Neoliberalism, populist mobilization, and state-making in Latin America: the cases of Mexico and Venezuela

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The Cases of Mexico and Venezuela

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To my mother Ida,

for her endless and loving support
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ABSTRACT

Populism, as the Manichean juxtaposition of the elites versus the common citizen (“the People”), has become an entrenched phenomenon of the modern moral order. Political populism, which feeds from and reinforces the “elite vs the people” confrontation in the political arena, has been a recurrent feature of Latin American politics. The present work studies one its strains, say, the successful conflation of populism and the left in Venezuela—and the lack thereof in Mexico. Through process-tracing (George & Bennet 2005) several mechanisms explaining the success of the radical populist (Chavista) movement in Venezuela are identified, while a comparison with Mexico helps to show how the absence of others mechanisms contributes to explain different outcomes. This chain of mechanisms defines the structure of political opportunities that allows the populist movement to reach the office and remain in power in spite of severe criticism and fierce opposition.

On the one hand, the crises related to free-market or neoliberal reforms in the 1980s-1990s, provide the general political context that favors left-wing populism, for they appear as the proof of elites’ betrayal of the “good”, “honest”, “humble” people. On the other hand, in addition to the cooptation of the workers movement, a charismatic leader, patron-client networks, high social spending, and cultural regression, particularly relevant have been the military reforms that spur middle-ranks within the military to be dissatisfied with the hierarchy, perceived as unfair or outdated, becoming a source of fundamental support for radical reformers—who have to deal with general elections as the legitimate way of reaching the office. This sort of military reforms and their impact on state-making have been largely overlooked by the literature on Latin American populism. Identifying them in the positive case —the Chávez regime in Venezuela—, as well as explaining their
functioning in concrete instances, such as the *Trienio Adeco* (Venezuela, 1945-48) and Mexico under Cárdenas (in the 1940s), two episodes when *cycles of populist contention* were also triggered, represent the main contribution of the present dissertation.
Introduction: Populism and Latin American State-Making

1. Cycles of Populist Contention and State-Making in Latin America

This dissertation is about political populism. Although I will return to discuss the concept in depth in Chapter 1, I should mention now that political populism—to differentiate it from other forms of populism, but called just “populism” in what follows—is considered here as a method of state-making, one in which masses and popular sectors are incorporated to the political arena (mostly through clientelism and corporatism), heavily relying on the contentious formula “the People vs. Elites”. Broadly speaking, it takes place in the disentangling of “diminished (or weak) democracies”\(^1\)—in the institutional dimension—and successful “inclusionary discourse” in the dimension of collective action, which engenders a permanent electoral mobilization. Populist leaders shout and scream about inequality, run platforms appealing to the virtues of the people, and denunciate the moral corruption of the elites who disgraced the nation of the good, honest, whole-hearted, humble natives. Consequently the big picture of populism becomes clearer in the intersection of movements and state-making dynamics\(^2\). That is the approach I have taken in the present work, in which I have found that besides these definitional elements, who are always present in processes of populist contention, there is an element that should be considered inherent to the explanation of successful populist mobilization: the military. In other words: in the Latin American political context, besides “mobilization from below” and “disorder above” (intra-party and inter-party conflicts, what Skocpol [1979] identifies to account for social revolutions), to

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\(^1\) Although at much lower levels, there is populism also in strong democracies, which speaks of the fractures or perceived-by-the-people unfulfilled promises of radical equality in democracies more generally.
\(^2\) In this sense, the interest of studying populism appertains the sociology of democracy and of development, on the one hand, and studies of movements and contentious politics on the other.
explain successful populist movements we need to account for **the role of military reforms**. I shall be back to this.

There are good reasons for writing another work on the topic: in Latin America populism made a comeback in a radical fashion (Venezuela) at the end of the last century. In spite of many different political paths taken during the 20th century, from dictatorships to democracies back and forth, a recurrent feature of Latin American state-making has been populism, rooted in distributive struggles in the region at least since the 1930s and even earlier (Kaufman & Stallings 1991:15,18). It has been so pervasive, that to the date Latin American populism can be sorted out in 5 periods\(^3\). The first period, in which precursors of populism came to the office during the first two or three decades of the twentieth century. Examples are José Batle y Ordóñez (1903-7 and 1911-15) in Uruguay; Guillermo Billinghurst (1912-14) in Peru; Hipólito Yrigoyen in Argentina (1916-22 and 1928-30); Arturo Alessandri (1920-25) and air force colonel Marmaduke Grove (1932, leader of a Socialist government) in Chile; Pedro Ernesto Batista (major of Rio de Janeiro from 1931-36) and Adhemar de Barros during his first term as governor of São Paulo (1938-41) in Brazil; and last but not least, Lázaro Cárdenas (1934-40) in Mexico.

The second period, or “…**the heyday of Latin American populism**, began in the 1940’s and ended in the 1960’s. This era saw populism emerge as the main form of politics in many countries; in others, it challenged traditional leaders to become more representative” (Conniff 1999:11; my bold). During these years, a common feature in Latin American politics was the campaigns for free

\(^3\) I follow Conniff (1999:10-13) classification of the first four periods, and develop the fifth one from what has come to be called the conflation of populism and the left in Latin America—which starts off right after Conniff’s book was published in 1999, with the advent of Hugo Chávez ‘s presidency.
elections and extensions of the voting rights, which eventually ended up with the extension of voting rights to women. The Allies’ victory in World War II seemed to have reinforced this process in countries aiming democratic regimes. The first modern election in Brazil took place in 1950, under the auspicious of Getúlio Vargas (the 1945-64 period called ‘the Populist Republic’ by historians). Meanwhile, Juan Péron and Evita Péron got to the office in 1946 in Argentina. This period 1946-1955 is, perhaps, the one most commonly identified as “the perfect type of populism regime” (Madsen & Snow 1991). In 1940 Arnulfo Arias became the President of Panama; while José María Velasco Ibarra returned to office (1944) in Ecuador. Rómulo Betancourt and the ‘People’s party’ (Acción Democrática) lead a coup in Venezuela (1945), conductive to a short-living government known as El Trienio (The Three-Year Period), under a populist rubric. The “People’s party” came back to the office 10 years later. In Colombia, Jorge Gaitán was gunned down during “the first populist campaign in that country’s history” (Conniff 1999:12).

The third period is defined by Conniff through a negative fashion as the erosion of populism. On the one hand, in 1959 the triumph of Fidel Castro’s revolution in Cuba created a polarized atmosphere in the subcontinent. The most direct and well-known consequence of this fact for other countries was the spread out of military coups and dictatorships in Latin America, under the banner of the fight against the communist threat, inflation, and corruption. Right-wing, military coups were committed against Haya de la Torre in Peru (1962), Frondizi in Argentina (1962), and Goulart in Brazil (1964). On the other hand, “… most people had become registered voters in preceding years, so that populists could not find as many new recruits as before” (Conniff 1999:12). This author assumes that the conditions for the success of populism were, thus, erode. The fourth period can be characterized in a more positive fashion as a revival of populism, from the late 1970s to the
1990s. This is the era of the so-called neopopulism. We have two key examples of this revival in Peru: Alan García’s (APRA’s candidate) (1985-1990) and, most notably, Alberto Fujimori’s government openly challenging the common believe that neoliberalism in economics was the opposite to populism—populism, that is, at least at the rhetorical level. Carlos Menem from the Justicialista Party in Argentina (1989-95), reelected for a second term, became a neopopulist too—endorsing the Washington Consensus. In Brazil, Fernando Collor de Melo (1990-92) ran practically without a party, on a neoliberal platform and relying on a rhetoric of moral cleansing.

But the history of populism did not end in the 1990’s and, as Cardoso (2006) posits the issue, populism reappeared under a new skin⁴. We can then add a fifth period, the one in which the left becomes conflated with populism, starting with the election of Hugo Chávez in Venezuela (1998-to 2013 when he passed away)⁵; Evo Morales in Bolivia (2006 to present); Lucio Gutiérrez (2003-2005) and Rafael Correa (2007- to the present) in Ecuador; and Daniel Ortega (2007 to the present) in Nicaragua. The deepest conflation of populism and the left have been reached under these governments, although other regimes turned towards social-democratic state policies. Nestor Kirchner and his wife Christina Fernández (2003 to the present) in Argentina and Ignacio ‘Lula’ DaSilva (2003-2011) and Dilma Rousseff (2011 to the present) in Brazil are in this regard two of the best examples. As it happens, populism has been an ever-lasting phenomenon of 20th Century Latin America—and as we have come to witness, also of the 21st century.

⁴ Despite the varieties of populist policies, the main concern of this work is with left-wing populism, as the reader will realize in future chapters.
⁵ Whatever definition one wants to give of Chavismo, over the years populist mobilization is what has never changed.
There are plenty of scholarly studies proposing answers to the urgent issue of why populism keeps returning in Latin America. But there is one in particular that takes on these questions more or less indirectly and provides an insightful key. In a paper published in 1990, followed by a collective volume edited in 1991, Dornbusch and Edwards tackled an original perspective on the phenomenon which they termed, perhaps not originally but certainly in a remarkably new direction, *macroeconomic populism*. Regardless of the diversity of policies, they argue, there is an identifiable populist paradigm: “… a policy perspective on economic management that emphasizes economic growth and income redistribution and deemphasizes the risks of inflation and deficit finance, external constrains and the reaction of economic agents to aggressive nonmarket policies” (Dornbusch & Edwards 1990:247).

Why Latin America? At a certain level their answer is because unlike in other regions, governments in Latin America have tried to deal with income inequality through the use of overly expansive macroeconomic policies, which — the authors say — “… have almost unavoidably resulted in major macroeconomic crises that have ended up hurting the poorer segments of society” (Dornbusch & Edwards 1991a:1).

More interesting for my purposes is perhaps the way they address a second issue. This “macroeconomic populism” paradigm comes with the proposition that certain recurrent “phases of populist economics” in Latin America can be identified. The process unfolds as follows. In the *first phase*, governments embark on ambitious economic programs that aim at redistributing income. Immediate results are positive for growth accelerates, real wages are high, controls assure that inflations stays low, and shortages are alleviated by imports. In the *second phase*, the economy starts to experience problems. It runs into bottlenecks, due to strong expansion in demand for

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6 I discuss the literature on Latin American political populism in Chapter 1.
domestic goods and to growing lack of foreign exchange. “Price realignments and devaluation, exchange control, or protection become necessary. Inflation increases significantly, but wages remain high. The budget deficit worsens tremendously as a result of pervasive subsidies on wage goods and foreign exchange” (Dornbusch & Edwards 1991b:11). In phase three, shortages, extreme inflation, and foreign exchange gap lead to capital flight and to demonetization of the economy. The government answers by rolling back subsidies and by a real depreciation, which lead to a drastic decline in real wages. Finally, in phase four, “Orthodox stabilization takes over under a new government. More often than not, an IMF program will be enacted…” Because the process would have depressed investment and promote capital flight, the net result is an extreme decline in real wage due to, as they put it, “… a simple fact: capital is mobile across borders, but labor is not. Capital can flee from poor policies, labor is trapped” (Dornbusch & Edwards 1991b:12). As a result, the last phase is often times accompanied by a major political change, which might even include a coup, sanctioned by the middle class—who sees populism as a tread. Taken together the four phases encompass a process of political polarization that goes, to simplify the equation, from “profligacy to austerity”, and from there to political crisis.

The argument, nonetheless, possesses three important limitations for my purposes here. On the one hand, the pattern evolves along changes in economic policing. As a consequence, it lacks a similarly thorough political conceptualization. The political factor is considered at some point, when the authors admit that political and especially external factors (e.g. debt crises and economic blockades among others) are relevant when explaining the unravelling of populist economic programs. Nevertheless, they want to emphasize “the extreme vulnerability that makes destabilization possible. By and large this potential results from unsustainable economic policies”
(Dornbusch & Edwards 1990:248). On the other hand, and on the basis of more recent studies, scholars have argued that populist governments in Latina America have also followed a path to neoliberalization, thus making less clear to what extend populism can be reduced to a certain type of economic policies (see Kaufman & Stallings 1991:21).

Finally, as long as it considers economic policies it does not distinguishes among populists of different sorts, nor allows for a more fine-grained political understanding of populism. As Drake (1991:37) sees it, “In contrast with populist movements or policies, full-blown populist governments with a magnetic inspirational leader, a multiclass urban clientele, and a hothouse program to raise domestic demand and production have been rarer. The classic models are Argentina under Juan Perón (1946-55, 1973-1976), Brazil in the democratic period of Getúlio Vargas and his heirs (1951-64), and Peru under Alan García (1985-90). Other contenders might include facts of Lazaro Cardenas in Mexico in the 1930s, the Popular front in Chile before World War II, the National Revolutionary Movement in Bolivia in the 1950s, and Juan Velasco in Peru, 1968-75”. It is compulsory that we now add: Hugo Chávez and the Bolivarian Movement in Venezuela, who have been in the office since 1999 up to the present (see Levine 2002:261-262, who compares Chávez to Perón, Torrijos, and Velasco Alvarado).

Given that populist policies are different from populist movements and governments, macroeconomic populism is nothing but one dimension of a full-blown analysis of political populism. Such an analysis, I propose, can be seen as the analysis of the political cycle of populist contention in Latin America. Such a cycle does not mirror the phases of macroeconomic

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7 The politics of contention, or contentious politics, is that grey area in power struggles that do not belong exclusively to the domain of institutional politics, but that do not belong to social movements exclusively either. More formally,
populism above described, although it may and in fact does eventually overlap with them in some sense. To begin with, it has to start before a populist government reaches the office. This means that a cycle of populist contention is initiated by the simultaneity of some (probably economic) policies and some features of an actual state, which a charismatic leadership/movement mobilizes. It starts with the constitution of a populist movement in conflict with certain political configurations and state-making processes. In this work I show that the main sparkle that initiates such a cycle is a military reform, particular the type that generates or stirs rivalries between different cohorts, where lower ranks start to perceive the hierarchy as unfair or inadequate in some sense. Then, a crisis or a situation of social unrest (corresponding to phase three in the macroeconomic of populism) becomes an opportunity for the disgruntled military men to ally with civilians. It is followed by a harsh process of liberalization (the type identified in the fourth stage or phase of macroeconomic populism) which is identified as elite betrayal to the people. The 1990s provided the juncture defined by the world-wide wave of neoliberalization. Later, a process of civilianizing the military takes places (populist Praetorianism). I describe the context of that cycle in Venezuela and the lack thereof in Mexico, providing the riddles that this dissertation has tried to answer.

it is the “episodic, public, collective interaction among makers of claims and their objects when (a) at least one government is a claimant, an object of claims, or a party to the claims and (b) the claims would, if realized affect the interests of at least one of the claimants” (McAdam, Tarrow, & Tilly 2001:5). According to Tarrow (1998:142), a cycle of contention is “a phase of heightened conflict across the social system with a rapid diffusion of collective action from more mobilized to less mobilized sectors; a rapid pace of innovation in the forms of contention; the creation of new or transformed collective action frames; a combination of organized and unorganized participation; and sequences of intensified information flow and interaction between challengers and authorities. Such widespread contention produces externalities that give challengers at least a temporary advantage and allows them to overcome the weakness in their resource base”.
2. Political Paths in Latin America after the Neoliberal turn of the 1980s

In 1960 Venezuela’s minister of mines and hydrocarbons, Juan Pablo Pérez, led the creation of the OPEC under the rationale of gaining leverage in the oil international market before the industrialized buyers. In an attempt to gain control over the oil industry, by 1976 Carlos Andrés Pérez nationalized the oil business. Rafael Caldera, the leader of COPEI, the second largest and most important party in the country supported the process actively during his government right before the Pérez’s, between 1969-74. These nationalistic trends were interrupted during the period of neoliberal reforms in the 1980s. Both Pérez and Caldera (coincidentally) adopted privatization policies during their second periods in the office in the late 1980s and the 1990s, but this time the policies failed and/or were reversed. After 1999, the Chávez regime has consistently nationalized not only the oil industry but also a good many other companies and sectors of the Venezuelan economy. How was it possible that the “successful” leaders of the nationalizations during the 1960s and 1970s became the “failed” leaders of the privatizations and deregulations in the 1980s and 1990s? Why after them the Chávez regime has consistently and successfully rejected privatizations and deregulations, while increasing welfare spending? Why, if neoliberal policies have been applied all over the region, Venezuela has not only consistently failed at neoliberalizing but has also steadily moved away from it? Such are the riddles guiding the present work.

It is well-known that the engagement with free-market reforms or neoliberal policies became a world-wide dominant trend during the 1970s. It had one of its peaks around the end of the Cold War, and they are not only breathing and alive but are also considered by many, politicians,
scholars, and policy-makers, as the only real alternative of state-making. On the one hand, the United States and some of the main industrial forces of Europe (England, France, and Germany) experimented with different political-economic principles trying to face economic difficulties unleashed by the first oil crisis (Prasad 2006:5) in 1973. On the other hand, the New York investment banks increased their focus on lending to foreign governments, which required “the liberalization of international credit and financial markets, and the US government began actively to promote and support this strategy globally during the 1970s” (Harvey 2005:28). Governments in developing countries began borrowing money to an increasing rate and at increasing interest rates. Latin America was no exception in this trend, where the coming to power of civil governments was linked to financial capitalists, in turn linked to European and US financial investors (Lachmann 2010:167). Representative of those cases during the 1990s were the electoral triumphs of Menem in Argentina (1995), Cardozo in Brazil (1994), Zedillo in Mexico (1994), and Fujimori in Peru (1995), all running on neoliberal platforms.

The optimism for this trend was slowed down although by no means stopped by the 1994 “Tequila Crisis” in Mexico (Panizza 2009:2). Nonetheless, the reception of the policies was not even among Latin American countries and in some cases they were plainly rejected—even violently—whereas in most others they were welcomed. The example per excellence of the first case is Venezuela, where the most representative anti-neoliberal, populist movement succeeded

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8 On the philosophical side, “Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade” (Harvey 2005:2).
9 As a matter of fact, the riots of “El Caracazo” in Venezuela were the first noteworthy reaction related to the application of neoliberal policies in the region. But the Mexican crisis became the main symbol of the problems neoliberal measures could bring about because high expectations were deposited on that country’s structural reforms.
politically\textsuperscript{10}. Quite like anywhere else in the region Venezuela undertook deep structural-adjustment reforms (as the free-market or neoliberal reforms are also known), but the regime that resulted out of the period of policy reforms ended up in the opposite direction of what analysts were expecting—a radical populist, anti-neoliberal regime which already counts fifteen years in the office. This work will explore in depth the Venezuelan case up to the Chávez regime as a positive instance of a populist, anti-neoliberal regime. Meanwhile, in spite of experimenting the first financial crisis associated with the enactment of neoliberal policies, and even more so because of that, an example \textit{per excellence} of the continuity of neoliberalism in Latin America is Mexico. The Mexican case up to the Calderón government is one of neoliberal state-making as a historical counter-case to the Bolivarian Revolution in Venezuela. The period of free-market reforms defines a common \textit{critical juncture}\textsuperscript{11} in these countries, when policy-makers chose specific sets of policies consciously pursuing a change from a \textit{demand-side} type of policy-making (dominated by Keynesianism, central planning, and the Import-substituting Industrialization model) to a \textit{supply-side} one (dominated by capital accumulation, limitation of state intervention on private industry, and the reduction of the welfare state). But, have the political regimes and state-making processes of Mexico and Venezuela always been so divergent?

Quite the contrary, the mechanism of popular incorporation into the political arena by political elites was a fundamental common feature of Venezuela and Mexico previous to the (neo)liberalizing period that started in the 1980s. \textit{Corporatism} in Latin America was defined

\textsuperscript{10} In what follows, references are constantly made to the Mexican and Venezuelan cases. It must be kept in mind that it is just a short expression for “the case of successfully embracing populism and a rejection of neoliberalism” (Venezuelan case) and “the nonconforming case” of the continuity of neoliberalism (Mexican case).

\textsuperscript{11} A \textit{critical juncture} is “a period of significant change, which typically occurs in distinct ways in different countries (…) and which is hypothesized to produce distinct legacies” (Collier & Collier 2002:29).
through the institutionalization of the organized labor movements, “shaped and controlled by the state” (Collier & Collier 2002:7). During the first third of the twentieth century in both Mexico and Venezuela the class alliance was “populist”—in Collier and Collier’s terms: the labor movement was linked to middle sectors and to the peasantry. Even though they shared the form of party incorporation with Argentina, Colombia, Peru, and Uruguay, unlike those other cases in Mexico and Venezuela the electoral mobilization and organization (through functional associations such as unions) of the working class and the peasantry was an elite project—effective through tradeoffs with popular classes, such as land reforms. In Venezuela this was particularly a reality during the period of 1945-1948 known as El Trienio (during the government of a Junta led by Betancourt and later the brief one of Gallegos from 1947 to 1948), when lands were distributed to over 23,000 peasants. In Mexico, during the Cárdenas presidency (1934-1940) “nearly 18 million hectares of land were distributed to more than 800,000 peasants” (Collier & Collier 2002:199).

The incorporation period was followed by strong conservative reactions in both countries as well. The legacy of the corporatist incorporation—say: how political actors dealt with the conservative reaction to the incorporation process—was smoother in Mexico (1940-1952) than it was in Venezuela where a military dictatorship ruled for ten years (1948-1958). In both countries the party that led that incorporation maintained a dominant position in the aftermath, while giving up radical issues of their programs of earlier periods in order to access or retain power. Moreover, in both cases political leaders dealt with the conservative reaction through four identical ways: first, by adopting a policy turn to the center-right that could won the dominant classes’ loyalty; second, excluding the left from the new alliances; third, through maintaining tactical alliances with popular
sectors (rural and urban); fourth and last, through establishing a conflict-limiting mechanism (the strengthening of the one-party system in Mexico and the elite party pact in Venezuela) to avoid the polarization resulting of the radical populist alliance (Collier & Collier 2002:199). For our purposes, therefore, “In both countries, these labor-party ties afforded the state significant influence in union leadership selection and activities and hence in the management of labor-capital relations… In Mexico and Venezuela, …, the heritage of party incorporation and its mobilization of the working class as a support group was the creation of an inclusionary coalition that afforded those two countries a long period of hegemonic politics” (Collier & Collier 2002:572).

Thus, the political paths of Mexico and Venezuela had similar starting points regarding the state - labor movement relationships, and regarding how political actors dealt with the conservative reaction of elites, which deeply shaped their political arenas up to the 1980s. The coinciding pattern of corporatist-populist incorporation and exclusion of the radical left during the decades previous to the structural adjustments period, when pacts between state elites, labor unions, and middle classes provided regime stabilization, changed drastically during the first decade of the 2000s. What signaled these new divergent political paths was the critical juncture of the free-market reforms in the late 1980s. Before them, not only both countries experienced a “radical populist” incorporation of workers movements to the political arena, they also had high levels of participation of businessmen in politics, hegemonic multiclass parties, and an important participation of the oil industry in their economies. Moreover, right after the implementation of the reforms both countries experienced with neoliberal policies, severe financial crises, and saw anti-neoliberal movements/mobilization spread out. Yet these countries’ regimes have broken up
ties with the previous political actors and party systems in the late 1990s in different manners, while the first decade of the 2000s shows the sedimentation of overtly divergent paths.

That is the puzzle the present work addresses, for the breaking with their political legacies was made in both countries with strikingly different consequences: In Venezuela, with a rejection of the neoliberal agenda, a steady radicalization process that includes nationalization of private industry, threats to private property, land reforms, the unification of parties of the left in one socialist party, and a personalist government that counts already 15 years in the office, and which heavily relies on the diversification of clients of the nationalized oil industry. In Mexico, with renewed attempts at neoliberal reforms, a multiparty system of cross-class parties, and governments based on a formal liberal democracy, and with certain impulse to strengthen a diversify industry well beyond the oil. Anti-neoliberal movements and the rejection of free-market reforms exist in Mexico and are politically relevant, but did not reach the more radical path that their counterpart in Venezuela did after having coincidental stances. Thus our research questions:

Why after the neoliberal reforms of the 1980s and 1990s there has been a successful turn to the left (based on an anti-neoliberal platform) in Venezuela—while it has not happened in Mexico until today? Why did they take diverging paths if their political arenas were shaped similarly during the “radical populist” incorporation period and had similar political legacies of hegemonic, multi-class parties?12

12 Corrales (2005) expresses similar concerns when he highlights: “why Venezuela, among so many Latin American nations, produced an escape from economic hardship that was so leftist and militaristic. More explicitly comparative work is thus necessary”, and “In addition to more cross-country comparisons, explaining Venezuela’s puzzling escape avenue requires looking at the institutions of the preceding regime. A key question to ask is why did the traditional parties cease to being an option in the mid-1990s? Also, why did the radical left manage to capture this vacuum by first aligning itself with an old establishment figure such as Rafael Caldera (1994-1999) and then with the military under Chávez?... Students reading the work of Venezuelanist are more likely to find an answer to the first question than to the second” (108-109).
Along these lines, the objective of the present work is to process-trace (George and Bennett 2005) the causal mechanisms (Tilly 2005) explaining why the Chavista movement successfully raised to power in Venezuela and has managed to stay in the office long enough to enact a rather ambitious anti-neoliberal project identified as one of the main political forces in opposition to neoliberalism in the Americas—while amidst crises and opposition to them Mexico has managed to steadily apply neoliberal reforms. In this context, a successful turn to the left at the regime level should not be understood in a normative sense. It is here understood as the process where a political movement makes it to the office and remains in power long enough to install a political regime which: (a) challenges private property and its underlying social structure (nationalizations and expropriations); (b) enables reformist redistributive policies, including progressive taxation structures; (c) implements state-led economic policies and controls and regulates private industry; (d) a combination of the above.\textsuperscript{13}

The results can be summed up as follows: In Venezuela the crisis was wider than in Mexico (which I have called a state-making crisis). Also, there was a harsh liberalization process that ended up contributing to the crisis, while in Mexico the liberalization was politically crafted. In third place, there was a military reform that became fertile ground for military men who despised the political order of the 4th Republic. Nothing similar happened in Mexico. Likewise, the reforms of the political system led to a fragmentation of political parties in Venezuela, whereas they led to a multi-party system in Mexico. In both cases, they favored the birth of regional leaders. Once in the office, Chavismo has spent in the social sector like no previous government, and has

\textsuperscript{13} An analysis of the relationships between this turning to the left, development, and democracy will be postponed until further aspects of the research are accomplished.
civilianized the military to their benefit. In brief: two different paths were taken after the reforms of the late 1970s, 1980s’, and 1990s, given two similar sets of initial conditions.

This work complements the assertions that regime change and state-making in Latin America are the result of levels of development, elite alignments, or of institutional configurations (the structural, elitist/voluntaristic, and path-dependent dominant approaches), with the one according to which populist mobilization comes to be determinant for regime change. In order to do that, the argument this study will develop is that: (1) An account of the successful development of populism in Venezuela has to provide an explanation on the unfolding of the Chavista movement—whose name stems from its main leader, Hugo Chávez. Its rise must be understood as a political process, where actors’ responses to early episodes of neoliberalism started shaping the structure of political opportunities for its development. Once in power, the turn to the left cannot be explained without providing an account of how this movement sorted out the episodes of contentious action coming from the opposition to the Chávez regime. In sum: the destiny of radical populism and anti-neoliberal policy in Venezuela seems to be inextricably tied to the Chavista movement. (2) The specific political contexts (Meyer & Minkoff 2004) under the new policy configuration of the free-market reforms set nodes in which actors opposing the structural-adjustment reforms magnified (Venezuela) or stabilized (Mexico) the impact of anti-neoliberal contentious politics (Silva 2009). (3) In Venezuela, the anti-neoliberal contentious politics took the form of populist mobilization—defined as the political mobilization that rejects elites while at the same time sacralizes and mobilizes the marginalized sectors of society. Through populist mobilization the Chavista movement has been progressively enacting a left-wing political project which main unifying logic has been “… a steady radicalization process” (Ellner 2008), where certain past positions have led
to others in the immediate future. In this way, the present work aims to contribute to the literature on state-making and regime change in Latin America (O’Donnell 1973; Linz & Stephan 1978; O’Donnell, Schmitter, & Whitehead 1986; Collier & Collier 2002[1991]; Paige 1997; Collier 1999; Collier 2000; Mahoney 2001a; Mahoney 2001b; Mainwaring & Hagopian 2005), by specifying the role that populist movements and mobilization have played in shaping divergent political paths. (4) The corollary of the thesis is that the Mexican political context did not open the way for populist mobilization beyond the electoral level and that its absence, along with other mechanisms, plays an explanatory role in the continuity of neoliberalism.

Overall, this dissertation did not aim to address why neoliberalism has succeeded in spite of national differences worldwide (Babb 2001), but the opposite: why it has failed in Venezuela, in spite of many other successful cases. Nor will this work attempt to explain why neoliberalism succeeds in certain common isomorphic economic structures such as the semi-peripheral world (Gates 2009). Nor seeks this strategy to explain why the turn to the left is an “anomaly” (Cova 2005)—although it seems to be so. These are all certainly important issues and have been widely addressed by the scholarly literature. This work will address the role of populist movements and mobilization as antineoliberal contentious politics, in regime change and the making of a left-wing, anti-neoliberal state. In synthesis: through a comparative and historical analysis the present work aims to provide an explanation, based on events, processes, and mechanisms, of how the successful turn to the anti-neoliberal left in Venezuela and the continuity of neoliberalism in Mexico, were possible. This we call a political-path analysis of the populist movement unfolding.
3. Re-doing Political Legacies: Mexico and Venezuela as study-cases\textsuperscript{14}

Regime change and state-making in Latin America up to the present cannot be divorced from the process of structural adjustment of the late 1980s and early 1990s. As a result of that process in combination with other factors, the political regimes of Venezuela and Mexico became two poles of the Latin American political spectrum during the 2000s and two suitable cases to compare. Certainly, after Chávez’s coming to power in Venezuela there have been a wave of left-wing politicians coming to the office in Latin America (Petkoff 2005) with different levels of success and of engagement in anti-neoliberal projects. But the rejection has been made in such a radical, sustained, and “successful” way mainly in Venezuela. This case is symptomatic of how after the end of the cold war the Latin American left, traditionally working-class and union-based, have turned towards, or has been made to fit to, grassroots, (pragmatic) social democratic, and especially populist mobilization (Panizza 2009:170-178). This is the opposite tendency to that one followed by Mexico where right-wing, pro-business and pro-neoliberal governments have reached the office consecutively.

On the one side, Venezuela experienced the first open rejection of neoliberalism in the subcontinent, for unlike voters in other Latin American countries “Venezuelan voters rejected neoliberal presidential candidates three times” (Ellner 2008:89) in a row, voting each time for an alternative candidate: Carlos Andrés Pérez in 1988, Rafael Caldera in 1993, and Chávez in 1998. This is noteworthy to the extent that neoliberal policies were overwhelmingly and successfully

\textsuperscript{14} Scholars have numbered some elements to justify the comparison between these two countries: “Mexico is similar to Venezuela in that it, too, had multiclass parties that incorporated both the laboring and the peasant classes into the formal political process and that dominated a relatively stable political system for several decades (…). Numerous scholars have invoked this similarity to justify the usefulness of comparing the politics of these two countries (…)” (Gates 2010:72-73).
championed all over the region (Petras 1999:113,124)\textsuperscript{15}. However, after winning national elections based on state-led developmental approaches to policy making and populist rhetoric (the traditional approach since 1958) the experienced politicians Pérez and Caldera turned to structural-adjustment policies. The aftermaths were critical in both cases. A member of the largest and most dominant party AD, Pérez had been President from 1973 to 1978 and impulsed a rather ambitious project of state-led heavy industrialization, “La Gran Venezuela” (\textit{The Great Venezuela}) which included the nationalization of the oil industry in 1976. He was elected again in 1988 and ironically the following year “launched one of the most ambitious liberalization reforms in Latin America” (Di John 2009:111), a series of neoliberal policies known as “El Gran Viraje” (“The Great Turnaround”). Among those policies stand out privatization, elimination of restrictions to foreign investment, and the liberalization of prices and of interest rates (Hausmann 1995:253). The measures were unwelcomed, particularly the increment of gasoline prices that were almost doubled. As early as February 1989 violent riots and plunders known as “El Caracazo” spread out, and hundreds (if not thousands) were killed by the military within a few days. In 1992 two committed (and failed) coups, one in February and one in November, practically ended the little stability and legitimacy left of the Pérez government. In 1993 he was finally impeached under charges of embezzlement and lastly removed from the office.

\textsuperscript{15} Petras (1999:125-137) shows that this post-electoral neoliberal turn has happened in other Latin American countries (Alan Garcia in Peru and Miguel de la Madrid in Mexico are a couple of examples). However, in no other Latin American country the rejection of neoliberalism has been as steady and successful as in Venezuela with the coming of Chávez to the office. It is in part the fact that Mexico (like other countries of the region) has experienced neoliberal-related crises after electoral triumphs of candidates with non-neoliberal offers what makes the question of what have stabilized neoliberal regimes in the subcontinent a complementary one to the question of what have made Venezuela’s turn to the left a successful one. That is to say: \textit{why they have taken different paths even though they had similar neoliberal-related junctures?}
Caldera, on the other hand, was the leading figure and founder of COPEI and like Pérez he had been previously in the office between 1969 and 1974. He won the national elections in 1993 with a different party (*Convergencia*) after abandoning COPEI. Like Pérez, he did it running on an anti-neoliberal campaign and like Pérez, by 1996 a new twist in policy orientation was given in this opportunity named the “Agenda Venezuela”—a renewed version of Pérez’s the “Great Turnaround”. Even though his government did not end as dramatically as the Pérez administration, his popularity registered a severe and steady decrease. Moreover, he freed Chávez (who was in prison, caught after the February 4th 1992 failed coup) in what sometimes have been thought as a desperate way of increasing his popular appeal. Chávez won the national elections in December 1998 and after 1999 has been steadily radicalizing the turn to the left. He certainly did not have a fully exposed anti-neoliberal platform by the moment he first came to the office, given that the more radical positions came to exist along his government. The Pérez and Caldera administration have at least two things in common: for one thing, they both ran and won on anti-neoliberal platforms; for another thing, both turned to neoliberalism which fostered a legacy of radical reactions. Therefore, the “successful unfolding of the radical populist mobilization” in Venezuela is best explained as a process that starts since the first rejection of neoliberal policies at the end of the 1980s.

Certainly, the turning point in the story of anti-neoliberalism in Venezuela was the 1998 national elections when Hugo Chávez won with over 56% of the votes. In spite of the fact that this national election was held after the regular five-year period of Caldera in the office, it was anything but part of politics as usual. On the contrary, it is widely recognized as a key turn in Venezuelan and,

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16 In fact, during the first couple of years of his government, he even visited business communities in the US trying to bring foreign investment to Venezuela.
somehow, in Latin American politics. There are several reasons for that. First of all, Chávez was a military man who had committed a coup against a government elected through constitutional means in 1992. This could have been “just” another coup in the region, but Venezuelan political history after 1958 was generally considered a model of democratic development, providing scholars the idea that there was some sort of “Venezuelan exceptionalism” in the Latin American context—e.g: during the second half of the Twentieth Century Venezuela’s politics has been exempted from the acute racial and class conflicts experienced in other Latin American countries (Ellner 2008). The two committed coups in 1992 became the beginning of a large stain in this neat tapestry, a stain demanding explanations. Most of them have been related to the closing the traditional party system, composed by the largely dominant Acción Democrática (AD, the Social-democratic party) and COPEI (the Social-Christian party), carried out against their constituency. Corruption scandals, the decline of the economy, and a situation of generalized exclusion set up the stage for a vigorous and polyvalent reception of the 1992 coups, particularly the one led by Chávez himself in February. On top of that, even more unusual, this military man reached the office 6 years later through electoral means. No wonder the figure of Chávez himself became a contested symbol of either an authoritarian caudillo or a paladin of democracy—a classical divide of populist leaders. Since then, during almost two decades Venezuela’s society and political public opinion has been mostly spinning around the name of Hugo Chávez and the political project he leaders. Supporters as well as oppositionists have formally and informally debate about the orientation of the state and the future of the nation always in terms of the continuity of the so-called Bolivarian Revolution and the rejection or embracement of neoliberalism (using this or other names) as the background stage.
Heated (anti-populist) mobilization against the Chávez regime characterizes the following period. After winning the April 1999 referendum, a National Constituent Assembly was created in order to surpass the Congress. 125 Chávez’s sympathizers out of a total of 131 members were elected for the Constituent Assembly. In November 2001, “… the government enacted a package of forty-nine special laws, which was designed to reverse the neoliberal trends of the 1990’s and which signaled a radicalization of the Chavista movement…” (Ellner, 2008:112). As the forty-nine laws were perceived as a signal that private property was for the first time threatened by a government since 1948 (López 2006:29; Ellner 2008:115), protest and manifestations were flooding the streets. The enacting of the laws was followed by the April 2002 coup—one of its main leaders and the provisional President during two days was the president of FEDECAMARAS (the Venezuelan Federation of Chambers of Commerce), Pedro Carmona.

Chávez’s government survived the coup for different reasons, but his coming back to the office was possible due to the division between oppositionists’ leaders and Carmona’s supporters, as much as by a large popular uprising claiming for Chávez to come back to the office which also triggered the reaction of some sectors in the army who finally brought Chávez back. In December 2002, a set of general strikes called by the CTV—the main trade union of the country—ended up in an “indefinite general strike” called by the leaders of FEDECAMARAS (Carlos Fernández), CTV (Carlos Ortega), and one leader of the group formed out of the recently PDVSA’s executives fired by Chávez during his weekly program Aló Presidente, Juan Fernández. The general strike’s main strength was precisely the control over PDVSA. The idea was to cut oil production and then oil revenues to the government, to force Chávez to resign. After two months, the strike vanished without any calling made to do it so. Radical, state-parallel social policies (“Social Missions”)
became a new *cote d'arms* for the government. After being reelected in 2006, the Chávez regime has been increasingly nationalizing companies and pushing for the creation of the United Socialist Party of Venezuela (PSUV), which should fuse all other left-wing parties in one *Chavista* party. Since 2005, the process has been labeled as *socialist*.

If Venezuela represents the most radical case of rejection to neoliberalism in the Latin American context, on the other side Mexico represents the opposite tendency of market-reform embracement. First of all, a new generation of US-trained economists (named as the *technocrats*) was brought to state positions during the 1980s and 1990s, an event which displaced the “political approach” to making appointments to positions. The displacement from the traditional view held by members of the long-time dominant PRI (*Partido Revolucionario Institucional*) have had on economics and politics, became the central issue around which disputes were sustained—especially within the party. López Portillo’s (1976-1982) appointment of Miguel de la Madrid as the ruling party’s official candidate for the presidency was a guarantee that technocratic leaders were going to dominate the political landscape for the years to come. Miguel de la Madrid, who had started a series of rather modest privatizations, in turn chose Carlos Salinas de Gortari\(^\text{17}\) (a Harvard-trained economist) as the following official candidate. During his government, between 1988 and 1994, market reforms continued and were deepened, and the NAFTA (the North American Free Trade Agreement) was undertaken (Edmonds-Poli & Shirk 2009:106). The Salinas administration dismantled the previous framework of state-led development and privatized some of the state largest and most representative industries (including the telephone, television, and airline

\(^{17}\) Given that a similar situation was experienced during the 2006 national elections, it is worth mentioning that Salinas’ election was a highly controversial one, where members of the opposition claimed that the PRI had committed fraud. See: Edmonds-Poli and Shirk 2009:105.
companies). Moreover, “The banking system that had been nationalized in 1982 was reprivatized, and the financial system liberalized; interest rates and deposits were no longer regulated by the government, and reserve requirements were eliminated” (Babb 2001:172). But in 1994 reactions to neoliberalism were strongly manifested starting on January first (when NAFTA went into effect), with the uprising of the Ejército Zapatista de Liberación Nacional (Zapatista National Liberation Army).

Amidst this unsolved crisis, and under the shadow of Salinas’ successor assassination, (Luis Donaldo Colosio), another technocrat and a rather unlikely candidate, Ernesto Zedillo, ruled between 1994 and 2000. Only eighteen days after his inauguration Zedillo, a Yale-trained economist, “was forced to devalue the peso in order to avoid economic collapse. As a result Mexicans who held their savings in the national currency lost nearly half of their savings at the same time that they saw their outstanding debt increase exponentially” (Edmonds-Poli & Shirk 2009:108). Cornered by the political events and the economic crisis, Zedillo carried out modifications on legislative procedures which eventually contributed to the victory of the center-right party (PAN) candidate, Vicente Fox, in 2000. Once in power, one of the main measures Fox took was the extension of the national value-added tax, openly perceived as affecting the poor. In 2006, amidst a heated atmosphere due to accusations of electoral fraud, another PAN’s candidate—Felipe Calderón—came to the office running on a free-market platform. In Mexico, then, there has been pro-neoliberal governments uninterruptedly making it to the office and succeeding in implementing market reforms, even though severe conflicts over social justice and the impartiality of the institutions, high crime rates, and strong anti-neoliberal mobilization, have not been absent of its political landscape. In fact, as Babb points out, “Mexico’s move to free markets cannot be
associated with the agenda of a particular political leader nor even with a particular political party. Rather, neoliberalism in Mexico has become the new policy paradigm, a set of taken-for-granted assumptions that all serious contenders for power must take into account” (Babb 2001:182-183).

Given their initial similarities in political trajectories, and their widely acknowledged low-levels of institutional development, these acute contrasting political paths after the implementation of free-market reforms and closely bonded to them, makes the Venezuelan and the Mexican relevant cases of anti-neoliberal turn, and of an aligned stance to the neoliberal creed—respectively. The comparison between these two cases with similar starting points and critical junctures, but with different outcomes, provides insights on the necessary, sufficient, necessary-and-sufficient, sufficient in a larger combination, and the sufficient-but-unnecessary (part of a factor that is insufficient but necessary) (Mahoney, Kimball & Koivu 2009) causal mechanisms of populist state-making process. In the next section alternative models of explanation are presented.

4. From Regime Change to State-Making

A political regime is the set of rules and political allocations through which incumbents exercise state-power on a bounded constituency (Kitschelt 1992:1028). Those rules include not only “… the method of selection of the government, forms of representation, and patterns of repression” (Karl 1997:14), but also methods to organizing economic and private activities. The literature on regime change in Latin America has been primarily concern with the passages to and from democracy and dictatorship (Hagopian 1999). There are historical reasons for this, namely the existence of dramatic passages from democracies to dictatorships during the early-to-mid 1960s, and from dictatorships to democracies during the early-to-mid 1970s. The main phenomenon in
need of understanding was the so-called “third wave of democratization”—in Huntington’s words. Consequently the theme of democratization caught the attention of scholars working on regime change, constituting the bulk of the literature through the 1970s, 1980s, and even the 1990s. Studies of the Latin American transitions were no exception. This literature evolved from the pathbreaking works of Guillermo O’Donnell (1973) Modernization and Bureaucratic Authoritarianism and of Linz & Stephan (1978) The Breakdown of Democratic Regimes. Working under structuralist premises, such as economic development and class conflict, O’Donnell’s main thesis was that the exhaustion of the Import-Substitution Industrialization model “easy stage” triggered an economic crisis which was understood by political actors as insurmountable under democratic rule. These political elites thus concluded that, as the “incorporating regimes” (Argentina and Brazil in the 1960s) were incapable of moving forward to the “hard stage” of the ISI, democracy became an obstacle to development. An “exclusionary bureaucratic regime” would be capable of doing what democracies could not.

Linz & Stephan (1978), on the other hand, saw rulers’ and elites’ inability to handle severe difficulties at the center of regime change. When this happens, other actors stop recognizing them as legitimate and breakdown democratic rule. Some conditions facilitate this process, such as a presidential system, a fragmented party system, and the exclusion of previous non-democratic leaders. Subsequent collective volumes edited by O’Donnell, Schmitter & Whitehead (1986) on Transitions from Authoritarian Regimes emphasized a slightly different set of explanatory mechanisms from those of O’Donnell’s pathbreaking work, setting a more uniform pattern of analysis with those of Linz and Stephan: authors now come to coincide on seeing mainly elite
decision-making (not necessarily led by material interests) as the variables explaining regime change (Bermeo 1990:360).

According to Mahoney & Snyder (1999) the first group or generation of works on regime change had a structuralist focus, while the second had a more voluntaristic one. These remarkable works identify factors that may facilitate regime change, but they “do not consider the processes that actually bring it about and therefore cannot fully explain its causes” (Gasiorowski 1995:883). In any case, and as the consequences of the application of free-market reforms in Latin America have been less than clear or univocal, adopting a process-oriented view provides us with a more adequate perspective on the causal mechanisms explaining diverging political paths out of similar initial conditions and after the implementation of neoliberalism as a critical juncture. This third option, a process-oriented perspective has been undertaken by scholars working from path-dependent premises, or “structured contingency” models (Mahoney 2001b).

First and foremost, Collier and Collier’s (2002[1991]) groundbreaking work Shaping the Political Arena (summarized above for the Venezuelan and Mexican cases) analyzes the role of labor movements in the constitution of Latin American states during the 20th century, where party-systems is the key intervening variable, stopping the analysis right before the neoliberal turn. Ruth Berin Collier’s (1999) Paths Toward Democracy somehow continues this line. It attempts to explain the differential role that labor movements had on transitions to democracy in Latin America in different historical contexts highlighting the importance of timing for democratization.
Two other studies rely on path-dependence models and explain regime change as a result of early liberalization periods. The first, Paige’s (1997) *Coffee and Power*, analyzes how three Central American countries ended up having different political regimes during the 1980s—a military dictatorship in El Salvador, a democracy in Costa Rica, and a revolutionary socialist state in Nicaragua—given that they started from similar initial conditions. Paige’s explanatory factors are the relationships between producer and nonproducers (class relationships), and the relationships between two class fractions of the coffee elite—the agrarian and the agroindustrial. The different outcomes are a result of the end of labor-repressive agriculture, leftist insurgency, and of the US influence. The second is Mahoney’s (2001a) *The Legacies of Liberalism* and shows the effect of different types of liberal policies on political paths. The *radical policy* implementation (El Salvador and Guatemala) triggered authoritarian regimes which repressed popular movements. *Aborted radical policy* (Nicaragua and Honduras) generated foreign intervention on the economy and the existence of weak national elites who relied on patron-client networks to retain control of the state, which in turn triggered popular mobilization and insurrection was born out of the repression of that mobilization. *Reformist liberal policies* were at the base of the Costa Rican democracy.

Summing up: the leading literature on regime change and state-making in Latin America has studied political trajectories in relationship to stages of economic development (O’Donnell 1973); elites capacities to manage crises (Linz & Stephan 1978) and elites dynamics more generally (O’Donnell, Schmitter, & Whitehead 1986); agrarian class structure (Paige 1997; Mahoney 2001a); others have defined the role of labor movements for the political arena (Collier & Collier 2002) and democratization (Collier 1999); the dynamics between the agrarian class structure and
liberal states in Central America (Mahoney 2001a); and the state as the main actor shaping path-dependent configurations through types of liberal policies implemented (Mahoney 2001a; Mahoney 2001b). To explain changes in policy-orientation (left-wing or neoliberal, in this case) they would focus on: (a) how the national economy is doing and/or how elites would response to that factor according to their own interests and/or ideologies; (b) how workers and/or non-producers mobilize, explaining outcomes in tandem with a long-ago shaped institutional configuration; or (c) they would use the implementation of policies as the key explanatory factor. The issue the previous studies on state-making in Latin America have not comparatively considered is how the dynamics around the implementation of neoliberalizing policies shapes and are in turned shaped by episodes of populist contentious politics. Specifically, how a populist movement (Venezuela) ends up establishing a new state-making process and triggering a new anti-populist mobilization. Thus, this work aims to contributing to the literature of regime-change and state-making through the comparative analysis of the populist mobilization and the non-, anti-populist contentious politics resulting out of them.

This approach is coherent with theoretical developments on the state which point out that state-making does not end once stately institutions emerge, for states are realms or arenas of contentious relationships along its boundaries where actors competing for positions re-work social and economic conflicts (Bright & Harding 1984:4). As we will see, from a bottom-up perspective this is what populist movements and mobilizations aim regarding elites. On the other hand, as Steinmetz (1999) notices, normally in social sciences activities that follow the original era of state formation are considered to be ‘policymaking’. But, “It is more accurate to say that policies that affect the very structure of the state are part of the ongoing process of state-formation” (Steinmetz
from the viewpoint of incumbents. State-making is, thus, an ongoing process that does not finish after state-formation processes ended, say, when nation-states were formed—or as the Venezuelan case seems to point out, nor when hegemonic pacts or political stability are reached. Quite the contrary, party and electoral politics, policy-making and implementation, contentious politics, disputes about collective representations of power (definitions of the community, the subject of power, the nation, the people), and so forth, are mechanisms through which incumbents, elites, and popular groups contest and continuously re-shape the state (Bright & Harding 1984:5) as well as the very state/society divide (Mitchell 1999). Under these lights, the turn to the left in Venezuela and the continuity of neoliberalism in Mexico appear as two overtly opposed state-making processes in Latin America coming out of the structure-changing policies (critical juncture) of free market reforms of the late 1980s, and the contentious dynamics they triggered. As a consequence, radical populist contentious politics is a relevant site to look at when explaining political paths in Latin America.

Finally, we will speak of state-making processes and not of regime change because: (i) it seems to better reflect the emphasis on the processual and “cumulative” nature of the explanation; (ii) we will address two ways of constructing the state/society relationships based on policies (left-wing/neoliberal) rather than the traditional dichotomy of democracy-dictatorship (or authoritarianism). There are two reasons for that. Even though there are studies that consistently show “democratic deterioration in Venezuela”, it is usually contrasted to liberal-democratic models (representative democracies) while defenders of the Chávez regime argue that it is a different type of democracy—a participative democracy. Yet, entering this debate is not my objective.
5. Research Design and Structure of the Work

Explaining *successful populist mobilization* in Venezuela demands not only a *within-case* analysis. It also demands a *cross-case* general comparison. As stated by Ragin, the case-study research should ideally include negative and/or non-conforming cases (where the outcome did not occur), that shows divergence respect to the identified causal patterns in the positive case (Ragin 2004:135-136). Working on the positive case (Venezuela) paves the way for an account of the rise and development of the populist movement and mobilization; working on the negative case (Mexico) helps to understand how the *absence* of certain conditions or causal mechanism contribute to our explanation.

As for the research technique, the work adhered to the procedure of process-tracing (George & Bennet 2005), which relies on *historical narrative* (Griffin 1993) to trace the interaction between agency and structure (Mahoney & Snyder 1999:17) at the theoretical level, while at the empirical level its objective is to identify the link between possible causal mechanisms and observed outcomes. This contingency-based analytical strategy avoids methodological indetermination by focusing on what elements “facilitated” or “constrained” the trajectory of the Chavista movement until the present—the thread of our historical narrative and what determines “adequate causation”. This work realizes, in sum, a *political-path analysis* of the movement’s trajectory. I did that in the following stages.

In **Chapter 1, Elements for a Political Sociology of Latin American Populism**, I discuss some working hypothesis on Latin American populism, first of all that populism can be seen as a cultural phenomenon that hinges on an edge of the modern moral order and which can eventually evolve...
into a political movement. Another hypothesis is that political populism is best considered as part of contentious politics, given that populist leaders and movements strive against governments and other political movements and parties “on behalf of the people”. The third working hypothesis is that the sole discursive view on populism fails to account for distinctive and relevant mechanisms explaining it success, which together form a “structure of political opportunities”. Finally, the fourth working hypothesis expresses a somehow eclectic view, for it states that three types of factors are interrelated when explaining populism: cultural or interpretative, related to the movement organization, and related to the larger socio-political context. The chapter concludes identifying the main mechanisms highlighted by seven theoretical models explaining populism, and then proposing an ideal sequence of the unfolding of a populist movement.

In Chapter 2, A Critical Juncture: Free-Market Reforms (FMRs) in Mexico (1988-94) and Venezuela (1989-94), we get into historical matter. I describe the common critical juncture from which our study cases began their divergent paths. The results show that two alternative technocratic politics were set in place in Mexico and in Venezuela. I call them respectively pragmatic and purist. Mobilization against FMRs remained local in scope in Mexico while it was wide and large in Venezuela. The reason for this difference was that Venezuela underwent a state-making crisis—an abrupt process of unrest and of contesting the state foundations (valid strategies to access resources, the developmental model it promotes, and the acceptance of the legitimate mechanisms and groups with capacity to access it). This view challenges two types of arguments: regarding the origins of the Chavista movement in Venezuela, it challenges the argument that it was born as a response to neoliberalism; on the other hand, it rejects the view of FMRs that
considered them as a worldwide tidal wave that affected or transformed virtually every country and policy.

**In Chapter 3** I present *Radical Politics, Military Reforms, and Coups in Venezuela: The Genealogy of Chavismo 1971-1992*. This chapter explores the second dimension of the state-making crisis, the military crisis, which makes me take a deeper view on the origins of Chavismo. Now not only it’s confirmed that its origin was unrelated to FMRs, but I also found that the key mechanism behind the left-wing, populist coups, was a *differentiating military reform*, transforming the Military School into a Military Academy (the *Plan Andres Bello*), and fetching a generation of cadets with populist and egalitarian ideals. I conclude the chapter explaining that for these and other reasons —party and electoral politics, ideology and the international context—, the Bolivarian revolution was different from the Cuban revolution. These different initial points will contribute to explain why the Bolivarian Revolution has always needed populist mobilization.

