

Venezuela's Leading Role and its Relations with Brazil

The Commercial Issue as the Axis of a Pragmatic Relation

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Priorities in the relations presently held by the Venezuelan government with its neighbors depend on their overall strategy within the framework of the international system that has three critical axes: The perceived need of a multipolar world; the establishment of an anti-US axis and the defense of sovereignty, as well as promoting President Chávez as a world leader. Based on the above, Venezuela has privileged the entry to the Southern Common Market (MERCOSUR) and the South-South relations, by bringing up the need of constructing what it perceives as an anti-West axis through its relations mainly with Iran, China, Russia, and other countries like Syria, Libya, and Belarus.

Regarding its relations with Brazil, around five years ago it was expressed (Jácome, 2007) that these relations rested upon energy cooperation and a mutual aspiration of strengthening South American integration. Although some shared goals of those times may still prevail, the bilateral dynamics have undergone certain important modifications. First of all, more than the energy cooperation that was focused on the proposal of a Southern Gas Pipeline, never completed for being considered an unfeasible project, and the joint construction of a refining plant that is still in the planning process, today the relations rest upon bilateral trading. Secondly, the formal character adopted by the Union of South American Nations (UNASUR) and the South American Defense Council (CDS) has not necessarily developed as a joint initiative, although both countries are involved in it. In this regard, the most recent years have been characterized by an increasing disintegration and fragmentation in the region, and factors such as the conformation

and actions carried out by the Venezuelan initiative now known as the Bolivarian Alliance for The Peoples of Our America (ALBA) have contributed thereto.

Based on these two axes, one could tell that commercial relations on the bilateral links are sought to be privileged, under the pragmatic view of Brazil. From the political-ideological standpoint prevailing in the Venezuelan foreign policy, feeding an anti-US discourse with the purpose of gaining the Brazilian support is what has been rather pursued. However, just a few supportive actions from the neighboring country have been received as an alliance around this political-ideological objective; therefore, and in more practical terms, there is a greater commercial approximation with the purpose of helping to face domestic problems. With a higher rate of success on the Brazilian part, a pole to contain the interests and influence from the United States in the region is being strengthened. It is therefore important to highlight that Venezuela, in spite of its search for alternate markets, continues relying mainly on selling its oil and derivatives in the US-American market.

This working document is comprised of two main sections. In the first section, the main areas of commercial cooperation that have become the basis of the bilateral relations are identified. The second one is related to its bilateral links and its performance within South America, which may not seem clear yet and which raises the question about whether the processes currently promoted by the UNASUR and the ALBA are supplemental or controversial. In this regard, playing a significant role are issues such as the acquisition of weapons, the unsettled relation with the mutual neighbor, Colombia, as well as regional leaderships. Based on the above, it is imperative to clarify that the Amazon Region issue is vital for Brazil, both internally and in relation with its neighbors; Venezuela does not consider it this way, since it is not a priority in its agenda of building a regional leadership.

From Economic Complementarity to Commercial Dependence

Within the framework of strengthening South-South relations and building an alternate integration in which energy resources would perform an important role, the possibility of a close economic relation between Brazil and Venezuela has been raised; as already mentioned, such a relation would be focused on maximizing energy power. However, few advances have this made in this regard. As previously stated (Jácome, 2007), the commercial balance between both countries as of 2001 favors Brazil, due to the fact that it does not need oil derivatives to be imported any longer. Therefore, imports and investments from the Southern neighbor have experienced an increase in the last 9 years.

Based on the above, Brazil should be considered one of the most important investors in Latin America. Oil independence from Brazil, accentuated by the recent discovery of offshore oil fields, has substantially changed the relations between both countries, and has given Brasilia an advantage related not only to commercial balance, but also to political relations. This discovery will lead Brazil to become an important oil exporter in the near future. President Chávez's government strategy to replace commercial relations with Colombia with imports from Brazil and Argentina has created an increasingly dependent relation with its Southern neighbor. However, the rotten imported food containers scandal has also led to a reassessment of the scenario. There is no doubt that handling and allocation of imports hauled by

land freight from Colombia are carried out more easily than imports by sea freight, that must be processed at the port facilities, proven to be inefficient and corrupt.

