### AIR COMMAND AND STAFF COLLEGE

### **AIR UNIVERSITY**

VENEZUELA AND CHÁVEZ: WHAT THE FUTURE HOLDS...

by

John M. Poole, MAJ, USA

A Research Report Submitted to the Faculty

In Partial Fulfillment of the Graduation Requirements

Advisor: Dr. John Ackerman

Maxwell Air Force Base, Alabama
April 2010

Distribution A: Approved for public release; distribution unlimited

# Disclaimer

The views expressed in this academic research paper are those of the author(s) and do not reflect the official policy or position of the US government or the Department of Defense. In accordance with Air Force Instruction 51-303, it is not copyrighted, but is the property of the United States government.

# **CONTENTS**

ABSTRACT	IV
INTRODUCTION	
VENEZUELA	3
VENEZUELA: THE RISE OF CHÁVEZ	5
VENEZUELAN DOMESTIC POLICY UNDER CHÁVEZ	6
VENEZUELAN FOREIGN POLICY UNDER CHÁVEZ	11
VENEZUELAN-CHÁVEZ TIMELINE	16
CHÁVEZ AND SCENARIO-BASED PLANNING	
Phase One: Orient	19
Phase Two: Explore	19
Phase Three: Synthesize	20
Scenario #1: Peace in our Hemisphere	22
Scenario #2: The Second Cuba	24
Scenario #3: The New Cold War	26
Scenario #4: World War III in the Western Hemisphere	28
Phase Four: Act	29
Implications and Strategy for Scenario #1	30
Implications and Strategy for Scenario #2	30
Implications and Strategy for Scenario #3	31
Implications and Strategy for Scenario #4	32
Phase Five: Monitor	32
CONCLUSION	34
RIRLIOGRAPHY	39

### **Abstract**

The next 10 years will bring many challenges and opportunities for the United States and its involvement with the Chávez government of Venezuela. The question on how should the United States prepare its interaction with an increasingly hostile Venezuelan government can be better answered through the use of scenario-planning methodology, a process of five phases: Orient, Explore, Synthesize, Act, and Monitor. With Chávez and Venezuela, the scenario-based methodology process begins by identifying potential changes in events or forces between the US and Venezuela. These events or forces are combined in different ways to create a set of four stories about how the future could unfold. With the creation of these four stories, implications are derived, adding depth of each scenario. At the end, indicators are developed for monitoring events that could unfold, providing insight to potentially predicted outcomes. In order to ensure national and regional security policy success in the Western Hemisphere, the United States' government must always consider national security strategies for potential future interaction with the Chávez government of Venezuela.

### INTRODUCTION

Sun Tzu, in his historic work *The Art of War*, made the following observation - "Know the enemy and know yourself; in a hundred battles you will never be in peril." On the surface, this quote can be perceived as being only martial in application, but the premise, when applied to a realist perspective of foreign policy opens the door to a new interpretation. By replacing *enemy* with *other nations*, *yourself* with the *United States*, and *battles* with *interactions*, a paradigm of foreign policy and strategy preparation emerges from the axiom that once applied to only fielded armies.

No more important of a region exists for interaction on a foreign policy level, for the United States, than that of Latin America. Dating back to 1823, President James Monroe spelled out new United States' policy in reference to involvement in the Western Hemisphere by the European powers, labeled the Monroe Doctrine, in which he proclaimed that "The American continents... are henceforth not to be considered as subjects for future colonization by any European powers." The doctrine was not enforced, however, until the late 1800s when US economic and military power became strong enough to do so. In 1904, President Roosevelt and his Corollary allowed for the greatest extension of the doctrine, justifying independent US intervention in the Latin America. Therefore, with just under two centuries of precedent beginning with the Monroe Doctrine, Latin American is established as a vital region of US foreign policy interaction.

Recently, a US Congressman highlighted a growing threat to US national security within Latin America, specifically Venezuela and its government led by President Hugo Chávez.

Florida Representative Connie Mack stated that "[t]here is no doubt that the potential threat to [US] security from Venezuela is extremely high." Citing formal, diplomatic connections to

nation-states that sponsor terrorism, ties to drug trafficking networks, and "refusal of the government of President Hugo Chávez to implement in Venezuelan airports the measures demanded by the Transportation Security Administration," Representative Mack voiced concerns over the emerging threat that many see going beyond being a tacit, or alleged, state sponsor of terrorism.

Since his election in December 1998, Hugo Chávez has dramatically transformed the country's domestic political system. Government control was centralized under Chávez, and he made the following changes to the political and economic systems of the country: re-wrote the constitution in 1999, to include no term limits for elected officials added by referendum in 2009; began implementing vision of "21st Century Socialism" (used by Hugo Chávez to describe a government system which is said to increase equality and decrease poverty by, among other things, founding state companies, seizing abandoned private factories and establishing thousands of cooperatives and worker-run businesses<sup>6</sup>) in 2007 which included granting himself special constitutional powers; passed new laws in 2009 that allowed government-centralized control over ports, roads, airports; and nationalized major industries to include petroleum, telecommunications and electricity.<sup>7</sup> In February 2009, he "won a referendum... to eliminate term limits, paving the way for...[his] rule far into the 21st century to carry out his socialist transformation of this oil-rich country." To round out his domestic agenda, Chávez increased major arms purchasing programs for the Venezuelan Armed Forces.

In 2005-2006, Venezuela purchased 100,000 AK-103 rifles from Russia and signed an agreement to construct an ammunition factory. Venezuela has also purchased Russian Mi-24 attack and Mi-26 transport helicopters, and has begun receiving 24 Russian Sukhoi Su-30 fighters. In 2007-2008 Venezuela signed agreements for Mi-28 attack helicopters, IL-76 heavy lift aircraft, an integrated air defense missile systems from Belarus, four diesel submarines, and Chinese K-8 jet trainers.

Venezuela's foreign policy has also taken a tense, anti-American turn. Maintaining strong ties with Cuba, Chávez advocated his "Bolivarian Revolution" as a model for other countries to follow. He strengthened Venezuelan political ties with Iran, establishing economic and social agreements and publicly supporting Iran's nuclear program. Chávez also attempted to establish relations with other anti-US countries to include North Korea, Belarus, and Syria. Further, he threatened military action against Venezuela's neighbors, to include Colombia. 10

Currently, the United States purchases the majority of its oil from Latin America. The region is also quickly becoming the United State's largest trading partner, while also being the leader in supplying the US with illegal drugs, as well as legal and illegal immigrants. How should the United States prepare its foreign policy interaction with an increasingly hostile Venezuelan government? Will changes to Chávez's domestic and foreign policy strategy impact this interaction? In order to ensure national and regional security policy success in the Western Hemisphere, the US government must consider national security strategies for potential future interaction with the Chávez government of Venezuela.

### **VENEZUELA**

Located approximately 1000 miles southeast of the tip of Florida, Venezuela can be found in northern South America, between Colombia and Guyana. Bordered in the north by the Caribbean Sea and Brazil in the south, it encompasses an area about twice the size of California (see Figures 1 and 2.) Venezuela has a tropical climate, considered hot and humid, except for the highlands where temperature and humidity become more mild.<sup>12</sup>

With Spanish as the official language, Venezuela has a population of over 26 million people. Over 30% of the population is fourteen years or younger with the median age being 25

years old. The country is ranked 85th in the world for population growth, gaining slightly over 1.5% of its total population per year. Life expectancy averages 73.6 years across the population,



Figure 2: South America (CIA World Factbook photo)



Figure 1: Venezuela (CIA World Factbook photo)

ranking 106th in the world. The country enjoys a 93% literacy rate and school attendance expectancy averages 12 years.<sup>13</sup>

Prior to the arrival of Christopher Columbus, the first European to visit the area in 1498, Venezuela was made up of three main groups of native South Americans, the Carib, Arawak and Chibcha. These groups lived by hunting and conducting some farming, eventually terracing the Andes Mountains and utilizing "sophisticated irrigation channels to water their crops." The Spanish eventually colonized the area, but Venezuela did not gain as much prominence as the mineral-rich colonies on the western portion of the continent.

Beginning with Colombia's liberation from colonial rule in 1819, Venezuelan-born
Simon Bolivar, with the assistance of British mercenaries, liberated Venezuela in 1821.

"Independence did not prove easy for the new nation. Civil strife, wars, and dictatorships raged

in the country well into the next century. Though some dictators sought real reform, most milked their positions for personal gain..."<sup>15</sup> Oil was discovered in Venezuela in the early part of the 20th Century, however, the monetary benefits did not begin to be realized until the 1920s. In addition,

...a plague of dictators continued until 1947 when Romulo Betancourt led a popular revolt and rewrote the constitution. The first president-elect in Venezuela's history took office the same year, the novelist Romulo Gallegos. Unfortunately, he was ousted by another dictator and the country did not experience a non-violent presidential succession until 1963. For the next 25 years, things went comparatively well. An oil boom in the mid-1970s saw enormous wealth pour into the country, though, as always, the vast lower class benefited little. Oil prices dropped in the late 80s and once again the country was thrown into crisis. <sup>16</sup>

### Venezuela: The Rise of Chávez

"By the late 1980s, the decline in oil prices was beginning to put Venezuelan society under increasing strain. Starved of revenue from royalties and tax, the government had less money to spend on social welfare... Proposed cuts in subsidies on domestic petrol and diesel prices resulted in massive rioting and the deaths of several dozen people in Caracas in February 1989."