**Chapter 4, State-making Crisis, Economic Presidentialism, and the Reforms of the 1990s—or how did Chávez get to the Office**, is the largest of the dissertation. It tackles the issue of the other dimensions of the state-making crisis, showing how it created opportunities for newcomers to get to power. I present the core of the rich literature addressing the Venezuelan crisis, and I put them together in a simplified causal model. As a result, I find that some sort of *economic presidentialism* (the highly autonomous control of the executive over a state-controlled economy) is at the root of the political and economic crises. In the second part of the chapter I explain why if elites took specific measures to counteract the crisis they could do it, paving the way for radical populism to succeed in the 1998 general elections.
Contestation and State-making in Venezuela during the Era of Chavismo (1999-2012), Chapter 5, starts with the triumph of Chávez and his movement in the 1998 general elections and deals with the question of how Chávez and his movement managed to remain in power despite strong and diverse opposition. It confirms what other studies have found out, say, that one mechanism explaining the permanence of the Bolivarian Movement in the office is social public expenditure, but adds to that another explanatory factor: the civilianizing and centralizing the military under the executive (which I call, in lack of a better name, populist praetorianism).

Chapter 6, entitled The Populist Mobilization of the Public Opinion under Chávez: A Regressive Movement, addresses the discourse of Chávez and its link to the following. Chávez’s direct appeal to people was a noticeable feature of his government and I could not let it out of the discussion. The relevance of the chapter is it shows how Chávez made himself appear as a unique and irreplaceable leader whose presence would guarantee the sort of massive public spending described in the previous chapter. The role of discourse is thus to offer a meaning to the public of the political structure set in place, which is all the most relevant in this context of permanent plebiscitarian mobilization. The key mechanism at work is cultural regression —towards a communitarian 19th-early 20th century, cultural structure—in which elites are, of course, the enemies of the people.

Chapter 7 explores The Mexican Case. In this chapter I compared specifically the mechanisms identified in the Venezuelan case to the Mexican case. In doing this comparison, I address three other things besides the determinant effects of political reforms, say, the role of populist rhetoric,
the absence of the military in the public sphere, and the failure to reach power of the party most akin to the MVR in Venezuela—the PRD (Party of the Democratic Revolution).

Finally, in the *Conclusions, Chapter 8*, additionally to a summary of the findings of the dissertation, I briefly present the case of Cárdenas (also in Mexico) as another positive instance of a populist movement. It allows me to reach more robust conclusions on my main study-case, Chávez and the Bolivarian Revolution in Venezuela, while establishing an hypothetical pattern of the three types of mechanisms explaining the success of populist movements, that is to say, *Background Conditions, Secondary Mechanisms, and Insufficient but Necessary Mechanisms.*
I. Elements for a Political Sociology of Latin American Populism

1. Working Hypotheses on Populism

In spite of being one of the most representative left-wing regimes in the region, the central qualification that drives the political movement and the Chávez Regime in Venezuela, which defines its historical signification is its populist undertaking and appeal (Cammack 2000; Seligson 2007; Hawkins 2010a; López & Panzarelli 2011). Political populism has been declared dead more than once (Drake 1982:190; Knight 1998:223). In the 60s it was considered a reformist platform (DiTella 1965:74). In the early 70s, a multiclass and multi-ideological movement (Germani 1978:88). While in the early 80s it was re-born as synonym of socialism (Conniff 1982:5). Yet in the early 1990’s neopopulism was identified with a conservative stance, renewed by neoliberalism (Weyland 1996) and by the role mass media played for it (Weyland 2001:16). Finally, at the beginning of the new century it has become a synonym of radicalism. As an exemplar of the last, the Chávez regime in Venezuela relies heavily on state intervention to reach its goal of transforming the social structure which has growth unequal during the last decades. Since its coming to the office in 1999, it has changed the institutional context from a liberal or semi-liberal democracy into a plebiscitarian electoral system, a system that requires a permanent electoral mobilization. For this reason the Chávez regime is based on populist mobilization, where supposedly politically unorganized masses are mobilized by a personal relationship with a leader (Roberts 2006:129-130; Brewer-Carias 2010:25). It is characterized as an “extreme personalization of politics” (de la Torre, 2007:388), which nonetheless has also incorporated those masses into the political arena. Instead of having a clear-cut working-class constituency the Chávez regime rules based on a coalition of popular sectors (Roberts 2003:55)—mainly urban poor, workers, peasantry, small business owners, and military men—and all of this upon an anti-
elite orientation, raised from a sense of “aggrieved peoplehood”. My task in this work is to show how this sense of aggrievement develops, how it becomes lined to a political movement and to a charismatic leader, and what happens to it once the movement takes control of the state.

Scholars argue from different angles about the causes of this phenomenon—from the deterioration of the economic system and the demise of the political parties, to the emergence of charismatic leaders during times of crisis. In order to explain its political success, in this chapter I lay the main working hypotheses of the present work. I will rely on them to engage the dominant literature on Latin American populism, highlighting their usefulness and limitations for my current purposes. The outcome of the chapter will be an “ideal sequence” of the unfolding of a populist movement, which provides the elements to look at when identifying the mechanisms composing the structure of political opportunities of the successful populist mobilization in Venezuela as compared to the opposite in Mexico. My goal is to contribute to historical-comparative studies on populism which are rather absent: “Indeed, no scholar has yet undertaken a systematic comparative-analysis of major populist cases—Latin American or otherwise—while there have been many such studies of revolution (Foran 2005; Goodwin 2001; Skocpol 1979), state formation (Anderson 1974; Gorski 2003; Mann 1993; Tilly 1990), democracy (Moore 1966; Rueschemayer et al. 1992), and the welfare state (Esping-Anderson 1990; Hicks 1999; Huber and Stephens 2001)” (Jansen 2011:77).

The departing hypothesis here is that it is useful to consider populism first of all as a cultural phenomenon which can eventually evolve into a political movement. This cultural phenomenon hinges on one edge of the modern moral order—as defined by Charles Taylor below (section 2). Second, in spite of some important differences between social movements and populist movements
and mobilization, the last can be understood as part of *contentious politics* as well (section 3). Nevertheless, the sole discursive vision of populism does not unveil the entire picture. It is a kind of cultural device, or a discourse, that fires up political mobilization and state control under political conditions. This does not mean that populism is to be considered as an epiphenomenal aspect of the political, but that a “populist sight” (so to speak) is clearer for some people in some contexts than in others, so that identifying the process of “meaning crafting” is part of the objective of this research. The emphasis in this work goes to the idea that populism is successful (a populist movement manages to include previously excluded sectors of society into the field of power and yet remain in the office) due to a certain combination of mechanisms set up in certain sequence which will be defined as *the structure of political opportunities* (section 4) Finally, the fourth working hypothesis is that the success of populist mobilization depends on factors of three different natures: cultural or interpretative, related to the movement organization, and related to the larger socio-political context. These three set of factors are not mutually exclusive but complementary—I argue—because they play different roles at different moments of the populist mobilization’s unfolding—which helps to explain some mismatches in the literature on the topic.

In trying to develop an historical-comparative approach to the phenomenon of political populism in Venezuela, the perspective I have assumed rests on four overlapping literatures: political sociology, social movements, cultural sociology, and Latin American populism. The articulation of these working hypothesis and the four research areas points towards a more integrated *political sociology of Latin American populism*.

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It does not mean either that populism is to be evaluated as an opportunistic discourse, one that comes handy when times are hard, or when politicians need votes. It might well be it for political actors and incumbents, but from the viewpoint of the research’s pragmatics that is secondary when explaining outcomes.
2. Populism and the Modern Moral Order

*Populism* has become ingrained in an innumerable set of topics, objects and practices, for which reason it has become a common place in the scholarly literature that its definition is anything but self-evident or univocal—specially so in the political sphere (Canovan 1981:3-4, 140; Lowy 1989:4; Canovan 1996:646; Taggart 2000:10; Weyland 2001:7; Mudde 2004:543; Laclau 2005:3,5-16; Scruton 2007:537; Berezin 2009:26; Hernández & Hurtado 2010:8). Before the quite diverse polysemy of the term *populism* there are at least two strategies. One is to try to add a new definition, aiming to those weak points in the concept. But unless we have a radically new perspective on the topic, it could mainly contribute to its already diverse condition. There is a second strategy, which sees this diversity as a symptom of the phenomenon. This is Laclau’s (2005) strategy when he concludes that “populism has no referential unity because it is ascribed not to a delimitable phenomenon but to a social logic whose effects cut across many phenomena. Populism is, quite simply, a way of constructing the political” (2005:xii). In this case, populism is first regarded in the political sphere as an “empty (or floating) signifier” for which anything might fit it and then it is made ostensible to other spheres. In turn, nevertheless, Laclau’s definition of populism simultaneously as a “floating signifier” and as a “way of constructing the political” may be seem as a symptom that *populism* designates something else instead: we could just step back and see populism as an edge of the modern moral order—described by Taylor (2004). If we consider the *nation-state* as “the institutional location of a relation between a polity and a people” (Berezin 2009:6), from there populism might eventually become a particular hinge in that relationship, one of recognition through not-institutional means.
The idea here is that the ‘thing’ populism represents is actually pre-political and its historical individuality lies upon the conception of “… a language of inheritance. It grows from a sense of aggrieved ‘peoplehood’, as distinct from personhood. It emerges from the conviction that an elite has dishonored a historically, culturally, or geographically constituted people, its memories, origins, common territory, ways of life. Thus there is a certain class feeling in populism—the belief that common people are mistreated by the powerful” (Boyte 1986:8; also Mény & Surel 2002).

Of course, the political is paramount to populism but it doesn’t exhaust its historical signification as a narrative that vindicates the People against elites applicable to virtually any sphere of the social world. This is how it might and have in fact existed outside of democratic political systems as well.

On the one hand, populism has become a wide notion because participates in a rather vast set of cultural devices (movies, books, TV shows), persons (particularly professional politicians, but also leaders more generally), processes (speeches, styles), state policies (Keynesianism and state intervention more generally), and so on. The relevance of political populism seems to have in turn helped to spread its basic image or narrative to other spheres and practices. For instance, there is a new “digital” populism and online “populists” (Barlett et al 2011), a “religious” populism (Yates 2007), an “industrial” populism (Stiegler 2012), a “penal” populism (Dzur 2010), a “postmodern” populism (1997 Axford & Huggins), a populist “militarism” (Rupert 2013), and of course a “cultural” populism as such (Gibson 2000). There is populism in architecture (2011 Lootsma; Van Den Heuvel & Kaminer 2011), in literature (Pavlychko 1966), in public art (Knight 2008), and in

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19 In the rest of the present work I will stick to Boyte’s definition of populism because it encompasses or allows for including left-right wing populism, as well as political and cultural approaches to it. Its variations need to be explained by specific historical contexts.
medicine (Palmer 2003). The Nordic Institute for Contemporary Art — located in Helsinki and closed down in 2006 — used to edit a tabloid called The Populist. There is “corporate” populism as well (Brenson 2002). There is “right-wing populism” (Berezin 2009) and “Marxist populism” (2007 Moravcsik). Political parties can be of among six types of populism: ethnic, civic, pragmatic, collectivist, particularistic, and abstract-romantic (2004 De Raadt, Hollanders & Krouwel).

Based on his revision of the historical cases of the American, Russian, and Third-World populism, Worsley concludes: “… populism is better regarded as an emphasis, a dimension of political culture in general, not simply as a particular kind of overall ideological system or type of organization” (Worsley 1969:245). Yet, given its inherent ties to the notion of the people, it is a more historically specific kind of narrative, one where the people is the subject. In this sense, Taylor’s view on the modern moral order rises out of the idea of popular sovereignty, as a “hermeneutic of legitimation” born in Natural Law theory. It goes beyond social norms because it identifies certain prescriptive images of the community “both right (…) and realizable. In other words, the image of order carries a definition not only of what is right, but of the context in which it makes sense to strive for and hope to realize the right (at least partially)” (Taylor 2002:8-9). In this sense, social hierarchies are justifiable only instrumentally, that is to say, as a result of the contingent and transient services that individuals provide to each other. For which reason they are not intrinsically valid, reasonable, or unquestionable, but the case might in fact be the opposite. Thus, when a situation is interpreted by the actors as an “unfair” result coming from the “betrayed

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20 Taylor also includes in this modern moral order the “great disembedding” of individuals (secularization and individualization), the growth of an “objective” economic order, the public sphere and of the very public/private dichotomy.
promises” of modern equality (economic or social crises), or when inequality becomes unjustified (legitimation crisis), the reference to “the people” becomes a mobilizing force.

As a consequence, populism is *deeply rooted* because the notion draws directly from one of the most precious values of the modern culture, one of the most important single ideas of political modernity, say: that *the people* must rule themselves, that common people are entitled to create and to guide their own lives. Even the idea of popular culture(s) as a counter-hegemonic site developed by *Latinoamericanistas* authors (such as Martín-Barbero 1993) more or less implicitly draws from this moral order. Having its roots in the term *people*, is has had a twofold meaning related to this last. On the one hand, during the 18th century “the people” was regarded as the plebs, irrational, ignorant, resentful, lower classes, a risk to the civilized order. On the other, “the people” became the holder of sovereignty, the root of citizenship, men of good standing, holders of equal political rights (Houwen 2011:8-9). Originally, the word *populism* was used to refer to the American People’s Party. In a 1892 conference of Democratic and People’s Party leaders, judge Rightmire complained about the difficulties of referring in every-day life conversation to the “People’s Party”, so he asked one of the democratic leaders, Overmayer, to create a nickname instead. He did it, and the term “populist” was the outcome. Shortly after, as a result of an alliance with a Democratic candidate known as a demagogue, opponents were using the term pejoratively (Hicks 1931:238-23, quote by Houwen 2011). Thus, from the very beginning up until the present it has always expressed a dilemmatic nature rifted between true/false democracy and democrats, a narrative with a foot in-and-out of both democracy and the political system more generally.
In conclusion: if the scope of populism is heuristically broadened and deepened as I propose here, the vision of populism as an edge of the modern moral order provides epistemic background to understand some continues mismatches in the scholarly discussion on populism. On the one side, because they can thus be regarded as different ways to describe and explain actors deploying an overarching, generalized, and deeply rooted narrative. On the other side, because it allows us to see those mismatches as a result of addressing different moments in the unfolding of populist mobilization (I shall be back to this in section 4). From now on, I focus on political populism. Next I develop the concepts to understand populist mobilization, from the viewpoint of the literature on social movements.

3. Populist Mobilization as Contentious Politics

Populist movements and mobilization are a political phenomenon that can be understood as part of the wider wave of movements the Western world witnessed from the onset of the Eighteenth Century democratic revolutions, when ordinary people’s challenges to authority became “open, collective, sustained” (Markoff 1996:23). In fact, its main antecedents are found in the 19th century movements such as the Farmers’ Alliance in the US and the Narodniki in Russia. Remarkably, however, this kind of movements has hardly ever been addressed in the social movements literature, or in the literature on contentious politics for that matter. A couple of important examples of how they have been ignored are the classic works by Piven & Cloward (1979); Kitschelt (1986); Seidman (1994); McAdam (1999); McAdam, McCarthy, & Zald (1996); McAdam, Tarrow, & Tilly (2001) and the anthological volumes by Meyer, Whitter & Robenett (2002) and by McAdam & Snow (2010). Moreover, in Tilly’s history of social movements the words populist and populism are literally absent (Tilly & Wood 2009) and the American populist
movement is not mentioned in the catalogue of 19th Century US social movements—for which he cites Gamson’s (1990) The Strategy of Social Protest (a work considered by some “as the most ambitious and most systematic effort yet to analyze the impact of social movements”, Giugni 1999:xvi)21.

Certainly, there are conceptual reasons for this absence. Social movements are commonly defined through extra-institutional forms of contentious politics that only very precariously overlap with institutional ones (Goldstone 2003:1). They are considered as a form of collective action were ordinary people participates in public politics, defined through “noninstitutional forms of political participation” (McAdam 1999:25; McAdam & Snow 2010:1). A key component is then that they are part of contentious politics which “… might always be defined as concerted social action that has the goal of overcoming deeply rooted structural disadvantage” (McAdam & Sewell 2001:55). Defined as contentious politics of excluded groups which aim to overcome inequality (or to resist change), populist movements and mobilization perfectly concord social movements in general. Populist movements, unlike the usually accepted notion of social movements, aim not only to make rulers, incumbents, or governments responsive to people’s demands: they aim to control the social institutions of power—namely, the State. That is why the means to pursue the objective are more problematic, for if social movements employ only (or largely) extra-institutional means and, as long as populist movements rely on party politics as well, the possible affinities between them vanish.

21 The only exception is Schwartz’s (1976) Radical Protest and Social Structure. For two other partial exceptions see: Diani’s (1996) study on regional populism in Italy and Redding’s (1992) Movement-Party Disjuncture in North Carolina, 1890-1900.
The foremost difference between social and populist movements is then that the last do not remain in the non-institutionalized domain of politics (Schedler 1996). Yet, they cannot be analyzed as just any other political party without ignoring their inherent contentious nature. It can be said that they point out to a grey zone: they are developed in the interstitial space between institutionalized and non-institutionalized politics described by McAdam, Tarrow, & Tilly (2001) and by Goldstone (2003). This problematization that populist mobilization brings about, takes us briefly to the discussion on different types of political movements. McAdam & Snow (2010) synthetizes previous attempts by Smelser (1962), Wallis (1984), and Aberle (1966) at classifying social movements according to the locus of change (individual or social structure) and the amount of change aimed (partial or total). However, there may be variations according to at least three other dimensions: first, the number of issues they mobilized around (single or multiple\textsuperscript{22}); second and relatedly, the alliances between movements or class fractions mobilized simultaneously. Third, the scope of the claims for which they mobilize. In adding those dimensions we find a niche for populist movements and mobilization: these are inherently multi-issue, composed by multiple class-fractions or groups, and of national scope, aiming to change the social structure with variations about the amount of change.

I. Populist mobilization\textsuperscript{23} is hereby understood as the political mobilization of cross-class alliances (formal or informal) of popular and even marginalized sectors (workers, peasants, urban poor, small and middle businessmen, workers of the so-called informal economy, the lumpen, and so on) to which other class fractions and groups eventually adheres—and for which

\textsuperscript{22} I thank Professor Kirk Hawkins for advising me on this important issue in personal communication.

\textsuperscript{23} I derive these concepts based on the following works: DiTella (1965), Schwartz (2002), Collier & Collier (2002), Tilly (2006), Hawkins (2010), and Jansen (2011). The present definition should not be seen as a way of overcoming other definitions, nor as the right or definite definition of populist movements and mobilization. They are useful to approach the concerns of this work.
reason it does not revolve around any single of their agendas, nor can its power dynamics be reduced to any of them either (DiTella 1965:47). It is “any sustained, large-scale political project that mobilizes ordinarily marginalized social sectors into publicly visible and contentious political action, while articulating an anti-elite, nationalist rhetoric that valorizes ordinary people” (Jansen 2011:82). Populist mobilization can be: (a) symbolic when is pre-political; (b) electoral (commonly referred as populism as such) which requires symbolic mobilization; and/or, (c) properly political (which might include a and b), when agents of those non-elite sectors manage to directly intervene and shape the field of political power, or what Mann calls the infrastructural power of the state: “the capacity of the state actually to penetrate civil society” (Mann 1986: 113). Like social movements, they thus constitute a mediation between citizens and the state (Jenkins 1995:17; Oxhorn 1998: 222), including often times clientelistic methods. For this reason and quite like social movements, populist movements rely on the figure of public meetings, but differ from them in the role of community and the individual: while social movements require an agent who deliberatively associates to others in pursuing interests (Tilly 1984), populist movements require “community of beliefs” among the following—which imply quite different conceptions of agency.

II. Populist mobilization’s ultimate feature is its communitaristic culture or rhetorical structure (Alexander 2003). Its rhetoric has been more concretely described as: “… a set of fundamental beliefs about the nature of the political world —a worldview or, …, a ‘discourse’— that perceives history as a Manichean struggle between Good and Evil, one in which the side of the Good is ‘the will of the people’, or the natural, common interest of the citizens once they are allowed to form their own opinions, while the side of Evil is a conspiring elite that has subverted this will” (Hawkins 2010a:5; also Mudde 2004:543). Populist movements aim to eventually (re)define the
symbolic boundaries of the *people* and of the *nation*—as long as “the people” and their “enemies” are discursive rather than sociological categories, and thus modes of identification available to diverse political actors (Panizza 2005:4,8).

Consequently, **populist rhetoric or cultural structure** enacts the paradigm equality/inequality, and in pursuing certain conceptions of equality (mainly popular classes or groups vs. elites) populist movements become part of contentious politics. Hence they are also inherently a *movement-culture*, which works quite like Anderson’s “imagined community” of the nation (Mudde 2004:546). As a consequence, populist rhetoric reaches width, cross-class audiences, and yet finds resonance regardless of sociological groups the audiences might belong to. In this context, Jansen’s (2011) distinction between *populist rhetoric* and *mobilization* makes full sense, for we find populist rhetoric all across society, in diverse manifestations of popular culture, and frequently in politicians’ speeches pretty much anywhere. But only when *populist rhetoric* is part of *populist movements and mobilization* as above defined, it takes the meaning considered here²⁴.

**III.** Populist movements aim to reconfigure the structure of the nation-state (Laclau 2005:182) and in this sense they are *movements of national scope*. Therefore, their objectives are broader than any other type of movement (except for communist, fascist, and ideological movements), although

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²⁴ Jensen, on the other hand, conceives populism exclusively as a practice (populist mobilization) and not as a movement, regime, or rhetoric. As he shows, this is especially helpful to avoiding the issue of particular stages or policies sometimes employed in general definitions of populism. Nevertheless, while this work subscribes most of Jansen’s view, in order to pursue our research goals populism cannot be defined exclusively as *mobilization* because it also requires a *movement*. Ignoring this fact impedes addressing the key issue of: when a *populist political project* is in fact executed, (re)shaping the political field, and not only proposed or declared for electoral purposes. In a sense, this points to a difference between populism as *plain demagoguery* and populism as a *political project*. Otherwise we cannot explain why Mexico and Venezuela, for instance, have both had populist mobilization through populist rhetoric, including populist presidents, but only in the last it has been shaping the political field for over a decade—unlike the former.
certainly they are not universalistic in their aspirations—as long as some concrete actors are represented as “the people” (the actor of “the nation”) and others as their “enemies”. Like communist movements, populists are party-movements and statist, whose focus is on state control and/transformation. They differ from them first and foremost, because while the first they see power of the masses as unavoidable coming from their role in the structure of production, populist movements are un-economically mobilized. That is to say: for populist movements and mobilization power emanates above all from a moral prominence of the excluded sectors—and precisely because they are excluded. Fascist movements are defined through “…the pursuit of a transcendent and cleansing nation-statism through paramilitarism. This definition contains five key terms requiring further explanation” (Mann 2004:13), namely: nationalism, statism, cleaning, paramilitarism, and transcendence. Even though populist movements are nationalist and rely on statism, unlike fascist movements do not pursue ethnic cleansing, nor rely on paramilitarism to achieve their goals. Transcendence of liberal institutions, capitalist economy, or class conflicts, is not inherent to the movement either. Lastly, in spite of the fact that culture is what defines this movements, and of the religious tones of the populist appeal (Zuquete 2008), they are not ideological movements in Mann’s sense, as those which “argue that human problems can be overcome with the aid of transcendent, sacred authority, authority that cuts through and across the ‘secular reach of economic, military, and political power institutions” (Mann 1986:22).

IV. In the mid-to-long term, populist movements become party-movements which aspire not only to challenge power structures but to take over them as well. They attempt to influence “the course of government directly by nominating candidates for office, or by exacting pledges of programmatic support from candidates who run under an existing party label. These actions
express a conviction that participating in elections and in legislative bodies can produce change” (Schwartz 2002:157). In this sense, institutionalization (becoming a recognized organization aspiring to control the state) is a very important juncture in the story of these movements (Aminzade 1995:41), and the political opportunities existing and created by the movement (Gamson & Meyer 1996:276) are key explanatory factors of its development. Likewise, not only governments but also states’ structures shape populist movements, and might also be shaped in return by them (Jenkins & Klandermans 1995:4). This dynamic includes what I will call the profitability of populism—a structure of incentives that helps to maintain populism “on its wheels”.

V. Populist movements and mobilization only partially overlaps with institutional party-politics. Kriesi (1996:153) identifies the main differences between parties and social movements: while both are in the business of reaching political objectives and both require mobilization for doing it, the former do that through representation, have sufficient amounts of resources, and mobilization is not essential to their constituencies as long as their activities are carried out by an elite. However, populist movements cannot be defined as just any other political party because, first of all, they express a contentious logic of protest, demonstration, and mobilization; second, because unlike parties there is not an inherent political ideology with which populist movements identify themselves. Lastly, populist movements certainly rely on an “elite” (so to speak), especially once they have entered the space of institutional politics. They nonetheless never stop mobilizing constituencies or the following. There is a final fundamental difference: populist movements play in both institutional and non-institutional arenas (Schedler 1996), while parties challenge and interact with “the authorities who staff a national state” (Tilly 1984:305)—thus, they do not play

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in the non-institutional arena, or at least not essentially. For which reason, in contexts of electoral politics populist movements often times resorts to *populism*—in the widely accepted sense of a charismatic leader who relies on patron-client networks (Mouzelis 1985) and that mobilizes the following through discursive means (Canovan 1981).

If generally speaking populism is an alternative way of doing politics, resulting of incongruence between legit opportunities and the modern moral order, then analyzing the *structure of political opportunities* for populist mobilization is the key to understand its fate. In this work I intend to focus on such structure, which means that I will not only describe populism (movements, leaders, policies, discourses, etc.), but also explain populist mobilization and its outcomes. Regrettably, this dimension is widely ignored or not considered at all in the literature on Latin American populism. In the social movements literature, *political opportunities* are “… consistent —but not necessarily formal or permanent— dimensions of the political environment that provide incentives for collective action by affecting people’s expectations for successes of failure…”, Tarrow 1998:76-77). What is relevant from this perspective is, on the one hand, the mobilization of resources *external* to the movement, while on the other this perspective emphasizes the *changing factors* in power relationships that open windows of opportunities over constant or structural factors. Lastly, the elements of opportunity are *perceived* (and in turn created) by the movement. This perception is critical, for as McAdam (1999:xxii) puts it not only members of a group or movement but all parties in a conflict or potential conflict will seek to make sense of changes and of the degree of threat or opportunity they or a broader collectivity are facing. There is, however, a wide array of definitions and applications of the political opportunity framework (Meyer & Minkoff 2004). In the frame of the social movements literature, outcomes (mobilization,
organizational development, and policy change) are limited by the fact that they do not aspire to reach power. Whereas we consider that the outcome to explain is the actual transformation of the policy-structure, the state and the nation in Venezuela. As a consequence, we need a broader framework for explaining the success of populist contentious politics.

An approach to the study of the event-related development of a movement works best under the notion of causal mechanisms—as oppose to a variable-oriented approach. Causal mechanism is “a delimited class of events that change relations among specified sets of elements in identical or closely similar ways over a variety of situations” (Tilly 2005:28). As it has been shown, even though structural accounts provide important insights to our explanation, they do not suffice. The search for explanatory mechanisms thus relies on a process-oriented approach. Processes are “frequently occurring combinations or sequences of mechanisms” (Tilly 2005:28). Mechanisms and processes constitute an appropriate background to our objectives because their formal nature does not have strong ontological commitments and therefore they cross the spectrum between meanings and socio-political structures. On the other hand, McAdam, Tarrow, & Tilly (2001:25-26) propose that there are three types of causal mechanisms: cognitive (“alterations of individual and collective perception”, such as recognition), relational (“alter connections among people, groups, and interpersonal networks”, for example brokerage), and environmental (“externally generated influences on conditions affecting social life”).

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26 A definition in a more formal language is: “the process and intervening variables through which an explanatory variable exerts a causal effect on an outcome variable” (Mahoney 2000:412). I rely on Tilly’s definition because it does not pull in the language or implications of the variable-oriented research.

27 Relational realism is its ontological commitment, which “focuses explanation on webs of interaction among social sites” (McAdam, Tarrow & Tilly 2001:23).

28 McAdam, Tarrow, & Tilly (2001) and Tilly (2005) insist on the importance of identifying episodes of contention as the initial step in an explanatory model based on mechanisms, but this advice will not contribute to my explanatory model because as stated before we do not seek to explain the mobilization itself (not exclusively), but the success of the movement and the failure of their countermovement.
Under these lights, the *structure of political opportunities* is here defined as the net of causal mechanism, the constellation of factors explaining outcomes of political mobilization, while a *process* is the temporal sequence chaining together those mechanisms. Therefore, political opportunities will be considered here not necessarily as concrete types of regime, governments, socio-economic structures, class structures, mobilizations, but as specific *types of links* between actors, institutions-structures, and events (whereas the comparison with the Mexican case will provide whose absence is part of that structure). As the study cases are Mexico and Venezuela, the working hypotheses developed so far have to be located in the theoretical and historical context of *Latin American populism*. I will do this in the following section, out of which I will sort out the elements to look at when searching for mechanisms in the process of populist movements and mobilization political success (in section 5).

4. Dissecting the Causes of Latin American Populism

If Canovan (1999) was able to described populism as a *shadow* of democracy, and Arditi (2004) as a *specter*, is because in Latin America it certainly comes from an alternative response to the gap between the legit institutional means and the cultural ends (to paraphrase Robert Merton’s very well-known idea), a gap between common citizens and elites of any kind where suddenly inequality turns unfair, unreasonable, unjustified. It speaks of a “dark side” of democracy, in which structural disadvantages or hierarchies are seen as worth of moral interpellation. Let us see some trends in this literature on Latin American populism. The differences among the leading scholarly literature on populism are to be found on different counts. I consider three of them in terms of the paradigms they represent. First, some definitions see political populism as a demagogic and manipulative technique that goes against democratic grounds, while others see it as particular way
of doing democratic politics by popular sectors. As I have shown, this is an inherent problem to the valuation of populism from its very origins and thus to opt for one or the other does not substitute an explanation of the phenomenon. Second, while some definitions emphasize the *structural conditions* for its coming to life, others consider it as a kind of mobilization. As a consequence, and this is the third difference, other works on populism and populist mobilization identify and describe its core feature, but do not provide an explanation of *how* or *when* we can expect them to emerge, nor refer to the anatomy of the movement, and have rather sometimes plainly identified it with *the political* leaving the notion relatively unspecified (Arditi 2004:139-140). *Why has this happened? How are we to explain these important mismatches?*

My argument is that at least some of the mismatches in the literature on Latin American populism can be explained due to the fact that works elaborate *either* on different moments of a movement’s development (which on the contrary and by necessity are to be seen as thoroughly complementary), *or* on different types of equally complementary explanatory factors. In brief: *the bulk of the literature on populism focuses on different moments of the development of a populist movement and, as a consequence, they provide different yet complementary explanations of this political phenomenon.* To develop this argument, in what follows I rely on Mahoney, Kimball & Koivu’s (2009) classification of causal factors and on their *method of sequence elaboration*, “… a technique for evaluating the importance of a given causal factor through consideration of its position within a sequence and through consideration of the different types of causal factors that make up that sequence” (p.115). Let me sum up their concepts before moving to the dissection of the arguments.
Necessary but not Sufficient Conditions. Conditions without which an outcome would not have occurred, although its presence does not guarantee the outcome. It is considered fully trivial when they are always present, regardless of the outcome. In set-theory terms: $X_1$ is a necessary cause of $Y_1$ if $Y_1$ is a subset of $X_1$ (pp.118-119).

Sufficient but not Necessary Conditions. Conditions whose presence necessarily leads to the outcome, although the outcome might have occurred through other conditions as well. It is fully trivial when it would produce the outcome if it is present, but it can never actually be present. Expressed in set theory as: $X_1$ is a sufficient cause of $Y_1$ if $X_1$ is a subset of $Y_1$ (pp.121-122).

Necessary and Sufficient Conditions. Although logically possible, this type of condition is rarely found in social sciences. It defines those conditions whose absent or presence perfectly predicts an outcome. Thus, a cause tends to be more important as it approaches to this type of condition. In set-theoretical terms: $X_1$ is a necessary and sufficient cause of $Y_1$ if the set of $X_1$ is identical to the set of $Y_1$ (pp.123-124).

Insufficient but Necessary Condition—which is part of an Unnecessary but Sufficient Condition (INUS). It is a condition such that in a larger combination of conditions is sufficient but not necessary for the outcome. This kind of cause is more important as it approaches being a sufficient condition. Its set-theory definition is: $X_1$ is an INUS cause of $Y_1$ if the overlapping set created by $X_1$, and one or more other causal factors is a subset of $Y_1$ (p.125).
Sufficient but Unnecessary Condition—which is part of an Insufficient but Necessary Condition (SUIN). A condition that is part of a necessary condition for an outcome, and as such is neither sufficient nor necessary for the last. It used when analysts “regard the constitutive attributes of a necessary cause as causes themselves”, and is defined in set theory: $X_1$ is a SUIN cause of $Y_1$ if $Y_1$ is a subset of the joint space created by $X_1$ when combined with one or more other causal factors (pp.126-127)

Finally, the key: “… ‘&’ stands for the logical AND, the ‘v’ symbol stands for the logical OR, and the ‘→’ symbols stands for causal sufficiency”, “… and the ‘~’ symbols is the logical negation sign” (Mahoney 2010:200-201). Now, how do other works explain political populism in Latin America?29

Model 1. In DiTella’s (1965) pathbreaking work, underdeveloped areas become the “periphery” of richer areas, a fact that spurs a “revolution of rising expectations”, which mobilized the masses who demands goods and a share in power. An inconsistent elite (including sectors of the army, the clergy, middles sectors, and intellectuals), who suffers a chiasm between their aspirations and job satisfaction, becomes resented with the status quo. Finally, ideologies at the left and right (blending nationalist elements) are instrumentally used by this elite and charismatic leader to create “collective enthusiasm”, easing the communication between the leaders and the masses. This kind

29 Obviously, these works were written with different goals on mind. I try to make explicit some of the implicit explanations they provide.
of party-movement usually enjoys trade union support, so that the alignment of the three first elements explains the birth of a populist movement (DiTella 1965:47-57).30

\[
\text{RE} \& \text{CE} \rightarrow \text{DE} | \text{RE} \& \text{RI} \rightarrow \text{F} | (\text{F} \& \text{DE}) \& \text{TU} \rightarrow \text{MCC} | \text{MCC} \& \text{PD} \rightarrow \text{P}
\]

*Outcome to Explain*: P (Populism in the Third World, mainly Latin America)

*Causal Sufficiency*: MCC (Multi- or Cross-class Coalitions) and PD (Populist Discourse)

Disgruntled Elite = DE; Rising Expectations = RE; Following (Unorganized Masses) = F; Class Exclusion = CE; Rural Immigration = RI; Multi- or Cross-class Coalitions = MCC; Populist Discourse = PD; Trade Union Support = TU

**Model 2.** Madsen & Snow (1991)31 explain the rise of Peronism in Argentina as a result of the relationship between Colonel Perón (a member of the military government who threw the previous conservative government) and the immigrants from the country-side. The ‘charismatic bond’ is prone to be established when “the special qualities of a particular leader are meshed with the special features of his or her following”, and is a substitute of ‘proxy control’ for the psychological mechanism of ‘negative view of self-efficacy in a hostile environment’ (p.14), created by an economic crisis. The growing immigration from the countryside to the city generated decreases in agriculture production which were not followed by the same level of economic growth, but by declining wage rates. In 1976, amidst the conflict of left and right *Peronistas*, another economic crisis hit Argentina; but unlike that of the early 1940s there was no populist leader. They wonder:

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30 What makes the difference between types of populism is: first, whether the movement includes elites or only elements of the lower-middle classes; and second, whether the leaders are accepted or rejected within their class of origin (p.47).

31 The authors’ explanation is about the ‘charismatic bond’ and not about populism. But, as in the literature Peronism happens to be the prototypical case of Latin American populism, their explanation is important for our discussion.
“… what happens if in the midst of macroscopic crisis no leader appears? Could this actually happen…? Our argument is that the affected mass public is primed, that is ready for a magnetic leader” (p.149), but they offer no ultimate answer.

RI & EC → NVS | CL & NVS → CB | CB → Per

Outcome to Explain: Per (Rise of Peronism in Argentina)

Causal Sufficiency: CB
Charismatic or Plebiscitarian Leader = CL; Charismatic Bond = CB; Economic Crisis = EC; Rural Immigration = RI; Negative of Self-Efficacy = NVS

Model 3. Oxhorn (1998) thinks populism rises due in part to fast industrialization and urbanization. High inequalities in Latin America generate “… the heterogeneous class structure characterizing the popular sectors [which] creates collective action problems that historically have resulted in popular sector mobilization by populist elites” (pp.213-214). Latin American populism is recurrent because there is a large informal sector of the economy, rapid population growth, high levels of rural migration to the cities. On the other hand, “high levels of income concentration, capital flight, investment in speculative activities” as well as an increasing female participation in the workforce constrains even more the productive sectors of economy (p.216). A little intensive use of labor in times of a worldwide expansion of the service economy completes this picture: the result is extreme social heterogeneity. The organized working class lags behind as a democratizing political force and the informal economy remains vast and increasingly so. Paternalist elites mobilize the heterogeneous groups.

IE & RI & IC & FLB → ERP | RSC & ERP & = HCS | ~WWC & HCS & PE → RP

57
Outcome to Explain: Recurrent Populism in Latin America (RP)

Causal Sufficiency: HCS & PE $\rightarrow$ RP

Large Informal Economy = IE; Rural Immigration = RI; Income Concentration = IC; Increasing Female Labor Force = FLB; Economic Restraints of Productive Sectors = ERP; Rapid Social Change (Industrialization, Urbanization) = RSC; Working Class Organization = WWC; Heterogeneous Class Structure = HCS; Paternalist Elites = PE

Model 4. Conniff (1999) states: “Latin American populists were leaders who had charismatic relationships with mass following and who won elections regularly. Reducing it to a formula, it might be look thus: Populism = leader $\leftrightarrow$ charismatic bond + elections $\leftrightarrow$ followers” (Conniff 1999:7). He numbers other characteristics that are always present in populism: they build up multi-class alliances, based on clientelism, personalism and centralization of power. Along these lines, Canovan’s (1981) Populism identifies Latin American populism through “a vaguely radical but nonideological organization led by disaffected members of the higher classes, often with a charismatic personality at their head, but based upon the urban masses” (Canovan 1981:138-139). And according to Weyland “… under populism the ruler is an individual, …, a personalistic leader, the connection between leader and followers is based mostly on direct, quasi-personal contact, not on organizational mediation” (Weyland 2001:13).

(PCN & MCC) & CL & F & EI & CB $\rightarrow$ P

Outcome to Explain: P (Latin American Populism)

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32 In fact, for some scholars the deepest and wider analysis on populism is that of Canovan (1981) in which: “... in outlining her seven categories, makes the point that no core to populism can be found, but rather we can identify a number of different syndromes… The only common themes across all seven types are a resort to appeals to the people and distrust of elites” (Taggart 2000:20-21).
Model 5. Mouzelis offers other perspective which highlights populism as a way of bringing people into the political arena in semiperipheral societies, and for estimating its specificity he contrasts it with nonpopulist ways of doing it—or the “parliamentary institutions of the capitalist center” (Mouzelis 1985:331). The main organizational element of populism “is the use of vertical networks of patron-client relationships” (Mouzelis 1985:332). Its key feature is the antagonism people-establishment while a ‘plebiscitarian leader’ is the instrument of populist incorporation. While the traditionalist leader’s authority rests on ascriptive sources, the modern populist leader’s authority rests upon “his charismatic ability to appeal and mobilize the masses against a political, economic, or cultural establishment” (Mouzelis 1985:340). Lastly, the synchronization of the plebiscitarian leader and the discursive antagonism people-establishment explains populism.

\[ \text{PCN & CL & PD} \rightarrow \text{Pi} \]

Outcome to Explain: Pi (Populist Incorporation)

Causal Sufficiency: Patron-Client Networks = PCN; Charismatic or Plebiscitarian Leader = CL; Populist Discourse = PD

Model 6. Hawkins, “… conceives of populism as a normative response to crises of legitimacy resulting from widespread systemic violation of the rule of law that citizens can construct as corruption: it requires not only some policy failure, but also a backdrop of political institutional failure that populist discourse can sensibly interpret as a violation of democratic norms” (Hawkins
2010a:148). To explain why Chávez did not come to power in Venezuela when corrupt behavior first became a significant problem Hawkins affirms that the charismatic leader (not consubstantial to populism in his view) provides “additional nonmaterial incentives and a focal point for participation” which facilitates solving problems “of bringing together large numbers of publicly minded citizens around common strategies and tactics, especially the mundane efforts required to conduct election campaigns” (Hawkins 2010a:163).

\[ C \rightarrow LC \mid LC \& CL \rightarrow P \]

**Outcome to Explain:** P (Populism in Venezuela)

**Causal Sufficiency:** Corruption = C; Legitimation Crisis = LC; Charismatic or Plebiscitarian Leader = CL

**Model 7.** In his *The Populist Reason* Laclau (2005) explains the sequence of construction of a nation out of political factions through the notion of the People. He sums it up as follows: “First, there is an aggregation of heterogeneous forces and demands which cannot be organically integrated within the existing differential/institutional system. Secondly, since the links between these demands are not differential, they can only be equivalential: there is an *air de famille* between them all, because they all have the same enemy: the existing corrupt parliamentary system. Thirdly, this chain of equivalences reaches its point of crystallization only around the figure of Boulanger [in his example the ‘charismatic’ leader], which functions as an empty signifier. Fourthly, however, in order to play this role ‘Boulanger’ has to be reduced to his name (and to a few other equally imprecise concomitant signifiers)… Fifthly, in order for the name to play this role, it has to be highly cathected – that is to say, it has to be an *object petit a* (it has to constitute an hegemonic subject)” (pp.180-181)
Outcome to Explain: $P$ (Construction of the People as unifying a hegemonic version of a nation) 

Causal Sufficiency: Extra-Institutional Demands $= \text{EID}$; Corruption of the Institutional Political System $= \text{C}$; Signifier Point of Crystallization around a Charismatic Leader $= \text{CL}$; Reduction of the Leader to a “name” $= \text{RN}$; Constitution of an Hegemonic Subject $= \text{HS}$

The most important thing to notice is that all of these authors, who somehow represent models of explanation, point to different problems—although obviously relate to populism—and second that none explains the unfolding of a populist movement over time. This seems to be the general trend among the scholarly literature on the topic. Among other things: DiTella (1965) is trying to explain the strength of populist movements in the third world. Masden & Snow (1991) are explaining the charismatic bond in populism. Oxhorn (1998), on the other hand, is proposing an explanation for the recurrence of populism in Latin America. Conniff (1999), Canovan (1981), and Weyland (2001) are summing up the features that explain the presence of populist presidents in Latin America. Mouzelis (1985) explains the populist mechanisms of inclusion. Hawkins (2010) proposes an explanation for the advent of populist presidents and movements. Laclau (2005) is explaining the construction of a collective identity. In the next section I elaborate on these differences and on how they are helpful for my purposes here.

5. An Ideal Sequence of a Populist Movement and Mobilization’s Unfolding

A feature of the literature on social movements is that explaining successes and failures is generally recognized as a difficult task (Tarrow 1998:vii) and perhaps for that reason it remains
“underdeveloped in the social movement literature” (Kolb 2007:2). As I have tried to show in the previous section, this happens in the literature on populism as well. In this section I draw from both sets of literature to construct an “ideal type” of the sequence of a populist movement unfolding until it has somehow “succeed” in including excluded sectors into the political arena and yet remains in power. Then, the perspective I assume here is not at odds with the theoretical underpinnings of the dominant literature on populism. On the contrary, it is complementary with most of it. Let me point out some of the general incongruences and mutually contradictory statements between these paradigms and later I will show that they might be solved (some at least) by locating those paradigms as part as different moments in the unfolding of populist mobilization. In doing this I will get the components of the ideal sequence of the populist mobilization unfolding.

Path to Modernity vs. the Lack of Modernity. The paradigmatic visions on populism in the region certainly refer to a particular Latin American path towards modernity, for “Populism is… for DiTella, a function of the process of development of societies as they move towards modernity” (Taggart 2000:13; also Mouzelis 1985; Oxhorn 1998). In its origins it was tied up to rapid social change (urbanization and early industrialization). Others reject tying populism to specific stages of “social mobilization or delayed dependent development” (Weyland 2001:8), been one of the main reasons the association between populist leaders and the implementation of market reforms in Latin America during the 1980s and the 1990s—labeled neopopulism.

Crises vs. Non-critical Times. More recent works have focused around the notion of crises. For instance, “… a direct appeal to the people —bypassing existing institutions— can sometimes play a significant role in overcoming an existing institutional crisis” (Cammack 2000:154; also Conniff
On the other hand, others have stressed that “Populism, …, can exist in ‘normal’, ‘non-critical’ times” (Knight 1998:227; Mudde 2004:547 speaks of ‘special circumstances’; also Conniff 1999). How is this possible? If populism is a dimension of the modern moral order, during campaigns presidents can dip into this rhetorical structure, because it has become entrenched. It is enough to highlight inequality and/or some event that might be related to it, or framed under the populist narrative.

**Historical Phase of Capitalist Development in LA vs. Structural Condition of LA Society.**

Perhaps populism was originally born under conditions of rapid economic growth (DiTella 1965; Germani 1978; Oxhorn 1998; González 2007:88), but now we know that it “… cannot be shortened to a historical phase in the history of Latin America or to specific economic policies” (de la Torre 2010: xxi). Instead, it is a recurrent phenomenon in 20th Century Latin America and it is adaptable to different state policies. According to this view, populist mobilization in Latin America is not tied to any particular type of state policies, or to historical stages.

**Culturalist vs. structuralist approaches.** They focus on different kinds of sufficient causes of populism. Populism is a cultural device, a meaning-centered phenomenon. But besides ideational conflicts, a populist movement’s weaknesses or strength may be related to organizational, resource-based, and strategic nodes (Hawkins 2010a:163). The importance of this element is

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33 For this reason the present work will not consider ‘economic accounts’ of populism as an independent trend. This is an important point though, and deserves further elaboration, but is not among the objectives of this work. For now it is enough to say that after the historical experience of the 80s and 90’s, were populism was conflated with neoliberalism, and the beginning of the 21st Century where it has been conflated with socialism, it is hard to speak of such a thing as an ‘economic account’ of populism. There may be some correlated economic policies, but not an ‘economic account’ of populism per se. Additionally, some of its main correlated elements like inflation or high levels of public expenditure, have existed without necessarily populist movement becoming successful (see Knight 1998:243 and Canovan 1999:4, for similar arguments in this direction).
nonetheless relative to the phase of a movement’s development (McAdam, McCarthy & Zald 1996:15-16). The identity formation never ceases to happen, but it does not always might lead to the success of a movement.

Summing up: (i) the literature on political populism appears to be often times mismatched because authors are in fact addressing different aspects pertaining populist mobilization. This is easier to understand once we see populism as a narrative, a cultural device encompassing pre-political areas of the social life. (ii) A common feature of all these perspectives, the common element missing in such scholarly literature, which we are able to see through introducing time as a variable, is the question of why and when political populism succeeds at times and fails, or even remains latent at others. In other words: what happens between the formation and the success/failure of a populist movement tends to remain in a black box (Mahoney 2004:464)—and this happens even for culturalist approaches such as the dominant of Laclau (2005). Nonetheless, the bulk of this literature together with the social movement’s literature provide elements to construct an “ideal sequence” of populist mobilization and populist movements’ unfolding to establish what is relevant in the differences between our study cases, Mexico and Venezuela, and thus to explain their divergent outcomes.

A pure logical sequence should look like the following: (T₁) The social class heterogeneity has to be made politically relevant somehow, as a result of an economic crisis and/or a legitimation

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34 I use the expression “pre-political” because they might in fact transform into political issues as well, and that precisely what the populist discourse does.
35 As this is an ideal and logical sequence, the histories of our study cases might considerably differ to it and in fact that is what is expected to happen. It is precisely in the divergences where I will point to explain the different outcomes between the cases.
crisis, generating the platform for multiclass and multi-sector alliances (Models 1 and 2). Either way, (T2) the crisis should have created the predisposition for a public depiction of (presumably) the elites as responsible for the crisis and the hardships brought with it (Models 2, 5, 6, and 7). (T3). The populist movement is constituted and evolves toward a party-movement, aspiring to reach the office. A charismatic leader is publicly identified (Models 2, 4, 5, and 6). As populist mobilization succeeds politically, (T4) it starts playing in the institutional arena (Models 1, 4, and 5). Coalitions break down, some others are built, anti-populist mobilization appears, and the by-now populist government has to deal with the difficulties of been in the office. (T5) A new political hegemony is created and the populist movement remains in power. The state and the nation are redefined. Some extra-institutional methods of inclusion have been used, which speaks to their bivalent nature democratic/anti-democratic (Models 4, 5, 6, and 7). (T6) The movement breaks down, fades, or becomes something else.

T1. Crisis or Crisis-Like Events (Political Context). The initial gain for our purposes coming from this literature is the emphasis on ‘critical junctures’ as an element that contributes to explain the origins of populist mobilization.

T1. (EC v LC) & ~WWO

EC = Economic Crisis
LC = Legitimation Crisis
WWO = Working Class Organization

T2. Configuration of “The-Good-People vs. The-Evil-Elite” Narrative in the Public Sphere (Culture). A recurrent mechanism explaining the advent of populist mobilization is to recourse to
the narrative of “populism” as a way of blaming some elite groups, sectors or institutions, for not achieving the promises of democracy. What is needed here is, thus, to identify how and when this mechanism was successfully developed—and when was not. The orientation and direction of the populist mobilization collective action draws from a public discourse in which elements of the political are strongly depicted in terms of the conflict the People-elites. There is no populist mobilization without such re-interpretation, without such displacement of meaning in the political public sphere, for populism in Latin America is “… the product of a particular form of political incorporation of the popular sectors into politics” (de la Torre, 2010: xxi). This incorporation is symbolic through the glorification of popular and national cultures.

T2. EID & PD

EID = Extra-institutional Demands

PD = Populist discourse

T3. Configuration of cross-class, cross-sectorial Alliances (Organization of the Movement).

As mentioned before, one of the key elements identified in the literature on social movements is the moment of transition between movement and party (Redding 1992:351).

T3. (MCC & Creation of the movement) v (MCC & CL) v (MCC & Creation of the movement & CL)

MCC = Multi-class coalition

CL = Charismatic leader

T4. The Mutually-Shaping Relationship of Populism and the State (Political Context-Organization of the Movement). Certain characteristics of the state lend populist mobilization some of its features, while in turn the populist mobilization, especially once in power, will
contribute to shape the state. Additionally, to the extent that populist movements attempt to control the state, they will need to set in place an structure that makes populist practices somehow profitable—either in economic or political terms, or both. For the pure mobilization faces several challenges from the environment, starting with anti-populist mobilization, and continuing with the tasks that ruling the state imposes.

T₄. PCN & State policies & (E v Alliances v Anti-populist mobilization, or their combinations)

PCN = Patron-client Networks
E = Elections

T₅. Populist Polity: The “New” Nation-State. Once in power, the populist movement seeks hegemony. Particularly relevant here are its attempts at re-making the state and re-defining the boundaries of the nation.

T₅. RN & HS & Pi

RN = Reduction of the Leader to a “name”
HS = Constitution of an Hegemonic Subject
Pi = Populist inclusion (of previously excluded sectors)

T₆. The decline of populist movements. As Taggart puts it, “… in the long term, either becomes less populist (as in the case of Social Credit), or becomes riven with internal conflict (new populism), or simply collapses (the People’s party). Any of these alternatives means that populism is destined to be self-limiting” (2000:100). So ideally they should come to an end sometime in the medium term after taking over the state apparatus.
The fact that populism is strong in Mexico as well as in Venezuela, and that both had a similar history of populist inclusion into the political arena (Collier & Collier 2002), shows the relevance of the considerations we established at the beginning of this chapter. The comparison between these two cases with similar starting points and critical junctures, but with different outcomes, provides insights on the necessary, sufficient, INUS and SUIN (Mahoney, Kimball & Koivu 2009) causal mechanisms in the unfolding of the populist mobilization, for even if it were true that populism was born in the “dysfunctional interstices of the rising liberal State turned democratic” (Hernández & Hurtado 2010:19), what we need to account for is: What are those “interstices” compose of? How do they matter? What do they really explain of populist mobilization? In the next chapter I point out the differences in the nature and socio-political effects of the crises related to the application of Free-Market Reforms (FMRs) as a common critical juncture in Mexico and Venezuela.

1. Introduction: The Critical Juncture and the Venezuelan State-making Crisis

The period of FMRs enactment at the end of the 1980s and the beginning of the 1990s was stormy in Mexico and Venezuela alike. On January 1st, 1994, the Zapatista National Liberation Army (EZLN) came to public life, attacking several towns on southern-east state of Chiapas, Mexico. In December that year, the Zedillo administration had to commit to a sudden and drastic devaluation of the currency, which brought with it hardships and conflicts. In this context, were committed the political assassinations of two of the PRI’s (Mexico’s single, dominant party for over 70 years) most prominent members. Meanwhile in Venezuela, on the morning of February 28th, 1989, Caracas was taken by surprise by a sudden and unorganized riot which plundered or destroyed everything and anything around, and where thousands were killed or wounded. In February 4th and November 27th 1992 there were two committed (and failed) military coups and some of its main actors’ justification was related to the previous event. Finally, President Pérez—the political figure behind the FMRs—was impeached and removed from the office in 1993 on charges of embezzlement. As it is apparent conflicts were salient in Mexico as well, but only in Venezuela they eventually led to a radical turn in politics when the leaders of the 1992 coups lastly reached the office through general elections in 1999, while in between the political public opinion was mobilized towards a populist undertaking. What was the role of the FMRs in initially shaping different paths? Why there was a generalized crisis in Venezuela, generating openings for radical-populist contention, while in Mexico events remained focalized and relatively under state control? Answering these questions is the purpose of the present chapter. As such, it provides an initial
picture of the structural opening of political opportunities for contentious (populist) mobilization in Venezuela—and the lack of thereof in Mexico.

