allies and potential allies throughout the region on a common agenda of democracy with socio-economic advancement.

To begin the reorientation of U.S. policy toward the Americas away from the ideologically myopic initial five years of the Bush administration—best exemplified by the centrality of Chávez—the United States should respond to the continuation of the Chávez government with four inter-related approaches that have short-, medium-, and long-term applicability.

First, escalation of tensions with Chávez would be counterproductive and reckless. As the State Department has recently begun to do, the United States (including all elements of the Bush administration as well as Members of Congress) must avoid counterproductive wars of words and empty “get-tough” symbolism. Responding to Chávez's rhetorical flourishes distracts from the underlying issues that should be the focus of all U.S. pronouncements regarding Venezuela—the need to respect democratic governance and to protect human rights. It also needlessly complicates engagement with others in the region.

Second, although Chávez enjoys a solid claim on electoral legitimacy, his exercise of power undermines his democratic legitimacy. The United States must remain committed to promoting democracy, including democratic governance. Those efforts, however, should not focus on regime change, but rather on strengthening those engaged in fostering democratic institutions

and governance. Regime change may well be a long-term objective, but it is neither a policy nor a strategy unto itself. Democracy promotion in Venezuela, as elsewhere in the Americas, also cannot be “Made in the USA.” Instead, other hemispheric players who value the inter-American commitments to democracy and democratic governance must be actively engaged.

Third, the United States must reengage with the Americas and make its commitment to socio-economic advancement throughout the region undeniably clear. It must put resources behind often empty rhetoric and transcend the false “trade, not aid” dichotomy. Smart trade policies and social investment must go hand in hand.

Finally, during a longer time horizon, the United States must seize the transformative opportunity presented by new energy sources and technologies to reorient its economy to complement smart trade and social investment policies and provide the kind of short-term policy flexibility that is sorely lacking in the current U.S.-Venezuela dynamic. A reduction in oil consumption also would further dissipate any threat Chávez could present to the United States.

United States & Venezuela: The Current Reality

Any analysis of U.S. policy options for dealing with Venezuela must begin with an examination of Chávez’s rise to and maintenance of power; the nature of the economic relationship between the two countries; and the limits on Chávez’s influence in the hemisphere and beyond.

Chávez’s Rise to & Maintenance of Power

Chávez unmistakably enjoys public support from the Venezuelan electorate. Despite his initial anti-democratic arrival on the political scene as part of a failed 1992 military coup, Chávez has now prevailed, directly or indirectly, in five separate elections, albeit conducted with differing degrees of transparency.

In 1998 running as a populist outsider against a decrepit political establishment, Chávez garnered 56 percent of the vote.¹ Having campaigned on a promise to bring about a “Bolivarian revolution,” Chávez prevailed at the polls again in 1999, when 92.5 percent of a referendum electorate supported the formation of a constituent assembly to draft a new constitution for Venezuela. Under that new constitution, Chávez was again elected president in July 2000, this time garnering 59 percent of the vote.

Nascent discontent in certain sectors of Venezuelan society grew to an initial crescendo in April 2002. Following a massive opposition march to the presidential palace, Chávez was temporarily removed from power, only to return three days later. Although relations between Chávez and the United States government had been strained since practically his first day in office, non-economic relations between the two countries deteriorated considerably following the failed 2002 coup, an event for which Chávez holds the United States government responsible.

Despite Chávez's contention that the events of 2002 were engineered from beyond Venezuela's borders, unrest continued after his return to power and morphed, in part, into a general strike that virtually shut down Venezuela's oil production from December 2002 to early February 2003. During that strike, according to the U.S. Energy Information Agency, the price of oil in the United States rose by approximately \$10 per barrel.² Instead of building by the customary 10.6 million barrels during January and February 2003, gasoline stocks in the United States fell by 7.5 million barrels as a result of the Venezuelan oil disruption.³

Following the oil strike and after prolonged, internationally-brokered negotiations, Chávez and the Venezuelan opposition came to an agreement on the terms of a presidential recall referendum ultimately held in August 2004. Again, in an internationally-certified electoral process,⁴ Chávez prevailed with 59.3 percent voting against his recall.