Thus, commercial agreements become the core issue of their relations. Both countries' presidents have implemented a quarterly meeting methodology to keep track on such exchanges. Imports coming from the South, range from vehicles to agricultural food products, thus becoming one of the largest suppliers in the latter item. Likewise, there has been an increase in the investments from Brazilian businesses for the subway works as well as for construction of dams, bridges and railroads.

Most recent examples are those initiatives approved in April and August 2010, which favor Brazil. In the first case, 22 agreements were signed for 10 areas where electricity, petrochemistry, and finance and food industries stand out. The first one is of special interest, in view of the electricity crisis Venezuela has been facing since 2009. Brazil has become a partner in this issue, when, in the past, it was Venezuela who had been a steady electricity supplier to the northern Brazil. Later, 27 covenants were subscribed in areas including public finances, social projects, borderline relations and technology. Once more, an agreement regarding the establishment of a bi nationally shared refinery in Pernambuco was signed; this project has been present within the last 5 years, but apparently it is not being executed as a binational company due to lack of resources from the Venezuelan state-owned petroleum company (PDVSA).

According to the statements issued by Nelson Quijada, chairman of the Venezuelan-Brazilian Chamber of Commerce (Tovar, 2010), the commercial exchange in 2009 amounted 6,000 million USD and it is expected to reach 5,000 million USD in 2010. The most important Venezuelan import commodity is food, especially beef, poultry, farm machinery. Exports from Venezuela are focused on oil derivatives.

A full incorporation into the MERCOSUR has not been possible yet in the regional sphere, since the approval from the Paraguayan Legislative Branch is still pending. An important progress was achieved when the Brazilian Senate approved this incorporation after two years of discussion. However, from the standpoint of the increasingly weakened Venezuelan entrepreneurial sector, their peer's competitiveness surpasses the capabilities of the former. They believe that accessing such organization as a fully enabled member will further harm their precarious situation. Just like it has been happening in the last years, it is expected that business will be done with state-owned companies, which are neither characterized by their transparency nor by their degree of compliance with the agreements. Despite the risks, the increased bilateral business seems to indicate that the benefits for the Brazilian investors exceed the concerns for legal uncertainty.

In this regard, the Venezuelan government makes all possible efforts to comply with these commitments, for an integral part of its strategic view of the region is the alliance with the Brazilian government and private sector. Venezuela considers this alliance should be kept and considers that it is by no means as conflictive as is its bilateral relation with Colombia. In spite of historical border disputes, there is a distension position in the case of Guyana, which makes Caracas pay the least attention to this borderline.

The South American Sphere: Complementarity or Estrangement?

As highlighted earlier, the official discourse of both governments has been intended to encourage complementarity and establish alliances within the regional sphere. However, some actions adopted by President Chávez, particularly since 2007 with the beginning of the radicalization process of his Bolivarian Revolution and the establishment of the “Socialism of the 21st Century”, could lead to a certain estrangement, at least concerning the regional relations scheme in South America. Bilateral relations are not considered to have been impacted by the military acquisitions in this regard, although they might become a debating point in the middle term, if transparency practices and confidence measures are not adopted. Relations with this neighbor are diametrically opposed to those developed with Colombia, especially within the last two years, a period that witnessed a high degree of conflict and tension. Furthermore, Brazil has several times assumed an important role as a non-official mediator, trying to keep regional stability, especially in the Andean sub-region.

Certain differences between both governments and their regional leadership goals can be detected in the regional integration and cooperation sphere. Such discrepancies are clearly evidenced in the fact that, in view of the increasing fragmentation and weakening of the traditional instances, such as the Andean Community (CAN) and MERCOSUR, two proposals emerge within the last years. UNASUR, led by Brazil, and ALBA, powered by Venezuela. Just as explained below, in some spheres, particularly in those related to security and defense, different perspectives have emerged on how to address certain junctures that have to do with the fact that there are differences as to how the main vulnerabilities faced by the countries in the region are perceived, and based on it, about the answers that may be construed from multilateral cooperation instances.