A 30-something lieutenant colonel in the paratroop regiment, known as Hugo Chávez, began "working with left-wing groups outside the armed forces and conspiring within the institution to win support for a coup d'etat."

Chávez and his radical group launched a failed military coup in February 1992. While serving a prison sentence from 1992 to 1994, Chávez met a left-wing radical, Luis Miquilena, who encouraged him to use the electoral process, rather than violence, to "pursue his political ambitions."

The same public sentiment that rose to the riots in the 80s and the failed coups in the early 90s fueled a failing support for the established political parties and current government.

Chávez enjoyed this wave of political change, and he won by a considerable majority in the December 1998 presidential election. "On February 2, 1999, Chávez took office, pledging to overhaul the constitution, eliminate the corrupt two-party model, and increase antipoverty initiatives."<sup>20</sup>

### Venezuelan Domestic Policy Under Chávez

Upon becoming the President, Chávez made several decisions where he sent standing army units to assist with reducing poverty and improve the crumbling infrastructure. He also began collecting on taxes from foreign companies, specifically foreign oil companies that had previously been unpaid.<sup>21</sup> His agenda for that first year in office, as Richard Lapper wrote in 2006 in his Special Report to the Council on Foreign Relations:

...was preparation of a new constitution. In June 1999, Venezuelans elected members of a new constituent assembly, and by December 1999 a radically reformed constitution was approved by popular referendum. The popularity of the new constitution's bold social agenda aided the reelection of Chávez in June 2000 and assured the victory of many Chávez allies in legislative elections that same year. <sup>22</sup>

As global oil prices rose during this early period of Chávez's presidency, capital infused into the economy allowed his government to increase the quantity and expand the scope of the social welfare programs. This expansion of government assistance fueled anger within the more traditional ruling class of Venezuela, as well as those in the middle-class, "who viewed Bolivarian politics as an affront to democratic principles and a direct challenge to the status quo they had long enjoyed." On April 9, 2002, management and supporting employees from Venezuela Petroleum (PDVSA), the state-run petroleum company, began a two-day walkout in response to increased government control over the company's leadership. A few days later,

striking employees collided with pro-Chávez groups in Caracas which resulted in a gun melee where at least eighteen Venezuelans had been killed. Chávez then ordered military officers to use Army forces to stop the anti-Chávez demonstrations; the officers subsequently refused and ordered the president to relinquish his office. This group of military officers then seized control and established Pedro Carmona, the president of a business federation called the *Fedecamaras*, as an interim president. Carmona, within hours, closed the National Assembly and disbanded the Supreme Court, which lost him the support of pro-coup, anti-Chávez politicians and soldiers. To prevent further chaos, senior military leaders asked Chávez to resume power, five days after the PVDSA strike began.<sup>24</sup> Following the failed coup, PVDSA management began another strike in December 2002, which lasted two months. In response, Chávez fired over 18,000 employees<sup>25</sup> and replaced them with loyal, but unskilled, Venezuelan laborers in conjunction with skilled support and emergency oil supplies from Iran, China, Libya and Brazil.<sup>26</sup>

Chávez eventually surrendered to domestic and international pressure for a constitutional recall referendum (one that was introduced and accepted by the Chávez government in 1999). Collecting over 59% of the vote, Chávez succeeded in beating the referendum for recall in August 2004. Though claims of election fraud were made by Chávez opponents, "international observers from the OAS (Organization of American States) and the Carter Center ruled that the referendum had been won fairly." Later that year, in October 2004, Chávez's political party, Fifth Republic Movement (FRM) and associated allies, won control of 92% of the Venezuelan governorships. In December 2005, the FRM political association won all of the seats of the National Assembly after opposition opted not to participate in the elections. In a span of two years, beginning with a democratic removal attempt, domination of the Venezuelan government by Chávez's political party and associates was complete.

A year following the 'decisive' elections in 2005, Hugo Chávez was reelected to the Venezuelan presidency with over 62% of the vote, and again, international observers judged the election to be fair and binding. Mark Sullivan, in a 2009 report for the *Congressional Research Service*, made the following observations in reference to the December 2006 elections:

The government benefitted from the rise in world oil prices, which increased government revenues and sparked an economic boom. As a result, Chávez was able to increase government expenditures on anti-poverty and other social programs associated with the populist agenda of his Bolivarian revolution. His reelection demonstrated strong and widespread support for his social policy of redistributing the country's oil wealth. Most observers credit the government's numerous *misiones* or social programs as the key to the government's support and do not believe that Venezuelans' support for President Chávez [was] ideologically based.<sup>29</sup>

A few weeks after the elections, Chávez made the controversial announcement that the Venezuelan government would not renew the broadcast license of Radio Caracas Television (RCTV). RCTV, the oldest and most popular Venezuelan broadcasting station, was known to carry some programming critical of the Chávez government. The Chávez administration admitted that the decision to not renew the license was due to support the station gave to the April 2002 coup attempt on Hugo Chávez. In April and May 2007, protests in support of RCTV and against the government decision were conducted in Caracas, but the government carried out its decision on 27 May and RCTV was forced to end its public broadcasting.<sup>30</sup>

Following his inauguration in January 2007, Chávez introduced a number of actions that would not only move the country to his prescribed '21st century socialism,' but increase his power, as well. The National Assembly, acting on his call for action, granted sweeping powers to Chávez on 31 January that allowed him to pass acts by decree for a period of 18 months. At

the end of the 18 month period, the Chávez government made public 26 presidential decrees that had been enacted. These acts:

...covered such areas as tourism, railways, social security, and financial institutions as well as controversial provisions that would allow the President to appoint regional leaders with broad budgetary powers, set up a civilian militia as a branch of the military, and allow the government to expropriate goods from private businesses and increase state control over food distribution.<sup>31</sup>

In the latter half of 2008, further measures by the Venezuelan government to curb opposition were instituted across the government:

On August 5, 2008, Venezuela's Supreme Court held up the comptroller general's disqualification of 272 individuals from running for office, including a number of high-profile opposition figures...<sup>32</sup>

On October 3, 2008, Venezuelan military intelligence officials detained retired General Raúl Baduel, and prohibited him from leaving the country on charges of corruption during his tenure as defense minister. A former Chávez supporter, Baduel [had] become a staunch critic of the President. Chávez opponents maintain that the action against Baduel was intended to intimidate the opposition before the state and municipal elections scheduled for November 23. 33

Following his successful referendum to abolish term limits in February 2009, Chávez revoked radio station licenses in wider media crackdown that began in August 2009. Thirteen stations went initially off the air, with another 21 threatened with revocation of licenses that resulted from a recently passed law which stated that journalists and broadcasters could be jailed if they "[harmed] the interests of the state, [caused] panic, or [disturbed] social justice." Critics denounced the moves as a recipe for censorship. "'What we are witnessing is the most comprehensive assault on free speech in Venezuela since Chávez came to power,' said Jose Miguel Vivanco, Americas director at Human Rights Watch." As many as 240 more radio stations could have their licenses revoked by the Venezuelan government's telecommunications

agency for 'irregular paperwork.' The Guardian reported that "Chávez applauded the [telecommunications agency's] decision and said the licenses would be 'given back to the people' in the form of broadcasters who shared his leftist vision."<sup>35</sup>

International scrutiny of the domestic events within Venezuela began to take shape with an extensive report, entitled *A Decade Under Chávez: Political Intolerance and Lost Opportunities for Advancing Human Rights in Venezuela*, published by Human Rights Watch (HRW) in September 2008. Among other accusations of rights abuses, the report concluded that, "the Chávez government has engaged in often discriminatory policies that have undercut journalists' freedom of expression, workers' freedom of association, and civil society's ability to promote human rights." The Chávez government, in response to the report immediately expelled two HRW employees who were visiting the country, an action condemned by governments throughout Latin America. The United States Congress responded to the expulsion by writing Chávez a letter, condemning the expulsion and urging the Venezuelan president to "embrace the recommendations of the report and strengthen the promotion of human rights, democratic institutions, and political pluralism in the country." \*\*38\*\*

A year and half later, in December 2009, the Organization of American States (OAS) issued its own report of government abuses, accusing Chávez's regime "of human-rights abuses, political repression, and eroding the separation of powers among government branches..." The Washington Post noted that:

...particularly shocking [was] the commission's account of the role that violence and murder have played in Mr. Chávez's concentration of power. The report documents killings of journalists, opposition protesters and farmers; it says that 173 trade union leaders and members were slain between 1997 and 2009 "in the context of trade union violence, with contract killings being the most common method for attacking union leaders." The report says that in 2008 Venezuela's human rights ombudsman recorded 134 complaints of arbitrary killings by security forces, 87 allegations of torture and 33 cases of forced disappearance. It

also asserts that radical groups allied with Mr. Chávez "are perpetrating acts of violence with the involvement or acquiescence of state agents." 40

The *Wall Street Journal* reported that the Venezuelan government condemned the report, and Venezuela's ambassador to the OAS, Roy Chaderton, stated that it was weak and a lie. He accused the OAS "commission of lending too much credibility to charges made by the government's political rivals."

