



Editor's note: Academy Fellow Hazel Henderson clearly captures conflicting and competing sets of world views in this piece, "Globocop Versus Venezuela's Chavez." One view is the orthodox one of industrial development, globalization and free trade. The other is that of global grass-roots activists who seek "to globalize human rights, workplace standards, social justice and environmental protection while curbing the power of global finance."

Globocop Versus Venezuela's Chavez: Oil, Globalization and Competing Visions of Development

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The military coup and swift reinstatement of President Chavez in Venezuela left the US with egg on its face. Keys to the US's increasing irritation with Chavez' populist Bolivarian revolution were his reinvigorating of OPEC, opposition to US-backed corporate globalization and free trade, oil and competing visions of development.

Deeper than the conflicting rhetoric about whether Chavez resigned (which he denied) or the legality of Fedecameras boss economist/industrialist Pedro Carmona's installation as interim president by the military – lie two conflicting worldviews. One is represented by the Davos World Economic Forum, the orthodox view of industrial development, globalization and free trade, summed up as "The Washington Consensus."

The other view is that of global grass-roots activists opposed to further globalization of corporate power, who gathered at the World Social Forum in 2001 and 2002 under the vision, "Another World is Possible" (i.e. to globalize human rights, workplace standards, social justice and environmental protection while curbing the power of global finance). Typical of this vision is well-known Venezuelan author and diplomat Frank Bracho's 1998 book, *Petroleum and Globalization: Salvation or Perdition*, which struck a deep chord with President Hugo Chavez, elected in 1998 with an unprecedented popular mandate.

President Chavez agreed with Bracho's view that the goals and direction of development had been skewed by "economism" and must be steered toward social well-being, poverty-reduction, sustainable human development and quality of life. Both Bracho and Chavez are of indigenous descent and proud of their heritage of native wisdom. Like most of the world's indigenous peoples, they are skeptical about the prevailing worldview of industrial, economic globalization. They cite the resulting destruction of local cultures, communities, social and ecological assets (unpriced in conventional economics).

I met Frank Bracho in 1984 at The Other Economic Summit, a counterpoint to the G7 Summit. Our friendship since then has included many trips to Venezuela, collaborating on the G-15 Summits, the Report of The South Commission in 1989, "Challenge to the South," and exchanging ideas and contacts during Frank's tenure as Venezuela's Ambassador to India.

Fast-forward to 2000 and a call from Bracho asking me to help him create a global conference of experts on all forms of energy, which President Chavez had asked him to convene. The International Seminar on the Future of Energy, which was convened in Caracas in June and Vancouver in August 2000, surveyed global energy statistics, their reliability under different future scenarios and included all supply options from fossil fuels to solar, wind and all renewables.

Chavez opened the conference and stressed that there were only two basic kinds of energy: solar energy and human energy. He urged our international participants – including many investors and CEOs of solar and renewables companies to think outside the box. PDVSA executives were outraged, as were some of the OPEC representatives. Many of PDVSA's top refinery managers later joined Fedecameras in pressuring Chavez by shutting off oil production, according to *Business Week* (April 22, 2002). *The New York Times*, AP and most other media erroneously reported that PDVSA's labor, not management, led the strike that shut off almost all Venezuela's oil exports of 2 million barrels a day. Chavez and PDVSA had been on a collision course over PDVSA's demand for "autonomy" and Chavez's charges that the state-owned oil giant had become taken over by an elite, "an island of luxury in a sea of poverty."

Oil continued to be at the heart of Chavez's problems with the USA – dependent on Venezuela as its third largest supplier and increasingly worried as OPEC member Iraq cut one million barrels of production in protest of the Israeli incursions into Palestinian areas. Chavez reasserted Venezuela's leadership in OPEC while signaling an independent foreign policy course – risky for any Latin American country. Chavez's early visits to all OPEC heads of state, from King Abdullah of Saudi Arabia to Iraq's Saddam Hussein to Libya's Muammar Qaddafi touched off a firestorm of anti-Chavez US media coverage of this "leftist, military caudillo." Chavez's friendship with neighboring Cuba and Fidel Castro provoked US fury.

In late September 2000, Chavez hosted OPEC's second summit in the oil cartel's 40-year history. Chavez transmitted the report of the International Seminar on the Future of Energy to the OPEC heads of state. Its key recommendations included: 1) OPEC should set up its own facility on new transportation and energy technologies to invest in post-fossil fuel futures--hydrogen, solar, fuel cells and other renewables; and 2) OPEC should take advantage of high-tech electronic barter and bilateral exchanges of its oil with its developing country customers who lack overvalued dollars and other hard currencies, while facing rock-bottom prices for their own commodity exports. Economists consider barter "primitive" – but since the Internet and electronic trading, it has become as efficient as money-based trading. Where cash and currency reserves are in short supply, electronic barter is more efficient in matching trades.

After September 11th's attacks, Chavez further angered the US by characterizing Bush's war in Afghanistan as "fighting terrorism with terrorism." The US recalled its Ambassador for a few days. The reality the fossil-fueled Bush Administration must still address is US dependency on foreign oil – which colors all foreign policies. So far, Bush's energy plan, designed by campaign contributors Enron, other coal, oil, gas and nuclear companies, the auto industry (which still blocks greater fuel efficiency, CAFE standards for vehicles) is countered by the growing "clean, green energy" sector and its 56% popular support.

During recent visits to Caracas in 2001, on two separate occasions while having breakfast on the executive floor of the Caracas Hilton, I heard US executives discussing their plans to overthrow Chavez, by organizing the business-led "general strike" in July. I was participating in the Latin-American Parliament Conference on Integration and the Social Debt. Over 1000 participants and parliamentarians from all of Latin and Central America and the Caribbean debated new models of people-centered development. They opposed IMF policies and the "Washington Consensus" policies promoted by George W. Bush in his Free Trade in the Americas plan.

I also overheard Fedecameras and US business operatives plans to overthrow Chavez, while attending a December 2001 UNESCO-sponsored Dialogue of Civilizations. This explored the experiences of pre-Columbian indigenous peoples of "The Eagle and the Condor" in dealing with European conquests, chaired by Frank Bracho. During the spectacular opening ceremony with indigenous leaders from all the Americas, Chavez announced his intention to enact his land reform program and his curbing of PDVSA's autonomy. The second Fedecameras-led demonstrations commenced later and were followed by the April oil shutdown by PDVSA's executives. The April military coup led by a sympathetic faction was also annoyed because Chavez had ended training programs with the US Army and US military over-flights of Venezuela. We may never know how involved the US was in the coup. All we know is that the US was infuriated that Chavez refused to support Plan Colombia (as did many other Latin American leaders).

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