

Globoquiz: Guess the Leader

TWIN REGIMES: One is a cold, calculating Russian, the other a gregarious and irreverent Latin, yet they rule as though separated at birth. How come? BY MOISES NAIM

LET'S PLAY "GUESS THE LEADER": what is the name of the president of this oil-rich nation? The following facts provide clues to his identity while also revealing some interesting trends shaping today's world.

This lieutenant colonel emerged from relative obscurity in the 1990s and rapidly became a leading national political figure. Now in his early 50s, he underwent his formative experiences in the late 1970s and 1980s. As a result, his world view often reflects a zero-sum, hierarchical world where a strong, centralized government reliant on the military is the dominant player. While democratically elected in the late 1990s—and re-elected earlier in this decade—he has presided over a significant concentration of power in the executive, the erosion of democratic practices and the weakening of the checks and balances normal in a democracy. He has even ignored his own party, preferring to govern with his former comrades in arms. They now run ministries, regulatory agencies, provincial governments, state-owned enterprises and all the main institutions of the state. Blind loyalty rather than competence is the main criterion for top appointments.

His personal popularity owed a great deal to this question: why were living standards declining in a country with vast oil wealth? For most citizens the answer was obvious: corruption. The president understood the popular yearning for a tough boss to stop the thievery, and exploited this sentiment with great skill. He made a public enemy of "the oligarchy," the small circle of wealthy private businessmen who control much of the nation's wealth. The president used every opportunity to denounce them, accusing them of manipulating the media they controlled, of influencing the



WELLSUITED: Putin and Chávez together in Moscow in 2001

political process and of conspiring against him. Denunciations soon escalated into persecution, often carried out by the state tax men. The biggest battle would come over the nation's largest oil company, shaking global energy markets. The president won—ousting, exiling or jailing those he saw as rivals for power.

Meanwhile, the international price of oil skyrocketed. An avalanche of foreign currency fell into the government's coffers. A boom in public spending opened bountiful business opportu-

nities for friends of the government and created a new breed of wealthy business groups strongly allied with the president and his circle. Despite political instability and unclear rules guiding private property and foreign investment, multinational oil companies could not afford to miss out. The old mantra of the oil business was often heard in the capital: "We will deal with whoever answers the phone in the presidential palace."

The president also enjoyed favorable political winds abroad. Not because he was much liked or trusted by other leaders, but because the world was busy with the war between two other oil presidents: George W. Bush and Saddam Hussein. Thus, major geopolitical emergencies elsewhere gave this president greater flexibility to make decisions unencumbered by the reactions of a very distracted and already overwhelmed international community. He was able to impair the functioning of democracy at home, persecute his political enemies, build unsavory international alliances with rogue regimes or use the oil windfall to influence politics in neighboring countries without having to worry too much about the world's reaction. Just a few years back such decisions would have sparked strong protests and reactions, especially by the United States. Now they went largely unchallenged.

So whom are we talking about? The answer is that this is the story of both Russia's Vladimir Putin and Venezuela's Hugo Chávez. This is surprising, not only because of how identical the details are but also because of how enormously different these two personalities and their roots are.

President Chávez, a former lieutenant colonel in the Venezuelan Army, is outgoing, ram-bunctious, gregarious and irreverent. President Putin, a former lieutenant colonel in the KGB, is reserved, restrained and distant. Putin was born and raised in cold, urban and European-like St. Petersburg, while Chávez hails from Sabaneta, a tiny, isolated hamlet in the tropical Venezuelan llanos, the plains.

The two countries are also strikingly different. Russia spans 11 time zones and is populated by 147 million

people representing more than 100 different nationalities and ethnic groups. Venezuela is a Caribbean country whose territory is just 5 percent of Russia's and has less than one fifth its population. Russia is a nuclear power with an industrialized economy that is 10 times larger than Venezuela's. Yet their recent evolution is uncannily similar in many important ways. How could that happen?

The simple but powerful answer is oil. Oil is not just a commodity but also a potent sculpting force of a nation's domestic politics, its international relations and even its culture. In countries without well-developed democratic institutions and an easily manipulated public sector, oil becomes more a curse than a blessing. It breeds corruption, inequality, jobless growth and power struggles that naturally concentrate on the control of the main, and often the only significant, national industry. Oil also gives the government enormous power and autonomy as it provides it with revenues that do not depend on taxing the voters. They, in turn, are severed from their elected officials, who easily

become unresponsive and unaccountable thanks to their capacity to allocate immense financial resources at their discretion. This is, of course, the story of the Arab world as well. Remember Lieutenant Colonel Kaddafi? The difference, however, is that in the oil-producing countries of the Middle East, the rulers do not have the same need to pass as democrats as Chávez and Putin do. But if the Middle East ever begins to make the transition to less authoritarian political regimes, it's very likely that they, too, will put on a democratic façade.

The moral of this geopolitical riddle is that while Russia and Venezuela are separated by vast geographical, cultural and historical distances, their current politics are joined by oil. The similarities recounted here are the reflection of powerful forces that say as much about their recent past as they do about their likely future and that of other countries afflicted by oil wealth.

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A Tale of Two Colonels

Venezuela and Russia have more than oil in common. They're both democracies with leaders who don't act like democrats.

	Vladimir Putin	Hugo Chávez
Background	Ran KGB's successor	Led military coup
Elected	2000	1998
Re-elected	2004	2004 (referendum)
Majority in Parliament ?	Yes	Yes
Controls courts ?	Yes	Yes
Controls military ?	Yes	Yes
Restricts media ?	Yes	Bill pending
Tries to control oil?	Yes	Yes
Oil as share of GDP	25%	44%
Oil-company enemy	Yukos	PDVSA
Businessmen exiled	Berezovsky, Gusinsky	Carmona, Fernández
Dictator pal	Belarus's Lukashenko	Cuba's Castro
Link to Saddam	Allegedly linked to Oil-for-Food scandal	First elected president to go to Baghdad



A WEOF TIE: Lukashenko, Saddam and Castro