### Venezuelan Foreign Policy Under Chávez

Prior to the April 2002 coup attempt, the United States and Venezuela enjoyed a mutually beneficial, close relationship. It was the April 2002 coup, however, that worsened foreign affairs between Chávez and the United States. Chávez accused the US of giving support for the coup, and this accusation was not helped by the political responses from the US government. Though condemning the coup on April 13th, there were several statements made by US government officials that welcomed the change in Venezuelan government, providing support to the argument that the US supported the coup. The US completed a congressional investigation into the Venezuelan allegations that further proved no US involvement, however, this did little to drive out the idea already held by Chávez and his government. Since the coup attempt of 2002, Venezuelan foreign policy has centered on limiting US influence within and outside its borders as well as strengthening ties with foreign countries that are not necessarily US friendly.

Trade between Venezuela and China was under \$200 million annually when Chávez took power, but "has jumped to nearly \$10 billion" in 2009. Beginning with a historic visit in December 2004, Chávez offered Chinese President Hu Jintao to strengthen ties between Venezuela and the Asian nation, agreeing to further joint ventures in oil and gas exploration of

Venezuela. This trip to China was quickly followed up by a visit in January 2005 by a Chinese delegation, headed by Vice President Zeng Qinghong, where a 19-point agreement was signed referencing oil, agriculture, and technology cooperation between the two countries. With Chávez becoming the Latin American leader to visit China (six times) the most, Venezuela has become the recipient of the greatest portion of Chinese investment in Latin America. "While the Chinese community has existed [in Venezuela] for decades, the presence of Chinese companies is increasing and being felt in several sectors of the economy: housing, agriculture, industry."

This relationship between these two countries serves each other's separate interests: Chinese economic interests and Venezuela's ideological and strategic interests. Chávez has stated that the "growing ties with Beijing are part of his stated aim to build a new multi-polar model of international relations 'to break' US hegemony... By having Venezuelans study and benefit from Chinese technological expertise, Chávez is hoping to create a strategic partnership which merges China's socio-economic experiment with Latin American socialism."

The planned expansion of Venezuelan international influence has not stopped with only China. As reported by *El Universal*, a major Venezuelan newspaper headquartered in Caracas, President Chávez and the Iranian President Mahmud Ahmadinejad met in Teheran, Iran in July 2006 where they "initialed a number of bilateral investment agreements at a time when they [were] making attempts at highlighting their anti-US stance. 'If the US empire succeeds in consolidating its dominance, then the humankind has no future. Therefore, we have to save the humankind and put an end to the US empire,' Chávez told a crowd at the Tehran University." Ahmadinejad reciprocated this visit with one of his own in September 2006, where 29 agreements were signed between the two countries including "the creation of a joint petrochemical and steel company and a shared firm for the exploration of petroleum." The

BBC reported that at the arrival of the Iranian president to the airport at Caracas, "President Ahmadinejad took Mr. Chávez's hands and said: 'I salute all the revolutionaries who oppose world hegemony."<sup>51</sup>

In further attempts to create a multi-polar world, Hugo Chávez has strengthened ties with Russia, as well. In early November 2008, two months after the arrival of two Russian long-range bombers for joint training with the Venezuelan military. 52 Venezuela and Russia held talks in Caracas discussing 46 cooperation agreements which included, "among others, the creation of a bi-national investment bank, the opening of a direct air route between Caracas and Moscow, the building of an aluminum plant, the construction of a gas platform off the Venezuela coast, plans for automobile production, and Venezuela's acquisition of Russian planes and ships."<sup>53</sup> Days after these talks, and a few days prior to the visit of the Russian President Medvedev, Chávez made the announcement that the two countries are intending to build a nuclear power plant within Venezuela.<sup>54</sup> Interestingly, at the same time as Medvedev's visit a Venezuela, "a Russian naval task force led by Russia's newest and most powerful nuclear cruiser, *Peter the Great*, [was] off Venezuela for [joint training] maneuvers, marking the first visits of Russian warships to the region since the end of the Cold War."<sup>55</sup> Chávez reciprocated the Russian support for Venezuela in September 2009, when Reuters reported that Chávez diplomatically recognized the independence of the Georgian states of Abkhazia and South Ossetia, which Russia "has tried for over a year to persuade its allies to follow its lead and treat the two small regions as sovereign."<sup>56</sup> In the same report, details of another arms deal between Russia and Venezuela was made which included the plans to purchase over 100 Russian main battle tanks for \$500 million. Writers from Reuters concluded that, "Venezuela wants to beef up its weaponry to resist what Chávez terms US imperialism in Latin America."57

With the rise of Venezuela's attempts to foster targeted international support and cooperation, there have been several incidents which have iced relations within the region, specifically with the US and its US-supported neighbor, Columbia.

Because of Venezuela's extensive 1,370-mile border with Colombia, it is a major transit route for cocaine and heroin destined for the United States. Venezuela suspended its cooperation with the US Drug Enforcement Administration in August 2005 because it alleged that DEA agents were spying on Venezuela. US officials maintained that the charges were baseless. From 2005 to 2008, President Bush annually designated Venezuela, pursuant to international drug control certification procedures set forth in the Foreign Relations Authorization Act, FY2003 (P.L. 107-228), as a country that has failed demonstrably to adhere to its obligations under international narcotics agreements.<sup>58</sup>

With no reported proof to support allegations, Chávez expelled the US Ambassador to Venezuela, Patrick Duddy, while recalling his own Ambassador to the United States, on September 11, 2008, stating that his government has stopped a plot by the US to assassinate him. On September 12, 2008, the US Treasury Department froze the assets of two senior Venezuelan intelligence officials and the former interior minister for allegedly helping the Revolutionary Armed Forces of Colombia (FARC) with weapons and drug trafficking, while the [US] State Department also declared Venezuela's US Ambassador Bernardo Alvarez persona non grata. In an attempt to iron out relations with Venezuela, the Obama Administration reestablished diplomatic relations with the Chávez government on June 25, 2009, when it was announced that the United States and Venezuela agreed to return ambassadors to each other's respective capital.

In July 2009, allegations of Venezuelan support to drug trafficking was again brought to light with a US Government Accountability Office (GAO) report which stated:

According to US and Colombian officials, Venezuela has extended a lifeline to Colombian illegal armed groups by providing significant support and safe haven along the border. As a result, these groups, which traffic in illicit drugs, remain viable threats to Colombian security. A high level of corruption within the Venezuelan government, military, and other law enforcement and security forces contributes to the permissive environment, according to US officials.<sup>62</sup>

At the end of the month, Sweden sent a request to the Venezuelan government, asking for an explanation as to how the FARC was in possession of rocket launchers that Sweden had sold to Venezuela back in the 1980s. The Venezuelan government responded simply with the statement that it had no involvement with the FARC.<sup>63</sup>

The US announced in August 2009, that it was planning to use military bases in Colombia for counter-narcotic operations. The news was not well received in Venezuela. After sending 15,000 troops to the border region between Venezuela and Colombia, Chávez told his country to prepare for war on November 8, 2009, stating "the US [is planning] to use Colombian bases to mount an invasion of his oil-rich nation." In response, President Uribe of Colombia said Colombia has made no threat towards Venezuela and would complain to the United Nations (UN) and the OAS. 65

