

# Iran and Venezuela: Bilateral alliance and global power projections<sup>1</sup>

*Susanne Gratius*  
*Senior researcher*  
*Peace, Security & Human Rights Programme, FRIDE*

*Henner Fürtig*  
*Researcher*  
*German Institute of Global and Area Studies*

On 2-3 April 2009, Hugo Chávez paid his seventh official visit to Iran since he came to power. Both countries are strongly committed to creating a bilateral alliance based on common oil interests, military cooperation, ideological affinities between the presidents and open hostility against the United States and its allies. According to the Iranian President Mahmoud Ahmadinejad, "Cooperation between Iran and Venezuela can be a model for anti-imperialist campaigns."<sup>2</sup> Iran and Venezuela agreed in Teheran on a joint bank and investment fund.

Although Iran and Venezuela are very different in many respects, they share global power projections and comparable world views. Both governments play a prominent role in the OPEC and have a sense of mission as well as a dualistic world view, dividing the world into friends and foes. The "Bolivarian Revolution" in Venezuela and the "Islamic Revolution" in Iran are part of intensified global attempts – including radical proposals from the South – to change the West, or the U.S.-centered world, into a multi-polar system, or a "menu à la carte", in the context of an emerging powers scenario. Both countries' global power projections and common security interests represent a major challenge to the EU and the United States as their main trade partners.

2009 is a year of anniversaries in both Iran and Venezuela. In February, Iran celebrated the 30th anniversary of its Islamic Revolution while Hugo Chávez commemorated ten years in power, including the possibility of his indefinite re-election. On 12 June, Iranians will vote for the 10th president since the toppling of the Shah in 1979. Ahmadinejad's second term is all but safe. These internal uncertainties will also condition Iran's alliance with Venezuela.

## Revolutionary exports and anti-Western discourses

While the origins and essence of the "Islamic Revolution" in Iran (1978/79) and the "Bolivarian Revolution" in Venezuela (1999) can hardly be compared, both countries sustain their foreign policies with huge natural resources – oil and gas in particular – and use an ideological, radical discourse to create South-South alliances in and outside their regions. An extremely

<sup>1</sup>This comment is part of a broader article written for the regional powers network coordinated by GIGA and will soon be published by GIGA.

<sup>2</sup>Teheran Times, 6 October 2008.

dualistic world view, combined with Islamism in the case of Iran and nationalism in the case of Venezuela, are constitutive elements of their Revolutions. President Ahmedinejad and Chávez have adopted an aggressive strategy against the United States and the political leaders of neighbouring countries hostile to their home-made Revolutions – with Israel as a common enemy alongside Saudi Arabia in the case of Iran, and Colombia in the case of Venezuela.

Both countries are strongly committed to spreading the zeal of their Revolutions abroad. On the domestic front, the regimes represent a national, state-based reformation project and a backwards-oriented revolution. The opposition to imperialism, neo-liberalism, and globalisation from the position of third world “victimism” is the main element of political affinity between Iran and Venezuela. Yet, in both cases a gap has emerged between rhetoric and political practice. Despite the anti-imperialist discourse against the “West”, the United States is still Venezuela’s main supplier of goods and export market, while the EU functions as Iran’s leading trade partner.

Iran’s international and regional status is conditioned by the fact that the country is the world’s fourth major oil exporter and probably an emerging nuclear power. Iran has a long history of statehood, a comparatively large size and population, an experienced military, and – last but not least – vast natural resources. Iran’s current, unprecedented status in the Middle East is primarily the result of an additional ingredient: ideology. Basically, the power of Iran’s ideological weapon stems from the “Islamic Revolution”. Even almost two decades after his death, Khomeini’s legacy of the overall universalistic nature of Iran’s foreign policy is still valid and has been reinforced by Ahmedinejad, whose anti-Western rhetoric has been seen as an open provocation in Washington and Brussels.

Venezuela is the only petro-state in Latin America and the sixth largest oil producer in the world. Oil has been the main resource to finance Hugo Chávez’s fourth “Bolivarian Republic” of Venezuela based on a strong state and the centralisation of politics in the hands of the president. Under his presidency, Venezuela developed regional and even global power ambitions for the first time in its history, despite the country’s rather limited size and power resources.

