

(S) A Bolivarian<sup>1</sup> Makeover? - Chavez Looks to Elections to Gain Regional Influence

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(S) Latin America's "Year of Elections" <sup>2</sup> presents Venezuelan President Hugo Chavez with a unique opportunity to gain influence in the region and move one step closer to achieving his ambition to be the undisputed leader of Latin America.

(S) The decisive win by Chavez's ally and protégé, Evo Morales, in Bolivia started things off with a bang and led Chavez to embolden his efforts to influence the outcome of other presidential elections. In Peru, Chavez's verbal attacks on the current president and the centrist candidates-designed to increase support for another protégé, Ollanta Humala--resulted in a backlash against Venezuelan interference that swept centrist candidate Alan Garcia into the presidency and "lost" Peru for Chavez.

(S) Mexican candidate Felipe Calderon also used Chavez's meddling to his advantage, devoting part of his campaign strategy to portraying leftist candidate Andres Manuel Lopez Obrador as pro-Chavez. This may have given Calderon the slight edge he needed to defeat Lopez Obrador in a razor-thin victory that the latter continues to protest.

(TS//SI) Since the Peruvian election, Chavez seems to have opted for providing more discreet support to his favored candidates. Several leftist Ecuadorian candidates have met with him in Venezuela, and Nicaraguan candidate and former president Daniel Ortega has met regularly and publicly with both Chavez and Castro, but Chavez has not initiated a verbal war against rival candidates in either country. Reports that he has provided financial support to leftist candidates in most of the elections are widespread but no concrete evidence has been uncovered to date.

(S) Chavez's more discreet approach may be paying off, as both Ortega in Nicaragua and pro-Chavez candidate Rafael Correa in Ecuador are considered to have a good chance to win their respective elections. With these two victories, Chavez would have a bloc of five countries (including Cuba) with representation in the Caribbean, Central America, and South America that will increase his leverage in each region.

(S) Traditional regional heavyweights such as Mexico and Brazil are likely to perceive Chavez increasingly as a threat rather than a nuisance, which potentially will polarize the region and lead to closer cooperation with the United States.

(U) Notes:

 $\frac{1}{(U//FOUO)}$  "Bolivarian" is Chavez's term for describing his anti-imperialist revolution, which is drawn largely from a blend of populism and socialism.

 $^2$  (U//FOUO) Latin America is slated to hold 13 presidential elections between November 2005 and December 2006.

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