Military Acquisitions

These new cooperation initiatives emerge among increasing bilateral tensions related to the usual border disputes between countries, such as the case of Chile and Peru, but that have more to do with political differences, just like the cases of Ecuador-Colombia and Colombia-Venezuela, as well as with new topics basically related to issues such as the access to resources and environment, like the cases of Brazil-Bolivia due to the gas issue; Paraguay-Brazil due to the Itaipu dam, and Argentina-Uruguay due to the paper mills. Therefore, while the integrationist discourse is strengthened on one hand, inter-state tensions increase on the other hand, the most recent one being the Venezuelan government breaching relations with its neighbor Colombia in July 2010, although resumed in early August.

However, it is unlikely that inter-state conflicts become traditional military confrontations, a scenario that hasn't occurred in the region for almost 20 years. Borderline tensions can be expected, though. That's the reason why the question on why re-armament is occurring in several countries, particularly in the South American region, has emerged. This situation has raised a debate around those military acquisitions.

On one hand, governments argue that they are going through a modernization, re-equipping process, since current devices are outdated. In this regard, it is critical to consider that up to 2009, high prices in commodities (oil, copper, gas) made it possible for several governments in the region to be able to target those additional resources for acquiring weapons and military equipment. There are two additional arguments. First, the need of strengthening the sovereignty defense capabilities facing threats of possible interventions from other countries, as basically argued by the Venezuelan government. Second, the priority of increasing the capability of securing the territory against threats such as drug traffic and international organized crime, as well as protecting it from vulnerabilities associated with the environment and natural resources, the latter related to the Amazon region from the Brazilian standpoint.

On the other hand, sectors who criticize those acquisitions argue that a new “arms race” is being developed, i.e. a competitive behavior in the purchase of weapons that leads to an imbalanced military power in the region. As to the military expenditure, Venezuela ranks in the 6th position after Brazil, Colombia, Chile, Mexico and Argentina, although it has been the country with more expenditure in this sense within the last five years. In this period of time, according to the data provided by the Stockholm International Peace Research Institute (SIPRI), following Chile, Venezuela has been the 2nd largest purchaser of weapons in Latin America, and in 2008 it surpassed this Southern Cone country. The US has expressed their concern as to whether a part of such armament may be subsequently diverted to the Colombian Revolutionary Armed Forces (FARC). In this regard, it is important to consider the impasse that emerged with the Swedish government in 2009, as some rocket launchers previously purchased by the Venezuelan government, were discovered in hands of the FARC. Furthermore, it has been highlighted (Diamint, 2009) that while the other countries are purchasing equipment to be operated only by military staff, the Venezuelan government, in a high percentage, makes purchases that may be destined to arm civilians.



The primary acquisitions of armament and equipment between 2005 and 2008 include the following, among others¹:

Type	Qty	Supplier
AK 103 Rifles	100,000	Russia
MI 8, 17, 24, and 26 I 26T Helicopters	51	Russia
Long-Range JYL Radars	10	China
Venesat 1 Telecom Satellite	1	China
KAB 500/1500 Missiles	200	Russia
Air-Ground Missiles	150	Russia
SU 30 Fighter Planes	24	Russia
Vympel R 27 Medium-Range Air-Air Missiles	100	Russia
Vympel R 73 Short-Range Air-Air Missiles	150	Russia
Night Vision Rifle Peep Sights	N/I	Belarus
Air-Ground Missiles	N/I	Belarus
Dragunov Rifles	5,000	Russia
RPG-7 Rocket Launchers	N/I	Russia
Riot Control Equipment	N/I	China
Igla-S & RBS-70 Portable Air-Defense Devices	N/I	Russia
K-8 Training Planes	18	China
Novantia Patrol Vessels	8	Spain
Kilo Submarines	3	Russia

Source: Jácome (2010).