Venezuela’s foreign policy was radically transformed from a Saudi Arabian-like US alliance to an Iranian-like international oil power status. Chávez’s Bolivarian Revolution stresses Venezuela’s independence (from the United States), while his Socialism of the 21st Century is first and foremost an alternative to the “Washington consensus” of market economy and liberal democracy. Consequently, similar to Iran’s anti-Western attitude, Venezuela’s foreign policy acts and reacts to US policy and to some European states. In Latin America, through ideological-driven initiatives such as ALBA, designed as an anti-Monroe alliance, Venezuela attempts to dominate the small rather under-developed states in the hemisphere, such as Cuba, Bolivia, Honduras, Nicaragua or Dominica.

Iran’s power status in the international arena is much greater than Venezuela’s. Whereas Venezuela has mainly developed “soft power” skills and concentrates primarily on Latin America, Iran is considered a mighty military power with nuclear ambitions and global power aspirations. Yet despite considerable differences in their global ranking (see table), Venezuela and Iran can be seen as middle powers that combine a mix of soft power (ideology and diplomacy) and hard power (oil and military) instruments. Although Iran and Venezuela remain middle powers in terms of power resources and size, their strategic importance as oil suppliers have helped to elevate their international ranking and influence.

## Iran's and Venezuela's global ranking (2007)

GDP	29	35
World Oil Production	4	9
World Oil Exports	4	6
World Oil Reserves	3	7
Military expenditures	26	36
Size of armed forces	7	45
Population	18	42
Territory/Area	18	33
Sources: IMF, OPEC, SIPRI.		

Iran's Islamist Revolution and Chávez's "Bolivarian Revolution" are financed by energy resources and are mainly designed as a project against U.S. hegemony and the dominance of Western liberal democracy and market economy. Anti-imperialism and anti-neoliberalism are their main constituencies, combined with nationalism and self-determination. Thirdworldism, which is seen as an alliance and alternative to U.S. imperialism, is also a major objective of President Hugo Chávez's and Ahmedinejad's radical foreign policies. Astonishingly enough, Ahmadinejad's anti-imperialism is not self-invented but continues, or rather rediscovers the late Ayatollah Khomeini's strong and dualistic thirdworldism. Through its inclusion in article 154 of Iran's constitution, it even became a constitutive element of the Islamic Republic.

The creation of new South-South initiatives and the prominent role of Iran and Venezuela in third world organisations and events (the OPEC, the Non-alignment Movement, UN General Assemblies, and anti-globalisation summits) serve to confirm the new global engagement undertaken by both countries as part of the South. Global power projections through oil-diplomacy include new partnerships with Russia and China to counterbalance trade dependency on the United States and the EU, and a strong bilateral alliance based on an ideology-driven discourse.

## The partnership between Iran and Venezuela

Both Iran and Venezuela are rentier states that use oil revenue as an instrument to gain political influence and to contain their enemies' breadth of influence. Combined, they represent 8 percent of global oil production. Their recent bilateral partnership is based on the political affinities between Presidents Chávez and Ahmedinejad, who consider themselves as part of an alliance of energy-rich "rogue states" against the United States.

Common enemies, similar ideology-driven radical discourses, and the membership of both countries in the OPEC facilitate bilateral cooperation including trade, investment, military equipment and military advisors (to train the Venezuelan police and secret service). Trade flows between both countries increased from \$1 million in 2004 to \$50 million in 2006<sup>3</sup>. Several economic cooperation agreements have been signed in the last five years, particularly between the Venezuelan and Iranian state companies *Petróleo de Venezuela S.A. (PDVSA)* and the National Iranian Oil Company (NIOC).

<sup>3</sup>Nima Gerami, Sharon Scuyssoni, "Venezuela: A Nuclear Profile", Carnegie Endowment for International Peace, Proliferation Analysis, Washington DC, 18 December 2008.