On December 3, 2006, Chávez faced Venezuelan voters again and prevailed, this time topping opposition candidate Manuel Rosales, 62.9 percent to 36.8 percent.⁵ Although the Venezuelan opposition raised legitimate concerns regarding the dominance of electoral institutions by Chávez's backers and the misuse of government resources in support of Chávez's reelection bid, international observers from the Organization of American States declared "[t]he elections unfolded in a normal manner. We did observe some occurrences which we will specify at a later time and which, in any case, arose within a general framework of legality, without affecting the trend of the results announced by the National Electoral Council."⁶

Although Chávez enjoys a solid claim to electoral legitimacy, his claim to democratic legitimacy is a different matter. The Venezuelan leader often exercises his powers as president in a manner that contravenes democratic norms. This should be troubling to all who respect core democratic principles. Often under the guise of protecting his "Bolivarian revolution" from U.S. intervention, Chávez and his supporters have worked to intimidate political opponents, members of the media, judges, and civil society organizations seeking democratic change. Chávez has also embraced notions like an indefinite term in office that are anathema to basic democratic governance.

The cataloguing of troubling practices by the Chávez administration is not the work of U.S. propaganda, but rather that of organizations long-committed to advancing core principles of respect for democratic norms and human rights. Case in point: Among the various human rights concerns expressed by the Inter-American Commission on Human Rights is the manipulation of the judiciary by the Venezuelan National Assembly. By stacking Venezuela's judiciary with temporary judges and then modifying the rules governing the appointment and removal of judges, Chávez and his supporters have been able to remove judges who dared contradict the other branches of government and the stack courts with judges likely to be favorable to their goals and policies.⁷

Others, among them Reporters Without Borders, have decried a media law enacted by Chávez supporters that in its estimation "curb[s] freedom of expression and encourage[s] self-censorship."⁸ Undaunted, Chávez has ratcheted up his assault on the independence of the media, an-

nouncing just before the December 3 election the possibility of holding a popular referendum to shut down private media.⁹

And Amnesty International has repeatedly expressed concern regarding the harassment of government critics.¹⁰ Venezuelans who exercised their constitutional right to seek a recall referendum, for example, have been targeted for retaliation by the state.

The company which Chávez has chosen to keep also calls into question his commitment to the Americas' shared democratic values. Since his first days in office, Chávez has been an ardent supporter of the only openly anti-democratic regime in the Americas—that of Fidel Castro in Cuba. Most recently, and particularly in the run up to the October 2006 election of regional representatives for a two-year rotating seat on the United Nations Security Council, Chávez has engaged in diplomacy seemingly designed to embrace a “who’s who” of disreputable world leaders.

Among those with whom he has cultivated relationships or lent his support are Iran’s Mahmoud Ahmadinejad, Hezbollah’s Sheikh Hassan Nasrallah, Zimbabwe’s Robert Mugabe, Belarus’ Alexander Lukashenko, and Syria’s Bashar Assad. Although many of these entreaties are likely the result of a desire to poke a diplomatic stick at the United States and draw attention to himself, they nevertheless undermine Chávez’s claim to democratic legitimacy.

Despite Chávez’s electoral triumphs there is ample reason for the United States and all who support basic democratic norms to be alarmed with the manner in which he has exercised power and the long-term damage he is doing to democracy in Venezuela. That does not, however, mean the United States must craft its entire Americas policy around Venezuela.

Beyond the rhetoric....oil

The often vitriolic rhetoric exchanged between Caracas and Washington suggests a near complete and irreconcilable estrangement between the two countries. Although at a political level such an estrangement may exist, beyond the rhetoric lays a very different reality—a connection as deep as Venezuela’s abundant oils wells.