Besides the divergent nature of the movements demonstrating against neoliberalism, whose roots go much further back to the past, I conclude that: (1) two alternative technocratic politics (*Pragmatic* and *Purist*) facilitate different kinds of contention in our study cases. I also find that (2) those suppose-to-be “technoplies” were configured through constellations of critical elements—such as pace of the forms, business role in tax reform, effect on small- and medium-business, political role of social policies, etc.—, that FMRs exacerbated to their boiling point. In one case the main mobilization against FMRs remained local in scope (Mexico), while in the other aimed and reached a much wider scope (Venezuela). To understand this fact, I propose that the Venezuelan crisis can be better understood as a *state-making crisis* (see Section 9) say, an abrupt process of unrest and of contesting the state foundations (valid strategies to access resources, the developmental model it promotes, and the acceptance of the legitimate mechanisms and groups with capacity to access it). (3) As a consequence, the openings for contention generated by FMRs are to be put in the larger context of both countries’ trajectories—which I do in later chapters. In any case, the period of FMRs that goes from the end of the 1980s to the first half of the 1990s certainly defines a *critical juncture* in both countries, when policy-makers chose specific sets of policies consciously pursuing a change from a *demand-side* type of policy-making (dominated by Keynesianism, central planning, and the Import-substituting Industrialization model) to a *supply-side* one (dominated by capital accumulation, reduction of state intervention on private industry, and the reduction of the welfare state).
The analysis here deployed challenges two types of arguments. First of all, regarding the origins of the *Chavista* movement in Venezuela, it challenges the argument that this shift in policy-making was the central element explaining the rise of this movement as a reaction to those policies (Ellner 2008; Rodríguez-Garavito, Barret & Chávez 2008; Silva 2009). Ellner states this argument nicely: “In spite of the shortcomings of Venezuelan democracy during the previous three decades…, the major share of the blame for the crisis of the 1990s must be placed on neoliberalism and the socioeconomic transformations associated with it” (2008:99). In the view here proposed, the critical juncture that Ellner elevates to causal explanation could not have had the impact it did without the deeper state-making crisis that I present in this chapter and in the following two. On the other hand I also show that, even if not as the argument above supposes, the FMRs still did pay a role which should be specified instead of merely disregarded as it has been sometimes (Edwards 2010): I will show that those policies worked as an igniting element creating openings for contention, for given *policies* —and their pace, sequence, and scope— in combination with other *structural factors* triggered crises in both cases. Second, the FMRs have been often times considered as a worldwide tidal wave that affected or transformed virtually every country and policy (Fukuyama 1992; Cohen & Rai 2000; Babb 2001; Sklair 2002; Aguiar de Medeiros 2009). The argument provided here challenges these assertions and shows that, quite the contrary, the FMRs are to be studied not as a monolithic set of policies and that their consequences are rather ambivalent (Centeno 1994). This chapter, thus, supports arguments that focus on a more piecemeal approach to the explanation of why free-market reforms where carried on and with what consequences [such as those of Henisz, Zelner & Guillen (2005) and Prasad (2006)].
Table 1. Temporal Order of the Implementation of FMRs in Mexico and Venezuela

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<th>Mexico</th>
<th>Venezuela</th>
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<tbody>
<tr>
<td>1\textsuperscript{st}</td>
<td>Tax Reform (1988)</td>
<td>Deregulation of exchange rate (1989-94) and of petroleum products (1989)</td>
</tr>
<tr>
<td>2\textsuperscript{nd}</td>
<td>Social Benefits (1988)</td>
<td>Privatizations (1990-91)</td>
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In Table 1 it is shown the FMRs that took hold in each case. Their antecedents were half-hearted reformations and the governments who implemented them ended up being very unpopular governments. The following administrations were going to face a deterioration of the system stability. In Mexico, tax reforms were effective since at least the De la Madrid government (1982-88), and perhaps set an important base for others during the Salinas administration. The PRONASOL social development strategy was set in place shortly after Salinas’ inauguration. Finally, privatizations of large state-owned companies took place. In Venezuela, the antecedents go back to the Lusinchi administration (1984-89), while FMRs during the Pérez’s period started by deregulating the exchange rate and the gasoline price (a sudden rise in its previously-controlled price which was supposed to remain state-regulated anyway). Afterwards, we find the privatization of telecommunications in 1990. It was not until one year after the first measures were taken that the compensatory social programs started, which additionally fell far short from fully reaching their objectives (España 1997). Finally, there was never an actual tax reform. Strictly speaking only tax reform and privatizations were carried out in Mexico, whereas only deregulations and privatizations so were in Venezuela. In consideration of the above, the first question to answer is thus: why did each government give priority to those different specific policies? Answering this
question sheds light on the more central aspects explaining initial divergences in our study cases. In the context of the FMRs explaining differences in political outcomes for contention requires paying attention to least three dimensions:

(a) *Incumbents’ Decision-making Structures* (including international coercion);

(b) *Political Assemblages* (making and breaking coalitions; crafting bureaucracy);

(c) *Impact of FMRs on Currency Markets*

In the next section I draw the specifics of the Latin American FMRs in contrast to the advanced industrial societies. Afterwards I describe which and how they have been implemented in Mexico and Venezuela. The chapter concludes systematically comparing the opposition to the policies and explaining similarities and differences. The main outcome of the chapter is the identification of how different FMRs-related events and politics prompted different opportunities for contentious mobilization.

2. The Free-Market Reforms (FMRs) in Latin America (LA)

When Latin American governments committed to the FMRs, the neoliberal turn had taken place already in the US and England (the so-called ‘Reagan’ and ‘Thatcher’ revolutions, respectively)\(^{36}\). It took hold in the US and the UK and not in France or West Germany in the post-WWII period because, unlike the continental-European countries, the US and the UK possessed an ‘*adversarial political-economic structure*’ (Prasad 2006:38). Unlike in France and Germany, in the US and the UK alternation in power between right and left governments was the rule. Those political forces

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\(^{36}\) According to Prasad (2006), the history of post-war neoliberalism can be divided in three periods, say, the prehistory right after the end of the War, the experimental phase that began in 1973, and a period of consolidation that starts from the late 1980s. While she focuses on the last two periods, I will focus exclusively on the last one—given that FMRs did not appear as an encompassing formula before this period in Latin America.
committed to a paradigm of ‘political economy as justice’ sought “to redistribute from rich to poor, to protect workers and consumers, to lift people from poverty”. To reach this goal (and this is the ‘adversarial’ part of the equation), “policies that punish business and divide the middle and working classes from the poor” (Prasad 2006:24-25) were applied. Therefore, the US and the UK experienced higher levels of ‘class conflict’ than France or Germany whose policies focused on a nationalist project of rebuilding. Moreover, the US and the UK experienced adversarial policies in each of the domains she studies—the welfare state (social benefits), industrial policy (privatization and deregulation), and taxation.

As taxation became more and more generalized in the US there was a mutation of the social structure and ‘those in need of welfare’ eventually became taxpayers, which, combined with the fact that the dominant structure of income taxes of the US and the UK generated more inconformity in the short-term, opened the way for political entrepreneurship and demagoguery (mobilization of support for issues that does not come out spontaneously from the public, and whose evidence of appeal is demonstrably false). Social pressures during the 1960s and 1970s indirectly weakened congressional committees, and combined with weaker parties and a presidentialist political system, which spurred support for cuts on social benefits to the poor in the US under Reagan, and deregulation in both the US and the UK. The corollary was that while firms established ties to political organizations in France and Germany, those ties were absent in the US and the UK. Then, ironically the left contributed to set the stage for the consolidation of neoliberal policies in the late 1980s. This is the story of the original development of the FMRs, whose core and originating issue could be said to be income taxes. How was this process in LA?
The story of FMRs in LA had a different face. To begin with, the implementation of such policies had a different motivation all along. The year of 1982 is generally considered as a breaking-point in the deployment of the Import-substituting Industrialization (ISI) model of development and indeed the 1980s were depicted as a “lost decade” for Latin American economies according to the UN’s Economic Commission for Latin America (ECLA). Even though there were different components in this breaking point, usually the external debt has been pointed as its main factor (Fourcade-Gourinchas & Babb 2002:562; Aguiar de Medeiros 2009:111). It was identified at the same time as a result of carrying out the ISI model and a sign of its collapse. On the one side, the ISI model furthered the growth of an industrial proletariat and of the middle classes, the creation of new factories, and a broader use of capital-intensive technology. On the other side, this process required larger investments in the private sector (patents, technology, and cash) in order to keep up with international markets, a task for which domestic capitals were usually insufficient. Thus, the increasing demand of foreign capitals. Higher levels and standards of consumption by local populations also increased the demand of imported goods, making foreign exchange scarcer (and more expensive). The international commercial banks, who amassed this surplus, made loans readily available to governments in Latin American countries who expected to increase their capacity to pay after investing on infrastructure and on their productive apparatuses (Maza 1995:12). In fact, in both of our cases foreign indebtedness continued to be a central state-making mechanism after the FMRs as it has been for so long in the region37, and perhaps could be considered as another feature of the Latin American “dependent capitalist development” (Larrain 1989).

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37 See Centeno (1997) for a detailed account of this fact in 19th century state formation in Latin America.
The overall result was the debt-led growth and the collapse of the ISI model in the 1980s. Latin American states became even more dependent on financial external sources, primarily found in international financial institutions such as the International Monetary Fund (IMF), the World Bank (WB), and the Inter-American Development Bank (IDB). These institutions entered the scenario as mediators but, not unambiguously, played an overriding role in supporting the demands of the creditors (e.g.: international banking system) facing their Latin American debtors. In this sense, even though the foreign debt itself does not completely explain the deterioration of the economies in the region, it became the central issue in dispute and obviously a determinant factor to understand many important governments’ decisions during the 1980s and 1990s. Additionally, in August 1982 the Mexican government declared a moratorium of the debt for US$ 20 billion, which led to a closure of international financial creditors, particularly towards LA, debtor of 50% of the world debt (Casas-González 2000:76). Given governments’ need for cash, international financial institutions began to insist on certain measures to be applied by debtors as a condition for lending them money. The structural adjustment formula was condensed in the term austerity, often meaning the reduction of government spending and of inflation rates by stopping government subsidies and reducing or cutting off social programs, monetary restraint, minimizing government controls and regulations on the economy, fiscal reform, and privatization of state-owned corporations and agencies.

Several differences emerge between the cases described by Prasad (US, UK, France and Germany) and the Latin Americans—context where welfare spending and taxation do not seem as tightly coupled as Prasad (2006:13-14) shows they are in advanced economies. First and foremost, the crisis of the debt and the consequent need of cash in LA was the original raison d’être to adopt the
FMRs. Secondly, unlike in advanced industrial economies tax reform does not necessarily refer to tax cuts but to the enforcement of tax collection (a critical issue for low-capacity states). Tax enforcement and not tax cuts was a neoliberal policy both because it was supposed to increase state autonomy from the selling of raw materials in the international market, on the one side, and correspondingly the transference of the cost of public spending to producers and consumers on the other. The overall result should have been, according to this view, a more market-led economy.

Thirdly, differently from the industrialized world a crucial reform in LA, affecting all of the other policies and areas, was the liberalization of the exchange rate (Purroy 1989:122; Hausmann 1995:253; Edwards 2010:123; González & Martínez 2010:41). It is such an important factor because over decades under the ISI paradigm, it worked as a subsidizing mechanism to private industry (industrial policy) and social policies alike. The exchange rate heavily contributes to determine the level of inflation, the distribution pattern of the national income (among public/private sectors, among sectors of the economy, and among political parties and social classes) (Purroy 1989:122). In fact, exchange rate policies have been singled out as one of the most important variables explaining de 1980s debt crisis (Edwards & Ahamed 1986:1; Casas-Ganzalez 2000:76). Therefore, two key areas in our cases targeted by deregulation policies would be exchange rates and petroleum products.

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38 The oil crisis triggered by the Yom Kippur War in 1973-74, as well as the 1978-81 (Iranian) oil crisis and the Gulf crisis, had a differential impact on developing countries. Those oil-exporting countries, such as Venezuela and Mexico (especially after 1978), received a sudden and significant amount of foreign exchange—or petrodollars—which affects the decision-making structure of the incumbents, chiefly through the expansion of public expenditure (Naim 1993; Karl 1997).

39 According to Prasad (2006:66): “… regulation has two distinct meanings: economic regulation is the regulation of one particular industry in the interest of preventing any one company from gaining a monopoly in that industry; social regulation, on the other hand, is regulation that extends to all industries, such as legislation concerning the environment and worker safety intended to protect the others from the ‘externalities’ of market production in general”. In this sense, the liberation of the exchange rate is social deregulation while deregulation of petroleum products is economic deregulation.
In third place, I will address the **privatization** of the telecommunications sector. There are good reasons for choosing this area. In peripheral or semi-peripheral countries such as Venezuela and Mexico, the telecommunications industry is amongst the most important owned by the state—generally only second to primary goods such as oil. Lastly, I will describe the main **tax policy reforms** and **social benefits**. On the one side, the value-added tax is the most important change in taxation in the period under observation, while on the other there are several social benefits to be considered.

In advanced industrial economies specific types of policies were pioneered in different countries: “**Firms were privatized** in France under Chirac and in Britain under Thatcher, as were the government-owned council houses where 30 percent of Britons lived, but there was virtually no privatization in Germany or the US. The main neoliberal policy in the US consisted of **tax cuts**, of which there were some in Britain but almost none in Germany and France. **Social benefits** were cut for the poor in the US under Reagan but not for the middle class, while social programs remained largely intact in the other three. **Deregulation** was confined mainly to the US and to the financial sector in Britain” (Lachmann 2010:166; my italics). Contrastingly, in LA policies of structural adjustment were supposed to be adopted all across the board. As in most Latin American countries the adoption of FMRs was a pragmatic decision before the fiscal deficit in the balance of payments, none was particularly expected to be a priority. Economists with a neo-classical lean, in fact, took pride in confirming this fact: “The pace and the scope of reforms varied from country to country, but in all of them, the direction of the changes was the same—more market and less state” (Naím 1993:115). Therefore, the fact that FMRs were diversely applied is something that

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40 A “tax reform” alters the structure of tax payers and the amount paid by different segments of the population, unlike a “change in a tax law” which only makes marginal changes to revenues (Elizondo 1996:85).
requires an explanation in itself: *why in each case do particular policies were given priority over others*? I provide an answer to this question in section 5. But before getting to that point, in the following two sections I make a full-blown, comparison of the FMRs (above numbered) in Mexico and Venezuela.

3. The Mexican FMRs during the Salinas administration (1988-1994)

The main antecedent to the application of FMR in Mexico started in 1982 during the de la Madrid government, when import barriers were reduced or eliminated, the production of manufactured goods was strongly encouraged, and a large wave of privatizations took place—reducing the number of state-owned enterprises from 1155 in 1982 to 232 in 1992 (Vanden & Prevost 2012:354). The focus here, however, goes to the Salinas administration (1988-1994) when the most important changes took place (Urzúa 1997:97). Economically, the program of FMRs under Salinas “was one of the templates that was used for developing the Washington Consensus two years later” in 1990 (Edwards 2010:124). Politically, it was considered as an example of reformation within a semi-democratic regime in a developing country, reformation without recurring to systematic terror or repression—unlike the Chilean case (Centeno 1994:5,27). Lastly, the Salinas’s and not the de la Madrid’s, was the first thorough attempt at FMRs in LA.

3.1. Tax Reform

The VAT in Mexico is effective since January 1\textsuperscript{st}, 1980. But at the end of the de la Madrid and during the Salinas administration it was reformed and this reformation is considered to be more ambitious than previous ones. The three main changes, also the most openly opposed by taxpayers,
included first of all a 2% tax asset on business (on the gross assets of enterprises)\textsuperscript{41}. Second, income and excise taxes were included—between 1986-1988 (Elizondo 1996:84). Third, to increase the base of taxation special tax provisions were eliminated (those for the minor taxpayers and special tax basis), which were covering around a million and a half firms, in contrast to the a quarter million that were registered as “normal” taxpayers. In other words: taxes were cut in general, but the base was expanded. Therefore, business was removed from any exception meaning that this was the main group targeted by the tax reform, while incumbents increased their maneuverability. Lastly, an increase of the penalty for tax evasion was also enacted: while between 1921 and 1988 only two cases of evasion were taken to court, between 1988 and 1993 the number was 380 (Elizondo 1996:85-86). Starting at the end of 1991, companies tax was reduced from 42% to 35%, the income tax from 50% to 35%, and the VAT from 20%-15% to 10% (Alba 1996:43).

3.2. Social Benefits

A key element of the FMRs under the Salinas administration was the social development strategy PRONASOL, which started almost immediately after Salinas’ inauguration in December 1988. The Salinas administration purposively designed it to differentiate it from “populist” past social policies by transforming it into a participative project. First, it was based on local Solidarity Committees, which had three functions: to propose “projects to higher levels of government”, to organize “local contributions to the project”, and to act “as a watchdog over the whole process” (Bruhn 1996:156). Second, it worked through a co-payment system—which enabled the Federal government to spend less on it. Third, it developed direct links between the executive and the local agencies. Fourth, it was meant to bypass clientelist links with the PRI in appealing directly to

\textsuperscript{41} As it was complementary to the corporate income tax, it did not affect those who had found ways to avoid the payment of income tax (Elizondo 1996:85).
people “as consumers of good and services rather than as producers or members of social classes” (Bruhn 1996:156). While PRONASOL was created to target the urban poor, PROCAMPO (National Program of Direct Support to Land) aimed rural population. It was supposed to be a long-term program and provided direct income support to producers “while facilitating the changeover to crops with greater market competitiveness” (Murai 2004:274).

3.3. The Privatization of Telecommunications: TELMEX

The Mexican privatization process took a hold from the very beginning. Between 1982 and 1990, 822 out of 1155 state companies were transferred, liquidated, or sold (Doshi 2000:668). This process had two phases. In the first one (1983-1988), 122 small-and-middle-size companies were sold, amounting for $1030 million. I will focus here on the second phase (after 1989), when the privatization of large monopoly companies, such as Telmex and Mexicana (the airline) started.

The case of Telmex is rather unusual in LA because the company was never entirely nationalized, having always had private shareholders. Its privatization was announced by Salinas himself during the annual meeting of telephone union workers, in September 1989. Through loans that were transformed into shares of limited participation, the Mexican state became owner of 49% of the capital by 1972 (Boza 1993:119). In August 1976, the government became the majority owner of the company (Casasús 1994:179). The privatization of TELMEX along provided $1758 million to the Mexican state. The process was accompanied by changes in regulations, opening to private investment and elimination of trade barriers (Boza 1993:111-112). In June 15th, 1990, a stockholders meeting changed TELMEX’s capital structure. At the moment, TELMEX had shares series AA (around 56% of the shares and which ownership was restricted to the government) and
series A (“publicly traded and had no ownership restriction”). The new structure was composed by 20.4% of AA shares (only owned by Mexican nationals, who had full voting rights), 19.6% of A shares (also with full voting rights but with no ownership restrictions), and 60% of L shares (with limited voting rights, and with no ownership restrictions) (Casasús 1994:182). The AA shares were sold for US$ 1734 million, to the consortium led by the Mexican Grupo Carso (owned by tycoon Carlos Slim, who would retain 51% of the shares), in association with Southwestern Bell and France Telecom (who split the other 49%). Series L shares for around a 15% of the total capital were sold in the US, Japan and Europe for US$ 2200 million. The rest of the shares, A and L, remained within the Mexican stock market. Out of this last package the Mexican Union of Telephone Workers (Sindicato de Telefonistas de la República Mexicana-STRM) got 4.4% of the shares (Boza 1993:120-122)42.

3.4. Deregulations: exchange rate and petroleum products

Cornerstone of the Mexican FMRs was the peso-dollar exchange rate, allowed to fluctuated within a narrow band (Edwards 2010:124). By 1988 exchange-rate fluctuations were associated to high inflation rates, which led Mexican authorities to link the peso to the US dollar. Between 1988 and December 22nd, 1994 —during the Salinas administration— the exchange rate system slightly varied from free-falling / peg to US Dollar / dual market (March 1st to December, 1988), to Crawling Peg / Dual market (December 1988 to November 11, 1991). It then changed again to de facto crawling peg to US Dollar, which lasted up to April 1992. From May 1992 to January 1994 it became a de facto peg to the US Dollar, and finally from February 1994 to December 22nd 1994, there was a pre-announced crawling band around the US Dollar—which became binding (Reinhart

42 For a detailed description of the process of the shares sell see Clifton (1999:419-422).
Rogoff 2002:85). In other words: as a part of a stabilization program aiming to controlling inflation, the exchange wasn’t completely open to the free-market logic, but remained state-controlled. On the other hand, this program would not touch the oil, gas, or the energy sector more generally.

4. FMRs in Venezuela during the Pérez Administration (1989-1993)

The economic and planning teams of the Pérez government’s cabinet signed the Letter of Intent with the IMF in Washington on February 28th, 1989. The 35-point letter included an explanation of the economic policy in Venezuela since 1983, the overall economic strategy, and the macroeconomic policies to be applied. Yet, the fact that the process of policy arrangement started before the Letter of Intent was signed, says that even if demands from the IMF were not ignored they did not directly determine the menu of policies to be applied either. In other words: “international coercion” existed (conditioning the lending of money), but does not explain the specifics of the Venezuelan case. These are some of the most important policies implemented, one of which was quickly reversed (the rise of gasoline prices) (Hausmann 1995:258-259).

4.1. Deregulations: exchange rate and petroleum products

The first measures enacted of “El Gran Viraje” —The Great Turnaround—, as the FMR were named during the second term of Carlos Andrés Pérez in the office, were the liberalization of the exchange rate and the adjustment of gasoline prices, which were implicitly subsidized up to representing 1% of the GDP by 1992 (Naím 1993:39). The increment in gasoline prices was violently demonstrated and reversed by the government shortly the aftermath of the protest. On the other hand, the new economic program freed the exchange rate between the Bolívar
(Venezuela’s currency) and the US Dollar, the interest rates (both passive and active), and prices of goods more generally. These measures were intended to substitute the dependence on state subsidies in the process of capital accumulation and to stimulate exports. A system of multiple exchange rates was set up in 1983 with which the Lusinchi administration subsidized aggregate consumption through the assignation of preferential exchange rates. From March 1989 to March 1990, the policy oscillated in a freely falling / managed floating system. In April 1990 became thoroughly managed—up to September 1992. From October 1992 to May 4th 1994, lastly, it went back to a pendulum-like movement: freely falling / managed floating (Reinhart & Rogoff 2002:104). Thus, during the entire period the state policy favored a market-determined exchange rate—“dirty”, slightly regulated, for some part.

3.2. Privatization of Telecommunications: CANTV

The privatization of the Venezuelan telephone company, Compañía Anónima Nacional Teléfonos de Venezuela (CANTV), was rather unexpected. In the national plan to apply FMRs priorities were established based on the economic weight it represented for the state, and on how difficult privatizing was considered. CANTV was not particularly ‘heavy’ and it was considered difficult to privatize. As a matter of fact, the February 1989 World Bank (WB) mission’s report on CANTV advised only restructuring the company by splitting it up in several carriers and, on this basis, the WB granted a $400 million loan to the restructuration of public companies. In other words: CANTV was not targeted to be privatized, but restructured. CANTV would remain a state

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43 Which means, on the contrary of what it name might suggest, that “intervention takes the form of a very tight monitoring that generally results in a stable exchange rate without having a clear exchange rate path” (Wang 2009:18).

44 Restructuration means in this context to open the sector (telecommunications), previously a state monopoly, to free-competition in the market through liberalization of tariffs. In other words: hay incumbents followed the WB advice, it would have been a deregulation and not a privatization policy—as it ended up being.
company, relying on several carriers, and tariff would depend on the interplay of supply and demand.\(^{45}\)

However, on June 1990 the Ministry of Planning (CORDIPLAN) worked out a project to privatize the largest six non-oil-related, state-owned companies, and CANTV was the main one. The company board favored restructuring while CORDIPLAN favored privatization. Eventually, the executive clearly leaned toward privatization. When the decision took hold the next step was to decide if it was going to be reached through one out of three options: management contract (the carrier would receive a share of the benefits as payment for its technical and managerial functions, but the state would still have to pay for investments on renovation and expansion of the company), lease agreement (giving the carrier the right to the benefits, paying only a portion of them to the state, and the transference of the workers and staff to the private owners—who most likely would not be committed to keep all of them) and direct sales (selling the stocks and assets of the company to a private corporation and to workers, as did British Telecom). As the government was precisely looking for money to pay debts, management contract was not the first option. Likewise, even though selling the company would not imply massive lay off, and the necessary investments to modernize and actualize the service would be up to the new owners, this option was nonetheless the most difficult to sell politically. So that initially the option considered was the lease agreement. Later on under a favorable climate, with the approval of political parties, workers, and public opinion, the modality of the privatization changed by April 1991 from the lease agreement to a direct sell of 51% of the stocks (40% to a consortium and 11% to workers). The envelopes with the consortiums offers were opened on November 15th, and the one led by General Telephone and

\(^{45}\) When it was a state-owned company, tariffs were established on a cross-subsidy policy (say: tariff for long distance calls—national and international—were overpriced, while tariff for short distance calls were underpriced).
Electronics (GTE)\textsuperscript{46} offered $1885 million, winning over the offer of the consortium led by Bell-Canada and Bell-Atlantic ($1407 million). To this moment, that amount was the largest yet offered for the privatization of any telephone company in the region—estimated in a total of US$ 4,712.5 million, way above the US 1,757.6 million of TELMEX (Mercado 2012:97).

3.3. Social Benefits

As a way of compensating the expected depression of real wages, there was also a restructuration of social benefits. Scholars of social policy in Venezuela consider this period as a new, third conception of public social spending—after a \textit{permanent} that started in 1936, and a \textit{clientelistic} one in the 1970s. This time it would mean a “compensatory and transitory social policy” (Mandato 1998:105). During the initial transformations, there would be an increment in public servants wages (starting on March 1\textsuperscript{st}, 1989); subsidies to services and to some basic products; mortgage funding at social-interest rates for housing; agrarian preferential interest rates; and an increment on the minimum wage of 50%—effective also by March 1989 (Stephany 2006:27). As for the social security system, the minimum wage to which the highest taxation was going to be applied was raised from Bs.3,000 to Bs.10,000—“charging less to the less-paid”. Between 1989 and 1993 there were also a series of other midterm policies, most of them targeting the poor through projects such as food allowance, endowment of uniforms and school supplies, maternal and child extended program, day care centers, unemployment insurance, training and employment for youth, and others. The implementation of the “compensatory” social policy was delayed and its core started only about a year after the first measures were implemented in 1989 (Valecillos 2007:351). Few programs had an impact and those who had it were related to primary school kids. As a matter of

\textsuperscript{46} It also included: AT&T (USA), Telefónica (Spain), La Electricidad de Caracas (Venezuela), and Consorcio Inversionista Mercantil (Venezuela).
fact, most of them had a remarkably low impact on the poor (González & Lacruz 2008:57-58).
The most apparent feature of this social policy is its “welfarist” character, according to which it is
neither a social right nor a gain of the political process, but a gift from the government (Méndez

3.4. Tax Reform

A tax reform was certainly prominent for the “Big Turnaround”, in which the value-added tax was
“the cornerstone in terms of novelty and revenue” (Mahon 1995:2). Although approved by the
Congress in 1989, it was not applied until October 1993—when Pérez had been already impeached
and Ramón J. Velázquez ran as the caretaker president. Likewise, full tax code and the reform of
the income tax (Impuesto sobre la Renta) were approved by the congress in 1991. Nevertheless,
the general tax reform did never take place during this period.

5. Explaining Differences in the adoption of FMRs

The previous description provides the materials for the first and perhaps most important partial
conclusions of this chapter, say: (a) that unlike in Mexico in Venezuela there was no time to fully
develop de FMRs program, and much less to develop it in advance to the appearance of the populist
movement (initially coming from the army). (b) In turn, this means that the contentious
mobilization (of military organized peasants in Mexico and of the military against the system in
Venezuela) was not directly motivated by the measures. Therefore, (c) the FMRs only opened the
door for organized contention. In this, however, there was no difference between our cases. In both
of them, the critical measures that conditioned the following political processes were the first ones
taken (particularly in the Venezuelan case): the tax reform in Mexico and deregulation of the
exchange rate and of petroleum products in Venezuela. As such it then begs the question of: *Why did each government give priority to those specific policies?* The answer to this question, as previously mentioned, lies upon three dimensions. Identifying and describing them sheds lights on the mechanisms which initially made the paths to political contention so divergent in our study cases, and which justifies to speak of this initial period as a critical juncture. Let me present them one by one.

5.1. Incumbents' Decision-Making Structure\(^{47}\)

During the Salinas government, due to the economic reforms and the ratification of NAFTA, and in the peak of the enthusiasm for the promethean nature of the reforms (pushed forward through a decline in interests rates in the US), “Mexico received massive amounts of foreign funds, many of a short-term and speculative nature” (Edwards 2010:126)\(^{48}\). The large inflows of capitals and the real appreciation of the Mexican Peso were initially beneficial: middle-class consumers had access to less expensive import goods, business had access to relatively cheap borrowing, and allowed the government to maintain high levels of spending on small- and medium-size business, union movements and PRONASOL. However, quite like with an oil boom, there were side consequences of the currency real appreciation—being one the competitive pressures on tradable producers. As capital inflow began to slow down, the Salinas administration had to face stark choices: to depreciate the Peso or to implement deflationary policies to sustain it. In the first case, the consequence would have been a purchasing power reduction of the middle class, while the consequence of the second option would have affected the support of the business community and

\(^{47}\) Karl relies on this notion to address the issue of “how choices are structured over time” to unite structural and choice-based approaches. “It seeks to explain how… historical interactions construct the range of choice facing policymakers at a given moment”, and names this approach <<structured contingency>> (1997:10).

\(^{48}\) For an alternative interpretation of the financial crisis as unrelated to the FMRs see Urzúa (1997).
of the organized labor. “The situation was complicated, however, by the government use of the exchange rate as a symbol of its overall policy credibility” (Frieden 1997:89-91). Having to face such political consequences during an electoral year, the Salinas administration postponed the measures. It was the Zedillo administration who took them and had to deal with the consequences (to which I shall be back in chapter 6).

On the other hand, incumbents in Venezuela were seriously in need for cash. Scholars point out the difficulties of the Venezuelan economic situation when the FMRs were systematically implemented—an alarming low level of net international reserves of only US$ 300 million, in combination with a short-term Central Bank dollar liability (recognized official-rate letters of credit) of US$ 6.3 billion (1 billion already overdue); a fiscal deficit reaching the 9.9% of the GDP in 1988; shortages of basic products; capital flight; and an increasing demand for credit to finance inventory accumulation (Rodríguez 1994:378; Hausmann 1995:261-262). Cornered by the insolvency of the state as well as its administrative low capacity more than by strong ideological commitments, the Pérez administration undertook a radical approach to structural adjustment, known as a “shock-therapy approach” (Naím 1993:54), aiming to globally transforming the economy and the state (González & Lacruz 2008:44-45). The situation had deep roots. Since 1978 Venezuela’s economy steadily shrank, real income per capita decreased, poverty continuously grew, income distribution grew inequitable as well, and its international financial conditions severely deteriorated—“… capital flight, escalating foreign debt, and… a severe foreign exchange rate shortage” (Naím 1993:24-25). Eventually expenditures soared higher than incomes, and foreign borrowing appeared as the main and most expedited option, and to lend money “austerity” was creditors’ condition sine qua non. The most expedite source of cash was oil revenues, and
without being able to control the prices of the international market, they could only controlled prices at the domestic level. But, why this wasn’t the case in Mexico?

5.2. Political Assemblages

Agents responses to the first dimension readily explains the pace of the reforms in each case — shock-therapy in Venezuela\textsuperscript{49}, gradual pace in Mexico—, but it does not explain why those specific measures were given priority—ordering-sequencing. Through the tax reform the Mexican government raised tax revenues and, at least temporarily, avoided dissatisfaction of larger sectors of society, while managed to keep business support—while the Venezuelan government faced a general and abrupt decline in popularity (Naím 1993:10). The key element explaining the success of the Salinas tax reform was “the improved relationship between the Salinas administration and the business community” (Elizondo 1994:187). On these grounds, his administration was able to isolate the Secretariat of the Treasure from business pressures opposing the reform. More importantly, it set-up a “differentiated distributional cost” among tax payers, dividing businessmen collective power by diminishing tax rates on the highest income, imposing a 2% asset-tax to middle and small firms, and by excluding individual capital gains in the stock market from the reform (Elizondo 1994:187). In this fashion, business collective influence was split and thus neutralized.

Last but not least, economic crises help increasing business power in both advanced industrial societies and the semi-peripheral societies, such as the Mexican. But as scholars have pointed out, the 1994 economic crisis in Mexico led to a proximate source of business power based on divided

\textsuperscript{49} In part, the pace of application of the FMRs was due to the critical situation that Pérez inherited from Lusinchi, who “During his final months in the office..., anxious to assure his lasting popularity, engaged in financial extravagances and deficit spending that was more than generous. Resentful of Pérez as well, he had withheld information about economic and fiscal commitments from his successor” (Martz 1995:42).
rather than on unified business mobilization. In fact, business political divisions in Mexico had the seemingly opposite effect of increasing its economic power (Gates 2009:59). Here a divisive conflict was reduced to a one form of division (political) while providing another source of stability—economic power.

In the same direction, regarding social benefits, “…since December 1988 [PRONASOL] has directed a flow of public resources into housing, power generation, roads, and other forms of infrastructure”, operating with a budget representing between 1.1% and 2.2.% of the total public spend between 1989 and 1991 (Dresser 1991:4). More important, however, seemed to be the principles of co-responsibility and popular participation upon which it was working. Scholars noted that those principles had a latent function: “The strategy and impact of PRONASOL policies reveal a partisan political agenda that includes establishing ties to autonomous popular movements, designing new forms of linkage between state and society, building a constituency for a restructured PRI, and realigning local and regional party elites” (Dresser 1991:19). In short, PRONASOL political effect on support for the Mexican incumbents building coalitions for FMRs is to be evaluated not in terms of levels of spending but in terms of the favorable image it provided for politicians among popular sectors (Bruhn 1996:166,172; Urzúa 1997:99). The compensatory social policy in Venezuela was a rather technical, innocuous device, and of little impact on poverty alleviation, nothing like the political machinery of PRONASOL.

Unlike its Mexican counterpart who focused on the tax reform, in Venezuela the Pérez administration made a totally different bit. Deregulation of petroleum products, especially a rise in gasoline prices, unleashed a serious social crisis, which most shocking and representative event
was the 1989 riots and lootings known as *El Caracazo*. Why they did not push forward the tax reform? Certainly, it would have taken longer to collect the money they needed, but there is another more fundamental answer. In Venezuela historically “Opposition to establishing such a tax system was especially great from organized business interests who distrusted the efficacy of the state and mistakenly believe that petrodollars could adequately provide for their needs. Ever since the tax crisis of 1966, even minor government efforts at raising taxes had been easily pushed aside” (Karl 1997:170-171). Moreover, the very party of the President, AD, rejected the measure (Tarre 2007:61). The results were disastrous, for oil revenues are not only a larger part of the GDP in Venezuela than they are in Mexico. More importantly, they have a different role on society. Coming from the 1977-1982 period, after the nationalization of the Venezuelan oil industry (1976) and when oil income grew larger in Mexico due to the discovery of large oil deposits (1978), “the pattern of use and subsidies” in Venezuela favored *industry and national development*, whereas the same pattern in Mexico favored *private* more than industrial interests—through subsidizing “heavy fuel and special products, decreasing gasoline, kerosene, and diesel subsidies” (Randall 1987:54). The enforcement of tax collection was, at best, a long-term task in Venezuela because in the short-run it was *economically* less profitable and *politically* more difficult to implement. In this context, makes fully sense the decision to deregulate the exchange rate and to increase gasoline and petroleum products more generally.

5.3. FMRs Impact on Currency Markets

Scholars agree on the fact that the December 1994 event —the so-called “Tequila Crisis” in *Mexico*— was in fact triggered by accumulated overvaluation of the Peso in the context of deregulations of the economy generating external deficit (Urzúa 1997:100-101; de Quesada
Devaluation of the Peso was delayed partially due to the fact that the North American Free Trade Agreement (NAFTA) was expected to be signed by the end of 1993, and the Mexican government did not want to cause a negative impression on his partners of the north. The December 1994 financial crisis was somehow a postponed event and cannot be considered a crisis trigger by any of the FMRs directly. Meanwhile the assassinations of the PRI’s members did not trigger a general political crisis either, as the PRI was still in control of the state, so that in spite of the severity of the events they remained a “family business”. As a matter of fact, some of its main consequences were felt during the financial crisis of 1994—e.g.: accelerating capital flight—and did not have an immediate political effect.

On the other hand, the new economic program in Venezuela contemplated undervaluation of the currency as the mechanism of capital accumulation—where overvaluation previously reigned. Nonetheless, establishing a free-floating system implied the depression of real wages, due to the high inflation rates which in 1989 reached an average of over 80% for consumers and of around 100% for wholesalers—rates evidently much higher than rises in real wages (Palma 2002:43-44). Additionally, the reduction or elimination of import duties (aiming to open the domestic market to international competition) had the opposite effect of stimulating imports. Even though the liberation of the exchange rate was supposed to increase competition (in the domestic market) and exports, given the existing conditions the measure stimulated imports in almost every industrial sector and made exports more expensive to small and middle domestic producers.50

50 According to Naím & Francés (1995:184) exports soared to unprecedented levels (from US$ 649 million in 1988 to US$ 1.5billion in 1989), where “the bulk of the exports consisted of the manufactured goods for which companies could not find local buyers”, partially a result of an attractive exchange rate and a new export subsidy. In other words, only those manufacturing and then largest companies could take advantage of this combination and rise their exports.
Currency devaluation as a consequence of de-regulation of the exchange rate, in principle, should have favored tradable sectors, manufacturing and agriculture (Frieden 1997:85; Frieden, Leblang & Valev 2009:4). However, businessmen in these sectors faced difficulties with the market structure in both fronts: supply (acquiring raw materials and spare parts, both locally produced and imported, was difficult and expensive) and demand (there was a short one)\(^{51}\). In fact, between 1990 and 1992 non-oil exports shrank and imports grew much larger than previous periods (Martínez 2000:49-57). Additionally, there was no substantial change in the market structure during these three-to-four years of FMRs. The combination of exchange rate deregulation, increment in interest rates, and trade opening to imports increased *market concentration*\(^{52}\) in the eight most concentrated sectors of the economy (drinks; tobacco; oil refining; mud, title, and porcelain; glass; non-iron minerals; iron and steel; and scientific equipment), while stimulating competition in labor-intensive sectors that were already open to competition (such as the garment industry, among others) (Martínez 2000:63,67,92). These sectors, in turn, were in hands of the largest companies. That is to say: FMRs did not increase market competition, nor debunked oligopolies/monopolies; on the contrary, it reinforced the previous concentrated market structure. In the next sections I propose an explanation to the differential impact FMRs had on Mexico and Venezuela in terms of contentious opposition.


\(^{52}\) Defined as the tendency to monopoly formation or at least to have the power to establishing prices.
6. Differences in Transgressive Contention

Reactions to neoliberalism in *Mexico* were strong starting on January 1st, 1994, when NAFTA went into effect, with the uprising of the *EZLN*. In spite of self-naming themselves with the term “army”, the EZLN was nothing like the typical guerrilla army (Yúdice 1998:365). It was a movement against the consequences on land tenure concentration, which agricultural commercialization made even worse for peasants. Amidst the *Zapatistas* unsolved uprising, Luis D. Colosio (PRI’s appointed candidate for president), and José F. Ruiz (PRI’s general secretary) were assassinated on March 23rd and September 28th respectively, showing serious divisions within the PRI. Right after the assassination of Colosio there was a large depletion of foreign reserves, quickly dropping from around $85,000 million in March to around $55,000 million in September. Similarly, after the assassination of Ruiz and the resignation of his brother —Deputy Attorney General in charge of the case— claiming complicity of PRI’s elite, foreign reserves experienced yet another free-falling drop from $55,000 million that month to $20,000 million by January 1995 (Urzúa 1997:103-104). Only eighteen days after his inauguration Zedillo “was forced to devalue the peso in order to avoid economic collapse. As a result Mexicans who held their savings in the national currency lost nearly half of their savings at the same time that they saw their outstanding debt increase exponentially” (Edmonds-Poli & Shirk 2009:108). When the devaluation was announced, the current account deficit had reached an 8% of the GDP and foreign reserves had dropped to just above $6,000 million. Meanwhile, the country had to pay back around $29,000

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“The transgressive contention consists of episodic, public, collective interaction among makers of claims and their objects when [among other things] …at least some parties to the conflict are newly self-identified political actors, and/or... at least some parties employ innovative collective action. (Action qualifies as innovative if it incorporates claims, selects objects of claims, includes collective self-representations, and/or adopts means that are either unprecedented or forbidden within the regime in question)” (McAdam, Tarrow, & Tilly 2001:7-8).
million to foreign and domestic investors. Then, neither the assassinations nor the financial crisis spurred contention against, or were a consequence of, FMRs.

*The Venezuelan* experiment with FMRs started off on the wrong foot. First, about two weeks after Pérez inauguration in 1989, on the morning of February 27th, drivers and owners of public transportation implemented a 100% rise in fares that, according to the agreement between unions and government, was supposed to be effective two days later and consisting of only 30%. Drivers and owners justified their decisions upon the rise of gasoline prices to be effective that day. People’s reactions were immediate. All of a sudden complains became demonstrations, demonstrations became disturbs, disturbs became lootings. In localizing the starting point of this event known as *El Caracazo*, all clues point to *Guarenas* (a town in the outskirts of Caracas) and the people commuting to Caracas, between 5:30 and 6:00 in the morning (Rivero 2010:101). Quickly, the riots spread out for all over Caracas and other cities. Cars and public transport were burned down as well as stores of any kind which were —most of them— previously plundered. The fact that the Metropolitan Police was in a sit-down strike did not precisely help to hold the mob back. As a matter of fact, it says something about the general political context where even the police was in its most forceful strike ever (in addition to workers of the tribunals, teachers, etc.). As the riots progressed, the middle class joined the poor. During two days the turmoil ruled the city and part of the country side as well. Only the participation of the military, through a violent repression, was able to cool it down. NGOs estimate over 400 deaths and over 1500 wounded during those two days. At the time, shortages were the worst ever in 20th century Venezuela.
The populist movement came to public life three years later, first as a military movement (I will explain why it is a populist movement in despite of its origins in the next chapter). In 1992 two failed military coups, one on February 4th, led by future President Chávez, then an Army Lt. Colonel, and the other on November 27th—by some of his previous co-conspirators. Particularly relevant was the first one, committed around midnight by mid-rank army men, backed by armored units. (I will be back to the coups in more detail in the next chapter). The coups shocked the general sense of political order, and in 1993 President Pérez was impeached under charges of embezzlement and finally removed from the office.

Summing up: FMRs were related to crises and contention in both Mexico and Venezuela and yet there are considerable differences between them—particularly in its middle-to-long term consequences. While contention in Venezuela paved the way for successful populist mobilization, in Mexico incumbents kept on their way to neoliberalism. What, then, explains differences in contention during this period? Although there is no easy or mono-causal account of this issue, there are two initial candidates for the explanation to which I will add a third one. First, the idea that crises (especially economic crises), in conjunction with other background conditions trigger political change is widely accepted54; but given the presence of crises in both of our study cases, to explain differences in the openings for contentious mobilization requires further qualifications. In addition to that, the performance of both economies after this period of FMRs was rather modest and their results were predominantly mixed (Hausmann 1995:278; Urzúa 1997:98-99; Edwards 2010:125), results which probably do not differ much from most of the economies in the region.

54 Meanwhile, scholars have acknowledged that the presence of inflationary crises (or hyperinflation, when inflation skyrockets roughly over 35%-50% per month) is neither a necessary nor a sufficient condition explaining failure or consolidation of structural reforms in Latin America (Corrales 1999:12,17).
Secondly, differences between the cases of Mexico and Venezuela speak of different paths to neoliberalization and as such of different consequences related to them. In the literature on FMRs in LA there are two key elements to defining such paths. On the one hand, regarding the nature of the FMRs some scholars point out that the turn to this policymaking paradigm wasn’t a pragmatic but a political decision. For instance, Aguiar de Medeiros (2009) argues that adaptation of FMRs were the sole result of new “distributional coalitions”. On the other hand, mechanisms conditioning different paths to liberalization have been identified as regime type (democracy or not) and the nature of the prior ISI actors (economic and organizational power of industrial business and labor). Under this framework, for example, Mexican reformers did not take a compensatory strategy more or less exclusively focused on ISI insiders or outsiders. Rather, “Market share deals and concertation with certain industrial business groups and unions coexisted with labor repression and the courting of the informal poor through an extended anti-poverty program” (Etchemendy 2011:24). Nevertheless, in answering our question this model also falls short because this mixed or hybrid compensatory strategy is coherent with what I show below regarding the Mexican path to FMRs and, at least for all that matters here, it does not seem to considerably differ from the Venezuelan.

Evidence from our cases shows that governments’ pragmatic considerations (besides “new distributional coalitions”) should not be overlooked—particularly in the pace and sequence of FMR implementation. This, on the other hand, does not contradict the fact that coalitions (breaking old or constructing new ones) had played a part—as shown in the previous section. Say: in both Mexico and Venezuela neoliberalism was originally an incumbents’ project, but one carried out

55 Being perhaps the main differences the two-party system (AD & COPEI) dominating unions-state relationships in Venezuela, in contrast to the single dominant PRI in Mexico.
on pragmatic bases\textsuperscript{56}. Yet regardless the nature of the reforms (political or pragmatic) the different consequences of the FMRs in our study cases speak to a dimension that is not capture by these arguments. A third and related element to be considered is the character of the technocratic polity behind the implementation of the FMRs which I will explain in section 8. Previously, in the next section I explain why there was no important contention against FMRs within institutional channels.

7. Explaining the Limitations in Contained Contention\textsuperscript{57}

In neither of these countries the main manifestations of contention took the form of movements demanding formal inclusion, rights extension, or alternative policies to the FMRs in an institutional fashion. Why? Foremost because the political opposition to FMRs and the organized labor were under control: In both Mexico and Venezuela it truly was a political conquest and represents a dead-end for contained contention, either through cooptation of, repression, or coalition-building with the political actors.

7.1. Mexico

\textit{Repression of Unions}. Given corporatism’s deep roots high levels of conflict were predictable, for FMRs were thought to make innocuous the symbiosis between union leaders—who were under the umbrella of the almighty PRI—and the bribe-oiled state bureaucracy as well. However, the sale of Telmex was not a controversial issue at large. First, there was no collision between the company board and the government. On the contrary, from the beginning there was a broad

\textsuperscript{56} See Fourcade-Gourinchas & Babb (2002:557-562) for a similar argument on the Mexican case.

\textsuperscript{57} “\textit{Contained Contention} refers to those cases of contention in which all parties are previously established actors employing well established means of claim making… all parties to the conflict were previously established as constituted political actors” (McAdam, Tarrow, & Tilly 2001:7).
agreement that privatization was the way to go with Telmex. If anything, they were not too happy with Salinas for not being radical enough in this direction. Second, union leaders were also in agreement with the government and the company board. So that even as it happened bases did not support the measure, eventually they were forced to yield. On the one hand, a “45 days improvement plan” was offered to the company workers to increase the “performance goals” in different areas of the service. During the implementation of the plan, nonetheless, there were unusual inspections from the Secretary of Communications and Transports and workers were forbidden to meeting during working hours. Lastly, those who openly opposed the privatization (around 200) were fired (Clifton 1999:415).

Crafting New Unionism. More importantly, the relationships between unions and the PRI-controlled Mexican state were readily rebuilt through the creation of the so-called “New Unionism”, whose function was to broaden the agendas of the unions to break the opposition against privatization, to the point that the new unions’ leadership —chiefly in the person of Francisco Hernández Juárez— even backed it up (Clifton 1999:416; Mercado 2012:93). Eventually, there was no real competition to Hernández, Salinas’ ally, who won the position of General Secretary with 90.3% of the votes. His candidacy was mobilized around the idea of a new, more flexible unionism model pinning topics such as decentralization and the opening of opportunities for more union members to participate. Lastly, they created a new umbrella Union Confederation (FESEBES) to promote this business-oriented model and to rival the Central of Mexican Workers, CTM. In this case, corporatism proved to be resilient to privatization. Third and last, parties on the opposition did not oppose the measure (rather the contrary), while there
was a broad agreement in the public opinion on Telmex’s need to improve the service and that privatization was a step in that direction.

7.2. Venezuela

Parliamentary Coalitions. Once the decision to sell CANTV’s stocks and assets was made three battle fronts were awaiting. First, the argument provided to politicians was eminently pragmatic: the state could not afford the required investments to modernize telecommunications—which had become object of intense criticism in the public opinion due to its inefficiency—, thought to cost around $10,000 million along ten years. Whereas COPEI openly supported the idea, AD took an ambiguous stance. Nevertheless, there was opposition in the congress, primarily from MAS (Movement Toward Socialism) and Causa R (Radical Cause). MAS’ representatives argued that selling CANTV meant to yield on a strategic sector of the nation to interest which would not represent them. Causa R’s representative backed this criticism, and added that privatization was not part of a more inclusive project of development (Francés 1993:61). However, the largest parliamentary fractions supported the project on the grounds that it would save the company from bankrupt (COPEI) and that it would improve the service (AD). As for public opinion, the privatizing commission kept permanent communication with the editors of the largest media corporations. From March to November (1991) the number of news per month displaying a favorable tone on privatization, rises from less than 100 to over 400 (Francés 1993:19). The bill of sale was finally signed on November 13th—two days before the opening of the envelopes containing the consortiums’ offers—after a long-lasting debate in a bicameral session.
National Union Control over Sectorial Unions. The commission in charge of privatizing the company assured to the Federation of Telecommunications Workers (FETRATEL) that with privatization there will be no massive layoff—a reasonable fear because private investments would spur a fast growth making possible to reduce the number of workers per 1000 lines from approximately 13 to 6 (Francés 1993:13-16). By September 25th, 1991, the general secretary of the CTV (Venezuelan Confederation of Workers) openly supports the privatization in despite of the disagreements with FETRATEL—who aspired to the creation of an Endowment for the Workers, constituted with the very workers contributions, and of a shareholding program managed by workers as well. The company proposed instead the creation of bank trusts to selling the shares. Workers should pay interests of up to 5% to acquire them through credit (the interests were reduced to 0% in the final talks). The company’s proposal prevailed, backed by CTV.

8. Explaining Differential Political Opportunities for Transgressive Contention

Crises were triggered because FMRs did poke the existing fragile power balance of these states as other previous conditions were made more salient. Transgressive contention was the response. Instead of considering more or less implicitly technocracy and the technocratic elite as a universal and invariant phenomenon (Centeno 1994; Babb 2001:171), I have shown that the combination of previous conditions and the FMRs implementation can be summed up in two types of technocratic politics. The first one is Pragmatic, because despite the fact that the technocratic elite truly believes in the “technical” nature of their mission, they still deal with politics as such. The second one is Purist, because it has given up on politics and relies almost entirely on the technocratic creed, its formulas, and its effects. The main factors explaining differences are, then, the type of technocratic politics, on the one side, and the scope of the crises and of the movements responding to them, on
the other. One was local, depending or confronting the state, the EZLB in Mexico; the other was national, claiming autonomous power, aiming to take over the state, the Bolivarian Revolutionary Movement 200 (MRB 200, the core of what will be the Chavista movement later on) in Venezuela.