## Generating allegiance in the non-Muslim world: Iran's charm offensive to Venezuela

Under the auspices of Hugo Chávez, and especially during Ahmadinejad's presidency, Iranian officials have pursued a coordinated diplomatic, economic, and military strategy to expand their influence in Latin America and Africa. Through the systematic use of its petrodollars, the Iranian government has aimed at creating anti-American blocs in those regions and increasing global power projections. This policy would not only strengthen solidarity among countries of the South, with Iran as an admired patron, but would probably destabilise the American backyard, and simultaneously generate a permanent Iranian presence in the US hemisphere.

The core of Ahmadinejad's Latin America policy is the foundation and development of an anti-American axis with Venezuela, a goal shared by president Hugo Chávez. Chávez used a visit to Tehran in July 2006 to tell a crowd at Tehran University that "we have to save humankind and put an end to the US Empire."<sup>4</sup> Ahmadinejad and Chávez met again a few weeks later during the Non-Aligned Movement conference in Havana. Iran's Supreme Leader Ali Khamenei granted Chávez an audience when he revisited Tehran one year later: this honor is reserved for a small circle of politicians and clerics deemed to be Iran's closest friends and partners. Iranian Foreign Minister Manouchehr Mottaki took the opportunity to announce that "Hugo Chavez is becoming – or rather has already become – a household name in Iran and perhaps the region, thanks to his frequent trips to the Islamic Republic."<sup>5</sup> At the end of the visit Ahmadinejad and Chávez declared an "Axis of Unity" against the United States.

Yet, diplomacy became anything but a one way street. Only two months after courting Chávez in Tehran, the Iranian president paid a visit to Caracas. There, he repeated Chávez's contention that Venezuelan social problems stem from plots by the US, and not from economic and political mismanagement. "Together we are surely growing stronger, and in truth no one can defeat us", Ahmadinejad told Venezuelan journalists.<sup>6</sup> Just four months later, Chávez visited his "good friend" Ahmadinejad once again in Tehran, only to tell a zealous crowd that "the peoples of Iran and Venezuela will stand shoulder to shoulder with the disadvantaged nations of the world in spite of the opposition of World Imperialism."<sup>7</sup> After 2006, both frequent mutual visits as well as anti-imperialist and anti-American declarations became routine. Ahmedinejad's visit to Venezuela in 2007 was reciprocated by Chávez in the same year. Thus, the 2009 visit of the Venezuelan President to Iran will probably not be the last one.

Diplomacy was accompanied by intensified cooperation between both countries. Iran and Venezuela signed 182 agreements to improve cooperation in the energy, industry, military, social and finance sectors.<sup>8</sup> This includes a mixed enterprise between PDVSA and the Iranian Petropars. Venezuela's oil monopolist PDVSA announced a US\$ 4 billion joint oil production project with Iran in east-central Venezuela.<sup>9</sup> They have also created a US\$ 1 billion program for social funds in Venezuela and Latin America. In May 2008, the presidents launched the idea to create a development bank as a South-South alternative project to the World Bank. Both countries are also very active in the Non-Alignment Movement, and Venezuela participated in the MONAL Conference held at the end of July 2008 in Teheran.

Together Tehran and Caracas use their petrodollar revenues to prompt other states to pursue confrontational policies toward the US. Nicaragua and Bolivia are the main targets of this joint effort in Latin America. Iran has an observer status in Venezuela's project ALBA<sup>10</sup>. Within

<sup>4</sup> EIUuniversal.com (Caracas), "Chávez Decorated in Iran; Initials Cooperation Pacts", 31 July 2006.

<sup>5</sup> Kayhan International (Tehran), 2 July 2007.

<sup>6</sup> <http://www.chinadaily.com.cn> "Ahmadinejad Cements Ties with Chávez", 29 September 2007

<sup>7</sup> Iranian Student News Agency (Tehran), 19 November 2007.

<sup>8</sup> International Crisis Group, "Venezuela: Political Reform or Regime Demise?", Latin America Report 27, 23 July 2008.

<sup>9</sup> Fars News Agency (Tehran), 12 July 2007.