As President Bush has noted, the United States is addicted to oil.¹¹ One of the chief dealers feeding the addiction is none other than Chávez. Venezuela sits atop among the world’s largest oil reserves.¹² Venezuela is the world’s eighth-largest exporter of crude oil.¹³ It is the fourth-largest supplier of oil and petroleum products to the United States, trailing only Canada, Saudi Arabia, and Mexico.¹⁴

What’s more, Venezuela has reliably provided oil to the United States since before 1960, making it one of the country’s longest standing and most stable sources of petroleum.¹⁵ The magnitude of the U.S. addiction to Venezuelan oil is perhaps best captured by these two facts: Venezuela is only the fourth-largest economy in Latin America, with a 2005 Gross Domestic Product of approximately \$130 billion,¹⁶ yet the United States’ sixth-largest trade deficit that year was with Venezuela, totaling nearly \$27 billion.¹⁷

Despite this dependence, the physical properties of Venezuelan crude oil seriously impair Chávez's ability to use the dependence to harm the United States. Most of the oil currently extracted in Venezuela is heavy, sour crude oil that requires specialized and costly refinement.¹⁸ Not surprisingly most of the world's refining capacity for such oil is found a three-to-four day tanker trip from Venezuela to its closest and largest customer—the United States. Petroleos de Venezuela S.A, or PdVSA, the Venezuelan state-owned oil company, owns all or part of nine refineries serving the United States market from either inside the country or in the Caribbean. In combination, the nine facilities have a capacity of more than 1.5 million barrels per day,¹⁹ which is equal to more than half of Venezuela's daily export output.²⁰

Any unilateral interruption of oil supply between Venezuela and the United States, be it initiated by one or the other country, would therefore impinge on the total refining capacity serving the United States market. Even if the U.S. government forced Venezuelan-owned refineries to continue operations during such an interruption, the specialized refining capacity cannot function at peak efficiency with alternative grades of oil.²¹ This phenomenon would likely be exacerbated because there is very little untapped production capacity elsewhere in the world to provide replacement oil.²²

Notwithstanding Chávez's nascent efforts to generate it, large-scale alternative refining capacity does not exist. Nor will efforts to develop such capacity in, for example, China or even Brazil ever replicate the unique blend of volume and proximity that shapes the U.S.-Venezuelan energy relationship.

The U.S.-Venezuela oil relationship is thus one of co-dependence. The U.S. Department of Energy has estimated that a disruption of Venezuelan oil supply to the United States under current global market conditions would likely increase the per barrel price of oil by eight percent to 11 percent and the per gallon cost of gasoline by 11 cents to 15 cents for the duration of any such disruption.²³ Assuming Venezuela could still sell its oil on the world market, such a disruption in sales to the United States would curtail Venezuelan oil revenues by approximately \$3 billion to \$4 billion per year.²⁴ The complete removal of Venezuelan oil from the world market would have a far more profound impact on Venezuela's finances and would lower U.S. GDP by at least \$23 billion by significantly boosting the price of oil and gasoline, even if it only lasted a relatively short period of time.²⁵

In short, neither the United States nor Venezuela is in a position to end their energy relationship with the other in the foreseeable future. That fact both mitigates the national security threat presented by a Chávez-led Venezuela and limits the levers available to U.S. policy makers in relation to the country.

Limits of Chávez's Influence

Beyond a focus on his oil reserves, much of the hysteria regarding a Chávez-led Venezuela as a national security threat to the United States rests on the notion that Chávez is leading a unified "lurch to the left" in the Americas. The facts on the ground, however, tell a very different story.

From December 2005 through December 2006, ten presidential elections were held in the Americas.²⁶ Not counting Venezuela's own election, an arguably died-in-the-wool Chávez ally—Bolivia's Evo Morales—won exactly one of those elections. Ranging from socialists to conservatives, none of the victors in Brazil, Chile, Colombia, Costa Rica, Mexico, and Peru can properly be understood as Chávez's ideological soul mates.

Characterizing Morales' victory (or those of Daniel Ortega in Nicaragua and Rafael Correa in Ecuador) as stemming from some Chávez-inspired political movement is to grossly misunderstand the political moment in the Americas and the reality in Bolivia, Nicaragua, and Ecuador. Although Morales has relied, in part, on close relations with Venezuela and has sought occasional inspiration from Chávez, he has shown few signs of being an unthinking Chávez stooge.