### Venezuelan-Chávez Timeline

February 1992 – Chávez and his radical group launched a failed military coup December 1998 - Chávez presidential election by a considerable majority February 1999 - Chávez takes office June 2000 - Chávez re-elected as President April 2002 – Brief coup ousts, and then reinstates Chávez; Chávez accuses US of involvement Dec 2002 - Feb 2003 - PVDSA strike ends with 18,000 employees replaced August 2004 – Chávez succeeded in beating the referendum for recall October 2004 - FRM and associated allies win control of 92% of the Venezuelan governorships December 2004 - Chávez visits China January 2005 - Chinese delegation visit Venezuela August 2005 – Venezuelan cooperation with US DEA suspended December 2005 - FRM political association win all of the seats of the National Assembly July 2006 – Chávez visits Teheran, Iran September 2006 – Ahmadinejad visits Venezuela, and 29 agreements signed December 2006 - Chávez reelected to the Venezuelan presidency January 2007 - Venezuelan government would not renew the broadcast license of Radio Caracas Television January 2007 – Chávez granted power to pass acts by decree May 2007 - RCTV forced to end broadcasting June 2008 – 26 presidential decrees made in Jan 2007 publicized August 2008 – Venezuelan Supreme Court upholds disqualification of 272 individuals from running for office, including high-profile opposition figures September 2008 – Human Rights Watch publishes report on Chávez rights abuses; Chávez expels US Ambassador; US Treasury department freezes assets of Venezuelan intel officers for helping FARC October 2008 – General Raúl Baduel, outspoken Chávez critic detained November 2008 – Venezuela and Russia sign 46 cooperation agreements; announce building joint nuclear power plant February 2009 – Referendum to abolish term limits passes June 2009 - Diplomatic relations between Venezuela and US reestablished July 2009 – US GAO report on Venezuelan support to drug trafficking; Sweden inquires about FARC rocket launchers August 2009 – 13 radio stations forced off air, another 21 threatened September 2009 - Chávez announces recognition of independence of Abkhazia and South Ossetia; Russian arms deal announced November 2009 – Chávez tells country to prepare for war with Columbia December 2009 – OAS issues report on Venezuelan government rights abuses Blue Text refers to Venezuelan-foreign interaction events

Figure 3: Venezuelan-Chávez Timeline

# **Chávez and Scenario-Based Planning**

As stated in the introduction, the United States purchases the majority of its oil from Latin America. In fact, "Venezuelan oil comprises about 11 percent of US crude oil imports, which amounts to 60 percent of Venezuela's total exports." With co-dependent economies already existing between these two nations, the importance and relevance of future interactions cannot be underestimated. As shown in the previous chapter, political and economic events within Venezuela are fluid, to say the least. Conducting speculation on future trends, based on the past twelve years of Chávez's administration of Venezuela would provide some useful foresight into possible Venezuelan futures, foresight that could provide valuable insight for US national policy planning.

To ensure national and regional security policy success in the Western Hemisphere, the US government must consider national security strategies for several potential future interactions with the Chávez government of Venezuela. The Scenario-based Planning Methodology is the perfect medium to which to look for answers to the statement above. Scenario-based planning, as discussed by the future-oriented consulting firm Global Business Network's (GBN) publication, *What If? The Art of Scenario Thinking for Non-Profits*, outlines a strategy to develop a set of possible futures, where these futures can be analyzed for impacts and indicators that could influence policy creation today. As Eamonn Kelly, Chief Executive Officer of the GBN, stated, "scenarios enable new ideas about the future to take root and spread across an organization - helping to overcome the inertia and denial that can so easily make the future a dangerous place."

Being basic guesses about how the future will look, scenarios that are created using this methodology "are provocative and plausible stories about diverse ways in which relevant

issues... might evolve, such as the future political environment, social attitudes, regulation, and the strength of [an] economy."<sup>68</sup> In relation to Chávez and Venezuela, the scenario-based process will begin by identifying potential changes in events or forces between the US and Venezuela. These events or forces will then be combined in different ways to create a set of four stories about how the future could unfold. With the creation of these four stories, implications are derived, adding to the depth of each scenario. At the end, indicators are developed for monitoring of events that could unfold, providing insight to potentially predicted outcomes. The process outlined above (pictured below) is organized into five phases, as described by GBN: Orient, Explore, Synthesize, Act, and Monitor.<sup>69</sup>

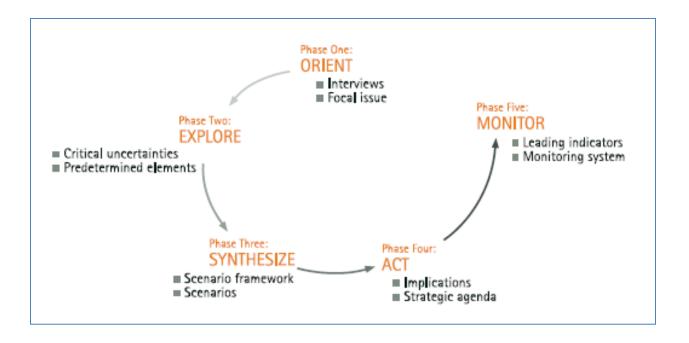


Figure 4: Scenario-based Planning Phases (Reprinted from Diane Scearce and Katherine Fulton, *What If? The Art of Scenario Thinking for Non-Profits*, Global Business Network, 2004, pg 24.)

### **Phase One: Orient**

In the first phase, the objective is to identify the issues confronting an organization, or national security policy makers, reference a certain issue, so as to orient or guide the action within the next four phases. In addition, the issue is also more refined by defining underlying assumptions, both about the issue as well as scenario development.<sup>70</sup>

In the introduction the focal issue was defined, which is formatted as a question: What does the future of Chávez government of Venezuela look like? The answers to this question will provide the answer to the ultimate goal of providing a set of guidelines, or roadmap, as to how the United States should prepare its foreign policy interaction with the Venezuelan government. This original question, reference Venezuela's future, is further refined by adding some key assumptions:

- 1. Hugo Chávez will remain at the head of the government of Venezuela for the foreseeable future. This is a critical assumption for drawing conclusions to Venezuelan Government action, basing it on the historical trends over the last 10-plus years.
- 2. The Venezuelan Government policies, as they have been developed under Hugo Chávez, are susceptible to changes and are not absolute. It is the changes of these government policies, discussed below during the development of 'Phase Two: Explore,' that will be central to scenario development.
- 3. Developed scenarios will project trends out to 5-10 years only. It is important to limit trend analysis of Venezuelan government action out to a modest range, as moving too far into the future could produce results that would be too difficult to project.
- 4. US diplomatic action towards Venezuela, within a given scenario, will be kept to a minimum. In fact, US diplomatic action will be considered completely reactive, not proactive or pre-emptive, when discussing interaction with Chávez and Venezuela, in a given scenario.

### **Phase Two: Explore**

The second phase, Explore, is focused on identifying the driving forces that will shape the change within our focal issue - the Chávez government of Venezuela. The driving forces are those forces "that will shape future dynamics in both predictable and unpredictable ways."<sup>71</sup>

Driving forces are key to the analysis in development of the scenarios: "Driving forces can be either 'predetermined elements' or 'uncertainties.' Predetermined elements are forces of change that are relatively certain over a given future timeframe... Uncertainties are unpredictable driving forces, that will have an important impact on [a] area of interest."<sup>72</sup>

Within the context of the focal issue, two uncertainties will be explored: 1) the Chávez Government's Domestic Policies, and 2) the Chávez government's Foreign Policies. As Hugo Chávez and his government's actions can be considered to be both predictable and unpredictable at the same time, the uncertainties of these actions within the context of Domestic or Foreign Policy should be developed.

### **Phase Three: Synthesize**

In the third phase, Synthesize, a merging of the driving forces are combined to create distinct and separate environments within the context of the focal issue.<sup>73</sup> It is these distinct environments that create the backbone to the derived scenarios, creating narratives "that begin in the present and end in the future."<sup>74</sup>

With the two uncertainties developed in Phase Two, an "axis of uncertainty" is created, representing "a continuum of possibilities ranging between two extremes." The first driving force, entitled *Chávez Government Domestic Policies*, has two extremes (pictured below) represented by the more benign 'Democratic Socialism' (defined as "the collective or governmental ownership and administration of the means of production and distribution of goods" a dictated by majority rule of the people) on the left end, and the more malignant 'Totalitarian Dictatorship' (defined as "relating to a political regime based on subordination of the individual to the state and strict control of all aspects of the life and productive capacity of the nation especially by coercive measures" on the right end.

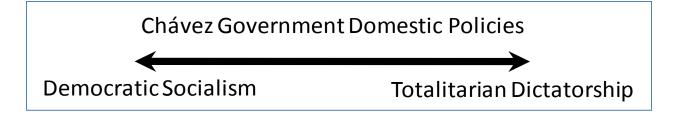


Figure 5: Domestic Policies driving force

The second driving force, entitled *Chávez Government Foreign Policies*, has two extremes (pictured below) represented by a more peaceful 'Friendly Neighbor' (defined as the nation-state who relies on the Diplomatic or Economic instruments of power to further pursue its goals within a region) on the left end, and the more hostile 'Aggressor State' (defined as a nation-state who relies on the use of the Military instruments of power, directly or as a tool of coercion, to promote its own agenda within a region) on the right end.

# Chávez Government Foreign Policies

# **Aggressor State**

Friendly Neighbor

Figure 6: Foreign Policies driving force

Combining these two axes creates the necessary framework for the scenario matrix, which is the backbone to the exploration to the possible futures. It is the combination of these axes that produces the four quadrants of possibilities; each axis' extreme, coupled with the other driving force's extreme creates the foundation of a possible future, a scenario.