8.1. Mexico

The Mexican crisis did not pass beyond localized events. The Zapatista uprising, although directed against neoliberalism in its performance, was not exclusively linked to it. The factors explaining the radical mobilization of the EZLN lie further back in time and much shorter in scope than the FMRs. Conflicts on land redistribution go back to the times of the Mexican Revolution in the 1910s, but in Chiapas they were salient at least since the government of López and, in fact, in the late 1970s his administration “had already and publicly declared the end of agrarian reform and advocated a shift of emphasis to productivity” (Serrano 1997:80). During the 1960s the Catholic Church, through the influence of the Liberation Theology, provided a general ground to the politicization of the indigenous population. Mobilization, land invasions, and state repression increased during the 1970s. The compound result was a myriad of numerous peasants and indigenous organizations that resisted cooptation and made possible the mobilization of ethnic identities during the 1980s. Although in 1992 Salinas withdrew the granting of peasants’ right to claim land (“the reform of Article 27”), the main FMR affecting the power structure of the region was privatization. It removed corrupt and inefficient officers, “but they also dismantled a network deployed by the state over a period of five decades to assist the agricultural sector” (Serrano 1997:83).
Moreover, as the goal of PROCAMPO since 1989 was to encourage more lucrative crops, it ended up targeting the most regularized land proprietors reinforcing inequalities in land ownership and productivity. Several demonstrations took place between December 1991 and December 1992. The perception that at the local level there was no way to make the protest effective, provided further stimulus to peasants and indigenous communities on their way to radicalization. The uprising of the Zapatista movement was limited and eventually deflated in part because it was always a regional movement, whose focus was land reform—an old issue that did not directly affected the rest of the Mexican society—led by the radical left who had infiltrated the peasants. In this sense, the fight against neoliberalism by the EZLN was particularly helpful as a way of symbolically de-regionalizing and broadening the protest. So from the very beginning it was a territorially identifiable movement: they hinged on a racial and ethnic identity (mainly Mayans of the southeastern state of Chiapas) and mobilized around demands for indigenous rights and agrarian reform (Serrano 1997:84-85), whose leadership nonetheless came from a national leftist movement (Peeler 2003: 274). Its survival was made possible by remaining newsworthy and constantly renewing their public performance (which made open repression harder to the Mexican state). In spite of being highly visible and regionally influential, the EZLN, nonetheless, did not seek to coalescence with other movements or forming a national coalition in order to become a political party or a wider movement to reach, or at least to run for the office. A previous decade of regional violence is, lastly, a key condition to understand the radicalization of the EZLN (Serrano 1997:92). In brief: the events did never generate an organized mobilization aiming to take over the Mexican state by any means—neither institutional nor transgressive.
8.2. Venezuela

The FMRs in Venezuela contributed shaping a generalized crisis that started with a social upheaval. On its most general and superficial level, this crisis was the result of a severe polarizing approaching to FMRs, in which sectors of big business not only remained untouched but in fact were gaining more, while the rest of the sectors in society were affected by the reforms — in one way or another — and those who felt threaten by the measures were those actively courting the state in the previous paradigm (Naím & Francés 1995). Yet, given the quick precipitation of the events it is hard to picture them as a result of organized political coalitions. Instead, there were first and foremost inherited conditionings. Consequently, on a deeper level FMRs were more a trigger, an intervenient mechanism, than a fundamental cause in the development of the populist movement. I have explained why in Mexico the events triggered by FMRs remained focalized and relatively under state control. I will now explain why there was a generalized crisis in Venezuela, generating openings for radical-populist contention.

9. Defining the Venezuelan State-making Crisis

In the scholarly literature, the Venezuelan crisis has been depicted in different spheres as economic (Kelly & Palma 2004:212), rentier (Salamanca 1994:18) political or democratic (Martz 1995:31; Molina 2004:164), social (Roberts 2003:56), legitimation (Crisp 1996:30), and even historical (Caballero 1998:10). A state-making crisis is more general and more specific. More general, as it is a result of deep unresolved arrangements of a contemporary nation-state in the periphery of the World-System. In this sense, it is different from 19th century processes of state formation in Latin America because the geographic contours have been generally established and a central institution of authority is widely recognized. More specific, on the other hand, as it is different from regular
political conflict in that the very bases of the institutions are questioned, thus creating openings for outsiders to the establishment and radical politicians, but are not violent enough that spur civil wars. Let us first stick to a definition of the state: “States are mechanisms for the definition and generation of legitimacy as well as organizations that accumulate resources to enforce those claims of legitimacy. States claim the authority to define all rights, and each individual’s rights are defined in relation to the state itself. That is a claim broader and more fundamental than those contained in either Weber or Mann’s definitions. States don’t just use violence and make rules, and they don’t just aspire to monopolize in both realms. States seek to create a social reality in which each subject’s property claims and their civil rights and liberties, including their very right to life, exist only in the context of their legal status in a particular state. Successful states have the force, the organizational reach, and the ideological hegemony to enforce those claims upon all who live within its territory” (Lachmann 2010:1, my bold). Given this definition of the state, I address five dimensions of the state-making crisis.

In his War Making and State Making as Organized Crime, Tilly (1985) argues that wars were the cradles of modern states in Western Europe (making his case mainly out of the French state in the 1600s onward). As they fought wars, in order to eliminate the competition and secure territories, power holders sought to extract more resources from the populations under their control, particularly from the wealthiest, and to promote capital accumulation. According to Tilly, agents of states fundamentally carry on four activities: war making (eliminating or neutralizing rivals outside their territories), state making (eliminating or neutralizing rivals inside those territories), protection (eliminating or neutralizing the enemies of their clients), and extraction (acquiring the means to carry out the first four activities). Each of these activities produced in time characteristic
forms of organizations which were bigger, as a general rule, the more costly was the activity it
derived from (1985:181)\textsuperscript{58}. The balance of these four elements, therefore, significantly affected
the organization of the state: primacy of war-making over other process fed more autonomous
military forces in national politics (e.g.: Spain); primacy of protection favored oligarchies of the
protected classes (e.g.: Venice or Holland); primacy of state making “sprang the disproportionate
elaboration of policing and surveillance”—e.g.: the Papal states (Tilly 1985:184).

However, as Tilly himself was well aware, and in spite of providing fundamental clues to
understand it, “The Third World of the twentieth century does not greatly resemble Europe of the
sixteenth or seventeenth century” (1985:169). Miguel A. Centeno took from where Tilly stopped
regarding the Third World, specifically Latin America, and argues that these states “… were not
able to escape the ‘cycle of levies, bankruptcies, and mutinies (Kaiser 1990, p.35) that
characterized warring states prior to the revenue revolution of the late 17\textsuperscript{th} century; they were not
‘built’ by war” (1997:1582). Therefore, he concludes, for war to make states there have to be some
existing level of political organization, which was not the case in Latin America. For starters, there
were alternative sources of finance which allowed local powerholders to avoid the requirement of
challenging elites in a “coerced extraction of resources” established in Tilly’s model. Additionally,

\textsuperscript{58} The idealized sequence would be as follows: a great lord waged war effectively, increasing the means of extraction
for war from the population over the territory under his control. As a result, the capacity of extraction was increased,
leading in turn to the elimination, neutralization, or cooptation of rivals. “As a by-product, it created organization in
the form of tax-collection agencies, policies forces, courts, exchequers, account keepers; thus it again let to state-
making… In the course of making war, extracting resources, and building up the state apparatus, the managers of
states formed alliances with specific social classes..., all in return for a measure of protection against their own rivals
and enemies” (Tilly 1985:183). In his historical test of these ideas, Lachmann finds that more significant than mixed
results “… is the inability of the fiscal-military model to account for the long periods when the leading fiscal and
military powers made no territorial gains at all, despite their advantages over rivals with lesser resources. The richest
power of each era did not add territories during most of its years of fiscal supremacy, and the powers that accumulated
territories as often as not had smaller budgets than rivals who failed to add to their holdings lost lands to poorer
powers” (2009:50). I rely on Tilly’s analytical distinctions just as a heuristic to grasp the dimensions of state activities,
which dynamics are explained by factors other than the direct relation successful war-making / fiscal supremacy.
independence wars caught these states severely underdeveloped. Ideologically, the dominant economic liberalism went against the idea of an intrusive state. Finally, internal unity failed to appear and thus control of the state remained contested, in a world dominated by armies, yet by no single one of them in particular, sitting on a mechanism of “coercion without extraction”: “draining large amounts of money, the military did not provide a means with which to pay for itself” (Centeno 1997:1591). The outcome was states with low capacity to, first and foremost, extract resources becoming dependent on foreign borrowing to enforce authority. The main requirement for wars to make states is, thus, “some form of union between a politically or military dominant institution and a social class that sees it as the best means with which to defend and reproduce its privilege” (Centeno 1997:1570).

What happened in Venezuela previous to Chavismo getting to the office was different in degree and nature. The type of state-making wars Centeno is referring to are obviously temporarily antecedent to the solidification of the 20th century system of states. Therefore we should exclude war from the discussion as a state-making mechanism, because we are not referring to the period of state formation, and because Venezuela did not go through a war during the 20th. To reach a composed explanation of the Venezuelan crisis demands two sets of elements. On the one hand, “Elite conflict theory suggests a three-step analysis. First, identify moments when relations among elites and between elites and the state change. Second, evaluate the consequences of such episodes, specifying which elites gain or lose control over resources and the capacity to set policies. Finally, evaluate each change in the relative power and autonomy of the state and rival elites for its effect on that state’s capacity to meet particular geopolitical challenges of the moment… In contrast to rational choice theory, opportunities for structural change do not end after a single decisive episode
of state-elite conflict and learning. Rather, elites, conflicts, and sequences of structural change are multiple” (Lachmann 2009:57). On the other hand, given the peculiarities of the Venezuelan state, as a Latin American State of the 20th century, it also demands an account of the role of the developmental model in the process, according to 20th century’s leanings. As a consequence, a state-making crisis can be traced through the following dimensions:

i. **Extraction** of resources from the population is seen either illegitimate or particularly hard to accomplish, which relates to fiscal crisis (as I have tried to show during this chapter).

ii. **State-making** properly speaking. Challengers to incumbents stop recognizing institutional channels for accessing to power as legitimate, pushing their way for institutional change through both institutional and non-institutional means (the military crisis presented in Chapter 3).

iii. The existing **developmental model** carry on by policy-makers does not continue to provide positive results and economic outputs more generally, during a sustained period (Chapter 4).

iv. **Protection** of local business appears inefficient or unattractive (Chapter 4).

v. **Ideological Hegemony**. An element that contemporary authors considers of a paramount relevance but that Tilly does not consider perhaps because he is referring to a different period, the period of modern states formation. But that we should consider carefully. I will address this point as a hinging mechanism between previous periods of state-making in Venezuela and the Chávez era (Chapter 6).
A state-making crisis methodologically encompasses all of them, while partial crisis should lead to different outcomes. While in the present chapter I focused on the event that characterizes the social crisis and the rejection of the FMRs, including the new ways of extracting resources from the population, the other dimensions of this crisis will be address in chapters 3 (the origins of Chavismo and the reforms in the military) and 4 (the political and economic crisis).

10. Conclusions

The type of view according to which “… a wide array of neoliberal reforms provided the motive for mobilization” (Silva 2009:3), even if it is not false should be taken carefully. The central conclusion of this chapter is that a more nuanced affirmation is better equipped to understand the dynamics of contention in Latin America, that is to say, transgressive mobilization found the structural openings in the exacerbation of certain economic and political tendencies FMRs only made harsher. The Venezuelan crisis, therefore, was beyond FMRs (as I will show in detail in Chapters 3 and 4). This also shows that not self-evident conclusion of the relationships between democracy and capitalism can be drawn, and that as some scholar has argued more specific research of the types of democracy and of capitalism needs to be done (Crisp 1998b:8)—particularly for the Latin American cases. It is not only that less democratic methods can made the enactment of FMRs more successful and vice-versa. In fact, as this chapter has shown a combination of more and less democratic methods (Mexico) is more successful than other combination of the same (Venezuela). Finally, the consequences of the enactment of FMRs are different for contentious mobilization and that depends upon both previous conditions and the different ways they are enacted. Table 2 summarizes the elements which combined explain the different openings for contention in each case.
### Table 2. Differences in FMRs implementation and their contexts

<table>
<thead>
<tr>
<th>Mexico: <strong>Pragmatic Approach to FMRs</strong></th>
<th>Venezuela: <strong>Purist Approach to FMRs</strong></th>
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<tr>
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<td>Shock-Therapy Approach to the Reforms</td>
</tr>
<tr>
<td>Neutralization of Big Business Political Power</td>
<td>Business Opposition Made Tax Reform an Unrealistic Alternative</td>
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<td>Indirect Protection of Small- and Medium-Business</td>
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<tr>
<td>Cooptation or Repression of the Opposition and of Organized Labor</td>
<td>Neutralization or Cooptation of the Opposition and of Organized Labor</td>
</tr>
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<td>Private Pattern of Oil Use and Subsidies</td>
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1. Introduction

In the previous chapter I provided a picture of the structural opening of political opportunities for contentious mobilization. In that chapter I propose an explanation as to why Mexico and Venezuela, in spite of facing similar FMRs related processes, experienced transgressive contention with different scopes, and argue that the crisis were qualitatively different. We can speak of a state-making crisis in Venezuela, while in Mexico it was a more focalized crisis. In this chapter I describe the second element of the Venezuelan state-making crisis, say, the military crisis expressed in two attempted coups in 1992, and describe the trajectory of the populist movement in Venezuela up to the point of that structural opening. The purpose of such description is twofold. On the one hand, to understand Chávez and Chavismo before they got to the office and to distinguish among the elements in his past that had an effect on his behavior as president as well as the elements that later were dropped. As a continuation of the previous chapter, this description analytically splits the movement from the environment with which it has been overwhelmingly lumped (social unrest, party-system decline, economic crisis,), showing that Chavismo was not a reaction to FMRs or to El Caracazo, and that those events were opportunities of the political context the movement took advantage of rather than causal factors.

On the other hand, the narrative provided in the present chapter supports the argument that it was the military reform (of which Chávez and his cohort were the first alumni), that created the space for left-leaning, populist military coups. Public opinion, politicians, journalists, and scholars alike, have come to see Chávez in a long line of Latin American Revolutionaries and the Chavista
Revolution as a recent version of Cuba’s, responding to the FMRs and its allegedly consequences—El Caracazo, mostly. This view confuses the specifics of Chavismo with the general elements of radical Venezuelan politics and retrospectively (and incorrectly) mixes the Bolivarian Movement with other elements of the Venezuelan state-making crisis. As proved by different documents, I argue that:

(a) In spite of been born in dialogue with past Venezuelan radical movements, Chavismo is an entirely new movement, and this point of view is better to explain its developments. The Chavista movement represented indeed a breach with the 1958 Punto Fijo pact, the center-leaned actors who crafted it, and the democratic institutions it legitimated, but it also represents a breach with other radical movements from the left (PCV, MIR and any guerrillas) and especially from the right.

(b) Chavismo was not born as a direct response to FMRs or to the usually associated violent response to them (El Caracazo).

(c) The key mechanism behind the left-wing, populist coups, was military reform, transforming the Military School into a Military Academy (the Plan Andres Bello), and fetching a generation of cadets with populist and egalitarian ideals.

(d) For these and other reasons —party and electoral politics, ideology and the international context—, the Bolivarian revolution was different from the Cuban revolution, and this in spite of the influence the last has had on the first.
In order to accomplish my goals I trace the unfolding of the movement, from its origins in some of the seditious men who could not accomplish in Venezuela what Cuban revolutionaries did through guerrilla war, to the 1992 coups against the Pérez administration. To do that I rely on three types of documents: first, interviews to key actors, realized by historians and journalists; second, other documents such as: pamphlets, underground newspapers, public missives; and third a biography of Chávez, the key figure of the populist movement. I take a microscopic look downwards at the process: First of all making a short recount of the military uprisings and other radical mobilizations in Venezuela after 1958, briefly summarizing radical politics since 1958 (Section 2). By radical politics I mean the practices of those movements and groups —either left- or right-leaned— who seek to control the state and/or society by violent or coercive means, often times named “lucha armada” (armed struggle), coups d’état, or military uprisings, and which typically disregard elections as a means to get to the office. In this sense, most politics in Venezuela since the days of the Independence Wars can be considered to have been radical politics. For which there is no reason to see Chavismo as an anomaly in Venezuelan political history but the opposite: another loose sliver of the Venezuelan conflictive state-making process.

Then I focus properly speaking on the birth of the movement around the political ritual of the “Bolivarian oak” in Section 3. In Section 4 I slide the lenses upwards to directly relate the present chapter to the previous one (2). In this section we will see the Chavista movement dramatically entering the Venezuelan political scenario in 1992 to not abandon it ever since. Afterwards, I close

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59 The radical left, therefore, does not include organized labor which has been salient in Venezuela since at least right after the end of the General Gómez dictatorship in 1935-36.
60 I opt for using the term radical politics instead of the frequently used anti-politics because the heavy implicit “normativism” it carries with it.
the chapter in Section 5 showing the continuity and discontinuity of the Chavista movement with regard to the radical left, through a brief comparison to the origins of the Cuban Revolution.

**Interviews, Epistles, Biographies, and Other Documents**

<table>
<thead>
<tr>
<th>Type</th>
<th>Author</th>
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<tbody>
<tr>
<td>Interviews to Key Actors</td>
<td>Garrido, Alberto (2000)</td>
<td><em>La historia secreta de la revolución Bolivariana</em> (The Secret History of the Bolivarian Revolution)</td>
<td>Three interviews to key actors: (1) Nelson Sánchez (AKA Harold), from the Frente de Liberacion Nacional (Front of National Liberation), an insurrectional movement, and the university professor who introduced Bravo and Chávez. (2) Pedro Solano (AKA Camilo), who also was an ideological reference to some members of the insurrectional military men. (3) Gabriel Puerta Aponte, previously a guerrilla, founder and leader of the radical lefty party Rander Roja (Red Flag).</td>
</tr>
<tr>
<td>Interviews to Key Actors</td>
<td>Garrido, Alberto (2000)</td>
<td><em>Guerrilla y conspiración militar en Venezuela</em> (Guerilla and Military Conspiracy in Venezuela)</td>
<td>The text, first published in 1999, was included in his <em>The Secret History of the Bolivarian Revolution</em>—previously cited. It conveys three interviews as well: (1) Douglas Bravo, guerrilla commander, founder of PRV and for some time one of Chávez’s advisers. (2) William Izarra, Air Force conspirator, founder of ARMA. (3) Francisco Prada, member and co-founder of the PRV.</td>
</tr>
<tr>
<td>Interviews to Key Actors</td>
<td>Linares, Pedro (2006)</td>
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<td>Interviews to several guerrilla and leftist political actors</td>
</tr>
<tr>
<td>Interviews to Key Actors</td>
<td>Rivero, Mirtha (2010)</td>
<td><em>La rebelión de los náufragos</em> (The Rebellion of the Castaways)</td>
<td>Interviews to several key figures such as: Carolina Pérez (Cap’s daughter), Beatrice Rangel (Minister of the Secretariat of Presidency for CAP), Argelia Ríos (journalist), Miguel Rodríguez (Minister of Planning of CAP), Teodoro Petkoff (founder of the party Movement Toward Socialism in 1971), and several others.</td>
</tr>
<tr>
<td>Biography</td>
<td>Marcano &amp; Barrera (2007)</td>
<td>Hugo Chávez. The Definitive Biography of Venezuela’s Controversial President</td>
<td>A key document to articulate parts of the history of the movement. The authors drawn from important sources such as Chávez’s own diary and interviews with his family and friends.</td>
</tr>
</tbody>
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61 The acronyms and the characters are explained along the text.
2. Radical Politics in Contemporary Venezuela

*Chavismo* was not born under the umbrella of the traditional radical left, and the military uprisings it committed or supported, both in 1992, were never subjected to any other organization than themselves—neither left- nor right-leaned. Indeed, the interpretation of Venezuelan history and politics by Chávez and his men made that colligation almost unthinkable for them. Initially, their vision conveyed the meaning of *revolution* as something almost “neutral” in terms of the traditional categories dividing the political spectrum (left-right). A *revolutionary movement*, according to Chávez, is an “integral concept”, aiming transformation of the totality of the nation, which main value is equality (Chávez interviewed by Blanco 1998:97), based on popular participation in government and, thus, it “has to take a swing on the powerful” (Chávez interviewed by Blanco 1998:82). For this reason, and at least until 2005, Chávez never identified himself, or the political movement he led for that matter, with right, Marxism, anti-Marxism, or liberal-democratic, or with the Venezuelan insurrectional left (Blanco 1998:17-18). If a movement or ideology was “revolutionary” (as just described) then it was pragmatically compatible with theirs—it does not matter if coming from the right or from the left. As a matter of fact, once Chávez was out of jail he was advised by neo-Nazi Argentinean sociologist Norberto Ceresole, who tailored a model for him in which the Venezuelan would-be president was supposed to lead a Latin American coalition in conjunction with anti-American and anti-Jewish governments of OPEC (Garrido 2000:11,62). Ceresole influenced Chávez after being released from jail in 2004. Among other ideas, the military movement now becomes full centered on the leadership of Chávez, and this takes from Ceresole ideas such as: a unique leader trustee of popular will, the idea of a multi-polar world (opposing US hegemony), the idea of the military as the most dependable political force, and others (Garrido 2000:67). Additionally, from the start when the conspiracy for the 1992...
coup was developing, and contacts with civilians were made, criticism to socialism was quick to appear (Garbiel Puerta, interviewed by Garrido 2000: 85).

The sources of the Chavista movement’s ideas were thus quite idiosyncratic and eclectic from the beginning. In fact, it is better to speak of a “thinking”, or “idearium”, instead of a fully developed “ideology” (Garrido 2000:6). They called it The Tree of the Three Roots (Chávez interviewed by Blanco 1998:115)—referring to the ideas of Simón Rodríguez (an extravagant and well-known 19th century Venezuelan educator, who mentored Bolívar for a time), and of Ezequiel Zamora (the caudillo who lead the peasants’ military movement against local landowners in the 19th century as well), besides a certain version of Simón Bolívar’s, of course. In fact, from the start he accepts the figure of a Caudillo if “… that person understands, and dedicates their life, their struggles [are made to] to collectivize through his ‘mythical’ powers…” (Chávez interviewed by Blanco 1998:172).62

Was Chavismo just a continuation of any other radical movement in Venezuela? The answer is then that it was not. To better carve this argument, let us see the developments of radicalism.

2.1. A Brief Recount of the Radical Left

Perhaps the history of the modern radical movements in Venezuela starts with the “Generation of the 28”, a group of university students, self-named Marxist, who opposed the dictatorship of Gómez, and many of whose members became the core of what later would be the center-left party AD as well as other parties sustaining different visions on politics and power. Initially a

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62 In an interview after been release from jail to the Jornal do Brasil, Chávez called their project an “international integrative nationalism”, in opposition to a radical nationalism, coming from the ideas of Bolivar. Nationalist, because its main concern is the nation, and international because the nation had to be configured in an integrative relationship with the rest of Latin America (quote by Tarre 2007:162). The background idea is Simón Rodriguez’s of creating institutions adequate to the Latin American reality and to reject foreign models.
spontaneous movement, mostly composed by members of the *Federation of Students of Venezuela* (FEV), they were named after the year 1928. That year they burst to public life when, celebrating the “Week of the Student”, let themselves to harangue a crowd who was expecting no political manifestation. Betancourt, one of its leaders, famously referred to the speeches given as “Jacobins” (Betancourt 1999:63). That was just the beginning of a series of manifestations that paved to way to the military insurrection trying unfruitfully to take over the San Carlos Barrack.

The repression wave of the government, responding to these and other manifestations, forced many of these young students to take the way of exile. From cities in different countries, they created a plethora of movements and parties with diverse political orientations, but all of them in opposition to the Gómez dictatorship. For the purposes of this presentation, perhaps the most important are: (a) the *Venezuelan Revolutionary Party*, organized in the exile in Mexico (1926), and which is the original cell of what later will be the *Venezuelan Communist Party* (PCV). (b) the *Revolutionary Aggrupation of the Left* (ARDI), led by Betancourt from the exile in Colombia, and whose thesis was that any labor-based party was doomed to fail, because theirs was a weak sector in Venezuela: only multi-class parties would stand a chance to succeed (Cartay 2000:34). This meant a break up of Betancourt with Marxism-Leninism, a tendency that will continue the PCV—the oldest modern party in Venezuela, formally founded in 1936 once Gómez had passed away and around whom, for most part, the guerrilla and the radical left would spin in one way or another (Wickham-Crowley 1992:38). During the following years the PCV was going to be banned so that a sort of extension of it, *Venezuelan Popular Union* (UPV), would work as its representative since 1944. During the so-called “Trienio Adeco” (*AD Triennium*), 1945-1948, and partially due to the fact that the Soviet Union was one of the *Allies*, affecting the position of the PCV, it worked, now back
to legal, with AD. In 1948 goes underground again until 1958 when Pérez Jiménez dictatorship was overthrown.

In May 1960 the *Revolutionary Directory* is created, mainly composed by students to oppose and demonstrate against the newly-elected government of Betancourt, but whose members did not want to align themselves to the PCV. The following year, 1961, during the III National Congress of the PCV many of its leaders and members decide to take the path of the armed struggle, together with members of MIR (*Movement of Revolutionary Left*), as well as part of the “left” of URD (*Republic Democratic Union*) led by Fabricio Ojeda. The next twelve months were presumably of mobilizations to mountainous areas west and east of the country, first in states like Lara, Portuguesa, Yaracuy and Mérida, and a little later Sucre and Falcón. In late 1961 the first guerrilla were taking their positions and getting ready to attack. But by early 1962, most of the guerilla camps had been dismantled (Linares 2006:25-31,50). Although new guerrilla appeared by late 1963, it was for most part already defeated: most of the guerrilla and other men with similar extra-institutional tactics were dead, incarcerated, or simply demobilized. Still, by February was created the *Armed Forces of National Liberation* (FALN), composed with members of PCV and MIR. The year of 1964 was somehow and inflexion point for the PCV and MIR, because the discussion on whether or not they should continue the armed struggle was bound to create internal breaks.

Guerrilla commander Douglas Bravo in the PCV and most of the young members of MIR sustained the idea that they had to continue down the path of the armed struggle (Linares 2006:82), resulting in a split within the PCV, which brought to life the *Party of the Venezuelan Revolution* (PRV) in
April 1966. Bravo, moreover, contacted Fidel Castro in order to get manpower, financial, and logistic support from La Habana. Although not as much as he wanted, he got support from the Cuban Communist Party mainly in the form of training new insurgents, reaching the figure of 300 through 1967 (Wickham-Crowley 1992:86). As a matter of fact, “Three of the four proven Cuban interventions in Latin America took place in Venezuela” (Wickham-Crowley 1992:89) and one of the reasons is geographical proximity. Cuba’s support to guerrilla in Venezuela became an international affair in the *Organization of American States* (OEA), when Betancourt’s government managed to obtain a formal veto against the government of Castro, resulting in the expulsion of Cuba from the organization (Francisco Prado, interviewed by Garrido 2000:404). Indeed, Venezuela at some point was where highest expectations for revolution resided for Cuban leaders. Eventually Cuba withdrew its support to Bravo by 1969, but it would not be until 1973 when Bravo recognizes the defeat. Finally, the polarizing issue of the Soviet invasion to Czechoslovakia and Hungary was a definite reason of another split within the PCV from which a new center-left party critical to the Soviet-style politics, *Movement Toward Socialism* (MAS), was created in January 1971. The founders and first leaders were former PCV guerrilla commanders Teodoro Petkoff and Pompeyo Márquez, now doing institutional (electoral) politics after Caldera’s pacification—I shall be back to this.

On the other hand, there were also divisions in MIR. Particularly relevant are: i. the one born on January 1970, from which *Red Flag* (BR) was created (Gabriel Puerta, interviewed by Garrido 2000:83), and who rejected the classic organization in cells. Instead, they aimed “político-military units” like new non-communist Latin-American organizations. Also born in 1970, ii. *Organization

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63 There were other several minor splits within the PRV by mid-1969, such as *Movement of National Salvation* (MOSAN), or the *Commando of Popular War* (CGP), all of them waging guerrilla war as well (Linares 2006:151).
of Revolutionaries (OR), who aimed to distant themselves from the previous guerrilla experience of the 1960s—yet ended up also in guerrilla-like actions (Linares 2006:168-169). In November 1973 is born the Socialist League (LS) as a result of a split of OR, but including people also from BR and PRV, while BR splits internally in those closer or farther to Leninism. I will point to some of these movements in context as they appeared during the previous years to and during the constitution of the Chavista movement.

2.2. The Punto Fijo Pact (1958)

The Punto Fijo pact was not part of radical politics, but quite the contrary a commitment to abandon it. Once Colonel Pérez Jiménez was overthrown on January 23rd 1958, three of the four most important political parties, mainly the moderate left-wing Acción Democrática (AD) and Republican Democratic Union (URD), but also the moderate right-wing COPEI, faced several challenges. One of the main challenges they faced was to open up the system to actors others than themselves (Hernández & Rondón 2005; Stambouli 2005; Cartay 2006). In this way, they were to avoid the chief error of the AD triennium (1945-1948), when AD reaches the office (through a coup) and tried to rule without the minimum consensus, which resulted on the military overthrowing them in 1948. Since 1958, public spent was considered to be the engine for development, social mobility, and the consolidation of democracy (Stambouli 2005:122). In addition to these parties on October 30th, 1958, businessmen, the Catholic Church, organized labor, and the Armed Forces, backed up the agreement generally known as the Punto Fijo Pact. The agreement included elections as the way to choose the president, recognition of electoral results, and the independence of each political actor from state direction.
The pact was based on what has been termed since then a “populist system of elite conciliation” (Rey 1998:292-294), and embodied in the 1961 Constitution—approved in the Congress even by PCV and MIR. Although initially was regarded as a circumstantial agreement, useful to ensure the transition from dictatorship to democracy (Rey 1998:297; Cartay 2006:104), it has had a longstanding effect on Venezuelan politics. The only key actor, first tacitly excluded and then self-excluded from this Pact, was the PCV. Later, PCV jointly with the MIR, whose main members were dissidents from the young members of AD, took the way of the violent confrontation —infiltration of the military, and urban and rural guerrilla (López 2005:10)— inspired and supported by Castro and the Cuban revolution, to the point that they received logistical and material support from La Habana—as previously mentioned. The 1992 coups against Pérez and the later election of Chávez as the President in December 1998 definitively broke the continuity of bipartisan politics (AD-COPEI). In short: the first major discontinuity of Chavismo was with the centrist, institutional project of the Punto Fijo Pact.

2.3. Military Uprisings and Guerilla Wars (1959 - late 1970s)

As previously mentioned, after Pérez Jiménez was overthrown militants of the PCV breaks with the recently instituted democracy and together with militants of MIR take the way of the guerrilla insurrection, not without previously supporting the candidacy of Vice-Admiral Wolfgang Larrazábal—who came second to Rómulo Betancourt from AD. The period 1960-64 was plagued with conflicts, coming from right and left. For example, on June 24th 1960, Betancourt barely survived a bombing ordered from Dominican Republic’s fierce dictator, Trujillo—Betancourt’s enemy and who supported radical right-wing in Venezuela. In the early 1960s along, there were a

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64 In fact, it had happen in 1994 when Caldera won with a broad coalition of several parties. However, before abandoning it, he was a political actor representing one of the two main parties—COPEI.
bunch of military uprisings —some named after the cities where they took place: the Castro Leon
insurrection in Táchira state (April 20th, 1960), El Barcelona (June 26th 1961), El Carupanazo,
and El Porteñazo, the last three with support of the military wings of PCV and MIR—, and many
other attacks from the urban and rural left-wing guerrilla, beginning in 1961—like assaulting a
train for tourism (El Encanto), kidnaping a famous Spanish soccer player (DiStefano) for publicity,
assassinating a college professor (Labrador) and the President of the Institute of Social Security
(Iribarren), attempted murder of the chief of the army staff (Moreán), seizing towns (Río Claro,
Lara), stealing art works from the Museum of Fine Arts (VanGogh’s, Cezanne’s, Picasso’s), the
hijacking of an airplane (of the Venezuelan-based airline AVENSA), and many others (Cartay
2006:129, 154-155). From the left as well, several strikes and demonstrations heated the situation
and generated a climate of tension during those years.

But unlike in Cuba, where the dictatorship of Batista had closed the doors for democratic change
and inclusion, in Venezuela those doors were just opened through the stabilization of democratic
institutions, and Betancourt and AD had wide support from peasants and workers. Moreover, in
spite of being one of the most substantial guerrilla following the Cuban Revolution in Latin
America, with around 2000 combatants by 1962-63 (Wickham-Crowley 1992:54), in Venezuela
it was not only small in terms of its impact but also limited to a few areas of the country with little
population, while attacks on the larger cities were reduced to isolated terrorist acts which brought

65 The two largest were El Carupanazo and El Porteñazo. On May 4th, 1962, takes place the uprising of Carupano (“El
Carupanazo”) in East Venezuela. On June 2nd that year and to the west, in Carabobo state, takes place the most
important of the uprisings, when a group of Navy men took over the Navy base of the port-city of Puerto Cabello. The
uprising was crushed the next day, resulting in over 400 deceased. In both cases, men from either PCV or MIR were
involved and were active participants.

66 The radical left had been politically defeated as well. For example, in 1963 they made a call for abstention previous
to the elections where there has been the lowest level of abstention in Venezuela’s history—about 9.16% only (Cartay
2006:151).
rejection of the common citizens (Cartay 2006:123-125). Largely overpowered by the military, the guerrilla in Venezuela never stood a chance and by 1963 had been isolated and for most part disarticulated. When Rafael Caldera, founder and leader of the Democratic-Christian Party (COPEI), was elected President on December 1968 he immediately developed a “policy of pacification” through which conspirators of any kind (from left or right) could go back to civil life (Cartay 2006:167-168). Simultaneously PCV and MIR, for most part considered illegal since 1959, were re-legalized. As a matter of fact, PCV participated in the 1968 elections as UPV. Military men incarcerated were also released without completely serving their sentences, a process that had started in December 1964 during the government of Leoni (AD).

In sum: the radical left infiltrated the military and from there, unfruitfully, tried to start rebellions, surprisingly at times in concord with the radical right—who had survived from the previous military government of Pérez Jiménez— being the result defeated uprisings such as the one by Castro León, or El Porteñazo above mentioned. Pacification was the last stage in the disarming of these mobilizations. Chavismo certainly was not a continuation of these mobilizations, which were finished the latest about a decade before the Chavista conspiracy started in earnest by 1982, and in spite of resembling their tactics. Where, then, did the organization and the ideas-force of Chavismo come from? Let me present in the next section the birth of the Chavista movement, first born as the Bolivarian Revolutionary Army, soon turned into the Bolivarian Revolutionary Movement-200 (MBR-200)\textsuperscript{67}.

\textsuperscript{67} The number 200 was a commemoration of Simón Bolívar birthday, the following year 1983.

It was the main figure of the populist movement, Hugo Chávez, who ignited conspiracy in the late 1970s - early 1980s and who, like all of the other military leaders of the movement, did not come from the radical left—to that moment defeated and pacified. As a matter of fact, he denied once and again his commitment to communism or Marxism, as much as he had denied his support to liberal democracy—including Social-Democrats and Democratic-Christians (Chávez interviewed by Blanco 1998:118,121,295). This fact had a remarkably impact in the events to come, for as I will show is one of the reasons why the movement, in spite of its evident tendencies to the left, and even more so after 2005, has remained populist. There were two fundamental sources of that identity: first, the idea of conspiracy as a way into politics, interpreted by Chávez as a historical mission, and related to 19th century ideologies of national liberation; and second the military reforms of the 1970s and its ethos.

3.1. Chávez’s Grandiloquence meets Conspiracy

Indeed, as stated by Chávez’s biographers (Marcano & Barrera 2007), he never participated or had any particular interest on the radical left. Four were the main sources in his political formation. On the one hand, when he barely reached his 13th birthday befriended a family (Ruiz) of a slightly rural area in Venezuela (Barinas), where he has just moved from his natal and very rural Sabaneta. Yet with the father of that family he would read the classics of political theory—such as Rousseau or Machiavelli— and not only Marx or Marxism. Additionally, through this way he became familiar with some important characters of 19th century Venezuela, such as Ezequiel Zamora. As a matter of fact, “Despite his bond with Vladimir and the friendly lessons imparted by the elder Ruiz, Chávez did not become active in the Communist Party or any kind of political endeavor for
that matter… He was not committed to any kind of revolutionary enterprise, and when he decided to join the army, he did so without any pretensions of infiltration” (Marcano & Barrera 2007:27; also Tarre 2007:154). Moreover, he did not like politics, and he is not remembered as having political discussions or at least inclinations of any kind, while his father was a political activist with the Democratic Christian party, COPEI. Surprisingly, the decision to join the army came initially from his desires to go to the capital city and to play baseball—or at least to making a living—, for the military in Venezuela has always had a working- and/or low-class background and has been a means to social mobility. In the army things would change, and there we find his second major source of political formation: “… it was at the academy that he began to feel drawn to the leftist military regimes of Latin America” (Marcano & Barrera 2007:35), such as Omar Torrijos in Panamá and Juan Velazco Alvarado in Perú. In the Academia Militar Chávez would become head of a communications unit, which led him to host a radio show, write a column in a local newspaper, and in general to get acquainted with the world of media communications.

It would not be until 1977 when he started to think on conspiring (Bonilla-Molina & El Troudi 2004:63), depicting himself in his diary as someone with a historical mission. In it, he imaginarily wrote to Bolívar: “Come. Return. Here. It is possible… This war is going to take years… I have to do it. Even if it costs me my life. It doesn’t matter. This is what I was born to do… I feel impotent. Unproductive. I have to get ready. To act” and a couple of days later: “We don’t have the conditions. Goddamn it! When will we have them? Why can’t we create them? We don’t have the conditions. Subjectively, we do. Objectively, we don’t. Tremendous excuse. That’s where we are” (Quote by Marcano & Barrera 2007:39). The monologue in his dairy shows no less than two

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68 While in the military he was also affectionate to General Jacinto Pérez Arcay and his epic work on Zamora (Chávez interviewed by Blanco 1998:53).
things: on the one hand, he has persuaded himself that he was born to achieve a “historical mission”, a mission for which he has gotten “the calling”; on the other hand, he sees that there are not (recurring to the Marxist lexicon) “objective conditions” but only “subjective conditions”. These were good days for Venezuela, apparently, the days of the oil “bonanza”, and yet he still was feeling he had to wage a war—but against whom it is not so clear yet.

While Chávez was making his career in the military his leftist friends, the Ruíz brothers, became active in the conformation of the party Causa R (The Radical Cause). The architect behind the party was Alfredo Maneiro, former guerrilla of the PCV. Maneiro met him once and insisted that he had to be patient; he had to survive in the military (Tarre 2007:155). Additionally through a University Professor, also the former guerrilla Douglas Bravo and Chávez met. This was the third source of his political formation, making Bravo for a time one of his main advisers69. The fourth influence came from Chávez’s elder brother Adam, a member of the MIR in the Andean city of Mérida, from whom Chávez learnt some socialist ideas and perhaps the thesis of the civil-military unity (Bonilla-Molina & El Troudi 2004:58). Through Adam, Hugo knew the idea of the “Military Front of Career”, the PRV’s project consisting on the old tactic of infiltrating the military with the purpose of (once again) coopting the men with the arms to aim at an uprising. It was specifically design against AD’s project of penetrating the military to avoid new uprisings (Nelson Sánchez, AKA Harold, interviewed by Garrido 2000:49). As it is apparent, several influences were relevant in the political imaginary of Chávez. What about the other members of the movement?

69 As a matter of fact, one of the main co-conspirators, Francisco Arias admitted they took the idea of the Tree of the Three Roots form Bravo’s PRV (quoted by Tarre 2007:163).
3.2. The Military Ethos from the 1970s to the early 1980s

The ideas of the men following Chávez in the conspiracy had come, to a certain measure, from the armed forces that were decentralized in the 1961 constitution (Trinkunas 2005:129). On the one hand, they were instructed in a period of change in the politics of radicalism, the period when guerrilla was being demobilized, when the military did not have to confront the guerrilla anymore, and no warfare was in the horizon. Approximately during the two constitutional periods between 1958-1968, civilian leaders, particularly Betancourt, managed to increasingly create the sense that each military revolt would only help the Marxist insurgency, so that “… the conservative majority in the officer corps soon became convinced that supporting the new administration and democratization was the best way to protect the armed forces and Venezuelan society from Communist penetration” (Trinkunas 2005:117). The military developed counterinsurgency training vis-à-vis the insurgency developed during the Betancourt administration. In fact, the highest ranks in the military did not agree with President Caldera on pacification, they wanted to finish up guerrilla to their ashes. Yet, the fact that they ended up accepting the amnesty by a President who had no previous ties to the military, speaks of the consolidation of civilian authority over the armed forces (Trinkunas 2005:153).

On the other hand, once insurgency was defeated and pacified afterwards, and the military was for most part purged\(^70\), the higher ranks of the military shifted some of the main task of the armed forces. In 1970 the Venezuelan Military School was transformed into the Military Academy and was included in the National Council of Universities. The cohort of Chávez (who got to the Academy in 1971) and his co-conspirators were part of that project, the *Plan Andrés Bello*, which

\(^70\) As numbered before, there were five full-fledged frustrated attacks against Betancourt’s government only, which allowed to harshly punishing the caught conspirators.
according to Chávez brought about rivalry with older cohorts (Chávez interviewed by Blanco 1998:41). The Plan Andrés Bello made the first cohort in the history of the Venezuelan military academy who graduated with a Bachelor degree in Military Arts and Sciences. Moreover, it “…produced generations of cadets who shared a fervent nationalism, an attachment to the teachings of Venezuelan independence hero Simón Bolívar, and a populist, egalitarian, and ultimately utilitarian perspective toward democracy… The training and education at the reformed Academia Militar led these young officers to contrast the democratic ideals they had been taught with their perceptions of the dismal democratic practices in Venezuela” (Trinkunas 2005:162). And although the changing orientation of the military was also the result of improvements in qualifications and professional development for over two decades, the fact that the Plan Andres Bello came right at the moment of pacification was, of course, no coincidence. It was telling that officials were preparing themselves for newer tasks that civilians did not necessarily assign to them (Tarre 2006:122-125). In other words: they began to fetch a sense of shared responsibility with civilians in social and economic development and governance, guided by ideals of the “glorious days of the independence”, “Where we will be again the nation in arms” (General Osorio García, commandant of the Military Academy by that time, quoted by Tarre 2006:124). The ideas of conspiracy fitted well with the new military ethos of the early 1970s. They together laid the grounds for radical populist ideals.

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71 General Osorio García was the main designer behind the Andres Bello Plan.
72 I will address the issue of what happened between the years of pacification and the 1992 coups when discussing the last in section 4.
3.3. The Generative Populist Cultural Structure

“… I swear to the God of my fathers, I swear on my homeland, I swear on my honor, that I will not let my soul feel repose, nor my arm rest until my eyes have seen broken the chains that oppress our people by the order of the Spanish”73. This is the last verse of the famous, among Venezuelans, oak that Bolívar swore in the *Sacro Mount* (Rome, Italy) on August 15th 1805, which marks his compromise to wage a war against what was left of the empire still controlling the Spanish America. On a different date (commemorating the death of Bolívar on December 17th, 198274), and in a different environment (before of the “Samán de Güere”, a long-standing monkey-pod tree, located in the northern-center state of Aragua in Venezuela), Chávez and three other co-conspirators solemnly repeat this oak, just that in this opportunity they omitted the last word “Spanish” and said instead the word “powerful”. The tree was huge, longing almost in the middle of nowhere, making its image more impressive. By 1800 the tree had—according to Alexander Von Humbolt, the famous 19th century German explorer, biologist, and botanical—a 576 feet hemispheric dome, 5’11 feet on its wider part, and was about 19 meter tall. The renowned 19th century Venezuelan writer and educator, Andrés Bello, compared the tree to Bolívar in one of his poems, giving a sense of the strength the Liberator would have inspired. He and several leaders of the 19th century independence wars met and rested under its shadows, and there the very Bolívar receipt some lessons from his mentor Bello as well. Nowadays the tree is petrified and considered a natural monument. But the day Chávez and his friends swore in from of it, that day was born the “Bolivarian Revolutionary Army”. *What’s the political significance of this ritual?* It marks the birth of the Chavista movement and defines ever since its ideological stance, in spite of other

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73 I rely on Marcano & Barrera’s (2007) translation of the oak.
74 There are no documents that can certify exactly the date or the oak itself, just the memories of the actors who participated. For a recount of the confusions about the date, see Marcano & Barrera (2007:49).
variations the movement has undergone—its identity was then fixed\textsuperscript{75}. It marks the point where the ideological roots previously identified, meet.

As it is well known, in Durkheim’s sociology religious phenomena can be divided in beliefs and rites, and “The rites can be distinguished from other human practices — … — only by the special nature of their object… It is the object of the rite that must be characterized, in order to characterize the rite itself… [beliefs, the object of rites] presuppose a classification of the real or ideal things that men conceive of into two classes…, which the words \textit{profane} and \textit{sacred} translate fairly well” (Durkheim 1995: 34). This division of the social world in two domains, profane and sacred, has been translated by cultural sociologists as the binary elements structuring the \textit{meaning} of action and, through this dynamics of polluting and purification, the social space (Alexander 2003). “Beliefs, myths, dogmas, and legends” are, thus, as Durkheim puts it, systems of representations with which agents “emboss” social interaction. In this case, the “Samán de Güere” represents or was invested with the legendary properties of Bolívar’s “The Admirable Campaign”, and above all with the “Bolivarian Oak”. The day Chávez and his co-conspirators swore the oak, that day \textit{Chavismo} was born (“Commander Hugo Chávez to the Nation”, from the jail in Yare, in Garrido 2000:137\textsuperscript{76}). Because from that day on every form of antithetical word or action would be destined to cultural degradation, often times by the pointing of the populist leader himself—or by the word of any follower who repeats him.

\textsuperscript{75} By \textit{fixation of an identity} I mean the Baptist-like process by which a movement is, more or less formally, yet undeniably, born.

\textsuperscript{76} Ironically, in this document Chavez rejects the idea of a \textit{Chavista} movement, a name that would not disappear even after his death, and the idea of founding a new political party.
Let me now to present the full Chavista version of the oak: “I swear to the God of my fathers, I swear on my homeland, I swear on my honor, that I will not let my soul feel repose, nor my arm rest until my eyes have seen broken the chains that oppress us and our people by the order of the powerful” (Marcano & Barrera 2007:48; my underline). From here, we can then extract the basics of the populist cultural structure of Chavismo as follows in what we can call the generative cultural structure of populism.

The Generative Populist Cultural Structure

<table>
<thead>
<tr>
<th>Sacred</th>
<th>Profane</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Symbolic Agents)</td>
<td>(Actual Agents)</td>
</tr>
<tr>
<td>Good</td>
<td>God and the Homeland</td>
</tr>
<tr>
<td>Evil</td>
<td>Oppression</td>
</tr>
</tbody>
</table>

“God and the Homeland” “The People” “The Powerful”

It conveys two dimensions. On the one hand, on the profane side of the discursive structure we find symbolic agents for which or on behalf of which they struggle—in the present case, “The People” and “The Powerful”, a dichotomy widely pinpointed in the literature on the topic (Chapter 1). On the other hand, there is also a sacred side of symbolic agents which is often times conflated or ignored in the literature on populism. This new classificatory element facilitates the displacement of actors, actions, and objects in the symbolic space, which contributes to the cultural analysis of populism—to which I will return in Chapter 6.
When deciding to solemnly swearing this oak, the men became a group with a collective identity. In Chávez’s words: “More than a logia that was a cell” (Chávez interviewed by Blanco 1998:124). These men, their orientations and goals, did not remain the same afterwards. In particular, the shift that the seditious movement experienced is part of its political identity, and “The formation of political identities matters… first, because they become matters of intense dispute among participants; second, because the answer to the question of identity affects the very explanation of contentions political processes in general” (McAdam, Tarrow & Tilly 2001:55-56). In 1985, to the Bolivarian Oak they added Zamoras’ motto: “Popular elections, free land, and free men. Horror in the face of oligarchy” (Marcano & Barrera 2007:46), which represents the second root of “The Tree of the Three Roots”. As a matter of fact, the long-term encounter between the men from different political tendencies, from the radical left to the right, with Chávez and other military men was possible by, among other factors, a populist overarching narrative, fixed since 1982 with the ritual of the Juramento del Samán de Güere (“Oak of the Saman de Güere”). It was indeed the narrative guiding the identity of the movement of the military men involved in the 1992 coups, who had grown autonomous from any other political organization (Cartay 2006:185)—unlike military uprisings in the 1960s.

77 These authors propose six claims regarding political identities, which they call a “relational analysis of actor formation and transformation in contentious politics”: 1. participants in contentious politics constantly manipulate, strategize, modify, and reinterpret the identities of parties to their contention, including themselves. 2. in a wide variety of contentious politics mobilization of identities constitutes a major part of claim making. 3. while new identities emerge during contentious episodes, most individuals initially join the fray through interactive appeals to, and successful appropriation of, existing identities. 4. the form, content, and effectiveness of identity mobilization strongly affect both collective action and its outcomes. 5. creation, transformation, and extinction of actors, identities, and forms of action in the course of contention alter the array of actors, identities, and actions, that appear in routine politics and further contention once the particular episode of contention has ended. 6. when it comes to explaining contentious politics, the crucial arena for causal mechanisms lies not in the individual minds but in social interaction” (McAdam, Tarrow & Tilly 2001:56).

78 It is unclear when the third root was added (Rodríguez’s ideas), but it was not long after the creation of the movement. However, the idea of creating this three-rooted thinking came from Bravo when breaking up with Marxism and Socialism (Nelson Sánchez, AKA Harold, interviewed by Garrido 2000:56), for which reason it is possible that they were all present simultaneously.
In conclusion: on the one hand, while at some point Chávez met people who “taught” him the tactics for conspiracy, he remained unrelated to any of the existing political movements. On the other hand, *Chavismo*, the radical populist movement, was born autonomous and composed by members who had no involvement with previous radical politics. It is the military reform of 1971 (the Plan Andres Bello) the main mechanism explaining the ideological inclination of the movement.


The 1992 coups, particularly the one committed in February 4th and led by Chávez, breached the stability of Venezuela political system much beyond the fact that they were defeated. The coups were long announced, and for some they were basically *vox populi*, to the extent that media and high-rank officers of the military had periodically reported rumors of coming uprisings (Gabriel Puerta, interviewed by Garrido 2000:90; Cartay 2006:186; Tarre 2007:17). Yet military intelligence discarded the information, as in repeated opportunities the very President CAP did it as well (Rivero 2010:194-196), or they plainly did not have how to prove anything. For example, on December 6th, 1989, Chávez and some other fifteen majors were arrested and taken into custody to Fort Tiuna, because word had been spread out on the conspiracy. But they were warned in advance and had time to burned compromising documents. At the end, no charges were made and they were cut loose due to “lack of evidence”. They had been in a similar situation already by 1986 (Chávez interviewed by Blanco 1998:127-128). *How then are we going to explain the coups?* We

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79 There were three other Lieutenant colonels leading the coup: Arias, Urdaneta, and Ortíz. Felipe Acosta, one of the four men who swore in front of the Samán, was shot to death during *El Caracazo*. By coincidence, Chávez, diagnosed with chicken pots, was not in Caracas during the events of February 27th-28th, 1989 (Chávez interviewed by Blanco 1998:182), so he did not have to deal with the violent events.
need to pass through three steps: Why did the coups happen at all? (4.1.). Why did they happen precisely in those moments? (4.2.). How did the events unfold? (4.3. and 4.4.).

4.1. Why the Coups

Why did the coups occur in the first place is a question that has been addressed from different fronts, ranging from the instability of the political institutions, to the economic crisis, and to the discontent within the armed forces and the change in its jurisdictional boundaries (Trinkunas 2005). Nonetheless, there is a picture that adds up to those previous explanations coming from the perspective of the plotters as a political movement—which I have been outlining in this chapter and will do it more specifically now. During the early 1980s, the Third Path became the political thesis for the practice behind the people who swore the Bolivarian Oak. According to this idea, the way to get to power was through a civil-military alliance, as an alternative to guerrilla and to elections (Molina-Bonilla & El Troudi 2004:59, n-61). In a sense, this was a view already shared by the previous military insurrections of the 1960s, by radical nationalist soldiers with personal ambitions and not only by the radical left, who according to the first should have had submitted to them. The platform for this thesis was already enacted somewhat, for during the combats with the guerrilla military men had to stay in regular contact with civilians all over the country (Machillanda 91,97-98, quoted by Tarre 2007:99-100). The tactics were thus old; particularly the idea of infiltrating the military. The Third Path was, in brief, the idea of a nationalist, civil-military alliance in order to reach the office (Chávez interviewed by Blanco 1998:45). That was the idea in the mind of the men behind these coups, rejecting any foreign influence —either from socialist or capitalist countries or movements— based on an absolute national sovereignty (Nelson Sánchez, AKA

80 An idea forcefully defended by Kleber Ramírez, former member of the PRV, and one of the few civilians influential from the start on the military conspirators (Garrido 2000:9).
Harold, interviewed by Garrido 2000:57-58). The answer as to why the coups is then less contextual and more movement-related: because guerrilla and elections had been discarded as the means to get to power.

Other men were also oriented towards rebellion in the military. Worth noticing are the names of the Air Force Major, William Izarra, and Francisco Arias. While at Harvard, the first had developed a thesis on the role of the armed force in the constitution of a socialist system (William Izarra, interviewed by Garrido 2000:375-377). During the early 1980s, Izarra had flown secretly to places like Baghdad, La Habana and Tripoli, and has made Gaddafi’s Green Book on of the main texts of his followers. Moreover, he was directing a cell called Revolutionary Alliance of Active Military (ARMA) since 1983. Izarra and Chávez met in 1981 and continue their conspirative affinities within their respective territories in the military. However, Izarra’s group was disbanded when its enthusiastic members, in spite of longing for a revolutionary change, did not accept Izarra’s sympathies with socialism (William Izarra, interviewed by Garrido 2000:384). Another proof that socialism did not have a positive reception within the military. How did the movement led by Chávez survived?