Instead, Morales is a product of profound change in Bolivia. His victory represented the long-delayed democratic assertion of power by that country's traditionally dispossessed. With Morales' victory, for the first time in the country's modern political history, a president was chosen by the general electorate and not by the Bolivian Congress. In each of five previous elections, the Bolivian Congress had selected a winner from a field of candidates in which none ever surpassed 34 percent of the popular vote.²⁷ In contrast Morales received 53.7 percent of the popular vote.²⁸ Attributing Morales' triumph to Chávez simply defies reality.

To view the Nicaraguan and Ecuadorian elections through a Chávez lens also overstates his influence and distracts from the real challenge facing the United States in the Americas. It is difficult to contend, for example, that Ortega garnering 38 percent of the vote had something to do with Chávez, especially considering that Ortega has been pulling down similar or better numbers in elections for 16 years.²⁹ Ortega's return to power, first through a de facto power sharing agreement (El Pacto) with now jailed former Nicaraguan President Arnoldo Alemán and now as president, says more about the broken and corrupt nature of Nicaraguan politics than it does about Chávez's influence.

Similarly, that Rafael Correa is poised to become Ecuador's eighth president in ten years speaks volumes about the dysfunction of Ecuadorian politics. That Correa's candidacy was rekindled in the second round of voting only after he publicly distanced himself from Chávez underscores the limits of Chávez's ability to influence internal politics elsewhere in the Americas.

Not only has Chávez not served as a puppeteer for victorious candidates, he has proven something of an albatross for losing ones who either openly embraced him or had him wrapped around their necks with damaging consequences. In Peru, for example, President Alan Garcia grabbed a definitive lead in the second round of voting on the heels of his opponent Ollanta Humala's open embrace of Chávez. In Mexico, President Felipe Calderon was able to change his political fortunes and close a considerable deficit in public opinion polls through television ads associating his opponent, Andrés Manuel Lopez Obrador, with Chávez.

At least two factors help explain Chávez's inability to find fertile political ground outside Venezuela. First, the desire to be free from outside interference runs deep in the Americas. Although often understood as anti-Americanism, the sentiment is more fundamental and has ensnared Chávez's visions of grandeur. The relative suspicion with which the people of the Americas hold not only the United States but also neighboring countries is illustrated in public opinion research from the well-regarded Latinobarómetro Corporation.

In 2006, President Bush and Chávez garnered identical ratings of 4.6 when respondents were asked to rate presidents in the Americas on a scale of 1 to 10. Brazil's Inácio Lula de Silva, with a regional average rating of 5.6, was the top-rated leader and Fidel Castro, with a regional average of 4.4, was the lowest-rated. Bush, Chávez and Castro drew nearly identical negative rating numbers of 39, 39 and 41 percent, respectively.³⁰ In 2005, 61 percent of respondents throughout the region expressed little or no confidence in the United States. When asked to identify the Latin American country they trusted most, only one country broke 10 percent—Brazil (at 11 percent)—and Venezuela was named by only four percent.³¹

Second, Venezuela's economic model, such that it is, cannot be replicated elsewhere in the Americas. No other country in the region is blessed with the ability to easily extract tens of billions of dollars annually from the globalized economy through energy-based resources. Leaders elsewhere in the region who want to begin to address economic inequality literally cannot afford to pattern their fiscal policies after those of Venezuela and must be open to different approaches.

Chávez has met with even less success outside the region. His ineffectiveness on the global stage was highlighted by Venezuela's recent failure to secure a rotating seat on the United Nations Security Council. Torpedoed by his own rhetoric, Chávez ended up managing the costliest and only unsuccessful Venezuelan campaign for a Council seat ever. Chávez's global diplomacy certainly garners extensive media attention, but there is scant evidence that it has expanded either his influence or importance in global affairs.

Despite a larger-than-life persona and vast oil revenues, there are real limits to Chávez's influence—limits that lessen any threat he could otherwise pose to the United States.

The Way Forward: Engage the Issues, Not the Symbol

A reality-based response to Chávez must understand the limitations of Chávez's exercise of power and his ability, or lack thereof, to meaningfully threaten the United States. That understanding clears the way for the United States to largely ignore Chávez.