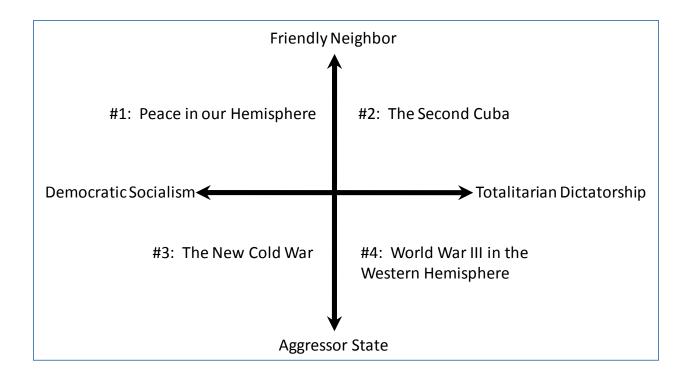


Figure 7: Scenario Matrix

As shown, the four scenarios derived from the matrix include:

- Peace in our Hemisphere
- The Second Cuba
- The New Cold War
- World War III in the Western Hemisphere

Below, the narratives of each scenario are fleshed out, ranging in a time frame of 5 to 10 years in the future.

### Scenario #1: Peace in our Hemisphere

President Chávez has just won his fifth re-election in December 2018, but the winning margin was more characteristic of a Western democracy, only garnering a few percentage points

over his opponent, General Raúl Baduel. Having released General Baduel from prison in late 2010, the Venezuelan Government began what seemed like a checklist of political reform after receiving the OAS report of rights abuses in December of 2009. Beginning with the overturning of questionable detentions of political opponents, the Chávez Government also stopped usage of presidential decrees to enact laws, focusing instead on having legislation pass through majority vote in the National Assembly. The familiar cries for the boycotting of American and Western products and ideas by Chávez that were a commonplace in Latin American media in the 2000s, were non-existent post-2010 as President Chávez turned to improving domestic policy, as well as foreign relations

Turning away from authoritarian ruling practices evidenced in the early part of the 21st Century, the Chávez Government focused its efforts on implementing the social programs of the Bolivarian Revolution; these projects begun in the late 1990s but began to wane in the wake of increased military spending. In hopes to use a more friendly domestic strategy to garner strong support for his government, President Chávez pushed an agenda that included reform of educational institutions. This included an increase in the welfare programs that focused on aiding Venezuelans in transition from an agrarian, rural lifestyle to one that took advantage of the growing industry that swept across the country.

Increases to, or lack of threats to reduce, personal freedoms also began a mini-revolution in media and technology as those radio and television stations that had their licenses revoked were allowed to begin broadcasting again. Experiencing a brief decline in popularity due to the exercising of once-forbidden personal rights, Venezuelans eventually responded positively to the attempts by the Chávez Government to improve and ensure the quality of life and liberty of the people it served.

Though industry, such as oil and energy production continues to be state-owned, competition among foreign companies that took advantage of Chávez's call for 'new openness' reaped the benefit of the disposable income that began to swell in the pockets of the Venezuelan people. Foreign tech companies, such as Microsoft and Apple, began marketing their products to the Venezuelan people in mass, and a South American 'Silicon Valley' seamed to spring up over night in Caracas with the help of government incentive programs.

The Venezuelan military, once known for seeking the latest offensive hardware from Russia and the Middle East, was put to work on those domestic infrastructure improvement projects. These projects included the re-wiring of the Venezuelan power grid that needed to be overhauled so as to take advantage of the joint Russian-Venezuelan nuclear power reactor that just recently came online. Attempting to also foster greater cooperation among the nations of South America in the wake of the 2010 Haitian earthquake, Venezuela's military began joint training with its neighbors on natural disaster response and preparedness. Once feared as a potential juggernaut in the region, Venezuela's Army and Air Force became the countries ambassadors of hope and change.

### Scenario #2: The Second Cuba

In the wake of the Human Rights Watch report of the Chávez Government's abuses of rights in 2008 and the OAS report in 2009, President Chávez tightened and cemented his control over his country. Systematic arrests and imprisonment of political opponents was just the beginning. Personal freedoms and the guaranteed rights of individuals were things of the past for Venezuelans as they saw those who attempted to speak out against the government abuses disappear, or worse, publicly tried and sentenced to life or event death. Prior to the 2012 presidential elections, President Chávez passed by decree, that he could be re-elected to a life

term, never have to seek another re-election as long as he lived. Having then won the election in December 2012 by a comfortable 72% of the popular vote, presidential elections became a thing of the past. National Assembly elections still occur, however, only those individuals who belong to the pro-Chávez government party, FRM, are allowed on the ballot.

Foreign trade has all but dried up as other nations seek to distant themselves from the authoritarian Chávez regime. Those countries that began investment in Venezuela in the earlier part of the century have completed their projects that were previously agreed upon, such as the joint Venezuelan-Russian nuclear reactor, without further investment in the troubled country. The Chávez Government did try to use its oil production as leverage to coerce development capital out of countries, such as the United States, but the global market place for oil crashed as more countries sought and created systems to take advantage of greener sources of energy. Attempting to create some trade within the region, Venezuela increased imports and exports to only a select group of nations that were not troubled by the rights abuses within the country, including Iran, Cuba, and Brazil. Revenues from these sources, however, have not been substantial enough to pay for needed improvement to infrastructure of state-owned industry or the social programs that propelled Chávez's popularity during the beginning phases of his regime.

A disorganized anti-Chávez insurgency has sprung up in the border regions of the country. The Venezuelan military, once used to promote infrastructure renewal and social program development, is now used to protect out-dated and crumbling systems. Coordination between Venezuela and its neighbors have improved as quid-pro-quo relationships have developed, such as with Colombia: for exchange in quelling anti-Chávez insurgent groups' use of the Colombian frontier as refuge and staging points for attack, Venezuela has nearly

eliminated drug-trafficking routes used by the FARC, a strategy that has also crippled monetary support for its domestic insurgents.

The censorship of media also continues under the Chávez dictatorship, as it promoted dissent within the country and bolstered support for the insurgency. Only state-owned and operated radio and television operates within the country now, but that has not stopped the citizenry from tuning in foreign-funded media such Radio Free America and the BBC. Venezuelans are finding themselves stuck in an untenable situation: adhere to the Chávez Government oppression and continue to exist in a stagnate world of constant need.

### Scenario #3: The New Cold War

In attempts to garner political support for his re-election campaign in 2012, President Chávez ordered sweeping political and social reforms, turning back a trend of oppression, and what the OAS called, human rights abuses. Continuing to blame the imperialistic United States and other Western nations for its ills, the Venezuelan government began to allow opposition party presence in its national elections and the National Assembly actually had a chance to become representative of the electorate when the Supreme Court overturned the disqualification of several individuals from its August 2008 decision. Still able to run for re-election without term limits, President Chávez seemed to be more responsive to the will of the Venezuelan people.

Utilizing monies gained from the increase in oil prices in the second decade of the 21st Century, the Chávez Government increased both domestic spending on social programs as well as spending on national defense items. Employment in Venezuela sky-rocketed as the people were employed by the government for infrastructure improvement and military service. An economic boom resulted from the surge in cheap energy that came from the newly completed

joint Russian-Venezuelan nuclear reactor in addition to the foreign-supported industry that came from the Chinese and Iranian investment.

A few years before the 2018 elections, the Chávez Government began promoting a form of Venezuelan nationalism as it tried to increase support among the segments of the country's population. 'Venezuelan Pride' and 'Bolivarian Revolution Pride' banners now hang from all store fronts and university halls. Venezuelan Pride has been cleverly turned into a fear of foreign intervention inside the domestic borders of the country, propagated by the Venezuelan government more interested in swaying the electorate than promoting peace and stability. Suspicion of nuclear weapons research by Western powers has been unsubstantiated, but continued statements by President Chávez stating that nuclear weapons technology is the right of all people has increased.

Requests, and later, demands, for support against narcotics trafficking and FARC sanctuary within Venezuela have been met by denials of support for FARC and even calls for war with Colombia. These threats have carried new weight since the border of Venezuela has become manned by a Venezuelan Army and Air Force outfitted with the latest Russian and Middle Eastern military technology, reinforced by extensive joint Russian-Venezuelan training exercises. The latest news out of Venezuela includes the fact that a Russian Army theater missile defense unit is now stationed outside of Caracas, invited by President Chávez to help protect Venezuelan citizens from the 'impending attack by the imperialist West and its puppet governments on the South American continent.'

Responses to Venezuelan defense activities by neighboring nations have included increasing their own defense spending in attempts to balance the threat posed by Venezuela's asymmetric advantage. Requests for joint military training with Western nations, including the

United States, have been made as neighboring nations make guesses on how to respond to Venezuela's aggression.

