Современные реалии мировой экономики

Hugo Chavez as a strong leader of Venezuela and his contribution to the development of the country and the relationship with Russia

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Hugo Chavez was born in 1954 in a small town of Barinas state. His father was a school teacher who expected his son to be a priest. Hugo's dream, however, was to become a baseball player. He had graduated from the Military Academy in 1975 having a rank of lieutenant. Moreover, he served in airborne troops and became a colonel. During that period he created the revolutionary movement and thus started his political career. In 1992 Hugo Chavez made an attempt of revolution caused by soldiers and officers' complaints towards the policy of their president Carlos Andres Perez. This attempt turned to be unsuccessful and the rebel spent 2 years in prison.

Eventually in 1998 Chavez decided to take part in president's election advancing a slogan against corruption. The victory was on his side with the 56.5% of votes. The new president decided to start his policy with the new constitution and new name of the country. The country was renamed and became the Bolivarian Republic of Venezuela.

Hugo directed his internal policy towards the tight control under the large capitals in the country and first of all - under the oil industry. Additionally, he started nationalization of the companies in different economic sectors. These actions had promoted the growth of the popularity of the new leader among all social classes however they had caused discontents from the part of the large business.

But Hugo Chavez got a world-wide reputation mostly due to his foreign policy. The fact is that he was irreconcilable opponent of the so called “American Imperialism” and he never failed to criticize the United States and even personally the president and blamed America for its wish to establish an empire over the world. Rough criticism of USA, IMF and WTO; an attempt to join hands of other Latin American countries because of the Anti-Americanism - all the above has led to a confrontation between Venezuela and the United States.

But at the same time Chavez has played a very important role in the development of the relationship between Venezuela and Russia, Cuba, Iran and Belarus building not only mutually beneficial cooperation but also personal friendly contacts with the leaders.

The relationship between Venezuela and Russia became close in 2001 during Hugo's visit to Russia at the behest of Vladimir Putin. According to the expert of the Russian Academy of Science Emil Dabagyan both presidents showed a good will towards each other. Both countries agreed upon aiming to achieve multipolar and nonviolent world based on the principals of non-interference in the internal affairs, sovereign equality of the countries, and peaceful settlement of conflicts, non-use of force, territorial integrity and political independence.

As oil-producing countries, Russia and Venezuela have common interests in the area of energy resources' use. Countries expanded their cooperation on the production and export of the hydrocarbons. Under the terms of the agreement signed earlier Venezuela should deliver the oil paid by Russia to Cuba. This agreement was prolonged in 2001.

In 2004 Hugo Chavez accompanied by Venezuelan officials and businessmen visited Russia again where he encouraged Russians to invest in Venezuelan economy and, in particular, in the oil-extracting industry. As a result, Russia confirmed its participation in the renovation of 150 oil refineries in Caracas and its intention to build an aluminium plant in Venezuela. However,

this direction of foreign policy set by Chavez was criticized both by the opposition followers and the international relation analysts. Thus, Marina Chumakova, the expert of the Institute of Latin America of the Russian Academy of Sciences (2006) said that petrodollar policy held by the president of the country had turned into the way of attracting allies. Nevertheless, the relationship between Venezuela and Russia continued to develop despite the global crisis and the decrease of trade indicators.

Eligibility of Venezuelan president's ideas was reflected in the political convergence in the military area. After the USA refused to supply Venezuela with the military equipment, Moscow became the largest military partner of Caracas selling Kalashnikov guns, helicopters Mi-17, fighters Su-30 and other defence technology. Moreover, when Venezuela supported the independence of Abkhazia and South Ossetia the cooperation reached incredibly high levels: after his visit to Caracas in 2009 Vladimir Putin announced that the amount of Russian supply of weapons could exceed $5mlrd.

Although the cooperation between the countries based on the weapons trade is quite important, fuel and energy industry is the most progressive and growing in terms of countries' collaboration. Venezuela is one of the largest oil exporters and the discovery of new oil fields around the river Orinoko turned Venezuela into the country with the biggest amounts of oil (297 mlrd barrels against 266 mlrd in Saudi Arabia). Venezuela also takes the 8th place for its gas resources. Thus, the potentials of both countries are comparable and the willing to develop these areas is mutual.

Among all joint projects undertaken by Hugo Chavez and Russian investors the largest was an agreement upon joint oil extraction in 2010 called “Hunin-6”. National oil consortium which includes 5 largest Russian oil companies: Gazprom, Rosneft, Lukoil, TNK-BP, Surgutneftegas (the last 3 left the project) got the access to the largest oil field (53 mlrd barrels) in the world, paid $600 mln for the participation in the project. The joint venture consists of National oil consortium with the share of 40% and Venezuelan state oil and gas corporation PdVSA with the share of 60%. This project is estimated for many years ahead and promotes the creation of new projects like construction of oil refinery or oil pipe lines. According to the forecasts of the joint venture it is going to extract 450 thousand barrels a day in 2020.

As a result of Hugo Chavez's visit to Russia in 2010 another important agreement was signed. The head of “Rosatom” Sergey Kirienko and the former minister of foreign affairs (current president of the country) in the presence of 2 leaders signed intergovernmental agreement upon the cooperation in the area of atomic engineering and the construction of the atomic power station.

Cooperation in financial area is also worth considering. In 2009 the agreement about the creation of Russian-Venezuelan bank was signed. The capital of the bank in 2011 equalled $4mlrd. 25% plus 1 shares belong to Gazprombank and VTB Group each and 50% minus 2 go to National Development Fund of Venezuela. “The functioning of this bank will help to diversify and simplify economic cooperation between countries.

On the 5th of March 2013 Hugo Chavez died. He was presentiment of his death and encouraged his people to continue revolutionary struggle. Bright and extraordinary person, great politician and revolutionist went down in history and joined the Pleiades of the greatest: Simon Bolivar, Ernest che Guevara, Jose Marti and other heroes, who struggled for the best world and worthy life for the people of Latin America. Current president of Venezuela is Nicolas Maduro who is the successor of Chavez. America was quite excited about the election of new president in the hope of the person who will turn the relationship between the USA and Venezuela in the way desired by Americans. However, the new leader is going to hold Chavez's policy and to

follow the equation: Russia + Venezuela = strategic partners. President Maduro visited Russia in august 2013 with the purpose of opening a street named in honour of Hugo Chavez and discussed new directions of Russian-Venezuelan strategic alliance.

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