Although a necessary first step in responding to Chávez, ignoring him is not sufficient. Instead the United States must constructively engage with regional actors to address democracy concerns in Venezuela and to begin the hard work of reversing the social and economic inequality that has given rise to Chávez and other leaders who are questioning the status quo throughout the Ameri-

cas. Left unaddressed, such tensions could radicalize broad segments of the Americas to the great detriment of the United States and the region.

De-escalate through perspective

A crucial piece of constructively ignoring Chávez is to de-escalate the rhetoric between Caracas and Washington. Because Chávez is unlikely to seek such de-escalation, the onus falls upon Washington.

With the continuation of a Chávez-led Venezuela, the Bush administration and Congress must avoid the bad habit of rhetorical confrontation and “get tough” symbolism. If we are to draw anything from the experience of nearly five decades of failed Cuba policy, symbolic confrontation with the United States is a powerful domestic force that enables leaders to avoid taking responsibility for the consequences of their actions. The United States should not fall into that same trap with Chávez and Venezuela.

After nearly five years of rising to Chávez’s bait almost every time it was offered, the Bush administration’s State Department appears to have adopted a policy of largely avoiding rhetorical confrontation with Chávez. Whether this restraint was simply a function of not wanting to hand Chávez fresh campaign talking points, and thus will disappear in the post-election period, remains to be seen. Restraint was, however, the correct tactic and should be adopted by all players in the Bush administration and on Capitol Hill.

Ratcheting down anti-Chávez rhetoric and symbolic action does not equal seeking greater engagement with a Chávez-led Venezuela. Attempting to engage Chávez would appear to be an exercise in unwarranted futility. Moreover, the United States and Venezuela are already fully engaged on the most pressing bilateral issue—our energy relationship.

Although there are other areas on which cooperation might be possible, such as counter-narcotics and counter-terrorism, for example, a constructive U.S.-Venezuela relationship in those areas is far from the crucial missing link in making those policies successful. If it were, then perhaps the time and energy necessary to foster better relations with a man who aspires to end the “U.S. empire” would make sense. Given the limited focus by United States on the Americas, however, paying less attention to Chávez and more to the economic and social conditions that have given rise to him and others in the region is the best use of time and resources.

De-escalation and thus dealing with Chávez in the proper context also does not mean expressly fashioning Americas policy as a counterweight to Chávez. Unfortunately, Undersecretary of State Nicholas Burns’ recent speech on “Future Engagement and Partnership with Latin America,” falls into the trap of appearing to build U.S. policy as an express contrast with Chávez—and does so in a way that undersells the importance of responding to the conditions that gave rise to Chávez and other leaders throughout the region.³²

Taking this approach unduly exaggerates Chávez's importance and influence by placing him at the center rather than the periphery of U.S. policy formulation. It also places our potential allies in the Americas in the unnecessary and politically difficult position of having to publicly choose between the United States and Chávez. Instead, the United States should engage potential allies through an appeal to shared democratic principles, and on the most pressing issue in the Americas: the inequalities that are tearing at societies.

Defend Democracy

A firm defense of core democratic principles need not be jettisoned to implement rhetorical restraint. In fact, restraint should enhance, rather than undermine, U.S. condemnations of anti-democratic behavior by Chávez and his domestic allies.

In the current context, well-grounded U.S. concerns about Chávez's anti-democratic governance appear to be anti-Chávez rhetoric rather than the sincere expression of shared democratic principles. Most importantly, they also pull leaders throughout the Americas away from what should be a common effort to address the region's inequality challenge and defend core democratic principles.

Many leaders and large swaths of the populace in the Americas have a first-hand understanding of life under anti-democratic regimes, which should make them more prone to the common defense of democratic norms. A major impediment to such unanimity has been the failure of the Bush administration to advance a results-neutral promotion of democracy. From Bolivia in 2002 to Haiti in 2004 to Nicaragua in 2006, the Bush administration has repeatedly failed to maintain neutrality in elections or even the defense of democratic institutions. Instead, it has opted to gear its policies toward affecting electoral and political outcomes to its liking. Such a legacy makes it far more difficult than it should be for the United States to rally support in defense of democratic norms in Venezuela.