During this period Chávez was an instructor in the academy, a position serving well for the purpose of the movement’s growth: first as a study group, focusing on Bolívar’s ideas and Venezuelan military history, later becoming a political movement even holding underground congresses (Tarre 2007:156). During this period until 1985, Chávez had been working tireless in the pursuit of his yearned dream: reaching power. After developing an effective cooptation mechanism, he
organized several meetings with different representatives of the military and other civilians. He longed for the right moment to “light the fire” of their revolutionary “mission”. By 1985 about thirty lieutenants had taken the “Bolivarian Oak” in the academy. For a time, the vision of Francisco Arias (another major who had joined the conspiracy) dominated, more cold-blooded, analytical, and patient. In fact, during this process Arias was considered by many medium-rank officers as their effective leader. At the end Chávez’s charisma prevailed (Gabriel Puerta, interviewed by Garrido 2000:87-89).

Chávez was promoted to Major in 1987 and transferred back to Caracas. The period of 1986-1987 was a waiting period, especially because after (and under no circumstance before) 1991-1992 they were going to be Lieutenant Colonels in charge of troops (Douglas Bravo, interviewed by Garrido 2000:351)—the key opportunity and an organizational reason why they did not try anything before that moment, regardless of the political context. This is thus the key element defining the timing of the coups, and not the social, political, or economic crisis—an element that has been overlooked by analysts who, when explaining the timing of the coups, have pointed to factors such as: the proletarianization of the lower ranks and corruption of the higher ranks within the military, and the relaxation of the political class on old disputes with Colombia over bordering territories (Tarre 2007:129-138), on the one hand, and on the economic crisis on the other (Trinkunas 2005:173). These factors mattered for sure, but as opportunities.

4.3. The Coup of February 4th, 1992

Even though it does not seem to have been a direct cause of either the conspiracies or the coups, El Caracazo was seen by conspirators as a sign that the later would be supported by the people
(Chávez interviewed by Blanco 1998:183). In other words: it, and everything behind it, represented
the “objective conditions” Chávez and his men had been awaiting. Originally planned for
December 1991, amidst a tense atmosphere, fill with rumors and a group of impatient army
captains threatening to precipitate the events, the military conspiracy went on until it was
implemented the first week of February, 1992. Carlos Andrés Pérez, the President, was returning
from a twelve-hour flight from the Davos Economic Forum in Switzerland on the Monday night
of February the 3rd when the Operation Zamora started. He was almost killed during the attack. In
a spy-like action he escaped his house after midnight, on a limousine that was supposed to be
empty, and was taken to a TV station from which he broadcasted a message to the country and he
and his still-loyal men took the control. Only a couple of hours later the situation seemed to be
completely back to normal, with the Secretary General of COPEI (the main opposition party), the
CTV, and FEDECAMARAS condemning the coup. The coup failed due to four reasons. In part
because of poor logistic, failing to control TV and radio stations, power plants, and telephone
service (Naím 1993:104). It failed also because there was an informer within their ranks who blew
the whistle (Chávez interviewed by Blanco 1998:127-128). Perhaps the lack of civilian support
did not help either. But on a deeper, structural level the coup —and the one on November 27th—
failed because during three decades civilians in the office had crafted a model of control over the
military with different centers of power and where the executive had the last word on jurisdictional
and administrative matters. Its failure then can “largely be attributed to institutionalized cross-
cutting cleavages in the officer corps, which prevented military rebels from assembling an
effective ‘coup coalition’ ” (Trinkunas 2005:183).
Once caught, men loyal to the Minister of Defense Ochoa and to the regime, and thinking that in that way they would avoid an atmosphere of ungovernability, asked Chávez to call his co-conspirators to surrender broadcasting on live TV, a brief speech with a remarkably impact for the future events: “First of all, I want to say good morning to the people of Venezuela. This Bolivarian message is for the brave soldiers who are presently at the Paratroopers’ Regiment in Aragua and the Armored Brigade in Valencia. Compañeros: unfortunately, for now, the objectives we established in the capital were not achieved. That means that we have, here in Caracas, did not succeed in taking control [of the government]. You did an excellent job out there, but it is now time to avoid more bloodshed, it is now time to reflect. New situations will present themselves. The country must find the definitive path toward a better destiny… Compañeros: listen to this message of solidarity. I thank you for your loyalty, your bravery, your generosity, and as I stand before the nation and all of you, I assume the responsibility for this Bolivarian military movement. Thank you very much” (translation by Marcano & Barrera 2007:74-75; my underline). Even though Chávez had been the only commander to failing in taking the target, loyalist to the Pérez administration realized soon enough that it had been a mistake not to first taping and editing the brief speech: while the coup was defeated and over, the movement had successfully come to public life.

4.4. The November 27th Coup

The Perez administration never fully recovered from the February 4th coup. On the one hand, criticism of his economic measures, the FMRe, increased over time; on the other, it was abandoned even by his own party (AD), and eventually left isolated by the loyal opposition of COPEI. In this context, another coup was attempted. The November 1992 coup was mainly committed by men of
the Air Force supported by some in the Navy, self-named *Fifth of July Movement* (after Venezuela’s Independence Day) and led by Vice Admiral Grüber and General Visconti\(^8\)—who had been conspiring with Chávez and his men, even when they were already in prison. Another difference with the 4\(^{th}\) of February coup was the larger and more heteronomous group of civilians involved—while it was close to none in the former (Tarre 2007:208-212)—, remainders of the radical left mainly (Sosa 1993:37). In this opportunity, the insurrected men controlled three TV national stations and from there broadcasted a four-minute video of Chávez secretly recorded while in prison (Naím 1993:109). They immediately afterwards broadcasted a different video, generating confusion. In this one, there were civilians exhibiting military weapons, calling the *barrios* (slums) to “come down” and join the insurrection. This video apparently was not planned by the leaders of the uprising, in what seemed to be a “coup within the coup” staged by the civilians (Naím 1993:110). The coup had failed again, this time in part because it was above all a rebellion of the Air Force without much ground support (Naím 1993:110; Sosa 1993:37; Chávez interviewed by Blanco 1998:319-323). Additionally, it was a coup too localized on the capital city, and on top of that the main actors were expecting an automatic reaction of support from “the people”, a reaction that never occurred (Sosa 1993:43).

Chávez himself declared years later that the two military groups were closely related, particularly through the main leader of the second insurrection (Visconti) and up to when it was possible given that they were imprisoned (Chávez interviewed by Blanco 1998:319-322). Yet, a different story is to be told about the groups on the radical left. As early as (or as late, it depends) 1991, “Chávez began to put distance between himself and the civilians, in particular those from the Party of the

\(^8\) Visconti was a member of ARMA, the group led by Izarra until his retirement (Douglas Bravo, interviewed by Garrido 2000:349)
Venezuelan Revolution” (Marcano & Barrera 2007:58), being Douglas Bravo the exception for a short period. As a matter of fact, most of the conspiring officers did not want to have anything to do with the radical left—Arias was actually emphatic about that, considering it a condition for him joining the movement (Marcano & Barrera 2007:58). Yet, they had always insisted on the civil side of their movement, they have always considered themselves as a civil-military movement (Chávez interviewed by Blanco 1998:127) in a rather abstract way. The relationship was and has always been ambivalent. For instance, the radical lefty group who participate in this coup was mainly from Bandera Roja (Red Flag), always part of the opposition to the government of Chávez ever since Chavismo became a political party—the Fifth Republic Movement (MVR).

In despite of the sounding military defeat, the coups did signify a political success to the movement, and represented a powerful disrupting element contributing to the state-making crisis. *Can then Chavismo and the Bolivarian revolution in Venezuela be seen as another Cuban Revolution?* I argue that they cannot and for doing it in the final section I compare the origins of Chavismo to those of the Cuban Revolution.

5. A Brief Comparison of the Origins of the Bolivarian Revolution and of the Cuban Revolution

Before concluding this analytical history of the movement’s birth, I show how the *radical populism* of the Bolivarian Revolution was different in its origins from the *radical left* expressed in the Cuban Revolution—given that there was no successful radical-lefty movement in Venezuela to compare to the Chavista movement. To sum up what we have so far: (a) Chavismo was born autonomous from other radical movements; (b) the key elements explaining the reasons, timing,
and failures of the plots were unrelated to elements such as El Caracazo or the FMRs, and rather limited by the organization of the military in itself (such as the moment when the conspirators were given command on troops). (c) The last sparkles of conspiracy failed, but while conspiracy was over, (d) Chavismo, the radical populist movement, came to public life and gained popularity as a completely new political actor ever since February 4th, 1992. In this section I add structural elements as to why these points of departure of the Bolivarian Movement have significant political consequences that made it different from the Cuban Revolution.

To accomplish the objective of this schematic exposition, I briefly refer to the origins of the Bolivarian Revolution in Venezuela above described, to the origins of the revolution in Latin America that has had the larger influence on the Venezuelan radical left, the Cuban Revolution. Even though a full-blown comparison between the two cases is certainly beyond the scope of this work, I pinpoint at some of the most important differences between the two. This will provide my argumentation with some leeway to continue the treatment of the Bolivarian Revolution as radical populist instead of plainly as communist/socialist. This category will have to face further complexity once the Chávez administration decides to call themselves socialists (Chapter 5) For now, I rely on three dimensions to make the comparison. The first dimension is Party Politics, emphasizing the role of the Communist Party in each case. Second, I compare the type and role of ideas in both (Ideology). The third dimension is the International Environment.

5.1. Party Politics: the Cuban PSP and the Venezuelan PCV

During the 1930s in Cuba, there was not clear third-party politics; in particular social democracy did not have a representative. The Stalinist Communist Party (the Popular Socialist Party, PSP)
monopolized the left, and took an aggressive stance against students and nationalist groups. But by late 1957 the most salient force against Batista was the still amorphous 26th of July Movement (the Castros’ guerrilla army), and the PSP decided to fully supported it. Yet the revolution was by then defined in terms of democratic, nationalist, and agrarian, and not so much as a socialist revolution. The social content was infused by the PSP, who had become an ally of the guerrilla movement, even though Castro was still trying to distance himself from communism. The PSP, lastly, played a key role as lobbyists in Moscow for the Cuban revolution (Farber 2006:158-159,162). In Venezuela, since the 1990s Chavismo was already organized around the messianic figure of Hugo Chávez, and by late 1990s started to monopolize the left. The PCV only much later, during the process by which the movement developed into a political party for the 1998 presidential elections, became one of its political streams — albeit an important one — within the wider movement. In addition to the Communist Party, initially there was a coalition of left-wing parties such as MAS (Movement toward Socialism, traditionally of the center-left), PPT (Homeland for All), and MEP (People’s Electoral Movement). It also enjoyed an open support from the military men who were part of the 1992 coups and others who even if did not participate in the coups, were sympathetic to them or to the men behind them. Thus, the first historical element that was absent for its radicalism to move forward differently from the Cuban revolution was a political party of the radical left fully organizing or creating a political climate of reception for the movement in Venezuela, and its presence in Cuba. Likewise missing was the experience of the guerrilla that Cuban revolutionary leaders had, which led the former to act thinking on their political survival.
In brief: even though the PCV was similar to its Cuban counterpart up to 1965 in that it never became a large mass party (Farber 2006:38,155), the PSP played a defining role for the Cuban revolution, a role that no party, not even the PCV, played in the configuration of Chavismo whose main party (MVR) was a nascent political actor. Moreover, the role of these parties ended up being radically different for another crucial reason: while Castro succeeded militarily, Chávez reached power through elections, which made him and the movement a legit actor in the eyes of many, but which also became a “straitjacket” at every step of the process of constituting a new state.

5.2. Ideology

One common feature of the guerrilla during the 1960s Latin America, was to be an intellectual bourgeois or a university student (Rangel 2005:156). Yet, the intellectual articulation of Cuban pre-revolutionary populism was limited to idolizing Martí (quite like the idolatry of Bolívar in Chavismo), and even the “… the crude Stalinist Marxism of the Cuban Communists was superior in its analytical power” (Farber 2006:40) to Cuban populism. This is not uncommon. On the contrary, it is a common feature of populism to reject theory and theorization, perhaps because “those abstractions are for elites”, while they embrace “pure action”—quite like Chavismo’s pragmatism. For example—says Chávez: “… the Zamorana [relative to Zamora] political doctrine is not written in handbooks. To the contrary of Marx, an intellectual after all, methodologically he designed his ideology with Engels. Zamora did not, he comes from the fields of Valles del Tuy… For instance, Zamora, when he wore his cogollo\textsuperscript{82} hat and on top of it the military kepi, that isn’t developed in any thesis, but that’s already a doctrinaire element” (Chávez interviewed by Blanco 1998:64). Thus, quite like the Cuban pre-revolutionary populists, there is no discernible disciplined

\textsuperscript{82} A traditional hat form the Llanos (plains) in Venezuela
(rationalized) vision of politics, and instead it is clear the leaning toward romanticized and heroic action as a common feature between the Cuban pre-revolutionary populism and the Chavista movement.

5.3. International Context

Another relevant element is the absence of a super power such as the extinct USSR backing up Chavismo in its origins, or once the movement made to the public sphere, or to the office like in Cuba. Initially, Soviet leaders knew nothing and paid little attention to the events in Cuba (and in Latin America, more generally). If anything they had little confidence on the “nationalist leaders” of the Cuban revolution. Yet these dimension matters, for according to some observers the Cuban Revolution radicalization was in part possible thanks to the USSR support and, afterwards, pressure in the light of the competition with communist China (Farber 2006:147-148). Different events, such as the May 1959 agrarian reform, slowly created a turning point in the views of the two super powers, the US and the USSR, on the Caribbean Island (Farber 2006:145-146). In addition to that, Chavismo benefited from the war on terrorism, a complete different type of conflict than the Cold War, partially because “Leaders in the United States had no time to pay much attention to what was going in their traditional geopolitical backyard, Latin America” (Naim 2007:xiii-xiv). In sum: the fact that the cold war was over by the moment Chavismo came to life, makes a difference in the origins and future developments of the Cuban Revolution in contrast to the Bolivarian revolution.
5.4. Populism: Radical vs. Pre-revolutionary

To conclude this section, let us take a look at the following description of Cuban populism previous to the triumph of the Castro brothers’ guerrilla: “… even in its most left-wing versions, usually addressed itself to an amorphous ‘people’ and spoke of conflicts between the poor and the rich rather than workers and employers. The small, ‘just and fair’ employer would also be included among the people. Policy and program were not characteristic of strong points of Cuban populism. More important was the personal commitment of the populist militants, who often saw themselves as engaging in exemplary acts that would set a standard and arouse the masses to militant action…

In this tradition, winning is not the only or even main aim of the struggle; it is better to go down fighting than to state alive and submit to oppression” (Farber 2006:37). One could just change Cuban and put Venezuelan, and the description would match tightly anyway. The combination of the three elements before exposed draws a wedge between the roles of populism in both movements: in Cuba, it represented a political inheritance favoring Castro messianic leadership; in Venezuela, a radical version of populism is what defines the political movement in itself. In fact, I have shown that in spite of been born in dialogue with other radical movements, the origins of the ‘Bolivarian Revolutionaries’ show that they have been primarily rooted on the moralist and Manichean conflict and juxtaposition of the good “People” and the evil, “Powerful” elite, say, the defining feature of populism (as presented in chapter 1).

6. Conclusions

In this chapter I have described the origins of the Chavista movement until its entrance into the public sphere in 1992. This chapter has shown that the populist movement was a two-face movement at once: on the one hand, a movement composed by military men; on the other, a
movement impregnated by and organized around populist ideas—imagery originated with the “Oak of the Saman de Güere” in 1982. If other radical movements played a role on it was at maximum (perhaps ironically), as “consultants”—so to speak. The military men leading the 1992 failed coups, and particularly Chávez, rejected the participation of the civilians from the radical left for most part (Douglas Bravo, interviewed by Garrido 2000:357; also Francisco Prada, interviewed by Garrido 2000:417-418; historian Manuel Caballero [1998:142] has also pointed that out), yet were quick to replicate their tactics which the later had tried unfruitfully during the 1960s. In this sense, it is far less clear to what extent they had authority or influence over the members of the conspiracy. Moreover, the main conspirator and later President, Hugo Chávez, the dynamo behind the radical contentious mobilization, was chiefly following an autonomous agenda—certainly most affine to the left who worked extra-institutionally than to any other type of movement, but remaining nonetheless autonomous.

On the other hand, when we compare the origins of this movement with the well-known case of the Cuban revolution we find some important similarities but especially some very important differences. First, regarding the political styles (guerrilla movement vs. military movement) and the involvement of the radical left (the PSP and the PCV) in the reception of both movements. Second, there are differences regarding ideology where the Cuban revolution presents a more disciplined, methodic, theoretical background than its antecedent Cuban populism, and where Chavismo is clearly more amorphous and attune to the last than to the Castro Revolution. Additionally, the fact that the 26th of July Movement had won militarily while the Bolivarian Movement lost militarily and won electorally, lead us to think (hypothetically at the moment) that coming to power through electoral means has forced Chavismo to stick to populist mobilization.
Third and last, regarding the international context, and in part through the intermediation of the PSP, the Cuban revolution received support from the USSR, whereas the Chavista movement did not count on any super-power to back it up. Making a revolution after the demise of the Soviet Union makes it different from the beginning. Moreover, while at some point the US focused on the possible role of Cuba could play helping the USSR’s plans, in contemporary times it’s more focus on the war on terrorism thus playing much less attention to a movement like Chavismo in Latin America.

Finally, this short genealogy has shown that in contemporary Venezuela radical politics has been the dominant way of making politics, a tendency that only briefly stop during the period 1968-1992, and a tendency that continued while Chávez was in the office. In fact, actors from the radical left have seen this as a feature of Venezuelan politics, say, the continuity of military factions acting in agreement with a revolutionary movement, generating military uprisings (Douglas Bravo, interviewed by Garrido 2000:348).
IV. State-making Crisis, Economic Presidentialism, and the Reforms of the 1990s—or how did Chávez get to the Office

1. Introduction

The description of the process of the emergence of the populist movement up to the 1992 coups, analyzed in the last chapter, is completed in the present chapter with an account of the institutional configuration of the representative democracy period and its crises—political and economic. For Chavismo to have triumphed, the movement should have had effective opportunities to run in the 1998 elections—beyond formal requirements. This chapter explains how the state-making crisis, and the institutional responses to it, created political opportunities for newcomers or outsiders (Levine 2012:254,259) which were taken advantage of by the populist movement. The objective of this chapter is thus to explain how Chávez and his movement made it to the office in the elections of December 1998.

After introducing the theoretical context (Section 2), in order to assess and test the alternative visions of the 1980s-1990s Venezuelan economic and political crises, I present first of all the core of the wide and rich literature explaining them (Sections 3 to 4). Later, I will also show that neither of these explanations by its own is able to thoroughly explain the origins of the Venezuelan state-making crisis, but that together they provide fundamental and unquestionable clues to do it. I web them together in a simplified causal model (Sections 5). On these bases, I add to this model the relationships between economic and political elites to the explanation in order to “fill in the blanks”. I propose that a sort of economic presidentialism is at the root of the political and economic crisis (Section 6). Afterwards, I explain why if political elites were well aware of popular discontent, and took specific measures to counteract it during the reform process of the later 1980s
and the 1990s (Section 7), they were not able to change it and re-enable legitimacy to the system. 

Or put in other words, I propose an answer to the question: why political actors could not reverse the path that led to the consolidation of anti-elite sentiment in the 1998 elections? I argue that a contingent confluence of unexpected dynamics and failed reforms, paved the way for radical populism to succeed in the 1998 general elections (Section 8).

2. Venezuela: from “Exceptionalism” to Crisis

Chávez and his co-conspirators were released from jail in 1994. During the following years they created a party—the *Fifth Republic Movement* (MVR) formally established in 1997—and ran for presidency, winning loosely the 1998 national elections. That an outsider like Chávez had won the 1998 elections has been extensively addressed by the scholarly literature. In particular, Gates (2010) distinguishes three main types of explanations: (a) the corruption thesis, (b) the failed institutions thesis, and, (c) the social polarization thesis. To them we should add Gates’, which could be termed: (d) the state-business relations thesis. First of all, *the corruption thesis* simply put establishes that the public lost confidence in the political establishment due to the widespread perception of corruption. Second, *the failed institutions thesis* says, as summed up by Gates, that the public lost confidence on the institutions as people felt excluded from the political process. Third, *the social polarization thesis* focuses on the socio-economic dimension, which leads to an increasing polarization and a re-polarization of class. These three sets explain why there was an electoral opening for an outsider, but do not explain why among the outsiders it was Chávez the one elected. For this issue Gates has an answer. On the one hand, Chávez publicly opposed business and thus gained support from anti-business voters (Gates 2010:26), as business became too closely associated with corruption and the two-party political establishment. On the other hand,
in spite of countering FMRs Chávez managed to overcome business opposition because several (outlier) members of the business community followed the logic of dependency on the state: the political prominence of business intensified the fears of losing access to the state, which led some of them to assist Chávez (Gates 2010:34).

The four sets of factors above presented do quite a good job in addressing the electoral context in which Chávez won in 1998 over competing outsiders. But Gates herself provides another important clue we need to explore, when she identifies anti-business voting as a part of a larger anti-elite sentiment that populist leaders exploit as an electoral strategy. More so when such system was praised by politicians and students of politics in the region to the point that a “Venezuelan exceptionalism” thesis was forged, labeling Venezuela’s “a model democracy due to its stability, marginalization of the left, and avoidance of militant independent trade unionism” (Ellner 2008:2; also, Smith & McCoy 1995). In this sense, scholars have consistently pointed that the very factors explaining the success of Venezuelan democracy since the 1960s, have been used to explain the crisis and deterioration of the political system in the 1990s (Gómez & López 1990:44; Coppedge 1994:2; McCoy & Smith 1995:239; Crisp & Levine 1998:28; Levine 1998:193; Martz 1998:71; Ellner 2003:11). But regardless of their orientation, scholars basically agree on the diagnosis that Venezuela suffered of a severe deterioration process conducive to a crisis (Naím 1993; Salamanca 1994; Hellinger 1996; Romero 1997; Caballero 1998; Crisp & Levine 1998; Molina & Pérez 1998; McCoy 2004; Monaldi et al 2004; Lalander 2004). As suggested in Chapter 2, I propose that we should speak of a state-making crisis for the Venezuelan case, defined as an abrupt process of unrest and of contesting the state foundations (valid strategies to access the resources it handles, the developmental model it promotes, and the legitimate mechanisms and groups with capacity to
access it). I now present the dominant theories of the Venezuelan economic and political crisis. Two main types of accounts are discernable in five clusters of explanations, which together tell quite a bit about Venezuelan 20th century political history as well.

3. The Economic Crisis

For some scholars, the whole political arrangement of the democratic era (1958-1999) was possible by oil money (Levine 1998:194). Thus, the decline in the legitimacy of the system is referred to dependency variations in oil revenues (Karl 1995:33). Indeed, the influence of the oil industry on the country has been noted by scholars who, even tangentially, have provided an account of the Venezuelan modernization process—in aspects such as the construction of infrastructure, manufacturing industry, labor, urbanization, education, state bureaucracy, and so forth (Rangel 1976; Arroyo 1998; Gil 1992; Baptista 1993; Naím 1993; Salamanca 1994; Karl 1997; Maza 2007; Di John 2009). Venezuela entered this “oiled” 20th century83 with a remarkably weak administrative apparatus—even for Latin American standards. Almost 40% of the population was wiped out during the 19th century post-independency civil wars, and with it also properties, infrastructure, and the little existing bureaucracy, all of which indirectly backed up the rise of caudillismo as the alternative to the virtual dearth of a central state. Caudillos fought ruthlessly from the end of the independence wars until the consolidation of the Gómez regime in 190884. The centralization of state authority was finally reached when a network of Andeans strongmen (the Grupo Táchira) dominated from 1899 (the Castro administration) to 1935 (the end of the Gómez’s dictatorship, who had overthrown Castro in 1908). The Gómez regime built up institutional control

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83 For some scholars it is almost indisputable that Venezuela’s 20th century was the century of petroleum (Maza 2007:61).
84 As a matter of fact, “In all Latin America, only Mexico experienced a similar degree of violence” (Karl 1997:75).
over the military and a public treasury, so that when oil revenues enter the coffers of the state, it only had the most basic administrative features.

What is at the stake here is not only that the Venezuelan state was born as a petro-state, but that the pattern of its development was linked to the oil industry ever since its birth (the first important oil deposit was discovered in 1914). During the following decades, independent economic sectors such as agricultural exports were transformed into oil-subsidized activities, and non-oil elite interests were radically weaken—particularly landed elites—minimizing incentives for peasant-based parties or agrarian rule more generally. During the first decades of the 1900s, with the so-called “dance of concessions” (as Betancourt, the historical leader of AD and the first president of the democratic period, called it), landowners sold their properties to oil companies, a process that transformed this class in an urban bourgeoisie (rentier, commercial, and financial) “dependent on petrodollars” (Karl 1997:82). On the other hand, the peasantry and the proletariat were relatively small and/or weak which—as presented in the previous chapter—deterred or at least did not contribute to the growth of the radical left. What did grow up was a new urbanized middle class, as Venezuela experienced the highest rate of urbanization in Latin America (Naím 1993:19).

The adoption of the 1943 Hydrocarbons Act represented the first time a producing country adopted an income tax on the oil companies (Karl 1997:87). It provided a new taxation based on income from mining, contrary to the scheme of concessions typical of the Gómez orientation toward oil revenues. The new base of taxation served for financing the centralized public administration through increasingly cutting profits to foreign companies. In turn, oil revenues exacerbated the high degree of authority centralization. Since then, the executive branch’s authority to deciding on
the allocation of revenues became undisputed, which heavily reinforced the predominance of the public sector and a growing distance between the non-oil and the oil sector of the economy. During the 1950s and 1960s Venezuela’s economy was one of the most successful in the world, “with compounded annual growth averaging a remarkably 6 percent” (Naím 1993:19) while inflation remained relatively low. The model, based on public expenditure as a mechanism for transferring oil revenues to particulars, was successful in making the GDP steadily grow from 1943 to 1977.

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<tr>
<th>Year</th>
<th>Urban Population (%)</th>
<th>Rural Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936</td>
<td>37.4</td>
<td>65.3</td>
</tr>
<tr>
<td>1941</td>
<td>39.4</td>
<td>60.6</td>
</tr>
<tr>
<td>1950</td>
<td>53.8</td>
<td>46.2</td>
</tr>
<tr>
<td>1961</td>
<td>67.5</td>
<td>32.5</td>
</tr>
<tr>
<td>1971</td>
<td>78.4</td>
<td>21.6</td>
</tr>
</tbody>
</table>

Source: Silva (1993:523)

But then problems accrued: for eight consecutive years (1978-85) economy shrank, real income per capita in 1985 was almost 15% lower than in 1973, capital flight accelerated between 1978 and 1982, foreign debt increased from $2 billion in 1973 to over $35 billion in 1982, and by mid-1980s almost 70% of export revenues were devoted to the foreign debt service (Naím 1993:24-25). During this period (1958 onward), there were common features in the orientation of policymakers: maximizing benefits from oil companies, state-directed and resource-based industrialization while fostering import substitution in the private sector, and appeasement of all relevant political actors (Karl 1997:112). Moreover, the persistent decline in growth was also a
decline of the indexes of collective welfare since the 1980s (Kornblith 1998:11), which brought with it a rise in poverty and inequality. For example, “By 1989 an estimated 53 percent of all Venezuelans lived in poverty, up from the 32 percent in 1982. And in 1989, 22 percent of all households lacked sufficient income to cover the costs of the minimum daily food requirement, up from 10 percent in 1982” (Naím 1993:24). Additionally, purchasing power of the minimum wage decreased 40% from the late 1980s to the 1990s—a level below the early 1950s; per capita social spending in 1993 was 40% the 1980 level, with cuts of over 40% in education, 70% in housing and urban development, 37% in health care, and 56% in social development. What is more, “the income share of the poorest 40% of the population fell from 19.1% in 1981 to 14.7% in 1997, while that of the wealthier decile increased from 21.8 to 32.8 percent”. Finally, the percentage of the labor force engaged in informal employment swelled from 34.5% in 1980 to 53% in 1989, while unemployment increased during the same period from 6.6% to 15.4% (Roberts 2003:59-60). Why, precisely during the years of oil bonanza in the 1970s, did the first signs of economic disturbances appear? Why was broken the equilibrium of sustained growth that worked so well from the 30s to the 70s? (Gil 1992:293,304). Moreover, why incumbents, regardless party affiliation, were not able to take an alternative way to development during and after a second oil bonanza? What can explain this daunting deterioration? In what follows I address two remarkable answers to these questions.
3.1. Oil Booms and the Institutional Logic of a Petro-State

According to Terry L. Karl, the institutions of the Venezuelan petro-state and of its pacted democracy shaped the short-term preferences of governments to avoid adjustments at any price. Venezuelan incumbents relied on foreign borrowing to sustain unusually high public expenditures, gluing together parties, capital, labor, and the state (Karl 1997:163). Oil booms in this type of state seem to be an opportunity to change the developmental trajectory. But in fact choices are instead narrow, because the particular institutional setting of petro-states encourages patronage, through fiscal reliance on petrodollars. Consequently, state officials constantly substituted public spending for statecraft. In brief: incumbents and policymakers decided to spend more during oil bonanzas, which created hard-to-change patterns, increasing in turn external and internal budget deficits, and weakened state capacity. In fact, a permanent feature of the 1980s is that the combination of current expenditures and debt service surpassed petroleum exports (Karl 1997:164-165). Oil booms, thus, did not create rent seeking, poor planning, or a weak state bureaucracy (all elements previously existing in the Venezuelan state), but greatly heightened them.

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85 A petro-state is the state which “…depends on revenues generated by a depletable commodity, that … produces extraordinary rents, … funneled through weak institutions {which} virtually ensure that the public sector will lack the authority and corporate cohesiveness necessary to exercise effective capacity” (Karl, 1997:58). It is “… one whose capacity to create consensus and enforce collective decisions rested largely on the fate of the international oil market as well as on its ability to tax foreign firms and distribute its gains” (Karl 1997:91).
The Pérez presidency (1974-197) was the first period marked by an oil bonanza, provoked by the Yom Kippur War of October 1973 which quadrupled petroleum prices in the international market\textsuperscript{86}. This had a remarkably impact on policymakers who saw this as a unique opportunity to embarking on an ambitious developmental project named \textit{La Gran Venezuela} (The Great Venezuela)—the novelty of which was its huge scale and its fast pace (Karl 1997:123). The main concern of incumbents and policy-makers who saw oil revenues soared was inflation. Measures oriented to substitute petrodollars with taxes were taken, but quickly abandoned. For example, a reduction of oil production and exports in 1973-75, and the creation of the \textit{Fund of Investments of Venezuela} (FIV) through which earnings were supposed to be invested abroad and gradually reintroduced to the country. Yet, Pérez insisted on an expansionary policy of bolstering purchasing power (Karl 1997:131-132). Additionally, he would turn to the traditional strategy of appeasement toward the private sector, transferring large amounts of money which also increased earnings in the banking sector. As a consequence, “… government spending soared out of control precisely when

\textsuperscript{86} Venezuela, the world’s second larger producer (only behind the US) with 14.4% of world production during the 1950s, by 1975 had already dropped to fifth place providing only 4.4% of world production (Karl 1997:112).
repressing petrodollars was the only means of avoiding Dutch Disease and other adverse consequences… Permitting state expenditures to rise massively, abruptly, without a plan, and with no clear relationship to productivity…” (Karl 1997:135). In that context of “plenty”, according to Karl, it was rational for policy makers to act that way: due to ready available oil revenues, providing an exceptionally high corporate income tax on petroleum, incumbents did not seek for alternative revenues sources—which eroded Venezuela’s taxation base.

A second oil boom took place in 1980 when, as a result of the Iranian revolution and the subsequent Iraq-Iran war, petroleum prices skyrocketed again. Overall, this second oil boom did not receive a different treatment from the first—which set the foreign-indebting path: public spending remained high (it doubled between 1979 and 1981) and foreign debt and not tax reform was the chosen way of coping with deficits and political tensions. In twenty years (1972-1992), current expenditures increased more than fifty times total government spending, with especially sharp increments in pre-electoral periods (Karl 1997:160), and external debt rose from 8.76% of the GNP in 1970, to 49.07% in 1988, and to 53% in 1994. All this in a context where the oil industry capacity to generate the rents of the past had declined, in part due to changes in the international oil market, so that “by 1994 oil prices were approximately one-half their 1980 level” (Karl 1997:168). Likewise, in time oil resources reinforced vested interests which kept the state organizationally underdeveloped.

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87 All of this while by the end of the 1980s Venezuela was paying about 40% of oil income to foreign banks. Not to count the so-called “floating debt”, the short-term (and higher interest rates) borrowing of public enterprises without any oversight, permitted by a loophole in legislation (Karl 1997:168)
3.2. Political Settlements and the Breakdown of the Developmental State

During the period 1920-1958 Venezuela experienced rapid rates of output and productivity growth, while between 1968 and 2005 the country experienced growing stagnation of the same indicators. The first period also had low levels of human capital formation and an authoritarian rule—exactly the opposite of what happened in the second period. This is indeed a puzzle. To solve it, a variation of the previous argument departs from modernization theory—including its finer versions of rent-seeking—, and argues, following O’Donnell’s (1973) pioneering work, that advanced stages of ISI and big-push industrialization strategies poses much bigger difficulties than earlier stages and small-scale industrialization for any late-developer (Di John 2009:9), which, in combination with political settlements would explain the Venezuelan crisis. On the one hand, periods of abundant oil revenues match periods of both output and productivity growth and of stagnation. So he concludes (against the “paradox of plenty” thesis) that over long periods natural resources have not determined state incentives systematically. On the other hand, a centralized and clientelist state, run either by authoritarian caudillos or by democratic leaders, matches periods of very different economic performance. Finally, the period of neoliberalism (1989-98) did not generate the expected investment or growth “which suggests a need to improve on the rent-seeking paradigm of state failure” (Di John 2009:133-34). In a nutshell: Venezuela’s pattern of poor industrial growth

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88 “A developmental state may be defined as the set of institutions responsible for the creation, maintenance, and restructuring of property rights and rents that generates growth-enhancing activities among politically and economically privileged rent recipients” (Di John 2009:144; my bold).

89 Big-push industrialization refers to a synchronized expansion of industrial sectors, coordinated by the state. The advocacy of this policy is based on the idea that markets in underdeveloped economies are subject to coordination failures and thus require coordination of investment decisions”. “The cornerstone of natural-resource-based industrialization was to use the comparative advantage of cheap energy (in the form of state-subsidized hydro-powered electricity and gas) to develop the steel, aluminum, and petrochemical industries” (Di John 2009:179, 180; my bold).

90 In part because the construction of capitalism in early stages is inherently divisive, and state resources are to be locate more selectively and thus in a less egalitarian way in advance stages (Di John 2009:263).

91 In fact, neither the structure of state intervention nor the scale of corruption has differed sufficiently from other more successful late-developers. Moreover, according to Di John “… ‘the politics of privilege,’ and in particular, cronyism, appears to accompany industrial policy in both more and less successful conjunctures of centralized state intervention” (2009:133), which contributes to rule out this vision.
resembles more closely to other Latin American, non-oil producing countries, than rentier theorists (like Karl [1997]) acknowledge (Di John 2009:258). The Venezuelan crisis, thus, is only secondarily bond to oil. What does explain it?

The core of his argument is that growth acceleration (or slowdown) is a result of compatibility between development strategies and political settlements. In middle-income late-developers with a centralized state but with fragmented political organizations (like Venezuela after the 1960s), more advance stages of ISI require “more selective and thus more indivisible subsidization and more coordination of investment than the earlier stages of ISI” (2009:148). There are several reasons for that. In the early, “easy” stage of ISI, the substitution is for non-durable consumer goods, which requires small-scale and low-value-added industrialization strategies, as well as small-scale technology. In this stage, “Coordination of investment decisions by the state is not central to rapid growth” (Di John 2009:149), and conflicts are lesser—because there is rent distributions through firm ownership and employment opportunities fueled by public expenditure. More advance stages of ISI and big-push industrialization are more demanding. To begin with, they involve the production of consumer durable, intermediate, and capital goods—which imply more advance technology. It also requires the development of larger firms responding to the centrality of scale economies in intermediate technology sectors—all of which conduces to more risk in competing for new and export markets.92

92 “The institutional challenges for the big-push strategies and the more advance stage of ISI center on the need for the state to maintain continuity of centralized investment coordination, effective monitoring of public enterprises, selectivity in subsidizing investment through rent creation, discipline of rent recipients, and collective action capacities of business associations” (Di John 2009:152).
First, the small-scale easy stage of ISI in Venezuela ran through the period 1920 to 1960, after which the model entered into a more advanced phase, turning to a natural-resource based, big-push industrialization. Then, “While the period 1920-58 was characterized by a relatively liberal trade policy, state-created rents became much more important after 1960” (Di John 2009:176), particularly through protectionism—tariff and non-tariff-barriers. The semi laissez-faire stance of the pre-1958 period was not the result of a purposive state orientation. There were not family conglomerates pressuring for state protection, either because the fragmented nature of business

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93 Di John takes care on defining small-scale vs. large-scale, easy stage vs. big-push industrialization in terms of dominant patterns and not of mutually exclusive categories. He distinguishes these two patterns in the case of Venezuela based on several indicators such as: (1) the rise of the share of manufacturing in GDP; (2) the growth of large scale, industrial sectors shares; (3) evolution of the output and employment of large firms as shares of total output and employment; (4) the evolution of the demand for imported goods; and, (5) a growing policy emphasis on export growth and diversification.

94 For example, public manufacturing investment (excluded oil refining) rose from 24% in 1968-71 to 41% in 1972-80 (Di John 2009:178).

95 Of the last, being import licenses and foreign exchange rationing the most important.
associations, or because to the moment ISI was not widely considered the model to follow—as later occurred. Additionally, the US government influenced this trend, offering military and technological assistance in exchange for a trade agreement—the “Reciprocal Trade Agreement”—in which Venezuela gave duty concessions to 35% of the total imports from the US. The key political feature of the period is a consolidated central state with centralized organizations.

**Factors of Growth in Late-developers**

<table>
<thead>
<tr>
<th>Type of polity</th>
<th>Type of development strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconsolidated, weak state</td>
<td>Early ISI: Low or negative growth</td>
</tr>
<tr>
<td></td>
<td>Advance ISI / “Big Push”: Unlikely to be attempted</td>
</tr>
<tr>
<td>Consolidated state with centralized</td>
<td>Early ISI: High growth likely</td>
</tr>
<tr>
<td>political organizations</td>
<td>Advance ISI / “Big Push”: High growth possible</td>
</tr>
<tr>
<td>Consolidated state with fragmented</td>
<td>Early ISI: High growth possible</td>
</tr>
<tr>
<td>political organizations</td>
<td>Advance ISI / “Big Push”: Low or negative growth likely</td>
</tr>
</tbody>
</table>

(In Di John 2009:160)

Second, the deep involvement of the state after 1960 was supposed to integrate the import-substitution process vertically and to improve the technological capacity of the industry. At this point, there was a shift in the developmental strategy from an easy stage of ISI to a more advance in the period 1960-1973, and to an even more advance stage of big-push heavy industrialization after 1973 (“The Great Venezuela”). This trend was continued with the Sixth Plan of the Nation during the period 1981-85. Growth became then more challenging: fostering industrialization requires new expertise and to conquer new (export) markets in consumer goods, and more selective and sustained targeting of capital—a process which would require export-led growth (Di John

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96 This changed somehow with the privatizations of telecommunication and steel in 1989-1998.
97 “Conquering export markets in consumer goods is a risky and long-gestating project that requires marketing, investment in distribution channels, and increases in scale economies” (Di John 2009:184-185).
2009:184-185) and a more complex strategy of development. The once centralized political organizations became fragmented during the period 1958-1968 when electoral rivalry and factionalism took over.98

Finally, between 1973 and 1993 political organizations became even more fragmented, with growing factionalism within AD and COPEI, declines in interparty cooperation, conflicts between traditional and emerging business groups, with business becoming critical of state control of heavy industry. This fragmentation process reached its peak in the 1990s. Only in 1993 the number of effective parties competing for the presidency rose to 5.6 (from an average of 2.5 during the period 1973-88). The growth collapse in Venezuela was therefore a result of a consolidated state with fragmented political organizations (political settlement), in a moment when the development strategy (bi-push, natural resource-based industrialization) required centralized ones.99 From this perspective, the Venezuelan state was not too exclusionary—as some argue—but too inclusionary in its patronage patterns as to produce an effective industrial strategy (Di John 2009:265).

4. The Crisis of the Political System

The incidence of the party-system has been pointed out as one key element explaining the “Venezuelan exceptionalism”: conflict was isolated (instead of generalized) through institutionalization of conflict-solving procedures and concealed, in part, by party affiliation. This was described by scholars as a “strong conciliation system”, where “procedural consensus has

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98 In Venezuela, it has historically taken the shape of “a pyramid organization headed by a high-level political party member allied with one or more big business conglomerates, small and medium-sized capitalists, labor union leaders, and lower-level political party cadres” (Di John 2009:211).

99 Even more so, given that clientelist alliances were established simultaneously with the process of primitive accumulation, and such coalitions are fragile in the context of large-scale levels of political mobilization of contradictory demands.
been reached, and issues of legitimacy and collective survival removed from politics” (Levine 1973:218). The pre-1936 social structure conduced to an organizational vacuum filled by political parties. After 1936, once General Gómez passed away, political power was organized by those who could mobilize masses. During the Gómez dictatorship, it was the Students Federation the only one with some sort of organization to do it. When Gómez died, the students, in exile or underground until then, turned to the construction of mass political parties and of organizations of different social bases. Later, the recently inaugurated 1958 democracy initially faced two simultaneous processes—to which I have more carefully referred in Chapter 3. On the one hand, the splits within the main political party (AD, from which initially most of the guerrilla was formed), came from the division between top party leadership (who went to exile during the Pérez Jiménez dictatorship), and those who stayed and “carried on the day to day struggle underground”. Once the first returned, and interpreted concessions to old enemies as the price of stability, the new generation staunchly opposed them (Levine 1973:42). Therefore, a generational cleavage grew within AD until breaking in two parts, one part feeding guerrillas. On the other hand, the dominant parties AD, COPEI, and URD (except PCV) subscribed the Puntofijo pact (previously referred). The insurgency timed with the events in Cuba contributed to the consolidation of the AD regime, for old enemies like the Church and the military saw it as the best and perhaps the only way of dealing with a threatening Cuban-style revolution.

The conclusion of this process in which radicals were defeated, was the channeling of conflict through institutional means (Levine 1973:60). Yet it also brought with it the penetration of parties to all spheres of social life, especially in the context of weak traditional ties, strengthen by AD’s

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100 Over decades, the vertical organization of political parties even built up the link between the countryside and the capital city (Kulisheck & Canache 1998:43).
leader Rómulo Betancourt’s ideal that “party offices and activities should reach the furthermost corners of the republic” (Martz 1995:35). In so doing it, parties —AD above all— provided a suitable network for a fragmented and illiterate society (Levine & Crisp 1995:226)\textsuperscript{101}. For the 1973 elections the system had become stably bi-partisan and balanced between AD and COPEI (Martz 1998:65) to the extent that in the period 1973-1995 “the two parties together have regularly garnered more than 85 percent of the presidential and 75 percent of the legislative votes” (Levine & Crisp 1995:227).

In sum: scholars studying Venezuelan politics thought to have found a set of rules describing a “self-perpetuating system” for the management of political conflict around things like party-leaders leeway, the agreement to disagree, and the monopolization of political action by political parties—reducing the number of groups with an institutional right to political participation—, while the avoidance of all-out conflict reinforced elite commitment to moderation and concentration of power (Levine 1973:235-251). In this account the main element was the fact that “the penetration of party was exceptionally profound, and party affiliation became a key social tie, cutting across class and functional lines” (Levine 1973:241; also, Martz 1998:65). Thus, there seems to be a consensus about the importance of the party-system in the construction of the Venezuelan “stable” democracy. How did the crisis rise out of this stable party system? In what follows I present three clusters of explanations to answer this question.

\textsuperscript{101} The role of COPEI in this sense includes the reconciliation with the Catholic Church
4.1. The Closing of the Party-System and Growing Illegitimacy

The main point this theoretical approach makes is that “Venezuelan society in the democratic years changed, while political institutions and the basic rules of game did not” (Crisp & Levine 1998:31). Democracy and the distributive policies created a new kind of citizenry, with entrenched expectations (Levine 2002:253). Parties and institutions more generally did not catch up with the demands of a new, more modern society. More specifically, the political system’s loss of legitimacy is pinned to “the low priority given to citizens’ rights by political institutions and their leadership” (Gómez 1998:172). The electoral way of gaining legitimacy decreased its effectiveness (as abstention rates increased from less than 30% in the late 1970s to over 50% a decade later), while the consultative way (consultative commissions and governing boards) stop representing even their own interest groups (Crisp 1998a:33,35-36). From the late 1970s onward this party-system became rigid as a result of “party-elitism” and “democratic centralism” (Marti 1995:32,35).

Overall, a progressive “bureaucratization” (Marti 1998:38) and “colonization” of civil society (Gómez & López 1990:74) took hold. This meant that the dominant parties (AD and COPEI) and interest groups (FEDECAMARAS as representatives of capital, the CTV as representatives of organized labor, and related to the last the Peasant Federation of Venezuela—FCV) were able to control the policy-making agenda, isolating the political from the participation of emerging groups of civil society. “In short, party elites were no longer in touch with the public” (Marti 1998:73). The corollary of this process was that interest groups developed an array of unchecked mechanisms to influence policy-making and the distribution of public funds.
Three important factors determining the gap between state officials and society were closely related to the dominant role of parties. (a) First and foremost, the electoral law made officials less responsible before the electorate. As voters choose parties instead of individuals (deciding at best how many seats each party would receive in the Congress), when electing candidates for the Senate and the Chamber of Deputies, the parties prepared slates of legislative candidates “and the percentage of their slate that goes to the legislature is roughly equal to their percentage of popular vote” (Crisp 1996:37)—the so-called proportional representation and voting lists (Martz 1995:38). Therefore, the system strongly reinforced the elite of the centralized party-system (Kulisheck & Canache 1998:43), while policy-makers remained beyond voters’ reach (Crisp 1998a:30). Also,
(b) as parties were present in every arena of social life, from trade unions to student associations, they permanently cut off the influence of parallel organizations on the policy-making process. Additionally, (c) voters saw their options increasingly reduced as the two dominant (center-left and center-right) parties became more similar ideologically, shifting pre-election coalitions in legislative alliances after elections from issue to issue (Crisp & Levine 1998:35). Together, they would explain the legitimation crisis.

4.2. Presidential Partyarchy and Factionalism

Another important feature of the Venezuelan political system is presidentialism, which together with partyarchy has been singled out as the most important combination (presidential partyarchy) explaining political crisis in Venezuela. Presidential partyarchy is a rare combination, for “most partyarchies are parliamentary and many presidential democracies have weak parties” (Coppedge 1994:153). Presidentialism increases the importance of winning control over the executive branch, for the looser is very likely to be excluded from access to power, and even more so when patronage is a source of support. As a result, presidential partyarchy generates a pattern

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102 The term alludes to Dahl’s polyarchy, but in this case refers to “… a democracy in which political parties monopolize the formal political process and politicize society along party lines” (Coppedge 1994:18).
103 Although Coppedge’s analysis of factionalism focuses one AD, “… many of the same causes of factionalism are also relevant for COPEI, because it operates in the same presidential system that AD does” (1994:132). The main difference between the two of them regarding this point is that, unlike in AD, there was no collective leadership in COPEI. For Rafael Caldera, its founder, was its unquestioned leader running as the presidential candidate every time.
in which *factional struggles* within parties over nomination campaigns take a prominent role in politics. They are composed by those supporting the incumbent president (the “Ins”), and those aiming to govern during the following period (the “Outs”). This combination generates two types of outputs: on the one hand it enhances democratic stability, insulating technocratic policy makers; but on the other hand it undermines democracy, closing representation channels of participation for citizens between elections. Particularly, freedom to organize is restricted by the parties, which in turn handicaps activities of media, interests groups and institutions of civil society more generally. This is what in his perspective explains *El Caracazo* of February 1989: it was an alternative, violent response to the shock program of President Perez given that other possible channels for expressing grievances were blocked (Coppedge 1994:160). In brief: in the long term partyarchy fosters disillusionment with parties and democracy, and presidentialism is not flexible enough to correct that frustration (Coppedge 1994:4). The crisis can be laid out in three steps.

First of all, because the president had no veto power, the Congress had the last word on policy-making and therefore the first had good reasons to persuade the majority party bloc in the second. The president alone was entitled to change the cabinet, command the armed forces, write regulations to carry out laws, declare a state of emergency, and grant pardons without congressional action. As a matter of fact, the executive is a very powerful and autonomous actor when drafting legislation, setting the political agenda, or pursuing a program—practically lacking accountability mechanisms. The president was the more powerful of the two actors because,

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104 Coppedge finds that these struggles have had no other base than sheer *interests* (which makes them changing, fluid), because every other pre-exiting cleavage had been resolved, and they were not even based on any policy issue whatsoever (1994:131-132,145). He also makes clear that it was not always the case that party leaders were devoid of principles, but that it changed in the late 1960s.

105 The CEN (*National Executive Committee*) of the party used to control the parliamentary fraction.
among other things, he had superior access and control over information than the congress. The 1961 Constitution provided ample powers to the Congress\footnote{For example, it overrides the president’s suspensive veto with a simple majority, and had no special policy areas reserved for the executive (Crisp 1998a:23).}, and yet the executive was able to surpass it due to its weak committee structure and staffing (individual legislators had no budget or staff), “so it had little fact-finding ability and little ability to measure the sentiment in civil society”, which made them unable to build ties with their constituencies, or even to design and propose certain, complex legislation (Crisp 1998a:23). Moreover, the Venezuelan congress never saw an opposition party controlling majorities in both houses (Chamber of Deputies and the Senate), which would have shown the efficacy of the Congress as an autonomous institution. Because presidential and congressional elections were carried out simultaneously, voting for a presidential candidate (considered a more important election) under the system of proportional representation, encouraged voting for the President’s party in congressional elections as well. In brief: the executive had largely dominated the legislative branch\footnote{In fact, “on average 84 percent of all Venezuelan legislation between 1959 and 1995 was initiated by the executive branch” (Crisp 1998a:27).}.

However, secondly, the President (unlike state party bosses, and the Labor and the Agrarian secretaries\footnote{The two main sectorial secretaries.}) is forced to abandon his position in the party once elected, which, combined with the fact that there was no immediate reelection, reduced his following within the party—making incumbents automatically “lame ducks”. For this reason, the president ended up supporting the nomination of a friendly candidate who would not challenge him. The nomination campaign is thus transformed “…into a struggle between Ins and Outs for control of the party”, whose outcome “… is on the hands of the regional and sectoral brokers” (Coppedge 1994:124).
Thirdly, if *presidentialism* tends to generate stalemates between the executive and the legislative branches, *partyarchy* makes it harder to deal with them: a president lacking a working majority in either house of the Congress normally can negotiate with individual legislators and create an ad hoc majority, but partyarchy forces those legislators to vote their party’s line. This makes elections more of a zero-sum game than they would be otherwise, and tempts presidents to take drastic measures to circumvent the Congress. In the stalemate there is a double-face process of frustration: for the president and for those who are also frustrated by him, and wish to remove him from the office. In the most radical situations, military intervention is asked for. For Coppedge, the 1992 coups “are perfect illustrations of this extreme”, for even though the Congress did not ask for a military intervention it did no support the president either (Coppedge 1994:158).

The table below sums up the main relationships that can be established out of Coppedge’s model. For example, in the intersection of A-1 on the left superior corner, we have the relationship between the fact that as a result of this presidentialism losers are radically excluded from power (A), and the within-party struggles over nomination campaigns (1). The *generation of instability* in this case manifested as the closing of representation channels between elections (4A). The historical outcome, according to Coppedge, was *El Caracazo* (5A). Another example is C-3a3b towards the middle. In this case, the fact that elections were held simultaneously, and given the system of proportional representation / voting list (3a), and the pressure of voting for party lines (3b), instability was spurred through the tendency to favored voting the president’s party and bandwagon behavior (4-Ca). The outcome was that no opposition party ever controlled both houses in the Congress (5-Ca).
A third example is C-3b, down in the center. The superior power of the President over the Congress (C) combines with the centralized control over nominations (3) of partyarchy, particularly in its form of party discipline—“Voting for Party-lines” (3b). This couple stimulates a stalemate President-Congress (C3b), which generates instability on both sides—the executive (“Presidents take radical measures to circumvent the congress”, 4-Cb1) and the legislative branches (“Congress and opposition become radical against the President”, 4-Cb2). The historical outcome was the 1992 coups (5-Cb).
4.3. The Organization of the Public Administration

The organization of the public administration has been pointed out as a relevant aspect that contributed to the de-legitimation of the political system. As parties and the executive took over the state, the public administration became a means to stabilize power through clientelism and patronage. In this way the only “limits” to the executive autonomy were placed on a complex system of consultative commissions and governing boards in the DPA, in which the executive branch and the interests groups interacted on a regular basis (Crisp 1998a:30). During the years of consolidation of the party-system after 1958, public spending was shifted “… from the centralized public administration (CPA) to the decentralized public administration (DPA) which was almost exclusively controlled by the executive…”, composed by about 400 entities (Crisp & Levine 1998:35). They varied from public enterprises, autonomous institutes, credit institutions and regional development corporations, while their governing boards included representatives of interest groups, particularly from business (FEDECAMARAS) and labor (CTV). Government spending on such entities was a way of responding to private sector’s demands (entities over which monitoring and coordination was very difficult), and a means of providing finance capital for private sector initiatives and production (Levine & Crisp 1995:232-233). In other words: it responded to the more general strategy of conflict appeasement, in this opportunity directed to the private sector. The DPA, however, did not translate spending of the executive branch into de-concentration of power, nor were these groups under electoral control.