As one can see, the most important supplier has been Russia, and an estimation of the amount invested up to 2009 is around 4.5 billion USD (González, 2009). In addition, Russia granted Venezuela a new credit line in the amount of 2.2 billion USD in September 2009, to be used for acquiring, among others, the following items (El Universal, February 2, 2010; González, 2009):

- 92 T-72 Tanks
- Over 300 armored BMP-3 vehicles
- S-300VM Antey-2500 and Buk M2 Air-Defense Systems, and S-125 Pechora Missile Systems
- Mobile Batteries of Multiple 9K58 Rocket Launchers and Smerch Missiles

¹ There is no official source that can provide information about these acquisitions. Therefore, this chart is prepared based on data provided by different sources, lacking information about some items, and possible inaccuracies are highlighted. Likewise, one should be warned that such chart contains acquisitions that have been announced, but not necessarily carried out and/or delivered.

According to Bromley (2009), Venezuelan acquisitions are intended for multiple goals: First, to modernize its equipment, as stated by the government some years ago. Secondly, to deepen relations with other countries based on the government search for the establishment of a multi-pole approach. In this regard, in addition to commercial relations, Venezuela has strengthened the acquisition of military material with Russia, China, Belarus and Iran. Third, there is the hypothetical USA military intervention, which as publicly highlighted, could be carried out through the neighbor, Colombia.

However, there are also contradictions between the hypothesis of a conflict and the equipment being purchased. The governmental standpoint is that those acquisitions are for defensive purposes, and not at all for offensive purposes. It has been pointed out (González, 2009) that such purchases are basically targeted to a conventional offensive approach against an enemy equally powered, which is contradictory to the “war of resistance” hypothesis, which in recent years has been the official discourse’s primary argument. Additionally, it’s been emphasized that there’s a contradiction (Romero in Jácome 2007) in some of these acquisitions as well as the argument that there is a scenario of an asymmetrical war, since this type of conflict does not include the use of conventional weapons. In this regard, airplanes, helicopters, and air-defense missiles are virtually useless as opposite to rifles, portable weapons and other light systems.

Regarding the arms build-up (Benítez/Celi/Jácome, 2010), three additional issues should be submitted to consideration. First, the development of military industries in the region, an increasing presence of the nuclear topic and the traffic of light weapons, directly related to the increasingly higher degrees of urban violence in cities like Rio de Janeiro, Sao Paulo and Caracas.

Although in a smaller scale, several South American countries have been creating and expanding military industries, with Brazil as the largest supplier of weapons in South America. As an example are the Super Tucano manufactured by Embraer, which have been sold both to the Colombian and the Ecuadorian air forces. It’s worth mentioning that in the specific case of Venezuela, the different agreements especially subscribed with Russia and China include provisions that consider technological transfers.

Among the middle-term objectives proposed by the CDS (www.cdsunasur.org) in this regard, the construction of a South American identity in terms of defense is included, and one of its vital axes relates to the increasing, strategic autonomy that would be attained by strengthening the armament industry and by cooperating in this area. Based on this scenario, discussions on the progress made in this area were held during a workshop carried out in Quito by the end of June 2010.

In addition, the nuclear topic has become part of this arms build-up agenda. In the case of Brazil, it was achieved in 1975 through the Brazil-Germany covenant and the most recent initiatives about submarines driven by nuclear energy. Even in more recent dates, the Venezuelan president has publicly pointed out that developing nuclear energy projects for peaceful purposes jointly with Iran is possible. Among the CDS agreements (Temporary Secretariat, 2010), the agreement related to keeping South America as a nuclear weapon free

zone and the employment of nuclear technology only for peaceful purposes is prioritized.