An important step in promoting respect for democracy and human rights in Venezuela and rallying regional support to that cause, therefore, is to make abundantly clear that the United States is not promoting regime change in the guise of democracy promotion. An obsession on regime change per se leads down a dangerous road of policy options that are often counterproductive. The ham-handed way in which the Bush administration handled the 2002 failed coup attempt against Chávez, for example, has been a linchpin to his consolidation of support and power in Venezuela.

Engage on Inequality

The primary challenge facing the Americas today is a staggering level of social and economic inequality. The United States must engage allies and potential allies throughout the region on this critical issue.

The United States needs to do more to make its commitment to the socio-economic advancement of broad swaths of the populace throughout the Americas unmistakable. Just as it cannot promote democracy alone in the Americas, it cannot advance social and economic equality in the region by itself. It must, however, structure policies to assist our allies in the Americas to advance this crucial work.

A down payment in such a process would be bringing to fruition the Social Investment and Economic Development Fund for the Americas, which was first proposed by Democratic Sen. Bob Menendez of New Jersey. Importantly, the Fund proposal calls on an increased U.S. commitment to social investment in the Americas—\$1.25 billion over five years—as well as increased participation by the Inter-American Development Bank in that endeavor. Establishment of the Fund would add substance to the rhetoric of standing with the people of the Americas.

U.S. assistance to the countries of the Americas was approximately \$1.8 billion in fiscal year 2005, with approximately one-third of that being for police and military assistance to Colombia.³³ Aside from the massive funding provided to Colombia, the level of U.S. assistance to the Americas mocks the notion that the United States is committed to improving the daily lives of the people of the Americas.

Although the U.S. economy, through the hard work of immigrants, currently generates large levels of de facto assistance to the Americas in the form of remittances, it is vitally important that the U.S. government step up its official assistance efforts. Despite the nearly \$45 billion that immigrants from the Americas were expected to remit in 2006,³⁴ the symbolic importance of greater direct U.S. government investment in the people of the Americas should not be underestimated.

A Social Investment Fund with some heft also could add to the diminishing tool box at U.S. disposal in the Americas. As the U.S. commits relatively fewer resources to supporting our neighbors in the Americas, our ability to influence those neighbors diminishes proportionately.

Importantly, confronting inequality in the Americas does not mean abandoning trade as a vehicle for engaging our allies and potential allies in the region. Smart trade policies and social investment, in fact, must go hand and hand. Gone should be the days of the false “trade, not aid” dichotomy. Smart trade policies should provide significant gains for U.S. workers, consumers, and businesses and support development, democracy, and the rule of law in our trading partners.

Because trade agreements inevitably create losers as well as winners, smart trade policy requires that steps be taken to ensure economic opportunity for all those who may be displaced or missed by trade. Agreements should be negotiated with a full cognizance of their potentially adverse effects on poverty and certain economic sectors, and a desire to minimize that impact. Effective social investment must help ensure economic opportunity for those displaced by or who are beyond the reach of smart trade policy.

Grasp the Energy Opportunity

A smart trade policy toward the Americas would be enhanced if the United States effectively seized the transformative opportunity presented by new energy sources and technologies. Doing so would help foster the common good both at home and abroad as well as spur economic development throughout the Americas while advancing the interests of U.S. workers, farmers, consumers, and businesses.

Moving toward a U.S. economy built upon renewable fuel sources and technologies also would help change the dynamic surrounding the key hemispheric impasse on trade—the stalemate between the United States and Brazil. Although Chávez’s rhetorical flourishes against trade are seized upon by many to explain the breakdown in hemispheric trade talks, Chávez benefits from a de facto free trade agreement with the United States. His main export commodity, oil, enters the United States duty-free. The trade relationship between the United States and Latin America’s largest economy, Brazil, is far more complex and needs repair. A new era in U.S.-Brazil trade relations could help usher in a new era in hemispheric relations.