109 The DPA is to be understood as “non-ministerial” and was responsible of 30% of government spending in 1960 but it rose to about 67% in 1980, a budget nearly out of scrutiny by the Congress (Kornblith & Maingon, 1985:40, cited by Crisp 1998a:34).
On the other hand, “between the inauguration of Romulo Betancourt in February 1959 and the end of 1989, Venezuelan presidents created no fewer than 330 advisory commissions” (Crisp & Levine 1998:37; also Crisp 1998a:32). In these commissions, economically defined groups participated more than five times as often as non-economically defined ones (Crisp 1996:40; Levine & Crisp 1995:236). The organization of these commissions had as a side effect that they worked as exclusionary practices, setting the policy-making agenda, and letting other actors out of the political arena—which represented a concentration of power in unelected bodies (Levine & Crisp 1995:236) and in this way they were part of the factors explaining the legitimation crisis, for patronage became rampant.

| Participation in Consultative Commissions and Public Law Bureaucratic Institutions[^10] |
|------------------------------------------|----------------|----------------|-------------|----------------|----------------|
|                                         | Gov’t Officials | Capital | Professionals | Labor | Non-Economic Groups | Unclassifiable |
| Commissions                              | 56.7%          | 15.5%   | 7.5%          | 8.1%  | 6%                  | 6.4%           |
| DPA                                      | 52.9%          | 10.2%   | 5.3%          | 13.9% | 1.7%                | 16.1%          |

(Source: Crisp 1998a:33)

5. Webbing and Weighing Alternative Theories of the Venezuelan State-Making Crisis

In the previous sections I have presented five alternative clusters of explanations of the Venezuelan crisis in the political-economic and political dimensions. In this section I present an analytical picture of the relationships among these different theories. Particularly relevant is the presidential partyarchy model. While showing their main contributions and limitations for my objectives, I argue that individually they are incomplete for accounting for the persistence of the state-making crisis that took place in Venezuela in the late 1980s and that favored the advent of Chavismo.

[^10]: Numbers are percent of row totals.
Following the clues of Crisp (1998a, 1998b), I fill the void by arguing, through a more detailed analysis of the first presidency of Carlos A. Pérez (1974-1979), that one key mechanism of why the state-making crisis could was made persistent was the particular imbrication of business and the state organization. On those bases we can develop a more robust version of the Venezuelan state-making crisis, which, in conjunction with other factors (the harsh liberalization process of the late 1980s detailed in Chapter 2, the military reforms exposed in Chapter 3, and the alliance with outlier business, section 2 of this chapter) explain how the Bolivarian Movement made it to the office.

5.1. Webbing the Alternatives Theories

To analytically web and test these theories, I now rely on Mahoney et al (2008) method of sequence elaboration. With the sole purpose of gaining some analytical clarity, let me first codify each of them and formalize a bit. I began by a general causal model to later sort out more specific factors within each of the larger ones.

**MC**: 1992 Coups | **OB**: Oil Booms | **DM**: Breakdown of the Developmental Model | **CP**: Closing of Political Parties | **PP**: Presidential Partyarchy & Factionalism | **Pa**: Organization of the Public Administration | **S**: Stage of Development | **F**: Fragmentation of Political Organizations | **WB**: Weak State Bureaucracy | **EC**: Economic Crisis | **LC**: Legitimation Crisis | **SMC**: State-making Crisis

The initial causal link as presented in the literature is the existence of a crisis (necessary condition) that triggers radical movements and outsiders to get into the political arena. In this case, the State-making Crisis (SMC) is the outcome to be explained. There were two partial crises: economic (EC) and political, conceived as a legitimation crisis (LC). Their relationships can be represented as follows: EC $\rightarrow_{n}$ SMC (where ‘n’ means necessary) and LC $\rightarrow_{n}$ SMC. Yet the breakdown of
the developmental model and the fiscal crisis prompted by the oil booms, are temporarily previous to the crisis of the political system. For that reason, as they actually happened (historically, not logically), they can be represented:

$$\text{EC} \rightarrow_{\text{INUS}} \text{LC} \rightarrow_{\text{n}} \text{SMC}$$

Where ‘INUS’ means “insufficient but necessary condition, which is part of an unnecessary but sufficient condition”. In other words: according to the method of sequence elaboration, the legitimation crisis is more important to understand the state-making crisis, given its rule of chronological proximity, but in turn the economic crisis is a SUIN (“sufficient but unnecessary condition—which is part of an insufficient but necessary condition”) factor explaining the *Legitimation Crisis* (LC). Now, let me sort out each of the factors explaining EC and LC.

On the one hand, *economic crisis* is to be considered as a result of the developmental model breakdown ($\text{DM} \rightarrow_{\text{s}} \text{EC}$) (where ‘s’ stands for “sufficient condition”). In turn, DM was caused by the *Fragmentation of Political Organizations* (F), followed by the stage of development (S). And, F was a result of *Factionalism in a Presidential Partyarchy* (PP). The historic synthesis can be logically represented as follows:

$$\text{PP} \rightarrow_{\text{s}} \text{F} \mid (\text{F} \& \text{S}) \rightarrow_{\text{s}} \text{DM} \mid \text{DM} \rightarrow_{\text{s}} \text{EC}$$

In this case, the most important one explaining EC would be DM given that it last until (at least) 2005. But we also know that *Oil Booms* (OB) are crisis-prone. Particularly, because they shape the *Organization of the Public Administration* (OPA) in certain ways that make it highly dependent on petrodollars. This is a fiscal crisis, in non-economic terms. So we have, ($\text{WB} \& \text{OB}$) $\rightarrow_{\text{s}} \text{OPA} \mid \text{OPA} \rightarrow_{\text{s}} \text{EC}$. In conclusion,
(DM v OPA) \rightarrow s \rightarrow EC

On the other hand, the *legitimation crisis* (LC) is a direct result of the closing of the political parties, which is in time a result of presidential partyarchy and factionalism—in the long run. Besides, in this case the OPA comes to play a role again. Then,

\[ PP \rightarrow_n CP \quad \& \quad PP \rightarrow_n OPA \mid CP \& OPA \rightarrow_s LC \]

As it is apparent in the scheme below (*Explaining the Venezuelan State-Making Crisis*), pieced together on the basis of the previous analytical distinctions, from the point of view of a simplified causal model the major weight of the explanation rests upon *presidential partyarchy and factionalism*, at least in the sense that it relates in one way or another, mainly as an antecedent, to other explanatory factors\(^{111}\). In the next sub-section I analytically weight the contributions of each factor to explaining the Venezuelan SMC.

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\(^{111}\) The green boxes are the main components of the state-making crisis. In the white boxes are main causal factors. The blue boxes are key intervenent factors. The green boxes are the dimensions of the crisis. The texts outside the boxes are other intervenent but trivial factors.
5.2. Weighing Alternative Theories

a. The Role of the Petro-State

Karl’s explanation is predominantly devoted to specify the (negative) role of sudden increases in revenues—often related to natural-resource endowment—in sustaining growth and state-building (what she terms “the paradox of plenty”). Specifically, her argument highlights the role of oil booms in the configuration of the Venezuelan state (in shaping public spending patterns), and provides elements to affirm that “more” (monies, resources, etc.) is not always the best for a developing state. In this model, the crisis of the economic system was caused by three factors: (a)
the central political authority (e.g.: the executive branch), rather than economic institutions (e.g.: markets), deciding on allocations and distributions of goods. Karl sees this as a result of a gap between jurisdiction and authority, were the state could only give, not take (1997:91). More importantly, (b) because revenues poured into the state and not into private enterprise (Karl 1995:35), oil favored and strengthened the centralization and presidentialism even above the already high Latin American standards. Finally and relatedly, (c) it has also created a permanent predominance of the public sector “matched in Latin America only by socialist Cuba” (1997:90).

In a pill: oil booms shaped public expenditure in a detrimental way. *It does explain the severity of the Venezuelan fiscal crisis.*

The limitation of this model for our purposes is that it is ill-equipped to account for the power dynamics of the presidential partyarchy in the political arena—and it is not intended to do it. For example, the specific decisions on allocations of the resources that were flowing to the state arcs cannot be explained by the general principle of *more revenues - more spending -more debt.* The structure of political arrangements does it. We shall retain this factor as a key intervenient factor.
## Public Expenditure and Debt Service in Relation to Petroleum Exports (Millions of Bs. of 1985)\(^{112}\)

<table>
<thead>
<tr>
<th></th>
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<td>67,400</td>
<td>121</td>
<td>544.5</td>
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<td>64,600</td>
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<td>70,000</td>
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<td>73,100</td>
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<td>1,672.7</td>
<td>79,272.7</td>
<td>79,070</td>
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<td>135,500</td>
<td>586</td>
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<td>138,019.8</td>
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<td>138,000</td>
<td>594</td>
<td>2,554.2</td>
<td>140,554.2</td>
<td>121,400</td>
<td>-19,154.2</td>
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<td>142,300</td>
<td>454</td>
<td>1,952.2</td>
<td>144,252.2</td>
<td>121,700</td>
<td>-22,552.2</td>
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<tr>
<td>1977</td>
<td>4.30</td>
<td>149,400</td>
<td>916</td>
<td>3,938.8</td>
<td>153,338.8</td>
<td>117,400</td>
<td>-35,938.8</td>
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<tr>
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<td>140,700</td>
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<td>144,896.8</td>
<td>105,900</td>
<td>-38,996.8</td>
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<td>4.30</td>
<td>109,700</td>
<td>3,107</td>
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<td>124,200</td>
<td>4,441</td>
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<td>143,296.3</td>
<td>145,800</td>
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<td>1981</td>
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<td>17,568.7</td>
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<td>92,000</td>
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<td>125,052.6</td>
<td>93,000</td>
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<td>21,168.3</td>
<td>124,168.3</td>
<td>77,600</td>
<td>-46,568.3</td>
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<td>4,245</td>
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<td>52,200</td>
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<td>60,786.5</td>
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<td>74,100</td>
<td>-115,185.6</td>
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<tr>
<td>1988</td>
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<td>142,600</td>
<td>5,094</td>
<td>94,544.6</td>
<td>237,144.6</td>
<td>71,600</td>
<td>-165,544.6</td>
</tr>
<tr>
<td>1989</td>
<td>34.14</td>
<td>107,500</td>
<td>3,196</td>
<td>109,111.4</td>
<td>216,611.4</td>
<td>114,200</td>
<td>-102,411.4</td>
</tr>
<tr>
<td>1990</td>
<td>47.43</td>
<td>116,800</td>
<td>4,741</td>
<td>224,865.6</td>
<td>341,665.6</td>
<td>152,400</td>
<td>-188,265.6</td>
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<td>1991</td>
<td>56.92</td>
<td>136,400</td>
<td>2,772</td>
<td>157,782.2</td>
<td>294,182.2</td>
<td>132,100</td>
<td>-162,082.2</td>
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<td>1992</td>
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<td>121,200</td>
<td>3,849</td>
<td>180,507.6</td>
<td>301,707.6</td>
<td>113,300</td>
<td>-188,407.6</td>
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<tr>
<td>1993</td>
<td>91.15</td>
<td>112,700</td>
<td>3,283</td>
<td>299,245.45</td>
<td>411,945.45</td>
<td>104,400</td>
<td>-307,545.45</td>
</tr>
</tbody>
</table>


### b. The Breakdown of the Developmental Model

Di John’s model is fitted to explain the steady decline of growth and industrial development in Venezuela. As it takes a look on the long run, it is in good shape to show us that the crisis was associated to big-push industrialization efforts by themselves, yet ultimately conditioned by the fragmentation of the party-system. The Venezuelan crisis would then be a result of growth collapse.

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\(^{112}\) Figures are in Bs. and not in US$ because the effect of devaluation (expressed in the exchange rate) would reverse the main point made by the author, which is the increment of a negative balance between public expenditure and debt service, on one hand, and petroleum exports on the other. As we can see, the difference between them was only positive during the first years of oil booms (1973-74 and 1979-80) just to continue its tendency to become widening negative afterwards.
Trajectory of Venezuelan Type of Development Strategy, Polity, and Growth

<table>
<thead>
<tr>
<th>Period</th>
<th>Type of Development Strategy</th>
<th>Type of Polity</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920 to 1958</td>
<td>Small Scale</td>
<td>Consolidated State - Centralized Political Organizations</td>
<td>High Growth Rates</td>
</tr>
<tr>
<td>1973-1993</td>
<td>Big-push Industrialization</td>
<td>Consolidated State Fragmentation of Political Organizations</td>
<td>Growth Collapse</td>
</tr>
</tbody>
</table>

But the fragmentation of political organizations in itself is an explanatory factor not explained. Moreover, we still need to know if without the fragmentation of political organization growth collapse would have happened anyway. When comparing the Venezuelan case with the case of Malaysia, who has enjoyed one of the highest growth rates among middle-income countries between 1970 and 2000, Di John seems to find himself drawn by the weight of “centralized political organizations” in sustained growth, for Malaysia is not only a one-party state but has also an ethnic divide which has given state leaders leverage over the politically isolated, Chinese-Malaysian capitalist minority. Likewise, labor unions were less powerful. “Populism simply never reached the same levels as in Venezuela. As such, redistribution remained more coordinated and centrally controlled in Malaysia, since political party pressure and electoral rivalry were less of a concern for state leaders than their Venezuelan counterparts” (Di John 2009:274). Therefore, it is mainly the conflict within the political structure that would lead to us to explain the Venezuelan crisis, being the crisis of the developmental model another intervenient or mediating factor.
c. The Closing of the Party-system Explanation
The closing of the parties made the system a target of severe criticism in the public opinion, garnering pressures and tensions from outside the political structures. New groups demanding participation found themselves frustrated while patronage became an disgruntling issue for the common citizen, without finding alternatives to their complains. Thus, the crisis would be a result of a lack of channels for participation. Yet, what remains to be seen is how it was possible for such a system to remain locked in place. In causal terms, this is a factor that can be better addressed through exploring the within and between parties dynamics.

d. The Organization of the Public Administration
The organization of the public administration is not to be considered as a direct cause of the Venezuelan crisis, yet it provides important elements to understand how parties and presidents managed the bureaucratic structure of the state to ease possible conflicts. In this sense, it is a fundamental intervenient factor which explains more the stability of the system than the crisis, whereas the last surges as a result of external pressures from other sources. Nevertheless, as I will show in what follows, this is the key factor to understand why the crisis could not be reverted, could off, or at least not sufficiently as to prevent Chávez and his movement to reach power.

e. Presidential Partyarchy as an Explanatory Factor
This model offers what is perhaps the best picture of the within-party dynamics in Venezuela, and its relationships with the presidential system. It encompasses the diagnosis of the closing of the party-system, while providing important clues to understand the fragmentation of political organizations that Di John sees as key to the breakdown of the developmental model. Additionally,
it also provides elements to understand the political settlements fostered by the oil booms, which Karl’s model does not do. On the other hand, while Coppedge provides us with a complete model of within-party behavior, the connections between those patterns and the historical outcomes are less clearly depicted. In other words, the model does not entirely link the internal (or within-party) with the external dynamics of the political system. For example, it is clearly a stretch to affirm that the 1992 coups were a result of the stalemate president-congress (I provide an alternative interpretation in Chapter 3). Likewise, even if El Caracazo is related to the closing of the party-system and the channels of representation, it cannot fully be understood without the FMRs as part of the reformation process of the late 1980s and the 1990s, which represent anomalies to the trajectory of the presidential partyarchy. In brief: it does explain the normal functioning of the Venezuelan political system, and the closing of the parties, but it cannot explain the persistence of the crisis. As I will show, the radical factionalism that sprung during the Pérez governments represents as well an anomaly to this model.

Given the limits of this approach, the origins of the state-making crisis require, in order to be more thoroughly explained, that we go beyond the pattern itself to the anomalies of the pattern. Such anomalies, I propose, rest on the interaction businessmen and party-elites and its consequences on the organization of the state. A key moment in setting the institutional path that afterwards made reforms very difficult was the first presidential period of Carlos Andrés Pérez (1974-1979), during which several events happened, disrupting politics as usual and at least partially questioning the pillars on which the “model democracy” had been built upon. The Pérez’s first government, guided by The Great Venezuela plan, witnessed the breakdown of the developmental model in its higher stages (identified by Di John 2009), timed with the first oil boom of 1974 (identified by Karl 1997),
and with the first deviant case of factionalism (identified by Coppedge 1994) when it touched the state structure, locking in the particular organization of the public administration (Crisp 1998a, Crisp1998b) previously described. I now turn to the elite relations and their general consequences for the state-making crisis.

6. Economic Presidentialism and the Venezuelan State-making Crisis

The key to explain the political and economic dimensions of the Venezuelan crisis are to be found, I propose, in the first presidency of CAP, during which a new set of inter-elite relationships were settled, and with them the state did get a configuration that was very difficult to modify afterwards. That new configuration we can call it economic presidentialism, say, the highly autonomous control of the executive over a state-controlled economy\(^{113}\), and it was an anomaly resulting of the encounter of the normal dynamics of presidential partyarchy (Coppedge 1994), external (independent) economic conditions, and an ambitious political actor. This mechanism was at the root of what later locked the Venezuelan state organization through corporatists forms of participation (as described by Crips [1996, 1998a, 1998b], Crisp & Levine [1998], and Levine & Crisp [1995]). The crisis of the ISI model was somehow masked by the oil booms of the 1970s and 1980s. As a consequence, there was never a chance to catch up with the program of foreign borrowing not only as a result of the fiscal crisis (as Karl [1997] argues), but due to a deeper reason: Venezuelan industrialization was steadily declining ever since the 1970s (as DiJohn [2007] argues), and there were no productivity outputs to response with. When the ISI model crashed and

\(^{113}\) The alternatives are thus not only between state control of the economy and economic liberalization, but a more complex set of relations. For instance, within the first pole of state control of the economy we find this particular and dominant type in Venezuela, but it does not mean that control over the economy has to be always presidentialist. A possible avenue to researching in the future is to study the different consequences of types of “economic presidentialism” on levels of economic development.
the oil booms pushed for public borrowing, economic presidentialism made readjustment to the crisis barely impossible. I will now trace those relationships from CAP first term and up to right previously to his second term, when FMRs took over the scenario—described in Chapter 2.


The initial explanatory factors that later on unleashed the crisis are three simultaneous but unrelated, or mutually independent events: CAP, with his ‘grandiose’ political style and his confrontation with the party elite, winning the 1973 elections (a) precisely when the ISI model broke down (b), and is welcomed by an unprecedented oil boom (c). The relationships between them created economic presidentialism, which set in motion a chain of effects which immediate consequences helps to explain not only the state-making crisis, but also why it was not stopped.

The first period of CAP in the office has been widely recognized as a distinct government in the Venezuelan democratic experience. To begin with, no other President had had such a positive political climate: an AD-widely dominated Congress, a favorable armed forces, the left coming back from subversion to institutional politics (after Caldera’s guerilla pacification in the 1960s), the right had bought the offer of prosperity and safety offered by the system, the student body going back to calm, and an unprecedented budget of Bs. 45,000 million (Velásquez 1993:366). Furthermore, his vision of the public administration signaled a rupture with previous governments and marked the end of the consensus or broad-coalition governments of the Venezuelan democracy (Aguiar 2009:197-198). Additionally, on April 29th, only a couple of months after his inauguration, the Congress granted him with a Special Law allowing him to rule by decree. His first decree was

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114 While the facts I narrate are well known what I do is to put them in a causal or explicative perspective, based on the framework I have just sketched.
the creation of a blue ribbon commission to study the reversion of the oil concessions expiring in 1983 in order to accelerate it. The second one established another Commission for the Integral Reform of the Public Administration (CRIAP) (Gómez & López 1990:79; Velásquez 1993:368-370). The program of government, the Fifth Plan of the Nation, would be known as “The Great Venezuela”, characterized by an overt intervention on the economy through direct investment and credits, generating a massive expansion of the system of state-owned enterprises, which was supposed to re-orient ISI towards the international market (Ochoa 1997:129).

As a result of his reorientation of the state, several relevant changes took hold during this period. First of all, factional conflicts that intertwined two dimensions: as the presidential-partyarchy model would have predicted, among political elites, particularly within AD, and, an element unseen by that model, between political elites and big business. Since the end of the dictatorship in 1958 there was a tendency to include representatives of large industrial groups into the government, particularly in ministries. What was different this time with Pérez in the office was that the conflict within AD became also a conflict between economic groups or capitalist fractions (Duno 1975:106). As a matter of fact, CAP regarded the traditional economic elites — particularly the main family groups115 — as representing an older stage of capitalism, a stage to be topped by the new multinational-led capitalism, and a more advance stage of ISI where multimillion investments were required (Duno 1975:74; Martín 1975:113).

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115 The largest and most important twelve, as identified by Domingo A. Rangel (1976) were: Vollmer/Zuloaga, Mendoza, the Banco Union Group (Salvaterra / Benacerraf / Belloso / Brillembourg / Pariente), Boulton, the Polar Group (controlled by a different Mendoza family), Phelps, Delfino, Sosa Rodríguez, Neuman, Blohm, Domínguez, and Tamayo.
The process started when during the presidential campaign CAP lost the support of the leading technical cadres within the party, as well as the economic groups who had backed up the previous AD government of Leoni—the so-called Grupo Guayana. On the technocratic side, particularly remarkably were the loses of Hernández Grisanti, Benito Raúl Lozada, José Antonio Mayobre, and Héctor Hurtado, aligned with his competitor in the run for the party’s nomination, Gonzalo Barrios. This was, certainly, a result of factionalism within the presidential partyarchy. Different, nonetheless, was that CAP sought and found support on an emerging group of entrepreneurs who change the orientation of the relations state-businessmen, directly affecting the state’s structure and policy—an element unconsidered by the presidential-partyarchy model. They were baptized in the public opinion as The Apostles\footnote{Composed by Pedro Tinoco, Enrique Delfino (a distant relative of the Delfino group), Gumersindo Rodríguez, Siro Febres-Cordero, Diego Cisneros, Quero Morales, and Diego Arria.}. Up to this point, businessmen were satisfied with having loyal men in key positions, to keep their business and private endeavors flowing favorably. With the incorporation of the Grupo Occidente things changed somehow for it implied two things. On the one hand, the emerging economic group became embedded with the state. Businesses were carried by men who were simultaneously private entrepreneurs and representatives of the executive branch. This situation stimulated, on the other hand, the constitution of some sort of “shadow cabinet” behind the official state representatives (Martín 1975:162-163). The emerging entrepreneurs/politicians did not have the financial resources the traditional groups had, but they did embody the authority to make the state act favorably to their interests. Favoritism to the traditional and largest economic groups was thus somehow challenged, and new links to high officials became prominent as never before. To Pérez this meant a way of democratizing capital through the formation of an emergent bourgeoisie against the previously existing oligarchical
structure of ownership (Karl 1997:148), but to the parties resented by Betancourt and the old guard of AD (Arroyo 1988:161), this meant a diminishment of their influence.

The conflict became apparent in some crucial stakes. For example, the functions of the Ministry of Planning (CORDIPLAN) were extended while reducing those of the Treasury—whose head was Hurtado, of the Barrios faction—to a mere appendix of the first, headed by Gumersindo Rodríguez. Additionally, the Law of Planning consecrated the extreme centralization of the state bureaucracy and weakened the cabinet—with the exceptions of the key positions of Rodríguez, Diego Arria (Governor of the Capital District, President of the Simón Bolívar Center, and Minister of Information and Tourism), and Carmelo Lauría (Minister of Development)—all members of the Apostles.

In sum: CAP broke the balance between presidentialism and partyarchy in favor of the first, and in ways that fundamentally altered the state structure. This new type of political control over the economy is the result of a relationship between the president, on the one hand, and the state bureaucracy and the economy on the other, that I have previously called economic presidentialism, and was settled through four dimensions: *first*, the centralization of the planning process in the executive; *second*, the expansion of the decentralized public administration; *third*, the expansion of subsidy-base politics; *fourth and finally*, the creation of a politically enticing system of state-owned enterprises (first and foremost, the oil company).
a. Centralization of Planning

In spite of having constitutional faculties to planning since at least 1947, the central state as a planning entity of the entire economy took hold in the 1960s after the creation of the Central Office of Coordination and Planning—CORDIPLAN (Brewer-Carías 1983:7-8). Since the start of the democratic period in 1958, planning was the sole responsibility of the executive and the president was only required to present to the Congress the “general guidelines of the economic and social development plan of the nation” (Brewer-Carías 1983:22). Until 1976, the plans were not juridically mandatory: not to particulars, not to the public sector, or the legislative chambers. After March 9th, 1976, it became so by presidential decree and ratified by the ministerial council, which completely leaves aside the congress, regional authorities, and even sectorial offices from the planning process—a clear tendency since 1958 due to other reasons related to the bureaucratic organization of the state, but that was then legalized (Brewer-Carías 1983:29-33).

b. The Expansion of the Decentralized Public Administration (DPA)

In the late 1990s, Crisp (1998b) referred to the DPA as a privileged space to understand how autarkic development was made compatible with democracy in Venezuela, by assuring to economic groups access to the policy-making process and the oil rents. What matters the most now, is how the DPA was structured in a way that openly favored the executive power, because the decentralized entities had their own budgets and even the capacity to acquire debts without any oversight. During the Pérez presidency alone, 21 of these entities were created. More revealing are the following numbers: out of some 2800 members of consultative bodies, national level public officials accounted for about 90% of the members, and 95% of them were from the executive branch (Crisp 1998a:32). This means that the governing boards of the DPA were isolated in the
executive branch, “… where all officials except one are appointed rather than elected” (Crisp 1998b:11). Moreover, with the Pérez administration public expenditure was radically modified: by 1960 the central government accounts for 70% and the DPA 30%, whereas by 1980 (the following year after CAP’s mandate) the figures changed to 33% and 67% respectively (Kornblith & Maingon 1985:50, cited by Crips 1998b:13). These figures are indicative that the structure of public expenditure was displaced towards a place where the president had the overwhelming control on the budget out of the reach of the Congress (Gil 1992:296).

c. The Height of Subsidy-based Economic Policy

During the Pérez administration there was an unprecedented rise of subsidies, which, given the characteristics of the planning process, was almost entirely decided by the executive. The first table below (The Rise and Decline of Subsidy-based economic policy) shows two things, mainly. On the one hand, we see how subsidies, as a percentage of public expenditure, vary along with variations in public expenditure as a percentage of GDP. In other words: when public expenditure grew or declined, so did subsidies. But this is true only for the periods 1950-1973 and 1991-1998. This means that after the first government of CAP, and until the first year of his second period,
subsidies soared as a proportion of the total public expenditure. The peak in 1989 is explained, in all likelihood, by an attempt to regaining popularity after the events of El Caracazo.

The second table below (Distribution of Subsidies by Area of the Economy) shows the particular priorities of each government by year. For example, from 1973 to 1975 subsidies to trade raised as a proportion of the total subsidies. Afterwards, we see a tendency of subsidies to manufacturing industry to rise steadily with respect to total subsidies until 1991. What we see from 1992 to 1998 is not a sudden rise of the subsidies to transportation, but the almost complete disappearance of subsidies to any other branch of the economy—which is consistent with the first table above.
d. The Control of the System of State-Owned Enterprises

Pérez announced a state reform in December 1974. In brief, the reform would increase the power of the executive and the private sector and circumvent parties, foremost through the centralization of the state-enterprise system which included the expansion of public-private commissions—considered by the very President Pérez as an elite consensus-building mechanism (Karl 1997:143-145)—as well as a tax reform, which never took hold. CAP was determined to challenge partyarchy and to promote his new vision of the economy. By April 1975, during and after a debate in the Chamber of Deputies about the role of these new businessmen, tensions escalated between parties, the executive branch, and within AD, about, for example, the issue of state enterprises oversight: AD insisted on ministerial rather than presidential, while CAP insisted on the presidential oversight. These tensions generated strong enough opposition and the reform was killed. But Pérez circumvented the opposition by creating a new Ministry for the Promotion, Organization, and Supervision of Basic Industries\(^\text{117}\), which was entitled to oversee industrial projects in mining, steel, energy, petrochemicals, and metallurgy, and appointed one of his men (another member of the Apostles), Carmelo Lauría, to the post (Karl 1997:150). CAP’s government nationalized the iron ore industry in January 1\(^{st}\) 1975 and exactly one year later nationalized the oil industry. This meant that the executive had control over all the most important sources of founding of the Venezuelan economy.

Moreover, CAP’s close associate, Pedro Tinoco, argued as head of the CRIAP that political parties were an obstacle to the oversight of public enterprises. His solution was a more centralized and presidentialist model of managing the system of state-owned enterprises (DiJohn 2007:104). Even

\(^{117}\) Shortly after it would become the Minister of the Secretariat of the President, under exclusive presidential control.
though the CRIAP project was rejected by the Congress, in practice its main technocratic ideas were adopted in the basic state-owned industries. For example, with the exception of the oil industry, the basic industries were put under the control of the Venezuelan Corporation of Guayana (CVG), a holding of mining and power enterprises, and Endowment of Investments of Venezuela (FIV), the owner of the shares (Ochoa 1997:132).

In conclusion: these four dimensions tells the story not only of a critical “presidentialization” of politics but of the economy, that although was not always or entirely opposed to the party-elite (Sierra 1993:67), granted an important leeway for the executive branch to make decisions on allocations with virtually no “checks and balances”. This mechanism, if not an explanation of the crisis as a whole, provided to be a catalyst that made the crisis persistent. It is a hinge that articulates factionalism, fiscal crisis, and corporatism in the public administration.


The subsequent governments of Herrera (COPEI) and Lusinchi (AD) had at least two things in common: they both inherited the Pérez’s state reconfiguration, and they both deepened the crisis. In spite of the massive fiscal income from oil revenues, the government of Luis Herrera inherited a total debt of at least Bs. 49.000 million (about US$ 11,400 million) (Aguiar 2009:215). Herrera qualified this saying that he has received “a mortgaged Venezuela”. But the fate of his administration would be sealed by the so-called “Black Friday”, on February 18th 1983, when Venezuela experienced a shocking depreciation of the currency and the exchange rate was devaluated by 20% (both for the first time), and has not been refrained from steadily moving through that path ever since. Up to that point, optimism about social, political, and economic
development was still widespread. “Bonanza” was a common term used to describe the situation, particularly due to the deposition of the Iranian Shah which triggered another oil boom in 1979. His government distanced from Pérez’s in that it was oriented toward lower class voters and in tension with business (Aguiar 2009:224), but left untouched the state structure and the elite dynamics.

When President Lusinchi took office in 1984 he pursued what is to be considered the antecedent program of FMRs to Perez’s. In February 10th that year, the government announced an Adjustment Plan which was *a posteriori* approved by the IMF. It encompassed a multiple exchange rate system (4.3 Bs. per US$ only for food and medical and pharmaceutical products, and 7.5 Bs. per US$ for other imports), low interest rates for the agricultural sector, and an increment of gasoline price and other petroleum-derivate products, a 10% reduction of current expenses, and other austerity measures. Certainly, the main objective was foreign debt refunding and for pragmatic reasons as well. Given the poor results of the plan in the period 1984-85, it was discarded and substituted with a new economic program based on public expenditure which lasted for the period 1986-87. The government devaluated the Bolívar again in 1986 (jumping from 7.5 to 14.5 Bs. per US$), and yet expansionary measures increased the fiscal deficit while inflation sky-rocketed up to 92.8%. They re-negotiated the external debt in a draconian fashion and Venezuela should have paid some US$ 19,000 million for the debt service between 1988 and 1993—which later changed thanks to the new agreement between the Pérez administration and the IMF (Valecillos 2007:343-346). The Lusinchi administration was also particularly sectarian, and in 1986 the head of the state appointed 17 of the 24 sectional general secretaries of his party AD as governors: the opposite of
the CAP administration. Corruption scandals became every-day news, being one of the most notorious the case of RECADI—the institution in charge of assigning the foreign currency.

In sum: for our purposes here, there were no substantial changes between these two governments and the previous one of Pérez. For all what matters, they can be considered a continuation of the state structure the Pérez administration institutionalized. But I have said enough about the crisis. It is time to see what happened with the conscious efforts made to stop it or alleviate it.

7. Addressing the Crisis: The Reformation Process of the 1990s

As we have seen, the power dynamics of the party-system was at the heart of the Venezuelan crisis. Denunciations of corruption and of institutional fraud were backed up by an order perceived as inaccessible to the public. Additionally, new movements demanding reforms (the neighborhood movement, the women’s movement, cooperativism, human rights organizations, an alternative trade union movement, and others) emerged, who sought greater access and participation, while rejecting cronyism, corruption, and impunity (Levine 1998:202; González & Mascareño 2004:189). Political agents addressed these issues with the reformation process of the late 1980s and the 1990s. On the sight of severe criticism and deterioration of the economic and political system, political elites implemented several reinvigorating or re-democratizing reforms, or at least renovating policies. In theory at least, they were an attempt to increase the number and to diversify the type of actors involved in the decision-making process (Kornblith 1998:17), encompassing the idea that the means of participation were influential in determining policy outcomes (Crisp

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118 In fact, more generally: “Throughout the democratic era, the question was not state versus private interests but the state pursuing goals and spending government revenues on behalf of private interests” (Crips 1998b:10)
Yet, in spite of these efforts neither officials nor new movements could avoid the demise of the system with the election of Chávez in 1998\textsuperscript{119}. I provide a multiple-factor explanation of why this happened in the following sections.

The story of the reforms started with the \textit{VII Plan of the Nation}, presented to the Congress in November 1984 by the Lusinchi administration. The reform of the state and the constitution of a new “Social Pact” were highlighted as key pieces for the realization of the Plan (Gómez & López 1990:86). That year on December 17\textsuperscript{th} President Lusinchi decreed the creation of the blue-ribbon \textit{Presidential Commission for the Reform of the State (COPRE)}\textsuperscript{120} with ministerial status, “viewing it as a window dressing that would allow him to delay or derail decentralization and other political reforms” (Gil 2004:234). Yet its members managed to get wide support for the reforms and in 1986 COPRE concluded that several measures were needed, such as: democratization of the parties, personalization of vote, popular election of governors and majors, setting checks-and-balances over the sources of funding for political parties, reformation of the judicial, and a transformation of the public administration in order to transfer administrative responsibilities to states and municipalities (Gómez & López 1990:122-128,145). The reforms were deemed as too radical by the parties’ leadership\textsuperscript{121}, and easily defeated in a party-controlled congress.

The table below shows how most of the reforms proposed by COPRE were either not approved by the Congress or clearly underdeveloped by February 1989 when \textit{El Caracazo} shook the newly

\begin{itemize}
\item[\textsuperscript{119}] Some scholar wonder if institutional reforms ever really mattered at all, given Venezuela’s economic decline (see Buxton 2003:113).
\item[\textsuperscript{120}] The main antecedent to this reform initiative was the 1979 direct elections of municipal councils (Kulisheck & Canache 1998:45).
\item[\textsuperscript{121}] The by-then secretary general of AD, Manuel Peñalver, said on January 1987 that COPRE proposals were “too advanced” and that “we \{Venezuelans\} are not Swiss” (Gómez & López 1990:165).
\end{itemize}
inaugurated (second) Pérez administration. Highlighted in blue are the reforms to which there was some level of effective commitment. It was the 1992 military coups, and the positive reception they had in the public opinion, that finally pressed political elites in the direction of the application of those few reforms. In addition to that low level of commitment, they never contemplated a reform of economic presidentialism, nor of the developmental model beyond the pragmatic approach to FMRs in order to borrow money from the IMF—all of which proved to be determinant in the future. In what follows, I present the fate of these few but important reforms after 1989¹²² before moving to an explanation of why they failed as a whole in achieving their main objective: the reconstitution and renovation of the 1958 liberal-democratic institutions.

¹²² About the economic reforms COPRE members never reached an agreement and consequently there was never an official or definitive document. I present in the table the synthesis of one of the main technical informs that circulated among them (by economist Gerver Torres), that Gómez & López (1990:132-133) make. The other important element of this area discussed by the reformers was the restitution of economic guarantees, suspended since 1961.
### The COPRE Reforms: Their Status by February 1989

(Source: Gómez & López 1990:213-215, Table 3; for Economic Reforms pp:132-133)

<table>
<thead>
<tr>
<th>Type of Reform</th>
<th>Reform</th>
<th>Item</th>
<th>Status</th>
<th>Type of Reform</th>
<th>Reform</th>
<th>Item</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Deepening Democracy in Political Parties</td>
<td>-</td>
<td>-</td>
<td>Left to the parties' internal mechanisms</td>
<td>2.1. Organic Law of the Council of the Judiciary</td>
<td>-</td>
<td>-</td>
<td>Approved</td>
</tr>
<tr>
<td>1.2. Organic Law of Suffrage</td>
<td>a. Uninominal Municipal Vote</td>
<td>Not approved</td>
<td>2.2. Improvements in Functioning and Working Conditions</td>
<td>a. Especialization of the Tribunals</td>
<td>Not approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Legislative Nominal Vote</td>
<td>Not approved</td>
<td></td>
<td>b. Increment of the number of Tribunals</td>
<td>Not approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Mid-term Elections of Senators and Representatives</td>
<td>Not approved</td>
<td></td>
<td>c. Computerization of the Files</td>
<td>Not approved</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>d. Reduction of Duration of Campaigns</td>
<td>Approved</td>
<td></td>
<td>d. Rise the level of the School of the Judiciary</td>
<td>Not approved</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>e. Referendum</td>
<td>Approved at the municipal level</td>
<td></td>
<td>e. Effective abidance of the judicial career</td>
<td>Not approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3. Direct Election of Governors</td>
<td>-</td>
<td>Approved without transference of resources</td>
<td></td>
<td>f. Socio-economic improvements for judges</td>
<td>Partially approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4. Reform of the Municipal System</td>
<td>a. Definition of the Municipality as a primary and autonomous administrative unit</td>
<td>Formally approved</td>
<td></td>
<td>g. Elimination of tariff collection by judges</td>
<td>Not approved</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>b. Effects vs. transference of competence and resources</td>
<td>Partial transference</td>
<td></td>
<td>h. Substitution of the Budget Allocation Law</td>
<td>Not approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Separation of power in the municipality</td>
<td>Approved</td>
<td></td>
<td>i. Increment of the Budget Allocation Law</td>
<td>Not approved</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>d. Election of Major by popular vote</td>
<td>Approved</td>
<td></td>
<td>j. Reinforcement of Governments and Legislative Assemblies</td>
<td>Not approved</td>
<td></td>
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<tr>
<td></td>
<td>e. Merits System for the Municipal Administration</td>
<td>Retified the previous one</td>
<td></td>
<td>k. Law of the National System of Planning</td>
<td>Not approved</td>
<td></td>
<td></td>
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<td></td>
<td>f. Modernization of Tax System</td>
<td>Approved</td>
<td></td>
<td>l. Strengthening of participation</td>
<td>Partially approved</td>
<td></td>
<td></td>
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<td></td>
<td>g. Renovation of the municipal mandate during mid-term of the Presidential period</td>
<td>Not approved</td>
<td></td>
<td>m. Subordination of the external debt issue and of its general policy of funding to a general strategy of growth</td>
<td>Not approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5. Funding of Political Parties</td>
<td>a. Differentiation between working expenditures and campaigning expenditures</td>
<td>Partially approved</td>
<td></td>
<td>5. Economic Reforms</td>
<td>a. Gradual and selective opening of the economy (&quot;comparative advantages&quot;)</td>
<td>There was never consensus among COPRE members</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Partial public funding</td>
<td>Retified the previous one</td>
<td></td>
<td></td>
<td>b. Redefinition of the role of the State in the economy</td>
<td>about this recommendations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Reduction of parties' expenditures</td>
<td>Not approved</td>
<td></td>
<td></td>
<td>c. Articulation of economic and social policies</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>d. Public accountability of the expenditures</td>
<td>Not approved</td>
<td></td>
<td></td>
<td>d. Subordination of the external debt issue and its general policy of funding to a general strategy of growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e. Regulation of private contributions</td>
<td>Not approved</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>f. Regulation of propaganda</td>
<td>Approved (as increments in penalties)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### 7.1. The Electoral System Reforms

Three features summarize the Venezuelan electoral system from 1958 to 1988: the use of closed and blocked voting lists determined by party-elites; the simultaneity of national (presidential and legislative), regional, and local elections every five years; and the use of the rule of relative majority for unipersonal elections and the d’Hondt method for the elections of senators and
deputies, to the congress and the legislative assemblies. In this context, the only degree of freedom voters had was to cast a vote for the president and a different vote for the deliberative bodies (Lucena 2003:247-249). But after three decades voting for closed list controlled by party elites, disappointed grew bigger. Supporters of the electoral system reforms argued that single-member district voting would provide to candidates the possibility of winning on the basis of individual merits, and to voters a tighter control over officials, developing deeper representational ties (Kulisheck & Canache 1998:48).


<table>
<thead>
<tr>
<th>Date</th>
<th>Type of Election</th>
<th>Area of Reform</th>
<th>Reforms</th>
</tr>
</thead>
</table>
| 1988       | Presidential     | Decentralization                | - Direct elections of governors and majors (the first was held in 1989)  
- Separation of national, regional, and local elections                                                                                                                                                                                                                       |
| 1988       | Regional         | Electoral rules and districts’ size | - Effective for the 1993 elections senators, deputies, and legislative assemblies.  
- German mix-system of proportional representation with uninominal circumscriptions.  
- Proportional representation for senators and deputies, and open lists for municipal councils.  
- 55% elected by majority, and 45% elected proportionally.                                                                                                                                                               |
| 1992       | Regional         |                                 | - Election of parish councils, a governmental entity closer to people  
- For Municipal Elections, 66% elected uninominaly by majority and 33% by proportional representation (by party list)                                                                                                                                                   |
| 1995       | Regional         | Electoral rules                 | - Elections of Councilors for Municipal Councils completely done under the rule of majority (never put in practice, reformed again in 1995)  
- Until 1993, the Supreme Electoral Council (CSE) was composed of 9 primary members and 2 substitutes each. 5 were chosen by the parties with the higher number of votes for the Chamber of Deputies. The other 4 members were non-partisan citizens, chosen by 2/3 of the congressmen. The number of non-partisan citizens was increased to 6 for a total of 11 primary members (in 1993). |
| 1997 and   | Regional         | Electoral rules                 | - The mix system of the 1989 reform changed to 50%-50%  
- Law was reformed again, and proportional representation was established, with closed and blocked lists for the parish councils.                                                                                                                                                  |
| 1998       | Presidential     |                                 | - The CSR was substituted by the National Electoral Council (CNE) in 1997.  
- For the first time in 1998 the Congress nominates its members out of non-partisan citizens.                                                                                                                                                                                  |

It was not until June 1988 when the COPRE managed to get some elements of the proposal approved, including the direct election of majors and the reform of the electoral system—that passed in 1989 from been proportional to mix, in which half of the chamber of representatives was
uninominally elected, and the other half still based on a closed list controlled by the parties’ central committees (Martz 1998:70) It was yet to be implemented when a petition was raised by civic society organizations, mainly Queremos Elegir (We Want to Choose), and backed up by COPRE, to increment the proportion of uninominally elected representatives (to elect two-thirds instead of a half of the representatives to the Congress and state assemblies). Only a minority of AD representatives defied the National Executive Committee (CEN) voting for the reform, while the majority opposed. Likewise, minority left-wing parties such as MAS and LCR (The Radical Cause) proposed a combination of proportional representation with personalized vote, through an open-list system. At the end, without finding support for the open-list system, they joined the majority of AD to momentarily defeating the Queremos Elegir-COPRE reform.

By the 1990s, parties were seen as the most corrupted of the political institutions, and it was the main source of dissatisfaction and distrust in the public opinion. One of its elements was the low-intensity fraud in electoral processes (Gómez 1998:176) that started precisely in the first elections for mayors and governors of 1989 (Molina 1998:59), and which peak was their 1992 elections. However, it was not public opinion that provided the last impulse to the modification of the system: the 1992 coups did the job. Early in 1993 the Congress started debating a reform of the electoral law, and the hottest issue was the voting system. The mix system was approved that very year. Minority parties or parties with a regional affiliation were favored by separate elections of governors, majors, and municipal councils. As a matter of fact, leading candidates running for the 1993 and the 1998 national elections had made their careers as office holders at the state or local levels (Kulisheck & Canache 1998:46). Another partial reformation of the electoral system had
just taken place… and was (also partially) reversed in 1995 when proportional representation and closed and blocked lists were settled for the election of parish councils.

**Limits to the Electoral Reforms**

Initially voters gained representativeness when uninominal voting was established in the mix system. Yet they did not have a word on the within-party election of the other half of the candidates. What’s more, candidates in single-member districts remained behold to party elites, and representatives elected were only half of the Chamber while the Senate remained elected under the old system (Crisp 1998a:37).

**Local and Regional Elections by Party**

<table>
<thead>
<tr>
<th>Year</th>
<th>Majority/Traditional Parties</th>
<th>Parties with Regional Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AD</td>
<td>COPEI</td>
</tr>
<tr>
<td>1989</td>
<td>Governors</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Mayors</td>
<td>149</td>
</tr>
<tr>
<td>1992</td>
<td>Governors</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Mayors</td>
<td>128</td>
</tr>
<tr>
<td>1995</td>
<td>Governors</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Mayors</td>
<td>184</td>
</tr>
<tr>
<td>1998</td>
<td>Governors</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Lalander (2004:153,163,192); National Electoral Council (CNE)<sup>124</sup>

Also, voters continued the tendency to cast their congressional votes for the same presidential party (Kulisheck & Canache 1998:49) keeping relatively unchallenged the supremacy of the majority parties in both branches. Lastly, in spite of some change in the tendency voters casted their votes

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<sup>123</sup> Even though MAS had been for long the third party of the Venezuelan party-system, it was one of the main political forces pushing for decentralization along with LCR. Lalander (2004:192) identifies MAS a regional political force.

<sup>124</sup> Features are referred to the main party of an alliance. In cases were a main party was not as clearly discernibly, I opted for not including it. Also, I limit the data to those parties pointed by Lalander (2004:184,192) because they were the spearheads of decentralization. MVR, the party of Chávez, captured four governorships in 1998.
for traditional parties in regional elections (until 1998)—see table above. As a result, disillusionment and limited ideological options remained in place, which would become an argument (another) for Chavismo to dismiss the system as a whole after 1999.

7.2. Decentralization

As the previous subsection shows, the reform of the electoral system takes the discussion to the issue of decentralization, perhaps the most successful of the COPRE reforms. It was conceived during the 1980s as a response to the excessive partidization of the public sphere and the consequences it brought with it—clientelism and wide-spread corruption (Gómez & López 1990:114). Typically, it involved three dimensions: (i) the popular election of municipal and regional authorities, (ii) the distribution of public service provision, and (iii) the production of government revenues (de la Cruz 2004:183-184). While (i) was fully achieved, (ii) was only partially so, and (iii) remained underdeveloped.

Between 1958 and 1989 (when the first regional and local elections were held), parties strictly controlled nominations of presidential and congressional candidacies, while governors and majors were directly appointed by the President. But the general rejection of political parties by the population, perceived as corrupt and as severely restricting political participation, initially motivated the movement towards a form of “sleeping federalism” (Penfold 2009:95) in 1989. It meant that initially decentralization did not modify the distribution of resources from the central
state to the regions, and mainly a reform to directly elect governors and majors was implemented that year\textsuperscript{125} [point (i) above].

Indeed, quite like with reforms of the electoral system, majority parties were willing to give way to reforms that did not fully engage the core of the party system (Gómez 1998:174-176). Indeed, between 1989 and 1990 there was no administrative transference to the states. The 1988 presidential campaign re-opened the window for the expediency of the COPRE proposals and in 1989 the Congress passed the \textit{Organic Law of Decentralization} (OLD) (Kornblith 1998:12).

However, the mixed form of decentralization “case by case” made the process to progress very slowly, for it depended on the capability of each governor to reach an agreement with the central administration and the senate. The OLD stated that states had to process their request for individual transfers to the senate, granted a previous formal agreement with the respective ministry on issues such as budget, personnel and equipment (Penfold 2009:104). Moreover, it granted governors control over certain resources such as ports, mines and airports, but tangled with the centralized control over services such as health and education [point (ii) above].

But between 1990 and 1992 things changed somehow. As with the reform of the electoral system, 1992 was a turning point in the story due to the political impact of the coups. Governors created the \textit{Association of Governors of Venezuela} (AGV) which modified the pattern of the process (Penfold 2009:104-105). President Pérez was removed from the office in 1993 and that very year the care-taker president, Ramón J. Velázquez, who has headed COPRE between 1984 and 1986, created the \textit{Intergovernmental Fund for Decentralization} (FIDES)—which would decide on the

\textsuperscript{125} The results were telling nonetheless: on December 3\textsuperscript{rd}, 1989, AD lost about half of the governorships and several other municipalities in the first regional elections ever held in Venezuela (Martz 1995:41).
use of resources according to a piecemeal approach, project-by-project (González & Mascareño 2004:194)—, partially a result of the AGV lobby. At the same time, Velázquez made sure to gain regional support for the tax reform—the VAT—while the AGV put some pressure to obtain part of these resources for the states. The designated budget to the states was thus increased after 1993, from 2.5% to 5% of the GDP in 1997 (Penfold 2009:108) [point (iii)]. Other things were also gained. For example, by 1996 three states had gotten the transference of administrative responsibilities in education, while in health other thirteen got them as well (Penfold 2009:115). Decentralization had moved a step forward, thanks to an unexpected change of president—the deposition of Pérez in 1993.

**Limits to Decentralization**

In comparison to the Pérez (1989-93) and Velázquez (1993-94) administrations, the Caldera administration (1994-1998) did not consider decentralization as a platform to be developed (Kornblith 1998:13; González & Mascareño 2004:198) and kept on playing by the rules of sleeping federalism, deterring decentralization’s progress.

7.3. FMRs after Pérez: The Agenda Venezuela

As we can see in the Table on the COPRE proposals, there was never agreement on the economic measures. So that FMRs took a different road pragmatically linked to the fiscal crisis (as I showed in Chapter 2). After El Caracazo, President Pérez created the *Presidential Consultative Council* seeking to regain legitimacy for his government (Martz 1995:45), but it had very little impact and Pérez ended up negotiating with COPEI and including two of its members in the cabinet. The alliance and the cabinet members were withdrawn in the face of the 1993 elections (Martz 1998:73-
74), in a period during which even FEDECAMARAS became a critic of parties. With the exception of *The Great Venezuela*, the FMRs during the Pérez’s second administration were an effort to transform the economic structure for the first time since 1958, and in some sectors since the 1940s (Kornblith 1998:3).

Those policies were somehow re-endorsed during the Caldera administration (1994-1999), this time under the label of *Agenda Venezuela*, officially announced to the country on April 15th, 1996—although some of its policies were promoted since 1995. After two and a half years in the office, and in spite of running on a state-led model of development, the Caldera administration turned to a new experiment of FMRs126. As scholars on the macroeconomics of populism would have predicted, poor economic performance and the need for cash, partially caused by the financial collapse of 1994, pushed Caldera back to pro-FMRs positions (Ellner 2008:100-101)127—the exact opposite to what he has expressed during his campaign. Announced in December of 1995 was the devaluation of the exchange rate (from Bs. 170 per $US, to Bs. 290), followed by the dismantling of price controls, and the liberalization of prices. Partial privatization of petroleum (the “Opening” of the oil industry), of SIDOR (*Orinoco Iron and Steel*), the CVG, and the sale of the remaining shares of the telecommunications company (CANTV), were the last FMRs of the period.

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126 It is not infrequent to find characterizations that point out the lack of policy-making coordination in Venezuela (Naím 1993: 24). The Caldera administration is an excellent example, for its policies were openly state-led during the period February 1994 – April 1996, and equally openly market-oriented during the period May 1996 – January 1999 (Maza 2007:93), and which never were coordinated with the IX Plan of the Nation as a whole (González 2001:84).

127 Ortega & Nobrega (1999:161-164), on the other hand, disregard this explanation and center their attention on how both the crisis and other “external circumstances” (such as another oil bonanza) were wrongly handled by the Caldera administration. For example, they highlight a severe deterioration of the tax recollection.
Regardless the similarities in spirit and content of the reforms of Pérez’s *The Great Turnaround* and Caldera’s *Agenda Venezuela*, the second did not find the general and massive resistance the first did (Kornblith 1998:5). Several factors might explain this difference, such as: the first was implemented at the beginning of the presidential period, while the second was it in the middle of it; the Pérez FMRs followed a shock-therapy approach while the second were gradually implemented; the fact that the compensatory measures (the social policies) were postponed during the application of the reforms in 1989, while in 1996 the compensatory measures were announced even before the complete program was defined (Stephany 2006:225-229). Additionally, *Agenda Venezuela* enjoyed the support of the main political forces, business, labor, and public opinion—something *The Great Turnaround* only partially had (González 2001:91), as detailed in chapter 2. As Ellner notices it: “Unlike Perez’s shock treatment, Caldera’s approach was gradual and based on widespread consultation” (2008:104). A remarkably characteristic in both cases is the virtual lacking of a deep tax reform. Finally, the sequencing of the reforms was clearly different, which might have helped to navigate a rather unpopular government until the electoral triumph of Chávez in 1998.