<sup>10</sup> President Ahmedinejad visited several Latin American countries and signed important agreements with Bolivia's President Evo-Morales, who visited Iran in August 2008.

days of Daniel Ortega's inauguration as Nicaraguan president, Ahmadinejad enthusiastically embraced the former socialist's return to power. "The two nations share identical ideals" and a common enemy in the US, Ahmadinejad stated<sup>11</sup>. Ortega politely thanked him by endorsing "strong bonds" between the "two nations and (their) revolutions"<sup>12</sup>. Iran's embassy in Managua became the largest diplomatic mission in Nicaragua's capital.

Iran's state broadcasting authority has recently established partnerships with its Bolivian and Nicaraguan counterparts. Officially, this partnership should help these countries to improve their own messaging, but unofficially, the Iranians have thus generated a platform for their own broadcasts "for all of Latin America"<sup>13</sup>. Allegations of an increasingly concerned US administration that Iran cannot legitimately manoeuvre within its sphere of influence are easily refuted by Tehran. The Iranians argue that they have as much interest in strong relations with Latin America as Washington has with the Persian Gulf monarchies or newly independent Central Asian or Caucasian republics.

Nevertheless, the chances for long-term Iranian success are still doubtful. Latin American countries may welcome Iranian aid and take advantage of Tehran's soft power with the same enthusiasm with which they sometimes divert USAID and World Bank assistance, but any ideological solidarity will be far more limited to each country's immediate leadership.<sup>14</sup> Considering the Khomeini-invented traditions of "anti-Imperialism" and "Third Worldism" in the Islamic Republic of Iran, Ahmadinejad's reliability in this regard seems much more resilient than that of Chávez. Yet currently, it is ideology that holds the otherwise very particular interests of Iran, Venezuela, Cuba, Nicaragua, and Bolivia together.

## Venezuela's alliance with Iran

Anti-imperialism is also the main label of Chávez's "charm offensive" to Iran and other recent partnerships with oil-producing countries, such as Russia. At the same time, Venezuela uses its membership in the OPEC to reduce oil production and to keep the world market price for oil high. This policy, contrary to US and EU interests, and Venezuela's new international alliances with ideologically close countries such as Belarus, Russia, and Iran, are seen as an open challenge to Washington's security interests. Following the slogan "sleeping with the enemies (of the US)", Chávez has frequently visited "rogue states", such as Libya and Iran.

Venezuela's relationship with Iran is mainly driven by their respective membership of the OPEC and their aggressive "third world victim" discourse against Europe and the United States. But it is also motivated by common economic and military interests in order to increase the global power projections of both governments. Bilateral cooperation started ten years ago, in 1999, under Mohammad Khatami's presidency and one year before the OPEC summit took place in Caracas. It was the starting point for an intense bilateral diplomacy: since assuming his presidency, Hugo Chavez met his Iranian counterparts no less than 11 times.

Both the Iranian and the Venezuelan presidents have protected each other against domestic criticism. During the opening ceremonies of two Iranian factories in Caracas, Chávez praised the "achievements made after the Islamic Revolution"<sup>15</sup>, contrasting them sharply with the conditions prior to the toppling of the Shah. These comparisons meant little to a Venezuelan audience but helped Ahmadinejad to reject growing domestic criticism of economic mismanagement. Furthermore, such propositions fit perfectly with the Iranian leadership's strategy to trigger non-Muslim leaders to recognise and thus justify a prominent Iranian role in

<sup>11</sup> Fars News Agency (Tehran), 15 January 2007..

<sup>12</sup> Ibid.

<sup>13</sup> Tehran Times (Tehran), "Iran and Nicaragua to Expand Media Cooperation", 18 December 2007.

<sup>14</sup> Rubin, Michael, "Iran's Global Ambition", AEI Middle Eastern Outlook, 17 March 2008, pp. 4, 6.

<sup>15</sup> IRIB - Islamic Republic of Iran Broadcasting (Tehran), 24 June 2007.

the “global anti-imperialist struggle”. The nature and prominence of these extra-regional bonds make Iran unique in the Middle East – an asset in itself and strong proof of the great potential that an ideology-driven foreign policy provides.