Seizing the energy opportunity and diversifying the fuel base for the United States also would alter the geopolitics of energy in the Americas. It would place the United States on the side of innovation with a future focus and leave Venezuela as a symbol of a backward-looking approach. Greater energy flexibility and independence would also provide the kind of short-term policy flexibility sorely lacking in the current U.S.-Venezuela dynamic.

Conclusion

By focusing on the real problems facing the Americas, rather than obsessing over Chávez, the United States can advance its long-term interests by making clear that it stands on the side of democracy with socio-economic advancement throughout the region. The long journey toward greater prosperity and equality in the region must begin with the first step of reducing Chávez down to the proper size. With that achieved, the United States can focus on fashioning policies to address the changes occurring throughout the Americas.

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About the Author

Dan Restrepo is the Director of The Americas Project at the Center for American Progress. In his role, Dan is responsible for the Center's work related to the United States and its place in and relationship with the rest of the Americas.

Dan, a first generation American of Colombian and Spanish parents, previously served as the Director of Congressional Affairs at the Center for American Progress. Prior to joining American Progress, Dan spent three years as an associate at the law firm of Williams & Connolly, LLP. Prior to those years, Dan served as an attorney for the Florida Democratic Party during the 2000 election recount. From August through November 2000, he worked as the Research Director for the Florida Democratic Coordinated Campaign.

From 1993 to 1996 Dan served on the Democratic staff of the House International Relations Committee. There he focused on all aspects of U.S. policy toward Latin America and the Caribbean, including U.S. policy toward Haiti during political transitions, U.S. counter-narcotics programs and policies, the consolidation of the Central American peace processes, U.S.-Cuba policy and the Mexican debt crisis among other matters. During his tenure on the International Relations Committee staff, Dan also traveled extensively throughout the hemisphere meeting with government officials, civil society leaders, and opposition party officials.

Restrepo has appeared on a wide range of media outlets including Univisión, CNN, CNN Español, CNBC, TV Azteca, Telemundo, Reuters Television, and C-SPAN.

The Americas Project

The Americas Project at the Center for American Progress is focused on the United States' relationship with and place in the Americas. The United States is in the midst of dramatic changes that will profoundly affect its future, which are manifest both in the rapid growth of its Latino population and the ever-increasing interconnections with its neighbors throughout the Americas. Through rigorous research and open collaboration, The Americas Project seeks to more fully explore and understand those changes, the relationships among them, and their implications for progressive policy abroad and at home. The Americas Project endeavors to formulate innovative policy recommendations to address those changing realities and, through active engagement of all forms of media, effectively communicate its proposals to a wide range of audiences.

Endnotes

- 1 All citations to Venezuelan election results are drawn from the official election results that can be found on the website of the Consejo Nacional Electoral de Venezuela available at <http://www.cne.gov.ve>.
- 2 See Joanne Shore & John Hackworth, *Impacts of the Venezuelan Crude Oil Production Loss*, U.S. Energy Information Agency, at 11 (Sept. 2003) available at http://www.eia.doe.gov/pub/oil_gas/petroleum/feature_articles/2003/venezuelan/vzimpacts.htm.
- 3 See *id.* at 15-16 (Sept. 2003).
- 4 See The Carter Center, *Observing the Venezuelan Presidential Recall Referendum: Comprehensive Report* (Feb. 2005) at 14 available at <http://www.cartercenter.org/news/documents/doc2023.html>.
- 5 These partial results are based on 95.24 percent of ballots cast in the December 3, 2006. See Consejo Nacional Electoral de Venezuela website available at <http://www.cne.gov.ve>
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- 9 See Associated Press, *Chavez backs possible vote to close private TV stations*, Dec. 1, 2006 available at <http://www.cnn.com/2006/WORLD/americas/12/01/chavez.venezuela.election.ap/index.html>.
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- 12 See United States Government Accountability Office, *Energy Security: Issues Related to Potential Reductions in Venezuelan Oil Production*, at 9 FN2 (June 2006), [hereinafter GAO, Energy Security] available at www.gao.gov/cgi-bin/getrpt?GAO-06-668.
- 13 See United States Energy Information Agency, *Country Analysis Brief: Venezuela*, at 1 (Sept. 2006) [hereinafter EIA, *Country Analysis*], available at <http://www.eia.doe.gov/cabs/Venezuela/pdf.pdf>.
- 14 See United States Energy Information Agency, *U.S. Imports by Country of Origin* (2006) available at http://ton-to.eia.doe.gov/dnav/pet/pet_move_impcus_a2_nus_ep00_im0_mbb1_m.htm.
- 15 See GAO, *Energy Security* at 9.
- 16 See Inter-American Development Bank, *Venezuela: Country Indicators* (Dec. 2006) available at http://www.iadb.org/countries/indicators.cfm?language=English&id_country=VE&pLanguage=ENGLISH&pCountry=VE&parid=8.
- 17 See U.S. Census Bureau, *U.S. International Trade in Goods and Services – Annual Revision for 2005*, at Ex. 13 (June 9, 2006) available at http://www.census.gov/foreign-trade/Press-Release/2005pr/final_revisions/#full.
- 18 See GAO, *Energy Security* at 25-26.
- 19 See EIA, *Country Analysis* at 9.
- 20 Total Venezuelan daily oil production is subject to significant dispute. The U.S. Energy Information Agency and many industry analysts place production at approximately 2.8-2.9 million bbl per day, PdVSA asserts that it is producing 3.3 million bbl per day. See EIA, *Country Analysis*, at 4-5. The percentage calculation presented in the text is based on the U.S. EIA figure.