### Scenario #4: World War III in the Western Hemisphere

Beginning with the jailing of General Baduel, the Chávez Government began a purge of dissent within Venezuela that rivaled the pogroms of the Bolshevik Revolution over 100 years ago. Public executions, as a form of deterrence, were carried out and then shown on the nationalized television. The Bolivarian Revolution, once deemed an example of social justice and promoted by Hollywood elite, has become an excuse and means to enslave a population and the potential to bring the world to war again.

Accessing the World Wide Web was made a crime punishable by imprisonment, but personal freedoms are farthest from Venezuelan minds. Fears of starvation throughout the agricultural centers of Venezuela grow, reminiscent of the 40 million Chinese, who died when Chairman Mao attempted to collectivize the food production in China, and the 10 million Ukrainians, who starved when their crops were seized by Soviet soldiers who needed to feed a hungry Soviet Union. Rampant inflation caused by attempts by the government to artificially increase the worth of oil production has made Venezuelan bolivars near worthless, and reactionary attempts to fix the rate have failed miserably.

The inability of the government to provide sustenance to its citizens has caused a substantial exodus and subsequent refuge crisis in Colombia and Brazil. Venezuelan families are having to make the choice to continue to work at their collective jobs and face the chance of not feeding their families or seeking assistance outside the country, hoping on the generosity of their fellow Latin Americans. A 'slippery slope' situation has developed whereas the need for the vital

labor to keep some semblance of a domestic economy moving has all but stopped as the labor force flees Venezuela for more prosperous hopes.

Outcry by nations across the globe was unparalleled, and as diplomatic and economic sanctions on Venezuela increased, so did the expulsion of ambassadors and embassies. The rogue nations of Iran and North Korea are currently the only ones to defend the Chávez Regime's actions as just and fair. Once a source of foreign industrial development, China has not been able to afford to continue pumping money into a country where the government has made such investment economically unviable. Even the Russian Government has distanced itself from Chávez as he uses Russian weapons bought during the first decade of the 21st Century to mass on the borders of Colombia and Brazil with two purposes: 1) demanding reparations for injustices made in the name of social justice, and 2) to cease the flow of its citizen labor to its neighbors.

### **Phase Four: Act**

The fourth phase in scenario planning methodology is Act, where the analysis of the scenarios creates a list of implications and strategic action. "The test of a good set of scenarios is not whether in the end it turns out to portray the future accurately, but whether it enables an organization to learn, adapt, and take effective action." Each scenario, if imagined to represent the future, would have implications that would inspire action on the part of United States' foreign, and subsequently, domestic policy so as to provide success, on the part of the United States in relations with Chávez and Venezuela. The implications and United States strategic action recommendations for each scenario are listed below.

### Implications and Strategy for Scenario #1

In *Peace in our Hemisphere*, President Chávez has transformed Venezuela into a strong and thriving state. Democratic socialism has taken root and has developed a political and economic system of strength and vibrancy, not only within Venezuela, but in the surrounding region, as well. Within Latin America and beyond, Venezuela has developed strong economic ties that are having a ripple effect within the country, socially. Progress has anchored the region in a state of peace and prosperity that the United States would not only want to be a part of, but also encourage on a global scale.

The following strategies would help the United States prepare for the *Peace in our Hemisphere* world:

- Continue to reinforce political reform within Venezuela and the Latin American region
- Promote economic growth within Venezuela through incentive programs and reciprocal corporate relationships
- Continue present military cooperation within the region with the addition of offering military assistance to Venezuela
- Expand Venezuelan involvement in international and regional organizations

### Implications and Strategy for Scenario #2

In *The Second Cuba*, President Chávez has tightened political control within Venezuela, effectively creating an authoritarian regime. Personal freedoms are non-existent, with the state controlling all aspects of the Venezuelan's life. Venezuela, however, has developed strong ties with other like-minded countries, at the detriment of the United States. Social and economic progress has stagnated, and in addition to a rise in an insurgency, only goes to promote an increase of freedom-limiting action by the government. The United States faces the problem of

promoting democratic freedoms without enticing the regime to become more closed and hostile within the region.

The following strategies would help the United States prepare for *The Second Cuba* world:

- Offer incentive programs for economic growth for Venezuela, as an alternative to present economic relationships (with and without caveats that democratic reforms would be instituted within the country)
- Increase economic and social programs to the region, offering an alternative lifestyle posed by the Venezuelan government
- Avoid language and action that would further distance the Chávez government from cooperation within the region

### Implications and Strategy for Scenario #3

In *The New Cold War*, President Chávez has incorporated political reform within Venezuela, increasing the popularity of his government. Venezuelan nationalism has been used to increase the potential of conflict with her neighbors, whereas foreign military cooperation outside the hemisphere has focused on increasing the offensive military potential of the country as well as encourage a multi-polarity in the world. Encouraged by the latitude of democratic reforms within Venezuela, the United States, however, faces the increased likelihood of military conflict within the region.

The following strategies would help the United States prepare for *The New Cold War* world:

- Offer incentive programs for economic growth for Venezuela with the caveat that democratic reforms would be instituted within the country
- Offer incentive programs to third-party nations to induce action that is pro-US
- Increase economic programs to the region, offering an alternative lifestyle posed by the Venezuelan government

- Expand military cooperation within the region, focusing on improved defense postures of those countries sharing a border with Venezuela
- Avoid language that further alienates the Venezuelan government from its neighbors

### Implications and Strategy for Scenario #4

In World War III in the Western Hemisphere, Chávez has effectively created an isolated, authoritarian regime that sees military action against its neighbors as a viable and effective solution to remaining in power. The potential for a regional conflict is very high, with the only hope that the complete isolation of Venezuela would deter such a suicidal action. In the midst of na economic and military crisis not seen in the Western Hemisphere, the United States' actions must focus on containing the Venezuelan problem, decreasing the likelihood of a Venezuelan-led conflict within the region.

The following strategies would help the United States prepare for the World War III in the Western Hemisphere world:

- Isolate Venezuela, with promises of economic and social aid for increases in relaxation of authoritarian control and threats of military action
- Increase economic programs to the region, offering an alternative lifestyle posed by the Venezuelan government
- Expand military cooperation within the region, focusing on improved defense postures of those countries sharing a border with Venezuela

### **Phase Five: Monitor**

In the last phase of the scenario-planning methodology, Monitor, systems are created that help follow the changes to conditions of regional atmosphere, so as to adjust action as appropriate. The changes to conditions are identified as indicators, and can be specific or general in nature. The indicators, then, will become the warning signals that will induce a need

to adapt strategy to a changing environment. "As leading indicators are identified [as valid], strategies can be put in place to respond to the emerging reality."<sup>79</sup>

The indicators for the future of Venezuela and the Chávez government is derived from the critical uncertainties postulated during the third phase of the scenario-planning methodology, Synthesize. The first uncertainty, *Chávez Government Domestic Policies*, shows the potential of the movement between two extremes: 'Democratic Socialism' and 'Totalitarian Dictatorship'. Tracking of the Chávez Government's domestic policy decision will be a clear indicator of the movement towards one of the pre-developed futures, and subsequently trigger United States action to either promote or denounce Venezuelan government decisions. Below are examples of sub-indicators that could be utilized to identify in which direction the Chávez Government is moving:

- Inclusion or exclusion of opposition-party individuals in government
- Expansion or reduction in Venezuelans' personal freedoms
- Expansion or reduction of free market principals within the Venezuelan economy

The second uncertainty, *Chávez Government Foreign Policies*, also has the potential of movement between two extremes: represented by either being a 'Friendly Neighbor', or becoming hostile 'Aggressor State'. Tracking of the Chávez Government's foreign policy decision will be the other indicator of a movement towards one of the pre-developed futures, and subsequently trigger United States action to either promote or denounce Venezuelan government decisions. However, because this indicator has the potential of a greater involvement of third-party nations, it must be more closely watched and subsequent United States strategy decisions are not solely dependent on Venezuelan government action alone. Below are examples of sub-indicators that could be utilized to identify in which direction the Chávez Government is moving:

- Expansion or reduction of Venezuelan ties with foreign governments with anti-US stance
- Expansion or reduction of offensive/defensive capabilities of Venezuelan military forces
- Expansion or reduction of cooperation with regional nations

# **Conclusion**

The next 10 years will bring many challenges and opportunities for the United States and its involvement with the Chávez government of Venezuela. The question on how should the United States prepare its interaction with an increasingly hostile Venezuelan government can be better answered through the use of the scenario-planning methodology described above. In order to ensure national and regional security policy success in the Western Hemisphere, the United States' government must always consider national security strategies for potential future interaction, especially with the Chávez government of Venezuela.