In spite of the fact, that Brazil and Venezuela are among the countries with greater acquisitions of military equipment, this has not impacted their neighboring relations, particularly due to the fact that it is the only border on which Venezuela is not undergoing a border dispute. Therefore, both of these countries believe that such acquisitions pose a threat to their security. It is important to highlight that the security and defense topics do not perform any important or controversial roles in the relations between both countries. A good example in this regard is the military agreement between Brazil and the United States, which was presented to the UNASUR members in 2010, without having received any kind of remark or criticism from Caracas, drastically opposite to the case of its Colombian neighbor.

Crisis with Colombia

For the past ten years, Venezuela and Colombia have had a relationship characterized by a cyclic trend of unrest and approximation, not only associated with their bilateral relations, but also with the hemispheric context. Several topics have led to an increase of mutual fears (Ramírez et.al., 2005) in this regard. The following can, among others, be pointed out:

On the Venezuelan side	On the Colombian side
Equipping the Colombian armed forces to face the domestic situation that, as perceived, can lead to a military imbalance.	Close relations between the Venezuelan central government and some local governments that reject the so called "Plan Colombia". It can hinder a joint border control and enable –whether by acting or by ignoring– the employment of Venezuelan soil to host guerrillas. A perceived insight that the Venezuelan government does not want to cooperate in joint activities to help control the borderline.
Due to its close relation with the US Government, the fear of Colombia becoming a forefront to discredit, threaten or confront President Chávez's government.	The Venezuelan government may benefit from the advantage of its ideological closeness with the guerilla and get involved in the country's domestic political debate.
The support given by the Colombian elites to the Venezuelan opposition.	Using the border dispute issue to encourage nationalism right at a moment where it is facing domestic unrest.

Both countries have been experiencing an increasingly tense environment, particularly since March 2008, which influences the dynamics associated not only with the bilateral relations between both central governments, but also the borderline links and those bonds emerged in the South American and continental dynamics.

Relations between the governments of Colombia and Venezuela have been oscillating between approximation/distension and tension/unrest. In this regard, it has been stated that links have undergone three stages between 1999 and 2010 driven by the same objectives on each side (Ramírez, 2010). In the Venezuelan case, it seeks to influence the Colombian



conflict, since expansion and consolidation of the “Bolivarian revolution” is particularly significant for its project, and considering its perception of Colombia as a US area of influence in the region, its influence is strategic in nature. On the Colombian side, the government seeks to prevent that the ideological closeness with the FARC does not translate into an open support; therefore, an emphasis on the commercial relations has been attempted.

These three stages transitioned from an active neutrality (1999 – April 2002), through tensions and reconciliations (April 2002-2007), to a high degree of tension (2008-2010). Different options in the foreign policy between both governments were outlined since the beginning of President Chávez’s government; they included critical disagreement points regarding the Colombian domestic conflict, the “Colombia Plan”, and the role played by the United States. Within this framework, the Venezuelan Government, led by its President, issued in 2008 the order to decrease and subsequently discontinue the commercial relations. Thus, the bilateral trading descended from 6.514 million USD in 2008 to 2.600 million USD in 2009, and it is projected to become even lower in 2010 (Romero, 2010). This situation has favorably impacted the commercial relations with other countries, especially Brazil and Argentina, countries that have tried to fill the empty space left by a decreased bilateral trading with Colombia.

However, this suppliers’ replacement, particularly in the agro-food field, has also had negative repercussions for the Venezuelan government. As previously pointed out, transportation and distribution of food from this country is carried out by land freight, which is a quicker method. In return, imports from Brazil and Argentina are conducted through sea freight and the entry/distribution process from Venezuelan ports has proved to be much more complex. The multiple scandals between May and August 2010 regarding the containers found with rotten and/or expired food, are a clear indicator of this situation.

