

THE OPPENHEIMER REPORT

Chávez's regional plans are shaky

The Miami Herald
Jul. 05, 2007

Venezuela's narcissist-Leninist President Hugo Chávez, who makes headlines every day trying to pick a fight with the United States, is now embroiled in his worst clash ever with his left-of-

center South American allies.

Earlier this week, Chávez threatened to withdraw from Mercosur, the five-member South American Common Market, if the Congresses of Brazil and Paraguay fail to ratify Venezuela's membership over the next three months. The presidents of Brazil, Argentina, Paraguay and Uruguay admitted Venezuela into the trade bloc last year, but the deal has to be ratified by all member countries' congresses.

"We are not desperate to enter Mercosur, and much less so when we feel that there's little willingness within Mercosur for change," Chávez said Tuesday, adding that the South American trade bloc is too supportive of capitalism.

In an escalating war of words with Brazil, South America's biggest country, Chávez earlier called the Brazilian lawmakers "parrots of Washington" for failing to ratify Venezuela's entry into the South American trade bloc. Brazil's congress refused to approve Venezuela's membership over Chávez's decision not to renew the license of Venezuela's most independent private television station, RCTV.

The left-of-center government of President Luiz Inácio Lula da Silva has gone out of its way not to antagonize Chávez in the last few years. But this time, foreign minister Celso Amorim requested that Chávez make "a good-will gesture" toward the Brazilian Congress. Chávez, in turn, responded by calling Amorim's statements "impertinent." Brazilian-Venezuelan ties are now at their lowest point in recent history.

On Wednesday, I asked two leading political columnists whether Chávez's current spat with his neighbors marks the end of his quest to become South America's regional leader, or whether it's just a tempest in a teapot.

Alberto Garrido, a columnist with the Venezuelan daily El Universal and author of several books on Chávez, says the rift is serious and will change the course of South American politics.

Chávez has run into a brick wall in his effort to turn Mercosur into a "revolutionary" bloc, and Brazil and Argentina have reached a dead end in their efforts to use the regional trade bloc as a way to mollify Chávez's anti-capitalist, investment-scaring rhetoric. As a result, Venezuela's big plans for an anti-U.S South American alliance are going nowhere, Garrido said.

"What Chávez once called 'the Caracas-Brasilia-Buenos Aires strategic axis of South American liberation' is now broken," Garrido told me. "What's left for him to lead is the Bolivarian Alternative of the Americas group made up of Venezuela, Cuba, Bolivia, Ecuador and Nicaragua."

Indeed, Chávez said last weekend that his main priority in the region is strengthening the Venezuelan-led ALBA.

But Eliane Cantanhede, a Brasilia-based political columnist for the Brazilian daily Folha de Sao Paulo, has a slightly different view.

She told me that the Brazilian Congress may end up ratifying Venezuela's entry into Mercosur, and the bilateral tensions may diminish, citing three main reasons: President Lula is a conciliator by nature, Brazil has huge --

and rapidly growing -- investments in Venezuela and the Brazilian Congress is fragmented and torn by corruption scandals.

The President of Brazil's Senate, Renan Calheiros, is facing corruption charges stemming from payments from a construction company to a journalist with whom he has a child, and several other legislators have been linked to other corruption cases.

"At the end of the day, the Brazilian Congress may vote in support of Venezuela's entry into Mercosur," Cantanhede said. "The Congress is fed up with Chávez, but it's a very fragile Congress, and its weakness will give the Brazilian government more power to influence it."

My opinion: If the Brazilian and Paraguayan congresses ratify Venezuela's entry into Mercosur, the South American trade bloc will most likely become a bureaucracy paralyzed by internal fights. Chávez will constantly try to turn it into a "revolutionary" bloc, while Brazil will try to maintain the group's original status as a preferential trade union.

So, in coming months, Chávez is likely to turn his energies to consolidate his Venezuela-Cuba-Bolivia-

Ecuador-Nicaragua bloc with outside help. He has said so himself, and -- given the latest spat with Brazil -- it's the only way he has to go.