- 21 See Shore & Hackworth, *Impacts of the Venezuelan Crude Oil Production Loss* at 2.
- 22 See GAO, Energy Security at 9.
- 23 See *id.* at 25-26.
- 24 *Id.* at 26
- 25 *Id.*
- 26 The twelve presidential elections were: Bolivia (Dec. 2005), Chile (Dec. 2005), Costa Rica (Feb. & Apr. 2006), Guyana (March 2006), Peru (Apr. 2006), Colombia (May 2006), Mexico (July 2006), Ecuador (Oct 2006), Brazil (Oct. 2006), Nicaragua (Nov. 2006), Venezuela (Dec. 2006), and Trinidad and Tobago (Dec. 2006)
- 27 In the five democratic presidential elections prior to Morales' victory, the leading vote getter received 22.5, 22, 34, 23, and 33 percent of the vote, respectively. See *Base de Datos Politicos de las Americas*, Bolivia: Presidential Results; Georgetown University and the Organization of American States available at <http://pdba.georgetown.edu/Elecdata/Bolivia/bolivia.html>.
- 28 See Corte Nacional Electoral, Resultados Oficiales de elecciones de 2005, available at <http://www.cne.org.bo>.
- 29 In 1990, Ortega won 40.82 percent of the popular vote; in 1996 he captured 37.75 percent; and in 2001 he hit his high water mark of 42.6 percent of the vote. See Consejo Supremo Electoral de Nicaragua available at http://www.elecciones2006.net.ni/escrutinio/general_p.html; Base de Datos Politicos de las Americas, *Nicaragua: Presidential Results* (Georgetown University and the Organization of American States) available at <http://pdba.georgetown.edu/Elecdata/Nica/nica.html>.
- 30 See Corporación Latinobarómetro, Latinobarómetro Report 2006, at 88-89 (Santiago, Chile 2006) available at www.latinobarometro.org.
- 31 See Corporación Latinobarómetro, Latinobarómetro Report 2005: 1995-2005 A Decade of Public Opinion, at 79, 82 (Santiago, Chile 2005) available at www.latinobarometro.org.
- 32 See R. Nicholas Burns, Undersecretary of State for Political Affairs, *Future Engagement and Partnership with Latin America*, Council of the Americas, Nov. 20, 2006 available at <http://www.state.gov/p/us/rm/2006/76431.htm>.
- 33 See Congressional Research Service, U.S. Foreign Assistance to Latin America and the Caribbean, CRS Report for Congress at 1-7 (Jan. 3, 2006).
- 34 See Inter-American Development Bank, Sending Money Home: Leveraging the Development Impact of Remittances, at 4 (2006) available at http://www.iadb.org/news/docs/remittances_EN.pdf.