The most recent impasse with Bogotá emerged on July 2010, as the presence of guerilla leaders and camps at the Venezuelan borderline zones² was reported by the government of

² In the communities of El Nula, Machiques and Sierra de Perijá, province of Zulia, and in Elorza, Guasdualito and Achagua, province of Apure (*El Universal*, July 16, 2010).

former President Uribe before the OAS authorities, which led to a disruption of relations and their subsequent resumption just a few days after President Santos's assumption. In spite of the establishment of five bilateral commissions to negotiate various issues, especially the commercial topic, it will be significant to see if a mutual confidence environment can be achieved in the short and middle terms, in order to overcome the cycles of tensions and unrest. In view of the above, a strengthening of the commercial relations –a necessary scenario for the domestic political plans of Caracas– may be expected.

The challenges of regional leadership

Within the last ten years, Brazil has played a much more active role in the region, particularly since Fernando Enrique Cardozo's government, and even more with Lula Da Silva. The best example thereof is the leadership as of 2004 regarding the United Nations Stabilization Mission in Haiti (MINUSTAH), a “backstage” diplomatic approach in the conflicts between Colombia, Ecuador and Venezuela, as well as its performance in the Honduran crisis in 2009. It played a vital role in the UNASUR and CDS creation process. Even more recently, it has played an important role in the initiative to create the Community of Latin America and the Caribbean States (CEALC).

According to the International Monetary Fund, Brazil is the 8th economic power in the world, and represents 40% of the Latin American and the Caribbean GDP, and 55% of the South American GDP (Arnson/Sotero, 2010). This has helped Brazil to outstand as a global player, being a part of what are considered the ‘emergent economies’, together with India and China. This was evidenced in the most recent diplomatic events through the joint effort conducted together with Turkey to promote an agreement between Iran and the permanent members of the UN Security Council. In this regard, the wish of becoming a permanent member in this Council once its extension is approved, has been present within the last years.

However, it has been remarked (Hurrel in Arnson/Sotero, 2010) that an ambiguous stance prevails concerning the assumption of regional leadership. However, it has focused in undertaking an important role to maintain the regional political stability, always encouraging dialog and negotiations between conflicting parties, whether within the domestic (Bolivia, Venezuela) or bilateral (Colombia, Venezuela and Ecuador) level. In the last year, there is a perception that it is rather withdrawing, that it is determined to pursue its role as a global player without the problems typical to leadership in a conflictive region, especially in the Andean sub-region. There is the perception that both Mexico and Brazil, the major players, do not wish to assume the costs of a regional leadership in this sense. It is perceived that there are increasing tensions between its roles as a global and a regional player.

Regarding this debate about the Brazilian leadership, we should ask ourselves whether its neighbors are willing to accept it. This is an especially relevant question both to Argentina and Venezuela. On the other hand, ideological discrepancies with Colombian and Peruvian governments pose setbacks. Particularly In the case of Venezuela, as previously stated, a controversial issue has been whether a competition for regional leadership is unfolding, in spite of the apparent good relations between both neighbors,. There have been speculations as to the fact that Venezuela, based on its energy power, pursues a

leadership that has even been announced as a part of its international strategy. A feeling of an increasing tension between the UNASUR and the ALBA can emerge as an alternate perspective, but with an asymmetrical relation between Venezuela and the other members.

As an example of the above, we can mention that in the VII Summit held on October 17, 2009 at Cochabamba, the decision to create the ALBA_TCP Permanent Sovereignty and Defense Committee was made, as an integral part of the Political Council, and it was determined that one of its main objectives would be the outline of a “Joint People Overall Defense Strategy” and the constitution of a “School of Dignity and Sovereignty of the Armed Forces of the ALBA-TCP”³. This action can be interpreted as the beginning of the construction of a parallel institutionalization, particularly after the UNASUR’s approval on May 2010 to establish the Center for Strategic Studies that will be based in Buenos Aires and will perform as the CDS consulting body. However, resolute steps within the ALBA have not been taken, and the Ecuadorian Secretary of Defense claimed during a conference about the South American Defense Council held September 20, 2010, in Washington D.C., that such instance will not be implemented⁴.