A basic analysis of the scenarios and their implications reveals several strategies that have the potential to be effective in several paths that Chávez and Venezuela might take... First, promotion of basic personal freedoms will help to create an atmosphere of openness and prosperity that are inherent within a democratic state. Second, cooperation on all levels within Venezuela is key to ensure an open, trustful dialogue between the United States and the Chávez government. Third, cooperation between the United States and Venezuela's national neighbors is essential to promote positive encounters and contain any negative action by the Chávez government within the region. And fourth, maintaining a strong military presence through increased cooperation in the Hemisphere is important to guarantee the United States' centuries old doctrine of a region free of foreign influence.

No more important of a region exists for the United States, than that of Latin America.

No more important a country exists within Latin America, than that of Venezuela, with its potential to either create or stem conflict by its government's actions. Hugo Chávez has shown his potential to be a catalyst for great prosperity or a harbinger of doom to the region, and for this reason the United States must prepare for the many paths that the future holds for Venezuela. Through scenario-planning, a system exists to better prepare for the myriad of decisions that await a US government. As Sun Tzu has said, "Know the enemy and know yourself; in a hundred battles you will never be in peril."

<sup>&</sup>lt;sup>1</sup> Sun Tzu, *The Art of War*, trans. Samuel B. Griffith, (London: Oxford University Press, 1963), pg 84.

<sup>&</sup>lt;sup>2</sup> President James Monroe, "Monroe Doctrine (1823)", ourdocuments.gov, December 2, 1823, http://www.ourdocuments.gov/doc.php?flash=true&doc=23 (accessed February 02, 2010).

<sup>&</sup>lt;sup>3</sup> US Department of State, *Monroe Doctrine*, 1823, 2010, http://www.state.gov/r/pa/ho/time/jd/16321.htm (accessed February 2, 2010).

<sup>&</sup>lt;sup>4</sup> Casto Ocando, "2 lawmakers say Venezuela belongs on US terror list", *The Miami Herald*, January 08, 2010, http://www.miamiherald.com/2010/01/08/1415138/2-lawmakers-say-venezuela-belongs.html (accessed January 15, 2010).

<sup>&</sup>lt;sup>5</sup> Íbid, January 08, 2010.

<sup>&</sup>lt;sup>6</sup> Juan Forero, "Chávez Restyles Venezuela With '21st-Century Socialism'", *New York Times*, October 25, 2005, http://www.nytimes.com/2005/10/30/international/americas/30venezuela.html (accessed March 16, 2010).

US Department of State, Venezuela, July 2009, http://www.state.gov/r/pa/ei/bgn/35766.htm (accessed December 15, 2009).

<sup>&</sup>lt;sup>8</sup> Juan Forero, "www.washingtonpost.com", *Chávez Wins Removal of Term Limits*, February 16, 2009, http://www.washingtonpost.com/wp-dyn/content/article/2009/02/15/AR2009021500136.html (accessed November 25, 2009).

<sup>&</sup>lt;sup>9</sup> US Department of State, *Venezuela*, July 2009, http://www.state.gov/r/pa/ei/bgn/35766.htm.

<sup>&</sup>lt;sup>10</sup> Ibid, July 2009.

<sup>&</sup>lt;sup>11</sup> Charlene Barshefsky and James T. Hill, US-Latin America Relations: A New Direction for a New Reality, Independent Task Force Report No. 60, Council on Foreign Relations, 2008.

Central Intelligence Agency, Venezuela, January 2010, https://www.cia.gov/library/publications/the-worldfactbook/geos/ve.html (accessed February 2, 2010).

<sup>&</sup>lt;sup>13</sup> Ibid, January 2010.

www.geographia.com, Venezuela: History and Culture, 2010.

http://www.geographia.com/Venezuela/history.htm (accessed January 15, 2010).

15 Ibid, 2010.

<sup>&</sup>lt;sup>16</sup> Ibid, 2010.

<sup>&</sup>lt;sup>17</sup> Richard Lapper, Venezuela and the Rise of Chávez: A Background Discussion Paper, November 22, 2005, http://www.cfr.org/publication/9269/venezuela and the rise of Chávez.html (accessed November 22, 2009).

<sup>&</sup>lt;sup>18</sup> Ibid, November 22, 2005.

<sup>&</sup>lt;sup>19</sup> Ibid, November 22, 2005.

<sup>&</sup>lt;sup>20</sup> Richard Lapper, *Living with Hugo: US Policy Toward Hugo Chávez's Venezuela*. Council Special Reports, New York: Council on Foreign Relations, 2006, pg 7.

<sup>&</sup>lt;sup>21</sup> Ibid, pg 7.

<sup>&</sup>lt;sup>22</sup> Ibid, pg 8.

<sup>&</sup>lt;sup>23</sup> Ibid, pg 8.

<sup>&</sup>lt;sup>24</sup> Ibid, pg 8.

<sup>&</sup>lt;sup>25</sup> Richard Lapper, Venezuela and the Rise of Chávez: A Background Discussion Paper, November 22, 2005.

<sup>&</sup>lt;sup>26</sup> Richard Lapper, Living with Hugo: US Policy Toward Hugo Chávez's Venezuela. Council Special Reports, New York: Council on Foreign Relations, 2006, pg 8.

<sup>&</sup>lt;sup>27</sup> Ibid, pg 8.

<sup>&</sup>lt;sup>28</sup> Ibid, pg 9.

<sup>&</sup>lt;sup>29</sup> Mark P. Sullivan, *Venezuela: Political Conditions and US Policy*, CRS Report for Congress, Washington, D.C.: Congressional Research Service, 2009, pg 9.

<sup>&</sup>lt;sup>30</sup> Ibid, pg 11.

<sup>&</sup>lt;sup>31</sup> Ibid, pg 11.

<sup>&</sup>lt;sup>32</sup> Ibid, pg 1.

<sup>&</sup>lt;sup>33</sup> Ibid, pg 2.

<sup>34</sup> Rory Carroll, "Hugo Chávez revokes radio station licences in wider media crackdown", guardian.co.uk. August 2, 2009, http://www.guardian.co.uk/world/2009/aug/02/venezuela-Chávez-radio-station-licences (accessed January 5, 2010).

<sup>35</sup> Ibid, August 2, 2009.

<sup>36</sup> Human Rights Watch, A Decade Under Chávez: Political Intolerance and Lost Opportunities for Advancing Human Rights in Venezuela, Human Rights Watch Report, New York: Human Rights Watch, 2008. pg 1.

<sup>37</sup> Mark P. Sullivan, Venezuela: Political Conditions and US Policy, pg 2.

<sup>38</sup> Ibid, pg 2.

<sup>39</sup> Paulo Prada, "OAS Report Chastises Venezuela", *Wall Street Journal*, February 25, 2010,

http://online.wsj.com/article/SB10001424052748703510204575085801117383696.html (accessed March 1, 2010).

<sup>40</sup> The Washington Post, "Report details violence and lost freedoms in Venezuela", www.washingtonpost.com, March 1, 2010, http://www.washingtonpost.com/wp-dyn/content/article/2010/02/28/AR2010022803492.html (accessed March 5, 2010).

<sup>41</sup> Paulo Prada, February 25, 2010.

<sup>42</sup> Richard Lapper, *Venezuela and the Rise of Chávez: A Background Discussion Paper*, November 22, 2005.

<sup>43</sup> Ibid, November 22, 2005.

- <sup>44</sup> Dima Khatib, *Chávez's 'historic' China strategy*, August 15, 2009, http://english.aljazeera.net/focus/chinabuys theworld/2009/08/20098125223767930.html (accessed January 15, 2010).
- <sup>45</sup> Sarah Wagner, Venezuela and China Sign 19 Cooperation Agreement, January 31, 2005, http://www.venezuelanalysis.com/news/908 (accessed November 30, 2009).

  46 Ibid, January 31, 2005.

<sup>47</sup> Dima Khatib, August 15, 2009.

<sup>48</sup> Ibid, August 15 2009.

<sup>49</sup> El Universal, *Chávez decorated in Iran; Initials cooperation pacts.* July 31, 2006,

http://english.eluniversal.com/2006/07/31/en pol art 31A756133.shtml (accessed January 10, 2010).

<sup>50</sup> BBC, Iran and Venezuela bolster ties, September 17, 2006. http://news.bbc.co.uk/2/hi/5354812.stm (accessed November 28, 2009).

<sup>51</sup> Ibid, September 17, 2006.

- <sup>52</sup> Mark P. Sullivan, Venezuela: Political Conditions and US Policy, pg 2.
- <sup>53</sup> Bi Mingxin, Venezuela, Russia discuss 46 cooperation projects, November 7, 2008.

http://news.xinhuanet.com/english/2008-11/07/content\_10321514.htm (accessed November 23, 2009).

- <sup>54</sup> Russ Dallen, "Chávez Says Venezuela and Russia Will Build a Nuclear Reactor in Oil-Rich Zulia", *Latin* American Herald Tribune, November 18, 2008, http://www.laht.com/article.asp?CategoryId=10717 &ArticleId=320618 (accessed December 1, 2009).
  - <sup>55</sup> Ibid, November 18, 2008.