Taking for granted that, according to Chávez, “the Islamic and the Bolivarian Revolutions are in the end one single fight”, Iran and Venezuela seek “to promote revolutionary thought on the world stage.”<sup>16</sup> Opposition to the “imperialism-globalisation-capitalism” triangle constitutes the political motivation for a closer cooperation between both countries, considered as “rogue states” by Washington. This new type of third world solidarity against an external enemy includes Chávez’s support of Iran’s legitimate right to become a nuclear power and his interest to develop nuclear energy himself.

## The potential and limits of the alliance

Ahmedinejad and Chávez’s projects are part of the search for alternative regional models to the economic and political hegemony of the United States and, to a lesser extent, of European countries. In the particular case of Latin America, apart from domestic reasons, the emergence of Chavism and other populist leaders can be explained by the limited results of liberal democracy and the neo-liberal politics designed in Europe and Washington. Thus, populist leaders with a back-to-the roots policy and critical distance from the United States will remain a dominant pattern in Latin America, particularly in those countries with energy resources and broad social cleavages.

The role of Iran as a probable global nuclear power is very different from Venezuela’s rather limited regional role. Nonetheless, the bilateral alliance is part of the trend towards increasing cooperation between emerging powers in the South. Although Iran and Venezuela are situated in very different geographical, historical, political, and cultural settings, both countries have recently developed an astonishingly successful partnership. Their most striking appeal lies in the fact that both countries pursue an idea-, or ideology-driven foreign policy dominated by critique of, and attacks against, imperialism, neo-liberalism, and globalisation from the position of third world “victimism”. Consequently, both regimes have adopted an aggressive strategy against the United States, European states and the political leaders of neighbouring countries hostile to their Revolutions. On the domestic front, both regimes represent a national, state-based reformation project, while in both cases a gap has emerged between rhetoric and political practice.

Nonetheless, the different origins and essence of their Revolutions also limit the bilateral alliance between both countries. To begin with, the constitutive elements of both Revolutions are very different. Nationalism and anti-imperialism characterize the rather populist Bolivarian Revolution and religion creates the basis of the ideological discourse in Iran. While the “Bolivarian Revolution” of 1999 is ultimately the result of Chávez’s personal power project, the Iranian “Islamic Revolution” of 1978/79 represents one of the rare mass revolutions of modern times. In contrast to Venezuelan Bolivarianism, which centres on the president, the entire system of the Islamic Republic of Iran is highly institutionalised.

Iran’s president is not the highest authority in his country: neither his re-election nor his failure will fundamentally change the course of the Islamic Revolution. In the case of Venezuela, however, it is probable that the “Bolivarian Revolution” will be finished as soon as, or shortly after, President Hugo Chavez resigns from office. These differences make it almost impossible to draw any lasting conclusion from the current “honeymoon” shared by both governments. Taken into account that Chávez’s “Bolivarian Revolution” is a highly personal project with limited regional appeal and that the “Islamic Revolution” of Iran is institutionalised and has a universalistic approach, it is easy to predict that, independent of the outcome of elections in June 2009, Iran will continue to challenge the West for many years.

<sup>16</sup> The Sun, New York, 15 January 2007..

FRIDE's Comments provide a brief and concise analysis of current topics in international affairs in the fields of peace and security, democratisation, human rights, and humanitarian action and development. Further information about FRIDE, as well as its publications can be found at [www.fride.org](http://www.fride.org)

The views expressed by the authors of the documents published on this website do not necessarily reflect the opinion of FRIDE.  
If you have any comments on the articles or any other suggestions, please email us at [comments@fride.org](mailto:comments@fride.org)

Fundación para las Relaciones Internacionales y el Diálogo Exterior  
C/ Goya, 5-7 pasaje 2ª - 28001 Madrid - Telf: 91 244 47 40 - Fax: 91 244 47 41 - E-mail : [fride@fride.org](mailto:fride@fride.org)  
[www.fride.org](http://www.fride.org)