Another scenario where this eventual rivalry can be witnessed is in Central America and the Caribbean, where there seems to be a sort of competition regarding resources for cooperation. In the Venezuelan case it relates to the Petro Caribe initiative that has been operating for many years, although a range of the already announced projects has not been developing and a decrease of oil prices may influence sustainability in this initiative. In the meantime, both public and private Brazilian investments have been increasing in countries such as El Salvador and Nicaragua. Cuba’s case is similar, where it is believed that the approximation between Havana and Brasilia witnessed within the last 2 years is intended to decrease the dependence on Caracas and to promote the Southern country’s interests in the Caribbean. Brazil has become the 4th largest commercial partner of the island (Mendelson Forman, Johanna in Arnson/Sotero, 2010). Likewise, Brazil’s interest in the Caribbean is clearly inferred in its presence in Haiti, along with other Southern countries, like Chile and Uruguay. It has been pointed out (Mendelson Forman, Johanna in Arnson/Sotero, 2010) that Haiti’s experience is a clear indicator of the Brazilian strategy of exercising leadership in the region, but within the context of multilateral institutions.

However, within the framework of what is perceived as an apparent ambiguity to assume a stronger regional leadership beyond Haiti, although without a realistic rationale, especially after the economic crisis worldwide and its effects on oil prices, the fact that president Chávez would want to take advantage of the eventual void cannot be ruled out, in spite of the estrangement and increasing isolation of his government due to its internal radicalization with the proposals regarding the 21st century socialism.

Based on the above and speaking in more political-ideological terms, within Latin America and the Caribbean, there has been a differentiation between the reformist-socialist

³ Antigua and Barbuda, Dominica and St. Vincent, and the Grenadines showed some reserve, since they belong to the Regional Security System (RSS) of the Eastern Caribbean Islands (www.alianzabolivariana.org)

⁴ Discussion panel entitled “The Emerging South American Defense Council”, organized by the Washington Office on Latin America and the Regional Security Cooperation Program of the Friedrich Ebert Foundation.

approach for social justice promoted by Lula's government and Chávez's radicalism. They have highlighted two leftist options, but while it seems that the former is gaining more space, the latter is decaying and witnesses a decrease in the alliances when governments, such as Ecuador, and even Bolivia, seem to be distancing themselves, especially as to their more belligerent stances both in the regional and international fields.

Conclusions

One may expect that commercial relations will continue to be the vital axis, favoring both state-owned and private Brazilian companies. Within the security and defense sphere, one can also expect a greater degree of cooperation, especially regarding drug trafficking, since both countries have become the preferred routes for drug traffic to Europe, Africa and the United States. Establishing important cooperation agreements in this regard would have significant value, although they could be restricted by the dialogue agreement established in March 2010, when the Secretary of State visited Brazil and created a consensus on the need of handling threats like drug trafficking jointly, as well as analyzing topics related to the environment, and the development of bio-fuels and commercial relations.

Another additional element that will require follow-up is the fact that they share an increasing relation with Iran, although the relation held by Brazil has much more to do with commercial exchanges than with the political-ideological rhetoric of Caracas.

An important factor that can also influence the links between those countries is the fact that a "hyper-presidentialism" in the foreign policy has occurred in Venezuela in the last 11 years, in which the President of the Republic sets forth the guidelines in the relations with other countries. This was, to a great extent, witnessed in Bogotá, since the personal tensions between presidents greatly weakened bilateral institutionalization. This has not occurred to the same extent with the current Brazilian government, but the fact of maintaining and strengthening the institutional instances is considered of great importance. In addition, President Chávez has been much more cautious as to getting involved in his neighbor's domestic policy, in spite of the close relations he maintains with some social organizations and movements, especially within the framework of the World Social Forum.

Generally speaking, it can be pointed out that Venezuela needs Brazil in a greater extent than the opposite, since for the former its alliances with other countries, especially Argentina, are much more important. Moreover, Venezuela can sometimes be an uncomfortable neighbor, especially within the South American framework, a fact that will probably continue requiring further diplomatic containment efforts by Brasilia.

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