<table>
<thead>
<tr>
<th>FMR’s During the Pérez Administration</th>
<th>FMR’s During the Caldera Administration</th>
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Although a full-blown comparison between the two periods is beyond the scope of the present work, on these bases one can formulate the hypothesis (for a future study) that FMRs which start off with social benefits are more likely to subsist than those that do not. Something rather commonsensical, but that points right to the heart of populist policy-making.
**Limits of Agenda Venezuela**

*Agenda Venezuela*, in general, did not have an enduring impact as *The Great Turnaround* had. Yet none was ever meant to transform the fundamental industrial and foreign-borrowing patterns, but in fact the opposite: they were measures taken due to economic distress and characterized by a lack of coordination. In part the failure of the 1990s FMRs in Venezuela was related to high public expenditure on manufacturing, particularly through subsidies, financed by oil revenues. High inflation rates in combination with a reduction of consumption are associated with a fall of purchasing power, particularly among the poorest strata (d and e) who grew larger during these years both in nominal and real terms (González 2001:113,116). Additionally, the population growing rate and rise in demands were satisfied through imports (González 2001:88) leaving the supply-side of the equation untouched.

8. The Unexpected Dynamics of the Reformation Process

*Why did these reforms could not cut off the entropy of the political system? What rendered attempts at reformation unfruitful in the wake of Chavismo’s Transgressive Contention?* To answer these questions, let us see now the particular dynamics of the reformation process. Two main clusters may be pointed where the reformation unwantedly contributed to the political consolidation of the anti-elite sentiment by producing unexpected openings.

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129 This difference is reflected in the literature: the abundance and depth of works on the CAP reforms is in sharp contrast to the scarcity and attention paid to the Caldera reforms.
8.1. New Stakes for Factionalism

Due to decentralization and the personalization of vote, new within-party conflicts bubble up, a tendency that exacerbated and especially displaced the political space of the previous logic of factionalism. There are three cases in which radical factionalism took over to the advantage of radical outsiders—e.g.: Chávez and the MVR. Their sequencing tells the story of partyarchy’s weakening toward the 1998 elections.

**CAP vs. AD**

CAP, who had already circumvented the dominance of the party-system during his first presidency, played one more time against the top ranks of AD during his second period in the office. For starters, he sought re-election against the opposition of his party comrade, the by-then President Jaime Lusinchi, who represented the old guard of AD, the party elite, and the “machinery”131. This would have been “politics as usual”—as described by Coppedge (1994)—had not it been for other three conflicts. First, Pérez fought his nomination on the basis of his charisma and appealing to the youth of AD, representing a new vision of the party and of politics more generally, counting this time with the support of the technocratic cadres. This is different with what Coppedge envisages because factionalism in this case became one in which candidates would have a say over party discipline before getting to the office. Second, this was just the tip of the iceberg of a deeper conflict between these two sectors within AD, for Pérez engaged in conflict with his party specifically on the issue of the FMRs. The measures were perceived either as a betrayal to the social-democratic principles of the party at best, or as a disruption of the elite appeasement.

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130 As a matter of fact, Pérez had been already an advocate of instrumenting primary elections within the parties during the beginnings of COPRE in 1985 (Gómez & López 1990:102).

131 Ironically, Lusinchi had been Pérez’s protégée during the 1976-78 internal struggles of AD over the party’s candidate for the December 1978 elections, finally won by Luis Piñerúa Ordaz.
settlement that the ISI model allowed—at worst\textsuperscript{132}, generating anxiety among some businessmen. Given the enormous resistance to the FMRs his government implemented in 1989, and similarly to his first term, Pérez sought new allies to weaken the parties’ power structure, and found them in supporting the AGV—also a tendency that Coppedge could not have foretold. This was conducive to a \textit{third} disagreement with \textit{partyarchy}—providing his support for decentralization’s emerging actors and the upliftment of personality politics. With CAP, factionalism was taken to a whole new level, a struggle over the restructuration of the state—once again. This time his enemies charged with all they had and managed to impeach him. His removal from the office in 1993 on charges of embezzlement heated up even more an environment of frustration and delegitimation of the system. In fact, in 1992 polls already showed that CAP was thought to be blamed by the crisis by an astonishing 84\% (Romero 1997:17). This is patent in the 39.84\% abstention rate of the 1993 general elections, the highest ever in Venezuela to that date (see table \textit{Abstention Rates} in section 4.1.).

\textbf{Caldera vs. COPEI}

Also sharp was the abyss between bi-partisanship and the political actors in the 1993 general elections, which was beyond factionalism in a presidential partyarchy. Caldera won those elections on the basis of at least 2 factors: first and perhaps foremost, his 1992 Congressional speech in which he provided a rationale for the coup of February—contributing to the system delegitimation. In that speech, Caldera made it to the headlines with his damnation of the Pérez FMRs and his idea that it was poverty what had endangered democracy\textsuperscript{133}. Later on he ran on what was

\textsuperscript{132} This point was better addressed in chapter 2 on the FMRs in Mexico and in Venezuela.
\textsuperscript{133} “It is hard to ask to the people to immolate themselves for liberty and democracy, when they think that freedom and democracy are not able to feed them food” (quoted in Stambouli 2005:193, my translation).
termed “My Letter of Intention to the People of Venezuela” in which not only FMRs were disregarded altogether, but which also stated that participatory democracy should complement representative democracy, even including a constitutional assembly to surpass the existing constitution—banners that Chavismo have twirled ever since they started campaigning. On the other hand Caldera, who was the founder and one of the main leaders of COPEI, simply abandoned the party and created a new one—Convergencia—, mainly a coalition of a myriad of left and center-left parties, with which he won the 1993 elections.

Alfaro vs. Fermín

Finally, in the general election of 1993 the same pattern of factional struggles culminated in the nomination of former major of Caracas (and Pérez’s protégée), Claudio Fermín, as AD’s presidential candidate (who lost to Caldera). Yet, in the run for the 1998 presidential elections AD’s party leadership opted for not supporting Fermín and instead nominated Luis Alfaro (secretary general of the party and a representative of the traditional party-elite). Afterwards, Fermín abandoned AD and founded the movement Renovation. Factionalism had taken another radical turn in which parties’ traditional channels of promotion were being questioned, and politicians’ careers took the inverted direction starting from outside the party (González & Mascareño 2004:205). But before the low level of popularity of their candidate and the rising numbers of Hugo Chávez in exit polls, AD ended up giving their support to Henrique Salas Röemer—former governor of Carabobo state, another candidate born from decentralization, and a

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134 For civic organizations (such as Grupo de Estudios Constitucionales, Fundación de Derecho Público, CESAP, SIC, and PROVEA), the assembly was supposed to provide a new starting point to the political system, establishing new sociopolitical pacts. The Chavista movement and its followers, on the other hand, assigned it a more radical task: it should become a sovereign power even above other branches of the state (Gómez 1998:173). I will be back in more detail to this point in the next chapter.
promoter of FMRs. He ended up being the runner-up, and the very fact of been associated with traditional parties became a burden that favored Chávez’s candidacy (Molina 2002:235). Salas got 39.97% of the valid votes, which represents only about 25.4% of the electoral register, while Chávez got a sweeping 56.2% of the valid votes, but which represents only a little more than a third (about 35.7%) of the electoral register.

The importance of these conflicts went beyond the destiny of AD or of COPEI to the future of the political system for a handful of reasons. First, certainly because the fundamental element at stake in the beginning of the reformation process of the 1980s-1990s was the National Direction of AD (Gómez & López 1990:204), and later of COPEI, the two main parties on which the political system rested135. But these conflicts also mattered because they weakened the support of the majority parties in two elections in a row (1993 and 1998), splitting them among contenders and finally leaving the majority of the votes for Chávez in 1998. Third and as a consequence of the previous points, they signaled the crisis and demise of partyarchy through a new version of factionalism, one in which regional leaders started to seek support in platforms other than the channels under party’s control—challenging the traditional cycle and divide “Ins-Outs” described by Coppedge. Fourth and last, these conflicts weakened only one side of the political structure (partyarchy) while letting presidentialism (political and economic) untouched and therefore stronger in contrast.

135 Perhaps in this sense the fragmentation of the party system in itself pointed by Di John (2009) was not as important for the future events as the timing during which it took place, for it occurred right after the 1992 coups leaving a door opened for the leaders of these coups to compete in regular elections.
8.2. The Fragmentation of Alliances and Organizations

After the reforms or due to them, new gates to enter the political arena were opened (Lalander 2004:161,187), and new political actors emerged linked to regional platforms. On the one hand, governors and majors then had some leverage to negotiate with national leaderships, changing the strictly subordinate relationship they used to have. On the other hand, it made it harder to articulate a nation-wide movement for the 1998 elections (Penfold 2009:118). Therefore, one important side consequence of the decentralization and of the “personalization of the vote”, was the rising of a pleiad of local leaders who in turn drove to the fragmentation of the political alliances on the verge of the 1998 elections. In fact, in regional contests, “In 1989, AD established alliances with an average of 2.18 parties per state for the twenty-two gubernatorial elections. By 1998, AD allied with an average of 7.5 parties per state. COPEI was allied with an average of 5.57 parties per state in 1989 and with an average of 9.0 parties per state by 1998” (Di John 2009:217). In general, the 1993 election is particularly salient in terms of the number of parties supporting a candidate with 17 supporting the winner, Caldera, and 9 supporting the runner-up, Fermín. Some alliances were forged again on the verge of the Chávez election, but it was already too late for the traditional actors.

<table>
<thead>
<tr>
<th>Number of Parties Supporting a Presidential Candidate (1958-1998)</th>
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</thead>
<tbody>
<tr>
<td>Winner</td>
</tr>
<tr>
<td>Runner-up</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: National Electoral Council (CNE)

Indeed, the weakening of political parties and the correlative rise of personality politics as a result of the reforms, has been pointed as an aspect of the political crisis that led Chávez to power (Molina 2004:152).
9. Conclusions

The problematic nature of affirming that the Venezuelan crisis was just the result of “the exhaustion of the model” —the pacted democracy inaugurated in 1958 and the corresponding ISI model — has been pointed out by scholars on the grounds that both the decay and the emergence of new alternatives can be seen a result of democratization itself (Crisp 1996:42; Levine 1998:187-188; Crisp & Levine 1998:40). But “new alternatives” does not necessarily mean an ultimately harmonious re-absorption of conflicts and crisis by the political system, as the very existence of Chavismo came to prove. Then, if not exhaustion of the model, what was it?

As I have shown along this chapter, the main factors that explain the Venezuelan political and economic crises (two dimensions of the state-making crisis) became ingrained into the state structure, leading to the dismissal of the system inaugurated in 1958. In this sense, through the particular configuration of the public administration, oil revenues, the breakdown of the developmental model, presidential partyarchy, and the closing of parties, would be perpetuated. I have proposed that it was the first Pérez administration, when creating an even more presidentialist structure in order to challenge AD’s dominance, which dovetailed those factors in the path of the state-making crisis. I have referred to that mechanism as economic presidentialism.

As for the destiny of Pérez, the AD party, or some of its members, charged him later during his second period in the office (Rivero 2010) with nothing less than being the first and only president in functions impeached in Venezuelan history, contributing to create a murky political atmosphere where denunciations of corruption from the lower to the higher levels of the state were multiplied. It was in such a context where the coup committed by Chávez in 1992 would be welcomed by
public opinion, leading to the legitimation crisis, and thus being a factor created by the movement to their later success.

On the other hand, in terms of the reception by the public, the reformation process of the late 1980s and the 1990s can hardly be considered a complete failure. As a matter of fact, already the 1988 presidential election can be seen as a partial triumph of the reforms, for the winner (Pérez from AD) and the runner-up (Fernández from COPEI) both ran on lines based on the COPRE proposals (Gómez & López 1990:183-184). However, overall political forces were pushing for continuity rather than for change (Gómez & López 1990:207), and majority parties did not entirely committed to a deep reformation of the system. Moreover, the reformation process was spurned by parties and made to come too late, and where it was not too late it was dragged by the entropy of the process which ended up in the well-known electoral results of 1998. Finally, a key factor which has not been highlighted enough in the scholarly literature is that the analyzes of the crisis and the reforms of the 1990s were all focused on the rejection of partyarchy, but not of presidentialism and the extreme personalization of politics. Something Chávez and his movement would take advantage of and deepen. To this process and other related factors I will dedicate the following chapter.
V. Contention and State-making in Venezuela during the Era of Chavismo (1999-2012)

1. Introduction

The main goal of the present chapter is to explain how Chávez and his movement have managed to remain in power despite strong opposition and have done for over 15 years, efforts that have ended up transforming the Venezuelan state. While previous chapters refer to more temporally distant episodes the present one thus refers to more current events, to an unfinished process. In those chapters we have seen how the FMRs-related crisis actually had deeper roots in Venezuela, and how the origins of Chavismo lie within the military—rather than in the radical left. Chronologically, this chapter starts with the electoral success of Chavismo in the 1998 presidential election. It sustains that the main mechanisms explaining the permanence of Chavismo in the office are two: the first is social public expenditure (spent in direct ways and fueled by PDVSA’s revenues, the state-owned oil company, in agreement with the scholarly literature), and military reforms oriented towards civilianizing and centralizing the military under the executive’s control (which I call here populist praetorianism).

As shown in previous chapters Venezuela has been far from a conflict-free society and, in fact, it has been in constant mobilization since the mid-1980s in more confrontational and violent ways (López-Maya 2002:213; Lalander 2004:163). This is coherent with the state-making crisis portrayed in previous chapters. What matter the most now, however, is not that Venezuela has experienced conflict and contention, but that out of that context Chavismo represents the coming to power of a movement radically rejecting the establishment on behalf of “the people”. As civil society and social movements during the 1990s, the Bolivarian Movement led by Chávez arose to
protest an order in which representation and voice were monopolized by political parties, and which generated severe dissatisfaction. Like them, Chavismo sought new formulas of representation (Levine 2002:525). But unlike those other agents, Chavismo did not seek sectorial or focalized state reforms, nor did it limit itself to protest or to demonstrate—alternative types of contentious actions—, much less sought to play by the established rules—as other political parties who were born during the reforms of the late 1980s and the 1990s (e.g. La Causa R, Primero Justicia, or Proyecto Venezuela). From day one Chavismo has always been about radicalism, expressed through moral “indignation”, derision of elites, and magnification of the common Venezuelan. Chavismo is a movement of pride and bullish of the masses: it is a radical-populist movement. Although this is not new in Venezuela, the context, level of success, and the path of its return, are. As in the 2005 North American Congress on Latin America’s report, Canadian journalist Jonah Gindin put it: “Chavismo is currently acting in many capacities as a traditional social movement. But its organic link to the state gives it a character and a revolutionary potential lacking in other movements of the region such as Brazil’s Landless Rural Workers’ Movement (MST) or the Argentine piqueteros. Chavismo’s lack of autonomy from government is certainly problematic, and it is a contradiction that will eventually be unsustainable” (2005:29). Gindin put in a nutshell the core of the discussion on Chavismo as a movement and its relation to the state. In the present chapter I explain how it was possible for a radical populist movement like Chavismo to remain in the office—despite of the strong opposition to it.

In fact, the Chávez administration has been the most polarizing government in Venezuela at least since the late 1940s (the Trienio Adeco period of 1945-48, to which I shall return in the final chapter) and in Latin America since the Sandinistas in Nicaragua during the 1980s (Corrales
The main cleavage of the 1998 election was based on the divide political / anti-political, or system / anti-system, which is consistent with the self-labelling of the movement as revolutionary (Álvarez 2006:20). As long as violence, conflict, and polarization mark the years of the Chávez administration, it comes to express both a continuation of that process of conflict-ridden politics as well as a different process of construction of the Venezuelan state—the current process of populist state-making. Shifting dynamics of contention play the key part in the story of the consolidation of Chavismo in the office from 1999 up to 2012. Following scholars of social movements (Johnston 2011:2), the political significance of episodes of contention is defined here through the rounds of state-making they drive and only afterwards by a hegemony in dispute—which scholars have emphasized (López-Mayá & Lander 2005; López-Mayá & Lander 2010).

Indeed, from the moment Chávez was elected he faced militant opposition, but in general to no avail. There are several reasons for that, which I present as a chain of events and actions taken by the main actors of the political scenario. To begin with, the Bolivarian Movement was overtly dominated by the figure of Chávez and the most radicals within the group (section 2). This explains later actions, when seizing the law-making arena (section 3). Then, after these changes, the perception of illegitimacy of those and other actions by opponents helps to explain the April 11th 2002 coup against the Chávez government, while the coup explains the military reforms implemented by the government in the aftermath (section 4). Later, the general strike of December 2002 – January 2003, which focused on the oil industry, explains the tight controls that on the industry were set in place by the executive (section 5). Afterwards, the August 2004 recall referendum for the president explains the implementation of the government’s new social policy: the social missions (section 6). The presidential election of 2006 represented another electoral
success for Chavismo and its consolidation as a hegemonic force (section 7). Finally, I present other events and government’s actions which did not have the same explanatory power but which nonetheless round up the main process of the Bolivarian Revolution in Venezuela until 2012 (section 8).

2. The Initial Dominance of Radicals (Leninists) within the Bolivarian Movement

The main agents in this analysis are not only Chavismo and the opposition. From the start, we must keep in sight the particular forces within Chavismo which explain some initial actions of the movement on the verge of certain junctures. In this direction, Arvelo (1998:33-51) identified some of these main currents. To begin with: [a] there was a popular and democratic majoritarian front. They had no commitments whatsoever with the previous political establishment and hoped that Chávez’s promises of change will take place in a framework were human and other fundamental rights would be respected. I will refer to the leaderships representing this faction as the moderates.

There was also [b] the partisans of a full military dictatorship, most of them previous members of the military who committed the 1992 coups but not necessarily active members of the armed forces anymore. Arvelo characterizes them as anti-civilian, militarist military-men. In third place [c] the partisans of a unique Leninist party, also a non-democratic faction—although not a fully constituted alliance among parties of the left. This is a faction that was not part of the movement in its origins. For this faction, the objective is hegemony to be reached through gradual mass mobilizations to the point of irreversibility. Finally, Arvelo identifies a fourth faction: [d] revolutionaries of the party of government, basically represented by the militants of MAS (an important member in the coalition that took Caldera to the government for the period 1994-1999). In a way, this is the most pragmatic faction, and also represents the most pragmatic decision of the
movement’s leadership when dealing with the previously existing forces. However, this tactic alliance is fragile (as the posterior events will corroborate). Another important agent emerged later during the process and then it was not identified by this author: [e] the so-called *Boli- (or Chavo) -bourgeoisie*, short for “Bolivarian bourgeoisie”, the big businessmen nurtured by the new administration, men who have built their fortunes out of both formal and informal links to state officials. The arrays of sectors of the economy they have their hands on vary from food imports, to transport, banking, petrochemical, and the list goes on (Petkoff 2010:41-42; also, Corrales & Hidalgo 2013:77). In Arvelo’s view, Chávez was more committed to the b (militarists) and c (Leninists) factions than to the other ones (1998:36). In the view I offer in this chapter, the need to answer to (a) (the popular front) through social spending, and to the military (not in faction b), explains a good deal of the government staying in the office.

2.1. Early Defections of the Bolivarian Movement

The first defections to the movement show that from the start within the Bolivarian movement the Leninist tendency, and not the members of the 4-F coup (Arias mainly, but later people like Urdaneta, Acosta, or Miquilena), prompter to slower and less radical moves, was going to control the movement. This explains the movement toward radicalization. Differences between Francisco Arias and Chávez started right with the 1992 coup because in spite of the fact that Chávez was the only coup leader failing to achieve his goal (taking the presidential house and president CAP), he

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137 Petkoff (2010:41) mentions some of them: “Wilmer Ruperti, Ricardo Fernández Berrueco, Omar Farias, Rafael Sarria, Pedro Torres Caliberto, Carlos Kaufman, Franklin Duran, Jose Zambrano, Arné Chacón, Orlando Castro, the Castillo Bozo brothers”, among others. He also points to the newly-acting *state officials* as an important support of the government, as long as according to the figures he presents, they represent 19% of the economically active population; but for the purpose of my discussion here they can be hypothetically situated in one of the factions previously mentioned (The same goes for the faction that Corrales & Hidalgo [2013:77] identify as newly elected governors).
became the main public celebrity over the more senior official Arias. Nonetheless, other issues were at the stake as well. Arias accepted a position in a nutritional program for mothers and infants for the Caldera’s administration shortly after his release from prison (Norden 2003:101), was later elected for governor of the Zulia state in 1995, and reelected 1998 in for the same position. On the contrary, from jail Chávez made public calls to boycott the general elections of 1993, and permanently voiced his complete rejection of the system once he was released in 1994. Once he became the president, important defections started as early as 2000, being the first Jesús Urdaneta (Chávez’s roommate in the military academy, his friend for twenty years), after he tracked and handled in personally forty-nine files on cases of corruption, involving people like Luis Miquilena (the president’s right hand and closest advisor), José Vicente Rangel (his Minister of Foreign Relations at the time) (Acosta interviewed by Blanco 2006:10), and Ignacio Arcaya (Minister of Interior).

Not long afterwards, all other men leading the February 1992 coup will defect as well: on February 4th, three of the four ringleaders (besides Urdaneta and Arias, Joel Acosta) held a press conference expressing their upsetting that the government was composed of the same old guard of corrupt politicians. Even more sounding were the accusations of personal ambitions and the leaning toward authoritarianism that Chávez showed once the 1999 constitution was approved. According to these men, the original project was not been carried out (Acosta interviewed by

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138 He later ran in the 2000 general elections and was the runner-up to Chávez. Arias rejoined the Chávez movement in 2006 and was designed Venezuela’s ambassador to the UN. In 2012 he was the PSUV’s candidate for the state of Zulia.

139 Acosta, on the other hand, was elected as an MVR deputy for the state of Falcón in 1998 although he would later ran and lost against the MVR candidate in the same state. Urdaneta was appointed by Chavez as the director of the state intelligence directorate (DISIP), but afterwards ran against the MVR candidate in the state of Aragua in the megaelections. Finally, the leader of the November 1992 coup, General Visconti, ran against Chávez’s father in their native state of Barinas (See Norden 2003 for other details).
Blanco 2006:13,14, several moments in the interview): to fight corruption, to reject bureaucracy, and to finish off patronage. Another confirmation of this tendency, on the other hand, happened early in 2002, when allegedly irritated by how Chávez had got carried away by power and by his radical rhetoric, the very Miquilena quit from the Ministry of Justice and Interior and a couple of months later relinquished any formal contact with the government. As a result of these starting points, the foundations for political radicalization towards the left were laid from within the movement, a tendency that has ever since been in tension with the other factions—particularly with the democratizing force and the militarist one. In what follows, we will see how the dominant leaning within the movement dealt with contention coming from the opposition.

3. Seizing the Law-making Arena: The Constituent Assembly (CA) and the 1999 Constitution

One of the most characteristic features of the Chavista movement in the office in Venezuela is the 1999 Constituent Assembly, which main objective was to draft a new Constitution. To the extent that it set new rules of the game, it was a game-changer because even when not applied immediately some of them became “guideposts for actions taken several years later” (Ellner 2008:110). Moreover, this path to political change is so important because it established a departure from other “revolutionary” regimes in Latin America in their starting point—such as Castro’s in Cuba (1959) and Allende’s in Chile (1970) and justifies the constant ritornello to populist mobilization, facing the need for permanent electoral legitimation: he had to play within a constrictive, existing institutional frame (Lander 2008:137; Petkoff 2010:12, 20, 23), and in a

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140 Not necessarily a lefty measure, several actors representing different sides of the political spectrum had proposed it previously (Petkoff 2010:11) ranging from COPRE (see chapter 4) to Miquelena (Gott 2011:145), Chávez’s “right hand” and the first president of the National Assembly—which may explain why it found practically no opposition (Ellner 2008:110; López-May 2012:16-17).
context where the overall support for the new project was about one third of the total voting population from the start (Ramos 2007:6). Chávez won the December 1998 general elections by a margin of about 17% of the votes\(^{141}\). One of the hot topics of his campaign was the proposal to convene a Constituent Assembly (CA) in order to draft a new Constitution substituting the 1961 one—which did not foresee any such mechanism—as a way of “…transforming the state and creating a new legal order that allows the effective functioning of the a social and participative democracy” (Official Gazette #36,634, February 2\(^{nd}\) 1999; quote by Brewer-Carías 2010:39). “Participatory democracy”, then, was the ultimate rationale for this change. The process took four steps.

*To begin with*, a consultative referendum previously held on April 25\(^{th}\) gave as a result the approval for the CA by a wide margin of 87.5% against 7.26% of the total votes. *Second*, the CA was going to be thoroughly controlled by Chávez’s people: 125 Chávez’s sympathizers out of a total of 131 members won in an election hold on July that year. Shortly after, the CA drafted a new Constitution between September and November 1999 in a hasty process with no room for public discussion or participation of civil society. *Third*, the new Constitution was submitted to a referendum in December 15\(^{th}\) 1999, and was approved with 71.78% of the votes\(^{142}\). On December 22\(^{nd}\), the CA sanctioned a decree on a “regime of transition” during which all public officials were dismissed, including those elected just a few months before in November 1998 (from congressmen to state

\(^{141}\) 56.2% versus 39.7% for the runner up, Salas. The parties supporting Chávez coalesced in the so-called Polo Patriótico (Patriotic Pole) composed by: Fifth Republic Movement (MVR), the Communist Party of Venezuela (PCV), Fatherland for All (PPT), Movement toward Socialism (MAS), and the People’s Electoral Movement (MEP). The parties (or their factions) that did not deflect, fused into the United Socialist Party of Venezuela in 2007.

\(^{142}\) In this opportunity the abstention rate was 55.62%. Source: National Electoral Council.
governors). Later, the CA ratified the president and directly appointed the members of the new Supreme Tribunal of Justice, the new National Electoral Council, the Prosecutor general, the People’s defender, and the Comptroller general, while definitively eliminating the Congress and creating and appointing the new Legislative National Commission (Brewer-Carías 2010:64) acting as substitute of the Congress until the election of a new National Assembly (NA). Finally, on July 30th 2000, a “mega-election” was held in which 33,000 candidates ran for over 6,000 offices. While Chavistas won 104 out of 165 NA seats, Chávez himself was re-elected with 59.8% of the votes. Finally, riding on the president’s popularity seventeen Chavistas candidates won positions out of twenty three governorships—a real deal for the majority of unknown politicians of the group. Three consequences of this process with later consequences are noteworthy.

3.1. Hyper-Presidentialism

As I showed in the previous chapter, presidentialism was left virtually untouched by the reformation process of the 1990s. In the new 1999 Constitution, the relations between the executive and the legislative (and other) branches provided even more power for the first over the second. In fact, it opened up the possibility to furthering power concentration in the

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143 This is of an utmost importance because Chavez’s coalition, the Patriotic Pole, had only gotten eight of twenty-three governorships and was a minority in the Congress with a 20% (Marcano & Barrera 2007:126). The CA made possible to turns things around for Chavismo.

144 These and other actions were endorsed by the Supreme Tribunal of Justice whose members, in turn, had been previously appointed by the same Assembly—substituting the Supreme Court. Likewise, the new Tribunal recognized the “original character” of the Assembly and therefore its supra-constitutional power (Brewer-Carías 2010:24).

145 The fact that these elections were held concurrently, favored the parties of the Chavista coalition. More importantly, the plurinominal with a single, open list system largely favored the government’s parties who, with 66% of the vote got 95% of the 122 seats while the opposition obtained only 5% of the seats (6) with 34% of the votes (Marcano & Barrera 2007:305—note 5).

146 MAS, still part of the Chavista coalition, won two. This is an important element because it translates as the benefits that candidates obtain from supporting the president.

147 In addition to the common three branches, the 1999 Constitution included two new: an electoral branch (the Electoral Power) and a prosecutorial branch (the Moral Power).

148 There are of course combinations of them. For example, the National Assembly was given the authority both to appoint and to dismiss head officials of other institutions such as judges of the Supreme Tribunal, the prosecutor
executive branch because: (a) the rule of the “relative (instead of absolute) majority” for electing the president was kept; (b) the term in the office was increased from five to six years; (c) consecutive re-election was allowed (Article 203); (d) military promotions became dependent on the President who can decide on the matter without consultation to the Assembly\(^{149}\) (it was the exact opposite in the previous constitution), which is also the case to declare a “state of emergency”; (e) the President alone can dissolve the NA. Perhaps more importantly, the executive has been granted authority to issue decree laws on any matter. Lastly, (f) Chávez ignored the partyarchy tradition of Presidents disassociating themselves from partisan activities and became the president of his party, the Fifth Republic Movement (MVR), in May 1999—bringing together the two positions. As a consequence, the “lame duck” feature existing during partyarchy disappeared, and the president becomes someone of primary importance when contending for positions within the party.

3.2. Re-centralization\(^{150}\)

Several measures were taken which reversed the decentralization process of the late 1980s and the 1990s. In the new state structure, the functioning and organization of the state legislative councils became a responsibility of the NA (Article 162). Moreover, the states would have no taxing
general, or the People’s Defender. But as long as the President had the last say on the party’s decisions, and the majority of the Congress was in the president’s party, thus the Congress would do as the President wishes. The same can be said of the Constitutional Chamber of the Supreme Tribunal, who retained a monopoly of the interpretation over constitutional matters, and who basically responds to the executive branch. For a detail account of cases where this has been apparent, see Brewer-Carías (2010).

\(^{149}\) Additionally, the military were granted the right to vote, previously banned as a means to keep them out of politics. In the meantime, also around 200 active duty officers have been placed at different levels in various government institutions (Wilpert 2007:40).

\(^{150}\) Some authors call it “centralized federation”: “... a rare example of a federation without a federal chamber” (Brewer-Carías 2010:170). Yet the issue here is that the previous model of decentralization transferred competences to the local and regional governments, while Chavismo sees that as the creation and strengthening of local caudillos, the reason why it should be reverted (Lalander 2006:37).
faculties, and even the sales tax was eliminated, making them completely dependent on the national financial contribution. On the other hand, the nomination of committees’ representatives of different sectors of society did not help decentralization mainly because the NA kept control by handling them as parliamentary commissions. The only political reform not reverted was the direct election of majors and state governors (Penfold 2009:126), for even the Senate was eliminated, leaving the states without representatives in the NA. Finally, public economic support to political parties was cut off (Lalander 2006:33)—something that caused the most damage to the smaller parties born with decentralization in the 1990s. In brief: administrative and fiscal decentralization was reverted, while political decentralization stood still, mainly in its electoral dimension—for even their capacity to act collectively was severed by the president’s express strategy of negotiating one-to-one and using the distribution of funds as control, particularly from FIDES (Intergovernmental Fund for Decentralization) [Penfold 2009:150-152].

3.3. Control over the judiciary
This happened especially over the Supreme Tribunal of Justice (Brewer-Carías 2010:13, 73-79, 178-179). The judicial reform led to the removal of around 80% of the country’s judges in 2000, who were replaced by “provisional judges” removable at will by the executive. Also, the 1999 Constitution granted the NA the exercise of legislative power, as well as the faculty to appoint and to remove members of the Electoral Council, the prosecutor general, the people’s defender, and the comptroller general—Articles 265, 279, and 296 (Brewer-Carías 2010:173), in some cases by a qualified or simple majority of votes. This translates as a dependency of all other branches on the NA, and this last on the executive. In 2004 the NA passed the Law of the Supreme Court, increasing the number of judges from 20 (of which 10 were anti-Chavistas) to 32, establishing a
solid pro-Chávez majority (given that in the new law, ultimately, judges were appointed by a single majority in the NA). The same applies for the removal of judges. In 2005, the president of a Supreme Court (finally controlled by loyalists to the government), Omar Mora, launched a reform to turn provisional judges into lifetime appointments (Wilpert 2007:46-47). The opposition response to these changes is of a paramount relevance for the future of the Bolivarian Movement.

4. Beyond Military Radicalism

Within the opposition, the events showed the initial dominance of radical leadership, just like within Chavismo. The Institutional Military Front (FIM), integrated by high-rank retired officials, publicly rejected the government’s policies regarding the military, particularly the reincorporation of former coup participants (Norden 2003:108). On the other hand, another more radical, clandestine group had been previously formed: The Patriotic Military Front (JPM), composed by both civilians and military men, who aimed at the president’s resignation on similar basis than the FIM. During the following months, few other high-rank officials called in public speeches for the resignation of the president. There were also individual displays of rejection to the government by high-rank officials. But it was the April 11th 2002 coup that marked the definitive come back of what was thought to have been defeated first in the 1970s and later in 1992: radicalism in the military.

4.1. The April 11th 2002 coup and its Aftermath

The militant and mobilized opposition unfolded against the government’s ties with Fidel Castro and the fear that he would turn Venezuela into a new Cuba. In fact, protests burst since

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151 All of them were belittled by Chávez as a “military dripping” (Machillanda 2010:57-note 82).
approximately January 2000 by professors, middle-class teachers, and housewives opposing the National Education Project design by known Marxist Carlos Lanz. On the other hand, the Enabling Law of 2000—which allowed the president to rule by decree for about one year—was used to enact overnight in November 17th 2001 a package of forty-nine special laws without approval of the NA—where we see the hyper-presidentialism just described already in action. Overall, the forty-nine laws were perceived as a threat to private property for the first time by a government since 1948 (López-Mayá 2006:29; Ellner 2008:115). As a result, widespread demonstrations against the government ballooned, amalgamating a plethora of actors—including unions, the Church, businessmen, and media. The opposition created the “Democratic Coordinator”, an umbrella organization to group all these forces.

In this context of protests and mobilizations in late March, 2012, during one of his weekly program Aló Presidente Chávez fired the direction board of the state-owned oil industry—PDVSA—and substituted them with handpicked loyalists. The action was riposted by the opposition calling a general strike—organized for the first time ever by the CTV and FEDECAMARAS together. On the eleventh, the third day of the strike, a large rally (the lesser estimates count the attendees at about half-million people) marched toward the government house to demand the president’s resignation. Meanwhile the Mayor of Caracas and Chávez’s ally, Freddy Bernal, had been

152 From the forefront the most polemic issue was the Decree 1001, which would include the intrusive figure of “itinerant supervisors” controlling matters taught within the classrooms.

153 Three of the most important and polemic laws were the Organic Hydrocarbons Law, the Land and Agrarian Development Law, and the Fishing Laws.

154 Indeed, unprecedented in Venezuela was the alliance of FEDECAMARAS, CTV, the Church, the private media, and traditional political parties (Ellner 2008:114).

155 From this moment onwards, street politics will be the main locus to express political dissent before the increasingly absence of institutional mechanisms to do it (C. Capriles 2012:144).

156 Although in no way should the mobilization be underestimated, it is also likely that the political opposition was plotting, taking advantage of the first—a plot which included members of the business community, media, and parties (Marcano & Barrera 2007:170-171).
gathering sympathizers of the President nearby the Palace of Miraflores. A confrontation took place between the marchers, the National Guard (controlled by the government), the Metro police (under the control of a major of the opposition), and pro-Chávez demonstrators, which suddenly turned into a confusing bloodshed\(^{157}\). The opposition blamed the government who —allegedly— used the armed forces and security forces dressed as civilians to attack the protesters, while the government blamed the opposition who —allegedly— hatched a plot justified on the killing of civilians\(^{158}\). A second unciphered puzzle was yet to come. Around 5:30pm the President activated Plan Ávila, an extreme security operative carried out by the military in case the government found itself at risk, but the officer in charge refused to go on with it (Army Commander Efraín Vásquez). Around 3:25am the General Inspector of the Armed Forces (Lucas Rincón), a Chávez loyalist, announced in live broadcast that the President was asked to resign and that he had agreed to do so\(^{159}\).

One of the coup’s main leaders and the provisional President during two days was the head of FEDECAMARAS, Pedro Carmona. At 5:30pm on the 12\(^{th}\), he declared himself the President and through a series of out-of-no-where decrees disbanded and dissolved every public authority. For most people, including a number in the opposition, this was outrageous. So that the Chávez’s government survived the coup for different reasons\(^{160}\), but his coming back was possible, \textit{in first place}, due to the division between the opposition’ leaders (starting with AD’s members and CTV’s

\(^{157}\) Official figures report around twenty people dead and over a hundred wounded.

\(^{158}\) To the date, there are more questions than answers on who are the responsible for the killings, and some think that “neither side wants the truth to come out” (Marcano & Barrera 2007:187). For a detailed account of the events between April 11\(^{th}\) – 14\(^{th}\), see Nelson (2009).

\(^{159}\) Due to this fact, the Supreme Court of Justice ruled that the event had been a “power vacuum”, and the coup conspirators were absolved of all criminal responsibility. A decision on which Chavismo will take issues later.

\(^{160}\) Alternative interpretations limit the explanation to either a confrontation (and its resolution), exclusively within he military (see: R. Capriles 2012:157), or to an authentic popular rebellion (see: A. Capriles 2012:139).
leader Carlos Ortega), on one side, and Carmona’s few loyalists on the other. Likewise, *in second place*, Carmona appointed two navy members in key posts, including the defense ministry, leaving out army men—a division where Chávez was more influential (Ellner 2008:115). In fact General Vásquez, who just a few hours earlier had disobeyed Chávez’s order on activating Plan Ávila, gathered several high ranks of the military to a meeting, and decided to not recognize Carmona’s authority (López-Mayá 2012:28-29). Other Generals led by Baduel —later an opponent to the government— planned a way to restore the President to his position. There was also, *thirdly*, a large popular uprising claiming for Chávez to come back to the office, partly organized by his adepts in the government, which finally triggered the reaction of the military who brought him back. Then, “At 3:30 am on April 14th Chávez came back to the Presidential House in a movie-ending, with multitudes waiting for him and the cameras showing the images to the world” (López-Mayá 2006:33).

Out of the coup, at least one fundamental consequence is important to highlight in this round of state-making: the 2002 coup against the Chávez administration resulted in a purge and the dominance of stalwart Chavistas within the army. Previously to the coup, the government had already started to develop the thesis of a civic-military union that would make possible the revolutionary affairs. Yet, for some observers it was the April 2002 coup which completely unveiled the process of praetorian expansion whose sector within the army, in contrast to the pro-

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161 Some argued that the seemingly contradictory reactions of the government to some of the military, who in one way or another were part of the coup, can only be explained as a result of a military agreement to return Chávez to power in exchange for non-retaliatory measures and even prebends (Uzcátegui 2012:83-84). For sure, among military men the destiny of the president was decided (C. Capriles 2012:156). However, even if this were true we need to understand the chain of elements triggering the military response in the first place and, more importantly now, the restructuration of this state sector afterwards.

162 On this point, see chapter 3.
professional sector, got strengthen after the event (Norden 2003:95; R. Capriles 2012:153; Uzcátegui 2012:77, 92-95).

4.2. Populist Praetorianism

As it is known, “Praetorianism in a limited sense refers to the intervention of the military in politics” (Huntington 1968:195). In Huntington’s framework, there are three types of praetorian polities: oligarchic, radical, and mass praetorianism, and from there to civic order—the most developed form, which means the abandonment of praetorianism. In spite of other similarities with this model, during the transition to the third stage of praetorianism—mass praetorianism—, it would have predicted for the present case a successful conservative reaction of the military that takes the role of the middle class’ Avant-Garde and blocks the door to the urban lower classes’ participation in politics (Huntington 1968:221-222). What is more, from the beginning given their ideology of guardianship the military would have been suspicious “… of personalism and of a strong, popular, directly elected chief executive with a mass following…” (Huntington 1968:227). Yet, none of these predictions took place. Why? Because what have been happening regarding the military is a bit different than plain praetorianism.

For starters, the 1999 Constitution granted the right to voting to the military, something not contemplated in the previous one. Also, the government implemented the plan PAIS (Plan for Sustainable Immediate Action) on February 27th 1999, in which several thousands from all forces

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163 Samuel P. Huntington used the concept in the context of his theory of political development as an essential feature of politically underdeveloped societies in which social forces of any kind, not only military, are highly politicized while the levels of institutionalization are rather low. In such a context, military men concern themselves not only with promoting larger military forces or higher salaries, but also “with the distribution of power and status throughout the political system” (Huntington 1968:194).
would work on different areas like health, education, or nutrition. The following year it would be the *Plan Bolívar 2000*, “… a $113 million social welfare project administered by high-ranking military officers” (Marcano & Barrera 2007:138), bringing the military into infrastructure and domestic marketplace\(^{164}\). This meant two things: on the one hand, that the military’s primary role had been shifted from national security to development; on the other hand, that “war theaters” (designed to fight guerillas) had been replaced by “social theaters” (Machillanda 2010:50) designed to attend the general population and thus establishing closer links with popular sectors. This has been called by some observers (Wilpert 2007:52) as “civilianizing the military”.

Second, the new 1999 Constitution stipulates a centralized command of the Armed Forces, now unified as a “National Armed Force” (in singular). In practice things did not run that smoothly. In 2001 a civilian, José Vicente Rangel, was appointed as the new Minister of Defense (a move that was unthinkable for a long time in Venezuela). The movement upset the high ranks not only because of his condition as a civilian, but also because Rangel—a known journalist critic of the military, promoter of tensions with Colombia over territorial issues, and a lefty politician—was despised among them (Machillanda 2010:52). However, simultaneously the president created a new position: *the Chief of Staff of the Armed Forces*, who actually has the command of military personnel (Norden 2003:103). Structurally, with this position the armed forces were unified into a single command structure (Trinkunas 2005:211). Third, as previously mentioned promotions of high-rank officials were made to rest on the President’s and the Minister of Defense’s decisions. In addition to all of these, fourth, the direct participation of the military in government was substantially expanded (Norden 2003:100). In fact, between 1999 and 2004 sixteen ministers out of 61 who have served the government were military officers (Wilpert 2007:49)—most of them

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\(^{164}\) By mid-2003, the Plan was superseded by the ‘Social Missions’, addressed below.
retired—, in 2004 nine elected governors belonged to the armed forces and other six in 2008, while 22 state entities were controlled by military men in 2009\textsuperscript{165}.

Also, \textit{fifth}, the coup was riposted with the cleansing of tactical positions (after the coup, promotions have been made eluding meritocracy and resting on political affinities, even more than before) and the political oversight of the military\textsuperscript{166}—that is, political commissaries spying on and controlling communications. In 2005 a new \textit{Organic Law of the National Armed Force} (LOFAN) was passed, which, among other things, increases the direct control of the president over the organization. It also creates a new paramilitary force (\textit{Territorial Guard}) who depends entirely on the executive (Machillanda 2010:63). In July 2008 the president passed a new law (the \textit{Organic Law of the Bolivarian National Armed Force}, LOFANB), again on the basis of an enabling law, which would have needed the NA’s approval otherwise\textsuperscript{167}. The LOFANB separates administrative and operational functions and both structures are now under the direct command of the president (Machillanda 2010:121)\textsuperscript{168}.

\begin{itemize}
\item \textsuperscript{165} One side consequence was the promotion of the “military bureaucrat”, who follows administrative and not operative guidelines (Machillanda 2010:54). The author also highlights (2010:54-note 75) the complete absence of official data in this regard.
\item \textsuperscript{166} For some, this was supported by Cuban military intelligence (Machillanda 2010:60).
\item \textsuperscript{167} In fact, it was part of the set of laws rejected in popular consultation in the December 2007 referendum (Articles 328 and 329).
\item \textsuperscript{168} All these changes notwithstanding, appeasement through increments in wages was also a permanent feature: 30\% every year between 1999 and 2003, 50\% to 60\% in 2004 along (the year of the recall referendum), again 30\% every year between 2005-2009, 40\% in 2010, 50\% in 2011, and 40\% in 2012 (González 2014).
\end{itemize}
In sum: the process just described represents something different from the participation of the military in politics through their specialty technique (the coup) as described by Huntington, say, the extension of populism to the military sphere (Trinkunas 2005:210) which can be called *populist praetorianism*: a partial fusion of the military with society, a correlative de-structuration of the organization by rendering secondary its key aspect of unambiguous vertical authority, and which in turn is slowly transformed in favor of a parallel structure of militias—a fifth component of the armed forces added to the army, the navy, the air force, and the national guard, that comes to rest under the executive’s direct control. As established in the LOFAN, the executive has the direct administrative and operative authority over the militias (http://www.milicia.mil.ve/sitio/web/, April 4th, 2014).
according to the government, to repel a possible US invasion to overthrow Chávez. This was due to the fact that in the aftermath of the 2002 coup the government accused the US of promoting and even funding it, which served as a justification for the development of a new doctrine of “popular defense” in order to eventually fight an “asymmetric war”. However, it certainly could also work as a counter measure to possible military uprisings in the future—in addition to all the executive controls set in place. Through these reforms, the executive has dealt with possible challenges coming from disaffected military men, who, as the 2002 April coup had proven, existed.


Few months after the coup, in December 2002, a set of general strikes ended up in an “indefinite general strike” called by the new president of FEDECAMARAS (Carlos Fernández), the president of CTV (Carlos Ortega), members of the opposition umbrella organization the Democratic Coordinator (CD), and one member of the group formed out of the recently PDVSA’s executives fired by Chávez, Juan Fernández. The general strike’s main strength was precisely the control over PDVSA. The idea was to cut oil production and then oil income to the government, to force Chávez to resign. After two sixty-three days, the strike just vanished without any calling made to do it so. As scholars have pointed out, this was a demonstration of the influence that the government still had on popular sectors and the working class, for most of them did not support the strike (López-Maya 2006:36), whereas the more affluent areas in the major cities did (Ellner 2005:62). Yet, it was also the result of the rejection to the coup and some of the organizations associated with it. When it was all over some 22,000 workers, about half of PDVSA’s workforce, had been fired (Párraga 2010:20). One immediate consequence of this contentious event is relevant now.
5.1. Controlling the Oil Industry

Initially, although there was an apparent strategy of invigorating OPEC and re-nationalization the oil industry, no clear plans had been specified for the Venezuelan oil state-owned company, PDVSA. This situation changed with the events of December 2002-January 2003 (Wilpert 2007:93-95).

The inclination of the government towards re-nationalization was indeed clear. In the new *Organic Hydrocarbons Law* (OHL) effective since 2002, third article of the second section, first chapter, the main change is revealed: the properties of each and all oil fields “… belongs to the Republic and are public domain goods”. Additionally, it is stated that incomes from these properties will be designated, “… to finance health, education, and the formation of macroeconomic stabilization and the productive investment, to reach an appropriate link between oil and the national economy, all for the welfare of the People” (*Official Gazette of the Bolivarian Republic of Venezuela*. No. 37323). In this, it reverted the *Opening of the Oil Industry* (Apertura Petrolera) that the Caldera administration had initiated in 1997, but which origins go back to 1992. During that period, PDVSA and private investors entered into 32 operating agreements (service contracts), 8 exploration at risk and profit-sharing agreements\(^\text{170}\), 4 strategic associations, and 1 association agreements (including production, extraction, transport, storage upgrading and commercialization in the Orinoco Oil Belt). The new OHL made private participation only possible through joint ventures in which the state has more than 50% ownership (Eljuri & Tejera 2008:477-478).

\(^{170}\) The third party partners assume all exploration risk, but PDVSA affiliate Venezuelan Corporation of Petroleum had the right to participate in the profits
After the strike and the massive layout the company was in a tough position: between 2002 and 2004 it lost US$ 12,750 million due to reductions in the volume of production, and about US$ 713 million in gasoline sells and other damages (Párraga 2010:20). That was the moment when the government became active in the search of a new role for PDVSA. In 2004 PDVSA’s open politicization started when Chávez’s loyalist, Rafael Ramírez, Minister of Energy and Petroleum, was appointed as president of PDVSA—a move that required the modification of the company’s statutes, which was the case again in 2008 when Ramírez became a vice-president of the government’s party, the PSUV (see below). In 2005, MENPET (Ministry of Energy and Petroleum) ordered PDVSA to terminate the 32 operative agreements, which were transformed into 21 mixed companies. That very year the Law of the Central Bank of Venezuela (BCV) was amended to allow PDVSA keep the currency of all the oil sells. In March 2006, after the experience of the operative agreements, the Congress approved the terms and conditions for the creation and operation of joint ventures or mixed companies. Then the strategic associations of the Orinoco Oil Belt were turned to mixed companies as well. This sealed the end of the marriage with oil transnationals (Párraga 2010:15-16). The politicization of PDVSA, a direct consequence of the general strike, became an important element for Chávez and the Bolivarian Movement in the office because it directly funneled revenues to the social policy, our second mechanism explaining his permanence in power.

171 Overall, “The strike cost the country 10 percent of its gross national product, approximately $9 billion…” (Marcano & Barrera 2007:166).
6. The August 2004 Recall Referendum and the “Social Missions”

After being defeated in the law-making arena, the military, and in streets politics, the recall referendum of 2004 represented the fourth consecutive defeat for the opposition—under the direction of the Democratic Coordinator and now also by the NGO Súmate, in charge of organizing the firm recollection for the referendum. Yet, it also represented a serious threat to the government. The opposition tried to take advantage of the first of the new participatory mechanisms of the new Constitution, when, on the basis of the Article 72, a recall referendum for the president was held on August 15th, 2004, after a long struggle against a rain of obstacles thrown in the way by the government. At the end, under high pressure due to the cost of collecting, validating, and confirming them, the signatures were re-collected on November 2003, and finally validated by the CNE in June 2004.

Chávez emerged victorious once again with 59% of the votes rejecting the ousting of the president. Amidst the accusations of fraud, disillusionment triumphed in the opposition, and support for them plummeted in the immediate period with some polls showing a dramatic drop to 15% (Wilpert 2007:27). In spite of the accusations, international observers such as Carter Center and the Organization of American States (OAS), and the United Nations Development Program (UNDP) validated the process. This was a key success for the government, and, even though the so-called

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172 For example, five days after the nearly 3.2 million signatures were turned in to the National Electoral Council (CNE) on August 20—a supposedly apolitical body—to fulfill the requirement to convene a recall referendum, the Supreme Court named the five members of the CNE board, three of them Chavistas, two of them identified with the opposition. In the meantime, the NA did not fulfill the two-thirds requirement to confirm the nominations to the CNE board. Moreover, the petition was denied 3-to-2 on the bases of technicalities and its decision was beyond appeal—given the Supreme Court’s backing (Kornblith 2005:125-126). Also, as part of the so-called “Identity Mission”, between August 2003 and April 2004 the government implemented an unplanned process of national ID where the number of registered voters was increased in about 11.7% (Penfold 2010:23), including naturalized non-Venezuelan residents. For a full recount of these obstacles, see Kornblith (2005).
participatory democracy had been all along in the new Constitution and the official discourse, it meant a new impulse to that “alternative model” of democracy.

All this unrelenting opposition had, however, some impact, if only because the economy shrank 8.9% of the GDP by the end of 2002 and another 7.8% by the end of 2003 (Corrales & Penfold 2011:53). As shown in the table below (Chávez’s Approval Rate) Chávez’s popularity had been free-falling in the years before the general strike of 2002-2003. The tendency was not reversed immediately afterwards, but it did go back to previous levels and even higher between the 2004 recall referendum and the presidential election of December 2006. What made that possible? How that tendency was so briskly turned around? The answer goes first of all to public social expending

\[173 \text{ This is an argument commonly sustain in the public opinion about the resilience of Chavismo in Venezuela, with different emphasis as to whether it means pure clientelism or not. Some examples in the scholarly literature are: Wilpert (2007), Smilde (2008), and Corrales & Penfold (2011).} \]
6.1. The Social Missions

The government engineered a new social policy to counteract the tendency of losing popularity, particularly in the context of the recall referendum which was held in 2004. With some exceptions, like Plan Bolivar 2000 and the Only Social Endowment (FUS), the government’s social policy did not greatly differ from previous governments during the first years. In fact, 9 out of the 14 compensatory social programs of neoliberal-inspired Agenda Venezuela were ratified in 1999 by the new government (Patruyo 2008:7-9).

The first two missions, Barrio Adentro and Mercal, were fundamental in the destiny of these policies. Barrio Adentro was initiated, informally, when Cuba sent doctors in the wake of the tragic floods of 1999, in the port city of La Guaira, 20 minutes north of Caracas. The success of this mission was soon apparent and the Cuban Brigades of Doctors remained in the country until 2002, extended to rural areas of other states, and later integrated as part of a broader Cuba-Venezuela agreement, in which Venezuela will sold 53,000 oil barrels per day at preferential prices, and Cuba will provide —among other things— health-care specialist to attend the most unattended areas of the country. The objective was to bring medical attention to the inhabitants of rural and poor areas. Amidst a bitter legal fight with Medical Federation of Caracas, in 2003 the plan was expanded to the entire territory while the number of Cuban doctors in the country reached 10,169 (D’Elia 2006:16-17, 28). They established residencies and consultation offices in shantytowns throughout the country, and were later only partially and gradually substituted by Venezuelans (Ellner 2008:122). On the other hand, Mercal is a state-owned chain of subsidized grocery stores. Although with antecedents in the so-called “mega-markets” implemented since 2000 to sell basic food supplies at lower prices to the poorer, Mercal mission was originally a response to the
shortcuts brought by the general strike, and thus very welcomed by popular sectors. By mid-2005 there were already 13,806 establishments and over 10 MM people had used the service (D’Elia 2006:51-52).