<sup>56</sup> Reuters, *Venezuela's Chávez draws closer to Moscow*, September 10, 2009, http://www.reuters.com/article/idUSTRE5895PF20090910 (accessed November 25, 2009).

<sup>57</sup> Ibid, September 10, 2009.

- <sup>58</sup> Mark P. Sullivan, *Venezuela: Issues in the 111th Congress*, Report for Congress, Washington, D.C.: Congressional Research Service, 2009. pg 19.
  - <sup>59</sup> Mark P. Sullivan, Venezuela: Political Conditions and US Policy, pg 1.
  - <sup>60</sup> Ibid, pg 1.
  - <sup>61</sup> Ibid, pg 2.
- <sup>62</sup> United States Government Accountability Office, Drug Control: US Counternarcotics Cooperation with Venezuela has Declined, Report to the Ranking Member, Committee on Foreign Relations, US Senate. Washington. D.C.: United States Government Accountability Office, 2009.

  - 63 Mark P. Sullivan, *Venezuela: Political Conditions and US Policy*, pg 2.
    64 Hannah Strange, *Hugo Chávez tells Venezuela troops to 'prepare for war' with Colombia*, November 9, 2009.

65 Ibid, November 9, 2009.

- <sup>66</sup> Cesar J. Alvarez and Stephanie Hanson, *Venezuela's Oil-Based Economy*, February 9, 2009, http://www.cfr.org/publication/12089 (accessed November 1, 2009).
- <sup>67</sup> Diane Scearce and Katherine Fulton, What If? The Art of Scenario Thinking for Non-Profits, Emeryville, CA: Global Business Network, 2004, pg 6.

<sup>68</sup> Ibid, pg 7.
69 Ibid, pg 23.
70 Ibid, pg 24.
71 Ibid, pg 27.
72 Ibid, pg 27.
73 Ibid, pg 27.
74 Ibid, pg 29.
75 Ibid, pg 28.
76 Merriam-Webster Online Dictionary, socialism, 2010. http://www.merriam-webster.com/dictionary/democracy (accessed March 26, 2010).
77 Merriam-Webster Online Dictionary, totalitarian, 2010. http://www.merriam-webster.com/dictionary/totalitarian (accessed March 26, 2010).
78 Diane Scearce and Katherine Fulton, What If? The Art of Scenario Thinking for Non-Profits, pg 30.
79 Ibid, pg 33.

Third, pg 33.

Sun Tzu, *The Art of War*, trans. Samuel B. Griffith, pg 84.

# **Bibliography**

- Alvarez, Cesar J., and Stephanie Hanson. *Venezuela's Oil-Based Economy*. February 9, 2009. http://www.cfr.org/publication/12089 (accessed November 1, 2009).
- Barshefsky, Charlene, and James T. Hill. *US-Latin America Relations: A New Direction for a New Reality*. Independent Task Force Report No. 60, Council on Foreign Relations, 2008.
- BBC. *Iran and Venezuela bolster ties*. September 17, 2006. http://news.bbc.co.uk/2/hi/5354812.stm (accessed November 28, 2009).
- Carroll, Rory. "Hugo Chávez revokes radio station licences in wider media crackdown." *guardian.co.uk.* August 2, 2009. http://www.guardian.co.uk/world/2009/aug/02/venezuela-Chávez-radio-station-licences (accessed January 5, 2010).
- Central Intelligence Agency. *Venezuela*. January 2010. https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html (accessed February 2, 2010).
- Dallen, Russ. "Chávez Says Venezuela and Russia Will Build a Nuclear Reactor in Oil-Rich Zulia." *Latin American Herald Tribune*. November 18, 2008. http://www.laht.com/article.asp?CategoryId=10717&ArticleId=320618 (accessed December 1, 2009).
- El Universal. *Chávez decorated in Iran; Initials cooperation pacts*. July 31, 2006. http://english.eluniversal.com/2006/07/31/en\_pol\_art\_31A756133.shtml (accessed January 10, 2010).
- Forero, Juan. "Chávez Restyles Venezuela With '21st-Century Socialism'." *New York Times*. October 25, 2005. http://www.nytimes.com/2005/10/30/international/americas/30venezuela.html (accessed March 16, 2010).
- Forero, Juan. "Chávez Wins Removal of Term Limits." *The Washington Post.* February 16, 2009. http://www.washingtonpost.com/wp-dyn/content/article/2009/02/15/AR2009021500136.html (accessed November 01, 2009).
- Forero, Juan. "www.washingtonpost.com." *Chávez Wins Removal of Term Limits*. February 16, 2009. http://www.washingtonpost.com/wp-dyn/content/article/2009/02/15/AR2009021500136.html (accessed November 25, 2009).
- Human Rights Watch. A Decade Under Chávez: Political Intolerance and Lost Opportunities for Advancing Human Rights in Venezuela. Human Rights Watch Report, New York: Human Rights Watch, 2008.
- Khatib, Dima. *Chávez's 'historic' China strategy*. August 15, 2009. http://english.aljazeera.net/focus/chinabuystheworld/2009/08/20098125223767930.html (accessed January 15, 2010).

- Lapper, Richard. *Living with Hugo: US Policy Toward Hugo Chávez's*. Council Special Reports, New York: Council on Foreign Relations, 2006.
- Lapper, Richard. *Venezuela and the Rise of Chávez: A Background Discussion Paper*. November 22, 2005. http://www.cfr.org/publication/9269/venezuela\_and\_the\_rise\_of\_Chávez.html (accessed November 22, 2009).
- Merriam-Webster Online Dictionary. *socialism.* 2010. http://www.merriam-webster.com/dictionary/democracy (accessed March 26, 2010).
- Merriam-Webster Online Dictionary. *totalitarian*. 2010. http://www.merriam-webster.com/dictionary/totalitarian (accessed March 26, 2010).
- Mingxin, Bi. *Venezuela, Russia discuss* 46 cooperation projects . November 7, 2008. http://news.xinhuanet.com/english/2008-11/07/content\_10321514.htm (accessed November 23, 2009).
- Monroe, President James. "Monroe Doctrine (1823)." *ourdocuments.gov*. December 2, 1823. http://www.ourdocuments.gov/doc.php?flash=true&doc=23 (accessed February 02, 2010).
- Ocando, Casto. "2 lawmakers say Venezuela belongs on US terror list." *The Miami Herald*. January 08, 2010. http://www.miamiherald.com/2010/01/08/1415138/2-lawmakers-say-venezuela-belongs.html (accessed January 15, 2010).
- Prada, Paulo. "OAS Report Chastises Venezuela." *Wall Street Journal*. February 25, 2010. http://online.wsj.com/article/SB10001424052748703510204575085801117383696.html (accessed March 1, 2010).
- Reuters. *Venezuela's Chávez draws closer to Moscow*. September 10, 2009. http://www.reuters.com/article/idUSTRE5895PF20090910 (accessed November 25, 2009).
- Scearce, Diane, and Katherine Fulton. What If? The Art of Scenario Thinking for Non-Profits. Emeryville, CA: Global Business Network, 2004.
- Strange, Hannah. *Hugo Chávez tells Venezuela troops to 'prepare for war' with Colombia*. November 9, 2009. http://www.timesonline.co.uk/tol/news/world/us\_and\_americas/article6909264.ece (accessed January 10, 2010).
- Sullivan, Mark P. *Venezuela: Issues in the 111th Congress*. Report for Congress, Washington, D.C.: Congressional Research Service, 2009.
- Sullivan, Mark P. *Venezuela: Political Conditions and US Policy*. CRS Report for Congress, Washington, D.C.: Congressional Research Service, 2009.
- The Washington Post. "Report details violence and lost freedoms in Venezuela." *www.washingtonpost.com.* March 1, 2010. http://www.washingtonpost.com/wp-dyn/content/article/2010/02/28/AR2010022803492.html (accessed March 5, 2010).

- Tzu, Sun. *The Art of War*. Translated by Samuel B. Griffith. London: Oxford University Press, 1963.
- US Department of State. *Monroe Doctrine*, 1823. 2010. http://www.state.gov/r/pa/ho/time/jd/16321.htm (accessed February 2, 2010).
- US Department of State. *Venezuela*. July 2009. http://www.state.gov/r/pa/ei/bgn/35766.htm (accessed December 15, 2009).
- United States Government Accountability Office. *Drug Control: US Counternarcotics Cooperation with Venezuela has Declined.* Report to the Ranking Member, Committee on Foreign Relations, US Senate, Washington, D.C.: United States Government Accountability Office, 2009.
- Wagner, Sarah. *Venezuela and China Sign 19 Cooperation Agreements*. January 31, 2005. http://www.venezuelanalysis.com/news/908 (accessed November 30, 2009).
- www.geographia.com. *Venezuela: History and Culture*. 2010. http://www.geographia.com/Venezuela/history.htm (accessed January 15, 2010).