A third important group of missions were focused on education. First of all, Robinson, whose goal was to fight illiteracy—which according to the government was eradicated by 2005. Launched in July 2003, this mission relied on Cuban literacy experts who trained literacy teachers in the country, and benefited to around 1,480,000 people in late 2005 (D’Elia 2006:88). In its second phase starting on October 2003, called Robinson II, education programs were offer to finish basic school (6th grade). By late 2004 over 1.3 million people had assisted to the courses (D’Elia 2006:89; Wilpert 2007:124-125). In the same direction, Mission Ribas aimed to individuals for completing high school, and by 2004 the enrollment hit the 700,000 (Wilpert 2007:127), reaching 724,739 by late 2005 (D’Elia 2006:100). Finally, there was mission Sucre whose objective was to incorporate into higher education the 500,000 Venezuelans who have fulfilled the requirements to get into college but that for different reasons were not admitted to a university. By July 2004 there were over 150,000 students enrolled, many of them in the newly created, government-directed, Bolivarian University of Venezuela (Wilpert 2007:130).

The Misión Vuelvan Caracas (About Face Mission), created in April 2004, is a policy of technical capacitation, which objective is to provide skills training and logistical help for unemployed to start cooperatives, “if possible, in the context of a Nucleus of Endogenous Sustainable Development”—NUDES (Wilpert 2007:81)174. In this sense, it was not intended as a mechanism

174 The idea of endogenous development, “… implies that resources, in terms of skills and materials come from within the country or community that is being developed” and “On the community level is mostly being applied in the Nuclei
to generate direct employment. According to official figures\(^\text{175}\), 264,720 people have been certified by the program by the end of 2009, who have formed 6,814 cooperatives, and 130 NUDES. Last, *Habitat Mission* which addresses land, housing, and urban projects, considered one of the least developed and least successful (Wilpert 2007:136).

Yet, the *land reform* is worth briefly mentioning. Unlike previous land reforms, most notably during the 1960s, during the Chávez administration the issue of land was not limited to rural lands, but was also engaged with urban lands. In the first case, two aspects stand out. First, as in the rest of Latin America, urbanization has continued to progress in Venezuela, where 12% of the population is rural. As a matter of fact, the agriculture’s share of the economy declined from 50% in 1960 to about 6% in 1999—the lowest in the region. It is in this context that the land reforms should be situated, where 75% of the country’s private agricultural land is owned by 5% of landowners, while 75% of small landowners hold about 6% of the land. The declared government’s objective is “to wage a war on *latinfundios*” (plantations), defined as any property that exceeds 5,000 hectares of idle land (Wilpert 2007:110-111). Second, during its most intense period (2002-2005), the land has been redistributed to around 1 MM people. In the second case, urban lands, the government has attempted to transfer the legal ownership of the *barrios* (shantytowns) to its inhabitants. By mid-2005, some 600,000 people had received titles to their homes (Wilpert 2007:118). Both processes have slowed down since then.

6.2. The Oil Industry and Social Policy

The problem of the missions was their sustainability. Oil revenues were seen as the option to keep up with the social spends. In 2007 began a re-organization of the company resulting in the creation of 7 new subsidiaries (Agricultural, Services, Industrial, Engineering and Construction, Naval, Urban Development, and Communal Gas) the following year. In a nutshell, these new subsidiaries have taken over responsibilities of other ministries who have been generally incapable of fulfilling them (Párraga 2010:26-29). As previously mentioned, PDVSA became directly invested on social public expenditure, which peak was the electoral year of 2006, reaching an unprecedented 21.75% of the GDP (see table below).

This modification of the place and role of PDVSA in the Venezuelan state has had different consequences. One of them, perhaps the main one, has been the absolute control of the executive over the incoming foreign currency generated by the oil company, and given the strict foreign exchange control set since 2003. With the amendments to the Law of the Central Bank of Venezuela (BCV) and the creation of unchecked endowments, such as FONDEN as well as a parallel one to the treasury, PDVSA has transferred a large and unaccounted amount of money (US$ 7,287 million only in 2005) to the executive. Total net earnings of PDVSA in 2006 suffered a reduction of 65% with respect to 2005 because it transferred US$ 11,993 million to social development, 64.5% more than the previous year (Párraga 2010:38-39). As a result, the company started an unprecedented process of getting debts, this time outside of the US influence after retiring from the Securities and Exchange Commission. In fact, in 2007 PDVSA acquired a debt for US$ 12,124 million, which resulted insufficient to cover for the transfers to the social
sector—reaching that year US$ 13,897 million, topping even the US$ 11,006 million assigned to investments (Párraga 2010:42,47).

### Variations in Social Public Expenditure per Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Social Public Expenditure as % of Total Public Expenditure</th>
<th>Social Public Expenditure as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>39.54</td>
<td>10.34</td>
</tr>
<tr>
<td>1991</td>
<td>44.36</td>
<td>12.09</td>
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<tr>
<td>1992</td>
<td>47.74</td>
<td>11.97</td>
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<td>1993</td>
<td>48.25</td>
<td>10.06</td>
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<tr>
<td>1994</td>
<td>43.17</td>
<td>9.97</td>
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<tr>
<td>1995</td>
<td>46.81</td>
<td>9.93</td>
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<tr>
<td>1996</td>
<td>43.38</td>
<td>9.81</td>
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<tr>
<td>1997</td>
<td>49.08</td>
<td>12.48</td>
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<tr>
<td>1998</td>
<td>47.87</td>
<td>11.34</td>
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<tr>
<td>1999</td>
<td>52.13</td>
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</tr>
<tr>
<td>2000</td>
<td>50.53</td>
<td>14.94</td>
</tr>
<tr>
<td>2001</td>
<td>52.81</td>
<td>16.69</td>
</tr>
<tr>
<td>2002</td>
<td>55.43</td>
<td>16.30</td>
</tr>
<tr>
<td>2003</td>
<td>53.29</td>
<td>16.68</td>
</tr>
<tr>
<td>2004</td>
<td>61.40</td>
<td>18.13</td>
</tr>
<tr>
<td>2005</td>
<td>57.67</td>
<td>17.64</td>
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<tr>
<td>2006</td>
<td>54.87</td>
<td>21.75</td>
</tr>
<tr>
<td>2007</td>
<td>60.64</td>
<td>21.18</td>
</tr>
<tr>
<td>2008</td>
<td>57.11</td>
<td>18.60</td>
</tr>
</tbody>
</table>

A second consequence has been the rapid increment in PDVSA’s payroll along with a decline in productivity outputs. Its payroll more than doubled after the 2003 strike, to reach 98,113 workers in 2008, when outsourcing workers were included (Párraga 2010:51). This fact is more telling if we consider that the production of the company never regained the levels it had previous to the 2003 strike. Although this is a matter of dispute, the three major organisms that keep a track on the data (the Paris-based International Energy Agency, the US Energy Information Administration, and OPEC) consistently report numbers that are around 10% less than those offered by the

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176 Source: Integrated System of Indicators of Venezuela (http://www.sisov.mpdp.gob.ve)
Venezuelan government, and which are below the volumes of production existing before 2003 (Párraga 2010:59-67).

Nonetheless, PDVSA continues to fund the social policy. Organizationally, the first and most visible feature of the new state’s social policy is its parallel character with respect to the state bureaucracy, as they have been promoted by the executive encompassing three visible instances to rule a new and *ad hoc* institutionality—*presidential commissions* for designing and coordinating policies, *foundations* to manage resources, and *small organizations* to execute the policies (Patruyo 2008:3). Corrales and Penfold (2011:41-42) highlight the resulting logic of this social expenditure: “The first stage (1999-2003) represented the political shift, following the approval of the new constitution in December 1999, from high accountability to low accountability. Not surprisingly, *underfunding* of social spending prevailed” (my underline). On the other hand, “The second stage, 2003-2008, corresponds to a move from a situation of low to heightened political competition as a result of the opposition’s new focus on the 2004 recall referendum. The rise in political competition prompted to executive branch to spend, and declining accountability allowed it to *spend opportunistically*” (my underline). Likewise, another consequence is the weakening of national capitalists that could coalesce and finance political opposition (Párraga 2010:29, n-9). Chavismo has exchanged “protection of business” for popular votes, based on the control of the oil industry.

More generally, and in part as a consequence of the interaction between PDVSA and social missions, even favorable observers of the Venezuelan government have pointed to the core of the problem: “… the continued strength and large size of the oil industry in the economy raises serious
questions about whether Venezuela’s experiments with economic transformation for twenty-first century socialism can survive outside of the context of a well-heeled oil economy” (Wilpert 2007:103).

7. The Consolidation of Chavismo as a Hegemonic Force in Venezuela and its Limits

The two mechanisms previously pointed out allowed the consolidation of Chavismo as a hegemonic force in Venezuela. In this direction, the electoral defeat of 2006 can be considered the 5th in a row for the opposition. Moreover, having a personal tight-rope in the military and an encompassing yet expensive social policy, the government will win this election easily. Yet this time took the lead the part of the opposition that was willing to play by the new rules set by Chavismo, and tried to construct majorities from within them. In this sense, ironically it represents a proof of the consolidation of the Chavista project. Meanwhile, extra-institutional politics in the opposition was put to an end, and will no reappear until February 2014, almost a year after Chávez passed away.

The December 2006 presidential election was decisive to the new project, the 21st century socialism—as Chávez begun to term the Bolivarian Revolution in early 2005. Several factors helped in crafting this electoral victory. The chief one was perhaps that the limitations of the opposition as a serious alternative to Chavismo became apparent to non-polarized voters after 4 contentious processes, some institutional, but the main ones extra-institutional. On the other hand, a new oil bonanza fueled social spending, particularly through the social missions which became the centerpiece of the Chavista electoral proposal. As a matter of fact, in the period 2003-2006 Venezuelan economy grew, inflation declined, unemployment rates decreased, percentage of
households in poverty declined, and the Human Development Index steadily climbed (López-Maya & Lander 2011:133). In this opportunity, Chávez won in every state of the country and by the widest margin ever, in the most polarized election ever in Venezuela, with him and Manuel Rosales, the opposition’s candidate and governor of the state of Zulia, gathering 99.8% of the total votes (López-Maya & Lander 2011:145), thus consolidating the pinnacle of Chavismo’s complete dominance of Venezuelan politics. Three immediate results in the direction of consolidating Chavismo in the office as a hegemonic yet vulnerable force are worth noticing.

7.1. The Creation of the United Socialist Party of Venezuela (PSUV)
Previous to 2005, there was only one important party-dynamics within Chavismo. MAS experienced a division in 1999 from which Democratic Left was formed. Later, another split occurred in 2002 when MAS retired his support to the government and from which PODEMOS was formed, who remained loyal to Chávez. This was the end of one of the factions of the coalition bringing Chávez to the office. But on December 2006, president Chávez formally announced the constitution of the United Socialist Party of Venezuela (PSUV), with a Leninist structure (Petkoff 2010:75). The new party was not intended to build anew a coalition of different parties supporting the president: it was thought from the start as a substitute to them. It will be a party in which all the organizations of the Bolivarian movement will merge and, in spite of its name, it was not intended to become a single party, but an hegemonic party, that is, a party that “pretends to monopolize power, while at the same time allows the existence of peripheral or secondary opposition parties who do not really challenge its control of political power” (Azcargorta & Hernández 2008:16).
However, with the exception of the MVR (Chávez’s first party, formed initially by members of the Bolivarian Movement 200), the largest parties did not submit: PODEMOS (which Chávez ended up “expelling” in 2010 from the revolutionary alliance), Homeland for All (who also broke apart from the alliance later in 2010), and the Venezuelan Communist Party (the oldest Venezuelan party). Each of these parties defended its right to be part of the revolution, without yielding autonomy. One important reason for this reluctance has been the preeminence given by Chávez to the military wing of the movement in the control of the new party. For example, the president hand-picked the members of the Promoter Commission of the PSUV, which most important sub-commission (Constituent Technical Commission), is led by military men (Diosdado Cabello, Pedro Carreño, William Fariñas, Francisco Arias). Likewise, Alberto Müller Rojas, a military in service, was named the coordinator of one of the sub-commissions. Dissidents identify themselves as lefties, civilians, democrats, who reject corruption and who defend the “revolution within the revolution” (Azcargorta & Hernández 2008:17-19). In a nutshell: the militarist fraction of Chavismo controls the main government party, but this rewarding was not submitted by every political party of the Bolivarian alliance. This is the first area where Chavismo showed its consolidation as a hegemonic force.

7.2. The December 2007 and February 2009 Constitutional Referenda

The law-making arena was a second area of partial hegemonic consolidation for Chavismo. In the context of the campaign for the December 2006 re-election, Chávez announced in May his objective of sustaining a constitutional reform in 2007 for 69 articles, which hottest issues will be the indefinite re-election of the president (but not of any other elected position) and the elimination of the principle of proportional representation for deliberative bodies (López-May & Lander
Yet, the proposal included other important topics that were unclear for most of the population (such as the concrete meaning of the 21st century socialism, a fusion of ‘popular power’ with ‘public power’, a regression on political rights within the context of the participatory democracy, an even higher concentration of power in the executive, and others) (Lander 2008:138-150). It would have provided to the president the power of deciding on military promotions from the degree of lieutenant upwards. The project would have as well finished off with the idea of a Federal State (however weak this was), recentralizing all of its powers under “Federal Provinces”, ruled by a vice-president freely appointed and removed by the president. At a lower level there would be “Federal or Functional Municipalities”, and below them “Federal Cities”—being their authorities also appointed by the executive (Petkoff 2010:65). A reform of such magnitude and depth should have required to convene a Constituent Assembly (Lander 2008:137; Petkoff 2010:73), but given the control that the president had over the NA (after the 2005 opposition boycott), and the Supreme Court, he was able to pass it. Nonetheless, the proposal was defeated by a slim margin of 1.31% of the votes, mainly due to the abstention of over 3 MM of Chavista voters who had casted their vote for Chávez in the 2006 presidential election (Lander 2008:134; Petkoff 2010:90). Other factors played their part, such as the breaking with sectors of his following (PODEMOS, PPT), and the rejection of certain measures by the general population—such as the shutdown of a popular national TV station (RCTV) through administrative sophistries (Penfold 2009:148-149).

Once the results were public, Chávez stood adamant about the reforms, and made clear that he would not give up this project. In fact, he managed to convene another referendum, this time for February 2009. The Referendum for the Constitutional Amendment of 2009 was limited to the
issue of the indefinite re-election (including in this opportunity other elected positions) and this time was approved, by a margin of ten points (54.85% versus 45.14%). Chávez had opened the door for re-election, while in the meantime other aspects rejected in the 2007 referendum were passed through another enabling law that year (the third of the period). It was hardly a total success, but nonetheless he will be able to run (and win) in the elections of 2012 for a third consecutive period.

7.3. Nationalizations or Statizations

The year 2007 witnessed the first wave of nationalizations, or, perhaps better to say: statizations. Finding themselves stronger than ever, the government, even before of the constitutional referendum of 2007, reversed in May the privatization of: the telecommunications company CANTV to that point with majority of share-holders by Verizon (USA) and Telefónica (Spain), the power company Electricidad de Caracas controlled by AES (USA), the holding company SIDOR mainly in the hands of the Italian-Argentinean Ternium Techint, and the cement companies CEMEX (Mexico), Lafarge (France), and Holcim (Switzerland). These statizations were carried out on a rather peacefully fashion, given that the government simply acquired the shares of the primary holders. But the process reached its highest point in 2009, when outsourcing companies of PDVSA were expropriated. Ports and airports become part of the state administration as well. In 2010 two chains of French-Colombian supermarkets were expropriated as well (Petkoff 2010:94). Statizations increased from 17 cases in 2007 to 174 by mid-2010 (Corrales & Penfold 2011:68). Nationalizations have been limited afterwards, perhaps as result of the general economic situation, but also perhaps given the poor results showed by the alternative model of co-management.
7.4. Coda: The 2012 Presidential Election and the Death of Chávez

In 2009 recentralization took a step forward, when the NA passed an amendment of the Organic Law of Decentralization, which transferred the management of ports, airports, and highways from mayoralties and governorships to the executive. In 2010 he was given a fourth and last enabling law. But later another unexpected event was going to proof to be fundamental. On Saturday 8 of December, 2012, president Chávez announced to the country that he was traveling back to Cuba to be treated for a cancer that was first diagnosed on June 2011 and surgically removed a few days later. As metastasis expanded the area of influence of the tumor, Chávez made several trips to Cuba for treatment. The next time he touched Venezuelan ground was already death, officially declared so on March 5 of 2013. In spite of been severely ill, he ran again and even the elections were advanced to October 2012 (they had been regularly taken place during the first days of December since 1958). During the process of struggling with the illness, the government kept the progress mostly in secrecy.

On April 14, 2013, Chávez’s hand-picked successor, Nicolas Maduro, of the Leninist faction of the workerist wing of Chavismo, first appointed by the very Chávez when still sick, was elected by slim margin of 1.5% over the forerunner (Henrique Capriles). As of today, the possibility that Maduro could hold together the different factions of Chavismo in the context of severe economic deterioration until the next presidential elections remains to be seen.

8. Other Events

Finally, other events and changes are worth mentioning as part of the political process of the Bolivarian Revolution. That is what I do now, while also explaining why they did not have the
same explanatory power as the main mechanisms singled out so far—social spending and military reforms.

8.1. The 2005 Congressional Elections

“By early 2003, the Chavista coalition’s share of seats in the NA was 52.1 per cent, down from 65.5 per cent in 2000, all the product of defections” (Corrales 2005:113). In spite of this tendency, the opposition boycotted the December 14, 2005 NA election. The reason is that after the 2004 recall referendum, many doubts about the transparency of the Electoral Power (one of the new public powers in the 1999 Constitution) were raised. As a consequence, the environment pressed for the opposition to boycott the elections for the NA in December 2005. They withdrew leaving themselves completely out of the NA between 2006 and 2010, which served the scene for Chavismo to openly control this institution, and to strengthen their grasp on the state177. For example, in August 2009 a new electoral law was enacted (the Organic Law of Electoral Processes, LOPE), through which new electoral circuits were established, becoming a gerrymandering system. The elections for the NA later that year took place under that new law, which, by different accounts, openly favored the government (Briceño 2010). Out of 106 seats, of 87 circuits, 71 went to PSUV—still forming a majority, but not an absolute one as previously. This event did not process explanatory power because in the mid-term it became just an isolated one, with no further implications for the state structure or the Chavista movement.

177 However, Chavismo only managed to get 21.5% of the voters—which translates in around 80% of abstention (Ramos 2007:10).
8.2. The Participatory Democracy

The 1999 Constitution introduced new means of citizen participation, which the government has programmatically opposed to the limits in representativeness of the liberal, Puntofijista democracy of the period 1958-1999. As a matter of fact, for some analysts it has to do with the electoral support for the government as much as the social programs (Wilpert 2011:99). They are according to Wilpert (2011:104-114):

- **Referenda**. Of four types: consultative (to ask population on question of special national interests), recall (for any elected official), approbatory (for laws), and abrogatory (to rescind laws).

- **Local Public Planning Councils**. Their central objective is to gather and evaluate community projects, focusing on the needs of the community, and coordinating the effort with other administrative agencies (such as municipalities, the executive planning entity, and other state authorities).

- **Citizens Assemblies**. Its objective are mainly the election of delegates to the Communal Councils (below), as well as the evaluation and approval of community programs, norms, and development plan.

- **Communal Councils**. Designed to integrate the committees formed in the communities, which would help implement social programs, receiving direct funding over governors and majors that reaches about 30% of to the total that goes to regional governments.

- **Social Audit / Comptrol**. Conducted on the work of the public administration and asked by any citizen.

- **Civil Society Involvement in State Institutions and Programs**.

- **Cooperatives**.

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178 Wilpert argues on the bases of polls by Latinobarómetro.
Problems and advantages of this new public administration model are plenty and diverse, ranging from lack of pluralism, to patronage, to clashes with the personalistic regime—as the very Wilpert numbers them—on the one hand, while also inviting to participation in political life to other, traditionally less active segments of society (Hawkins 2010b: 32). In this context, however, the point is that this new configuration of the public administration was advanced more forcefully with and after the 2004 presidential recall referendum, once the opposition was gathering itself after a fourth consecutive defeat. Its impact in the mid-term, however difficult it is to assess it, does not seem to affect the life of the Chavista movement as much as the mechanisms exposed before, not only because the incorporation of these elements to governmental instances has been generally welcomed by oppositionists and independent actors alike, but also because it has been generally limited to certain municipalities and regions.

8.3. 21st Century Socialism.

Overall, with the 2004 recall referendum the perceived legitimacy of the Bolivarian Revolution was strengthened (López-May & Lander 2011:132). What is more, with the military controlled, the NA in their hands, and the majority of the votes casted for them in every election since 1998, the government move further to radicalize its project and started to speak of the construction of the “21st Century Socialism”. At least programmatically, “It would be more decentralized, more democratic, less state-centered, and committed to establishing liberty, equality, social justice, and solidarity… [which] made it ‘indistinguishable from most other social projects of the twentieth and the twenty-first century’” (Webber 2010:29). Although the content of this new project has been open to debate, a few characteristics have been proposed as its basics. Among them, workers co-management (barely sustained in a few cases [Wilpert 2007:78-79]), nationalizations (more
below), urban land reforms (a policy already established since 2002), the enforcement of the tax system, and promotion of cooperatives (Webber 2010:30). Nonetheless, it was the idea of a “Communal State” (built on “communes” as the administrative units) proposed later, during the constitutional reform of 2007, which came to be perhaps the pillar of the 21st century socialism. On the other hand, where it had a positive reception the 21st Century socialism was embedded with the government’s social policy, making them look like one same thing. Moreover, beyond the social policy the implementation of the mechanisms above stated –perhaps with the exception of the enforcement of the tax system, a measure that has nothing particularly socialist— has been overtly limited and rather scarce.

8.4. A New Clientelist Arrangement with Labor

The 2002-2003 strike made clearer that conflicts within the labor union movement, which had been constant and, in some cases, divisive since the beginning of the period—although as Ellner has shown, the previous “peaceful” settlement was based on clientelism and corporatist arrangements, and even purely fraud in occasions (Ellner 2005:70). Once Chávez got to the office, Chavistas split between those hard-liners (the Leninists), on the one hand, who defended the idea of dissolving CTV and creating a “united labor federation”, and moderates, on the other, who argued that by-passing CTV and relying on the influence of the executive and the congress, would imply compromising labor autonomy. The very Miquilena warned against the dangers of “parallel unionism”, which had been experienced in the 1960s which resulted in isolation of leftist unionists (Ellner 2005:54-55, 58). The CTV’s elections of 2001, characterized by accusations of fraud and other irregularities, in which AD’s labor leaders, Carlos Ortega and Manuel Cova won the
positions of presidency and the secretary general, accelerated the separation of independent leaders from AD.

Once Ortega was elected he allied with FEDECAMARAS and together would call four strikes against the government: December 2001, April 2002, October 2002, and the general strike of December 2002 – January 2003. Yet, it was the general strike, with overt political and not labor ends, based on an alliance with the traditional adversary, and without consulting members of the federation, which moved the position of the independent unionists in the direction of the radical Chavistas, even though they still stood for labor movement autonomy from the state. Furthermore, the strike also strengthened the position of the radicals, who favored the creation of a new workers confederation (Ellner 2005:59, 63-64). Hardliners also pushed for a purge of the oil industry, including blue-collar workers, who should have been replaced (in their view) by other staunch Chavistas (Ellner 2005: 67), as part of a larger claim to purge the public administration from unreliable employees. Many positions were filled with unwavering Chavistas, favoring the government’s consolidation but undermining professional and bureaucratic considerations that, at least nominally, previously worked as a dominant framework. Nevertheless, the importance of this factor is limited when explaining the permanence of Chavismo in the office for at least two reasons: first of all, because the new social divide did not completely turn workers to favor the government; and secondly, because the labor movement continued to abrogate dependency to the state.

179 The most salient example is the so-called Tascón List, a document generated from a CNE database, which would make public voters’ preferences.
9. Conclusions

Chávez’s leadership (next chapter) and social expenditure have been pointed out by scholars as the most important explanatory factors of the permanence of the government in power (Corrales & Hidalgo 2013:67). In fact, there seems to be a tendency to highlight the relevant role of the government’s social policy for its permanence in the office. In addition to social public expenditure I point out one more time the role of military reforms.

In the previous sections I described the process through which Chavismo has managed to remain in the office in spite of relentless opposition. I have done it showing that each process of contention resulted in rounds of state making. The result of this process has also shown the two key mechanisms explaining that permanence: the social policy and the military reforms. The social policy, according to Corrales and Penfold (2011) has moved from underfunding to sheer clientelism, but has shown to be highly effective during the presidential recall referendum of 2004 and the presidential elections of 2006 and 2012. The military reform has centralized military organization two times: first, under a new unified command that would make easier for a single head to control all the other forces. This would represent a risk to civilian control if it were not because the reform has also, second, centralized the chain of command under the executive. Lastly, a new force of non-professional military men, loyalist to the executive has been created to somehow oversight any possible attempt of extra institutional use of force.

Chavismo became a hegemonic force with the 2006 presidential election, but afterwards it also showed some of its main limitations, like the resistance of political parties in the coalition, the modification of the constitution with partisan ends, or nationalizations. Finally, other less
important factors in the permanence of Chávez and the Bolivarian Movement in the office are the opposition’s boycott to the 2005 elections for the NA, the development of the participatory democracy, the proposal of a 21st century socialism, and a new clientelist arrangement with labor. In general, they are less important because their impact has been rather localized in specific sectors of the state or moments, and limited in their application and development.
VI. The Populist Mobilization of the Public Opinion under Chávez: A Regressive Movement

1. Introduction

One element that stands out in the route that I traced in the last chapter, since the presidential elections of 1998, is that Chávez’s direct appeal to people was not only a part of his movement’s political identity, but also a result of having the organized society against him. Of this two-faced nature of the movement, I have explored so far mostly the one that is related to the institutions. In the present chapter I address the other side: the cultural link between Chávez, the charismatic leader of the Bolivarian Movement, and the following. In that sense, this chapter's goal is to show how the events that go from the two 1992 coups until the presidential election of 2012, initially read through an array of narratives, were turned by Chávez into a dominant populist framework. The relevance of the chapter lies upon the fact that Chávez made himself appear as an irreplaceable leader, whose presence would guarantee the sort of massive public spending described in the previous chapter. It would also guarantee that such spending was done —somehow— in the name of patriotism and national independence. Such presence interacts and reinforces as well the hyper-presidentialism previously described. Thus, to the general vision developed so far, the chapter adds an approach to the role of culture in the populist mobilization of the public opinion: This role is to offer to the public a meaning of the political structure set in place by the government during its time in the office. In brief: it describes how the leadership of the Bolivarian Revolution has justified and interpreted agents, events, and processes to the mind of their following. This is particularly relevant in a context of permanent plebiscitarian —e.g. electoral— mobilization as the Venezuelan.
The key mechanism at work is cultural regression —towards a communitarian 19th-early 20th century, cultural structure. It occurred through a double movement. First, one of condensation in which disparate events, agents, and social objects of any kind, were symbolically dragged into a populist framework. Coherently with previous works on populism, by a populist framework I understand one constructed through the oversimplified, Manichean discursive conflict and juxtaposition of the good “People” and the evil, “Powerful” elite. It constitutes “a common cultural repertoire” (Jacobs & Townsley 2012:68) through which public opinion is mobilized. The second is one of displacement, in which a radicalizing discourse moves events, agents, and social objects from “lower” to “higher” in a scale within each one of the poles People or Elite. Therefore, the present chapter deals explicitly with political culture, yet “… not the 1960s American political-science concept, but the plurivocal and potentially radical ways of understanding one’s circumstances that various groups within a society sometimes articulate to make sense of the political and economic changes they are living through” (Foran 1997:207-208).

In this direction, the scholarly literature on the role of culture in the Bolivarian Revolution has focused on people’s preferences on policies (Canache 2004), or on the social transformations the government has promoted (Smilde 2008); the internalization of values (Gil 2004); religious elements (Molina 2008); and particularly on opinions and attitudes more generally (Madueño 2006; Vargas & Reverón 2004; Latinobarómetro 2005, 2006, 2007, 2008). Some others authors have discussed legitimacy from a legal and political-philosophical perspective (Rey 2007). Others (Acosta 2004), on the exhaustion of the old political significants which ends up in a political crisis. If considered at all, Chávez’s performances are seeing as part of his deliriums for power (Krause

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180 As a matter of fact, for some scholars the most relevant transformations taken place during the years of the Chavez administration correspond to changes in the political culture of popular sectors (Lander 2008:136).
2008) and of his narcissistic personality (Post 2007). For Hernández (2005) the political polarization in Venezuela is a cultural conflict, but understands culture in the reductive sense of the modern-traditionalist dichotomy of modernization theory. Coronil (2008) sees ‘Chávez phenomenon’ as a new version of rent-seeking state controlled by a charismatic leader, but says nothing about what such a relationship spells out of Venezuela’s culture. Meanwhile, analyzes of Chávez’s speeches have shown that he depicts the “Bolivarian Revolution” as a continuation of the independence wars of the 19th Century (Aponte 2008); also that he is recognized as the most populist speaker among other 40 world presidents of different moments in contemporary history (Hawkins 2009); others focus on the poetic dimension of the discourse (Castro 2000). Overall, these interpretations tend to ignore Chávez’s performances 181.

As a consequence, the ‘populist bond’, even when considered is never addressed neither as performances nor as a ‘cultural structure’. This chapter considers that Chávez’s discourse, in the broad sense of the term, expresses the dynamics of contemporary politics in Venezuela, for it represents public political arguments about what to do or what should be done, who should do it, and why, in certain struggles over power. In what follows, I first of all explain the relevance of culture for the understanding of populism (section 2). I then explain what is the meaning of the populist mobilization of the political public opinion (section 3). Later, in section 4 exposed the methodology of the chapter including the sampling of the speeches. In the following section (5) I describe the elements of continuity (condensation) and change (displacement) in the discourse through which Chavismo has gained its popular identity. I conclude with a brief exposition of the political relevance of Chávez’s cultural performance for the present case.

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181 One exception is Zuquete (2008).
2. Populism and Culture

The standard reference in the cultural interpretation of populism is Ernesto Laclau’s (2005) *On Populist Reason*. In this work, Laclau identifies the ‘necessary conditions’ of political struggles in the interstice between the institutional arena and the extra-institutional, e.g.: [a] a situation perceived as de-institutionalized or of crisis, [b] the division of the social field in two antagonistic poles, and, [c] enough agreement on a symbol among heterogeneous social forces as to be able to reach broad coalitions around this symbol (in the persona of the leader). He depicts this process as the identification of diverse ‘demandants’ with a leading symbol—who only then become a ‘people’. Then, a plethora of disparate forces coalesce around one of those forces (a particularity) with a new name (a mythical totality). This is in a pill and to my understanding what we should retain from Laclau’s insights.182

Despite Laclau’s valuable contributions on the topic, which go back several decades, to analyze the role of discourse in Chavismo I rely on cultural sociology, which highlight the analytical autonomy of culture and the relevance of meaning. This is pertinent in this story, because as I have shown in chapter 3 the turn towards a populist identity had taken place early in the 1980s, and therefore the performances of the movement were not purely utilitarian: the leaning towards a populist identity already existed by the moment they reached the office, and it was not related to electoral ends. What is the context of the discussion of cultural sociology?

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182 Although at times he seems to have tried to identify ‘necessary conditions’ for a bottom-up approach to politics. I aim to take on this angle in a different work on populism. For a critical review of this work of Laclau, particularly the confusion between populism and politics as such, see Arditi (2010).
During the last decades the discussion on the sociological theory of action has devoted considerable attention to the notion of *performances*. The relevance of this ‘performative turn’ in contemporary sociological theory lies upon its ambition to develop a holistic concept of action, one which goes beyond the materiality of practices, taking meaning seriously, considering it embeddedness in institutions. In addition to that, this theoretical turn also attempts to keep both *meaning* and *power* as two intertwined but autonomous reigns. Important elements for this discussion have been advanced by the so-called ‘Strong Program in Cultural Sociology’. In particular, Jeffrey Alexander has developed what he calls ‘the multidimensional concept of performances’ as a means to substitute the idea of the materiality of practices (Alexander 2004:527). It is conceived as a macro-sociological model of social action that is not a ritual anymore, but which is moving often times to a “… ‘ritual-like’ process again” (Alexander 2004:529). This heuristic movement to performances allows Alexander to reinterpret Durkheim’s theory of rituals and solidarity beyond its initial framework, re-elaborating the sociological understanding of the role of rituals in modern life. He defines **social or cultural performances** as “… the social process by which actors, individually or in concert, display for others the meaning of their social situation. This meaning may or may not be one to which they themselves subjectively adhere; it is the meaning that they, as social actors, consciously or unconsciously wish to have others believe. In order for their display to be effective, actors must offer a plausible performance, one that leads to those whom their actions and gestures are directed to accept their motives and explanations as a reasonable account…” (Alexander 2004:529). One key element of

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183 A similar point was made by Arvelo (1998:56, 72) regarding their idiosyncratic use of the term democracy, when he analyzes the documents that the members of the movement secretly circulated among them, and which were supposed to be the guidelines of their government once they had reached power.
184 We find a good example of this in Kern (2009:293-294), who shows how performances played a key role in constructing a democratic identity facing an authoritarian regime in South Korea, based on the concepts of rituals and performances.
the definition is that a “Successful performance depends on the ability to convince others that one’s performance is true, with all the ambiguities that the notion of aesthetic truth implies” (Alexander 2004:529-530). In turn, this persuasion is reached through a process of re-fusing elements of a performance that were de-fused during the process of social differentiation\textsuperscript{185}.

This perspective has among others the merit of accounting for rituals in modern, differentiated, and complex societies without falling back, on the one hand, to ‘cultural conservatism’, lodging to nostalgic positions according to which modernity has destroyed the very possibility of meaning (which is notably the case, for instance, of the Frankfurt School) (Alexander & Mast 2006:9); on the other hand, it does accomplish such a task without resting upon another version of the ‘Parsonian Modernization Theory and Functionalism’, linked to the essentialist assumption that culture of a society somehow represents the social order (Baiocchi 2012). It gives an account of rituals through revising the idea of cultural fusion: “Ritual producers and leaders no longer are, …, the unproblematic, authoritative disseminators of meaning and order that they were in the past. The social actors who play ritual leaders have become defused from their roles, and audiences have become defused from ritual productions. Participation in, and acceptance of, ritual messages are more a matter of choice than obligation” (Alexander & Mast 2006:17). In other words: the accomplishment of rituals in complex societies depends of re-fusing its elements once and again by ‘Ritual producers and leaders’ (say: performers). The elements of performances are to be re-fused in complex societies if a performer aims to convince de-fused audiences of the sacredness of a certain cultural structure—or more simply: to convince them of the ‘truth’, that in traditional

\textsuperscript{185} “Rituals in early societies, I wish to suggest, were not so much \textit{practices as performances}, and in this they indeed are made of the same stuff as social actions in more complex societies… It is better, I think… to say that all ritual has as its core a performative act” (Alexander 2004:534).
societies was provided by a set of in-themselves-sacred institutions, persons, and codes. In complex societies *performers* do not possess in themselves any particular property that makes them such, except the acceptance of persuaded audiences. The last, in turn, are not forced to believe in any particular performance and they do it if, and when, persuaded.

The richness of the argument lies upon the idea that what this process of re-fusing reaches is the liminal element of *communitas* (in Turner’s words) that was taken for granted in traditional societies, through a sort of ‘performative re-enchantment’ so to say. Such state expresses solidarity and equality (‘the spirit of community’), amidst the critical distancing from *rituals* and *social representations* that individuals experience in complex (modern) societies. Therefore, to be successful performances have to be seamless, harmonic, and always attempting integration of the community, rejecting marked divisions and the criticism of the dominant cultural structures.

In the following lines the description focuses on the overwhelming presence of Chávez in the Venezuelan public sphere of the last decade. As I will show, Chávez heavily relied on his rhetoric as a way of providing particular interpretations of state policies, political events, and of his role as the President as well as of his movement, in the public sphere. In doing this, he has played a storytelling role and has ‘re-semiotized’ actors and symbols through a permanent renewed *mise-en-scène* of cultural structures, working intensively on “the contests over interpretative frameworks” (Smith 2005:28), highlighting how social divisions ‘must’ be consider politically meaningful, and subrogating the procedural means of conflicts resolution (elections) with a symbolically de-fused setting, elevating social divisions at the stake of this political theatre. This is important because Chávez’s popularity was initially raised out of his most contentious performance—the military
The coup of 1992. His discourse is also relevant because it shows how cultural performances unfold in a context rather different than the one typically understood as ‘civil society’ (say: one of political change in a developing country).\footnote{The idea of mix or hybrid cultural codes presented here differs from how Lo & Fan (2010), for example, have posited this question. They focus on the ‘particularization of universalism’, for “… while we emphasize that civil solidarity refers to the sense of community bonded by civic ideals, rather than particularistic loyalties, we must acknowledge that there may be local variations in how these civic ideals are defined and, especially in young, non-Western democracies, that there may be competing sets of civic ideas” (Lo & Fan 2010:170-171). Unlike them, what I show here is that sets of civic codes seem to appear mutually embedded with non-civic codes, and are the ‘raw’ and hybrid symbolic material re-fused in a charismatic and/or personalistic way. They even contributed to construct a political opportunity out of the populist context of opinion in the public sphere.}

The men of the Chavista movement were “authentic” populist from its very beginning. In this sense, the present chapter challenges the idea that the Chavista movement was opportunistic in the verge of the 1990s state-making crisis and argues that its “authenticity” in the public sphere is precisely one of its main strengths. To interpret this fact, I propose that even if in committing a coup they did not act as institutional political actors, their initial success is explained because they were insiders and perhaps better representatives of one key strain of Venezuelan political culture than other institutional actors were, that strain being the one of the constitution of the nation.\footnote{See Torres (2009) who summarizes works on this strain.} I trace this strain and show that Chávez elaborates on it to his advantage. We should therefore understand the performances of Chávez and his movement in terms of a regressive movement towards a communitarian 19th-early 20th century, cultural structure rather than as an “innovative” discourse as one would have expected from an outsider. In short: it was its ability to discursively regress rather than to innovate what made it distinctive and successful.
3. The Populist Mobilization of the Political Public Opinion

No matter how much Venezuelans had supported electoral mechanisms as the legitimate way of coming to power during more than 30 years, Chávez immediately gained a positive reception after the frustrated coup d’état he conducted in 1992. How someone becomes a “hero” out of a coup which was additionally defeated? When caught during the coup, he was told to call his men to surrender in TV. This was his célèbre 169-words-spech in front of the camera. As Marcano and Barrera (2006) point out: “The first thing that everyone noticed was the detainee’s superb communication skills. After a sleepless night that had ended in a military defeat, after having to order his co-conspirators to lay down their arms, who else would have begun a speech with ‘Good morning to the people of Venezuela’? And when it was all over, two tiny phrases seemed to hang in the air: ‘I assume the responsibility’ and ‘for now’… It was saying ‘to be continued’…”. While in jail: “Overnight, he had been anointed by the angel of popularity… something happened: the lines of people waiting to see Chávez grew longer and longer. All kinds of people wanted to shake hands with the man behind the coup… Behind the prison bars, a real-life popular phenomenon was unfolding” (Marcano & Barrera 2006:75, 91). From the very first moment he stood in front of the national TV, Chávez turned a lost bet into a political success. This does not imply that his later popularity was only related to his speeches, but the story is telling of the importance that his performances have had for the political process.

The Chávez’s performances are better understood, thus, as an instrument of the phenomenon called ‘populist mobilization’, where initially politically unorganized masses are mobilized by a personal relationship with a leader (Roberts 2006:129-130). It represents an “extreme personalization of politics” (de la Torre 2007:388), where citizens face a Manichean dilemma between supporting
the leader or becoming his/her enemy and as a consequence the enemy of ‘the People’ too. Chávez’s government in Venezuela fits this characterization (de la Torre 2007; Hawkins 2010a). In this context, therefore, the importance of analyzing the case of Chávez’s performances lies on that they come to be an important part of the populist mobilization.

One of the possible avenues for populist mobilization, and perhaps the most common one, is electoral mobilization. This mobilization is in synchrony with the plebiscitarian political system the government has established in the country since the year 2000 (Ramos 2007:3). On the one hand, to this common feature of 20th Century Latin American politics, populism, the plebiscitarian logic connects with it as its political-institutional structure. As previously shown, Venezuelans have been in electoral processes more than once per year in average—including elections of majors, governors, congressmen, and so forth. This matters for our discussion as long as the government’s political elite have been constantly campaigning (Ramos 2007:4), hence performing through mass media. Its relevance for the present case lies on the fact that “Virtually all studies of populism in Latin America attest to the existence of special bonding between leaders and followers” (Conniff 1999:191), a bond “… in which populist presidents displace parties as the primary vehicles of expressing popular will… personalistic, plebiscitarian representation is simply displacing more institutionalized democratic representation” (Mainwaring, Bejarano & Pizarro 2006:30).

As I will show, the Chávez’s performances represent one of those ‘bonds’ to symbolically incorporate masses into the representation of the nation188. For the controversial Venezuelan

188 According to Eastwood (2006) the formation of the Nation in Venezuela happened when Creole elites suffered strong resentment due to the downplaying of their status in comparison to ‘Goths’ elites in Spain; they then recurred
president pivots, on the one hand, upon the ideas of ‘the revolutionary origins of the nation’ (Bolivar, the Independence Wars, Restorative War, and so forth) and on the other hand, upon elements of the local ‘popular cultures’ (local stories and characters like ‘Maisanta’, ‘Florentino’, ‘Juan Bimba’, the Santa Inés Battle, etc.). Performing these scripts characterize and explains at the theoretical level the ‘charismatic bond’ between the leader and the following: “The closest we will come to a synthetic description of Latin American populism may be expressed thus: Latin American populists were leaders who had charismatic relationships with mass following and who won elections regularly. Reducing it to a formula, it might look thus: Populism = leader $\leftrightarrow$ charismatic bond + elections $\leftrightarrow$ followers” (Conniff 1999:7). As such, in the populist formula Chávez’s performances should be understood as the creative mise-en-scène of the cultural structure that ties the ‘charismatic bond’ between the leader and the following, a cultural structure re-fused out of ‘meaning scraps’ (so to say) from a hybrid, more complex one. This is the object of analysis of the present work—unlike the civic discourse at the background of Alexander’s conception of cultural performances. I do not intend to attribute to this ‘charismatic bond’ a causal role in the political outcomes—e.g.: elections, political change, etc. In the language of a Weberian methodology, it may be thought to play the role of a facilitating variable: it fosters symbolic environments that, in conjunction with other mechanisms, previously described, create ‘joint effects’.

to the egalitarian notion of the nation as ‘a community of equals’ to foster their project even if in fact that endangered their economic interests. Meanwhile, the state came to full existence and as a real unit only between the end of the 19th century and the beginning of the 20th Century. This means that elites in Venezuela were constructing a nation before they did construct a state independent from the Colonial center. Thus they, the state and the nation, experienced different temporalities and developments. This is coherent with Martín-Barbero classical hypothesis according to which one feature of Latin American societies is the asynchronies between state and nation in the development of its underdevelopment (Martín-Barbero 1993).
4. Cultural Performances

Alexander identifies as elements of social or cultural performances: i. Systems of collective representations. ii. Actors. iii. Audiences. iv. Means of symbolic production. v. Mise-en-scène. And, vi. Social power (in this case: state power). These elements are set into practice in each one of Chávez’s performances. They will be my analytical guide in what follows to ‘thickly’ describe those ‘massive feelings’ or “…cultural structures” (Alexander 2003:3) attached to the rhetorics.

4.1. Controlling the ‘Means of Symbolic Production’

The control of the means of symbolic production is a pre-condition for the continuity of the performative dynamics, in the obvious but important sense that only someone who controls them is able to maintain a performative setting in the mid- or long-term. As President, Chávez not only has controlled the ‘means of symbolic production’, but also has used them in a prolific way. Journalist Olivares (2009) reports the following data: i. until March 31st 2009, Chávez had broadcasted 1207 hours in TV. This is the equivalent to 50 days continuously speaking, an average of 90 minutes every day. Whereas, for example, George W. Bush’s public speeches lasted for 40 hours during his 8 years as President of the US. ii. Additionally, he has broadcasted 330 of his weekly program “Aló Presidente” –Hello President—, until May 11, 2009 (approximately 1316 more hours). iii. The ex-member of the Parliament Carlos Berrizbeitia says that for 2009 the Ministerio del Poder Popular para la Comunicación y la Información (Ministry of Popular Power for Communication and Information) had a budget of BsF.359,279,932 millions –approximately US$167,106,945 at the moment. This is a budget bigger than Venezuela’s Ministry of sports and the Ministry of Light Industry and Commerce. iv. Additionally, every public act in which Chávez addressed speeches requires approximately two days of logistic, and alternatively about 500
security agents, helicopters, Falcon airplanes, personnel of the state channel, etc. Thus, broadcasting his performances can be seen as part of a state communicational policy (Oropeza 2009). In the following section I show the theoretical sampling of these expensive speeches.

4.2. Sampling the Speeches

I conducted the theoretical sampling according to key political events or state policies, trying to cover different months of every year. Sometimes there were unavailable or missing speeches or there were more important speeches concentrated in a month than in others. Unsuccessfully, I tried to identify a pattern of missing speeches. I assumed they were randomly missed speeches.

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Other sampling criteria within the speeches were: First, I gave priority to foundational speeches related to new features of the government: e.g. commemorative speeches for recent events related to the Bolivarian Revolution. Second, I explicitly avoided analyzing those speeches in which Chávez commemorates national holidays as any other government—e.g.: Independence Day—, in order to not overemphasize symbols recognizable during most of Twentieth Century Venezuela. Finally, the largest sample corresponds to the years 1999 and 2000 because every element in the speeches was new. The smallest sample is the one in the last year 2009 because there were only two months included (January and February). However, in general during the last two years Chávez’s speeches tend to focus on a few categories and for that reason the theoretical saturation
was reached faster than in other periods –i.e.: ‘imperialism’ as the main signifier. The speeches were also analyzed according to other internal criteria, which I present now.

4.3. Representations and Functions of the Performances

On the one hand, there are two dimensions of the performances in this level: i. Plot, Actors and Temporality. A narrative is defined as the underlying structures of the speeches, their archetypes: “… conventions that underpin communication; they are a ‘communicable symbol (Durkheim would have said ‘collective representation’) that is in public circulation as cultural resources for writers and their audiences” (Smith, 2006:27). Jacobs & Sobieraj (2007) identify the main components of a narrative: “(1) a plot, which consists of a beginning, middle, and end; (2) a set of characters, usually including a central protagonist and an antagonist; and (3) a set of devices or functions that help to move the characters through the plot”. I adapt these categories to the present case. I also draw from the notion of (ii) character funneling: “… in a manner similar to other types of binary oppositions, the process of character funneling pushes the narrative more clearly in the direction of determining the purity and pollution, and naturalizing a sense of where political actors need to be if they wish to protect their legitimacy; specifically on the side of purity and, ideally, in the character position of hero and central protagonist” (Jacobs & Sobieraj 2007:9). Those binary oppositions or poles define the structure of a cultural spectrum. These two dimensions encompass the analytical tools I relied upon when carrying out the categorization of the data, allowing at the same time changes along time to appear clearly.
5. From Crowd to Chavistas in Chávez’s Discourse

In this section I describe the elements of continuity and of change in the speeches, through two dimensions: condensation (continuity) and displacement (change).

5.1. Continuities: Condensation of a Populist Cultural Structure

There are at least three constant elements in the narratives, which goes hand-in-hand with a constant re-fusion of the performances’ elements, particularly those that might go against the narrative of a popular hero:

\[ a. \text{The central signifier is the Romantic triad Hero-History-People and the central action is the Revolutionary action which makes History (elements that come from ‘the glorious past of Bolívar, the Liberator’). The One identified with the People can led the movement of History: “One man alone, isolated in a mountain does not make history, but when a human being, man or woman, succumbs, so to say, to the heart, body, and soul of the People, only then he/she makes the History… … In this way I ratify that I do not believe in individualities… I believe in me, but because I am identified until my bonds’ marrow, with the tremendous and beautiful beating of Venezuela’s people…” (2005a:189). In this example he rejects individuality and portraits himself (a concrete actor) as a History-maker, through a symbolic identification with the People. But the deepest element in the symbolic chain is the identification of this project with ‘Simón Bolívar’, who was betrayed and appears as a tragic hero, in general a constant of Venezuelan political culture since 1842}\]

\[ When his corpse was brought back to Venezuela from Colombia, where he passed way (Carrera 2003:291). \]
People; only when Bolívar became himself People, only when the People began to love him as a leader the history began to change” (2005a:191).

The difference between Bolívar and Chávez in this representation is that the latter appears as the heir of the former and the epic hero who has learned from history, who has resisted and also survived similar betrayals. Those, for instance, committed by the actors who represent the attempt to establish and consolidate a representative democracy in Venezuela. He thus pollutes actors of the liberal democracy, separating them from the People and the saga of the Heroes. For instance, he attempts polluting ‘the past’ and its main actors, the political parties AD (Democratic Action) and COPEI (Political Electoral Independent Organization Committee) and the CTV (Central Workers Union of Venezuela), from the Revolution and the new political project: “The essential matter is that these oligarchic ‘cúpulas’ [party elites], these rotten and corrupted ‘cúpulas’, with their allies, especially, Mass media (with some exceptions), and the enriched ‘cúpulas’ of FEDECAMARAS and the ‘cúpulas’ of the Punto Fijo Pact [the pact through which the previous liberal constitution of 1961 was established] political parties and their allies, the important thing we need to know is: a conspiracy has been set in motion to try to overthrow the Bolivarian and Revolutionary government…” (Chávez, 2005d:241). The Revolution is the process of transiting from the past to the future, a break away from the ‘rotten’ and corrupted recent past, and it is guided by the Hero who embodies the People.

b. Chávez presents himself as the heir of a tradition of revolutionary men who fight on behalf of justice and who are on ‘the people’s side’ against the tyranny of past governments and enemies of
the homeland. Even Chávez’s grand grandfather—known as Maisanta—participated in the Restorative Revolution of the 19th Century, “So that my own blood and my seed are united to this history… We are the same history, we are the same homeland, and we are the same dream” (2005a:195). Since that moment on, the Army has been always part of the People, for soldiers mostly have humble living conditions. As a military man, he ‘understands’ this connection: he is the military man who has overcome many ‘moral proofs’ mainly when the oligarchy tried ‘to buy’ his consciousness and he resisted, he was given a coup and he was rescue, all these because in his essence he belongs to the People. This is a proof of the highest revolutionary consciousness. In a context where corruption has largely seem as one of the main ‘causes’ of Venezuelans’ impoverishment, he says: “The corrupted person is a counterrevolutionary disguised sometimes as a revolutionary. It has happened so many times in history. A very intense campaign was done on me… the oligarchy (not only the national oligarchy, but also the Empire)… a campaign to trick me, to catch me. They just couldn’t, and because they couldn’t catch me they tried to kill me, they committed a coup against me, they have putted big efforts. We have to admit it, oligarchs here and in the world are very smart” (January 12th, 2008). The pollution / purification process takes place between concrete actors (and not only abstract codes, as in the discourse of the civil society): They (oligarchs-Empire) and We (the People-homeland), dividing the audience in two clear-cut sides: the revolutionaries on the side of the homeland and the corrupts or alienated on the side of imperialism and the enemies of the homeland. Whereas he presents himself as someone exceptional due to his heroic heritage and moral virtues.

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190 Venezuelan poet Andres Eloy Blanco (1987-1955), whose lyric poem Maisanta, el último hombre a caballo – Maisanta, the last horse-riding man—Chávez has frequently quoted (e.g. January 3rd, 2000:5), was usually identified as a ‘voice of the People’. While incarcerated by the dictatorship of General Gómez (1908-1935), he created Juan Bimbo, a character that is a symbol for ‘common, low-class people’ (Rivas 2001:195,202) a folk distinctive reference of class among Venezuelans.
c. The struggles for the National ‘independence’ and the Latin American unity, key elements in the Bolivarian doctrine. Once the first two elements have been exposed, this basic rhetorical structure can be easily translated into a heroic plot in which the hero (Chávez) struggles to recover the ‘national’ space from the traitors (oppositionists) and the powerful evil empire (from Spain to the USA). The Independence Wars represent only military independence from Spain; now that the political independency was achieved (his election as President and the defeat of the coup and oil strike against him), the battle is over the social, cultural and economic independency. One of the main leaders of the April 12th 2002 coup (Pedro Carmona), and the provisional President during two days, was the president of FEDECAMARAS (Venezuelan Federation of Chambers of Commerce). So that afterwards, he will emphasize that the coup was “…lead by the Venezuelan elite and supported by the United States Government to try to take over the country” (2004. April 11th. AlóPresidente #188:6). Nowadays as in 1907 Gómez’s coup to Cipriano Castro, “…the fight here is the homeland vs. the anti-homeland, it is not Chávez against this or that. No, it is the homeland vs. the anti-homeland, is the venezolanismo vs. the anti-venezolanismo, it is the national sovereignty vs. imposition and slavery, it is independence against the attempt to continue tying up Venezuela to interests that are against our People… and the hands of the Imperialism on Bolívar’s homeland” (2004. April 11th. AlóPresidente, #188:12). In this way, Chávez de-fuses actors (oppositionists) from the People (homeland, venezolanismo), and re-fuses them with an external menace to the nation—Imperialism. The mainstream media become ‘psychological war labs’ crafted by intellectuals—“you know, those that are supposed to be more intelligent than we are” (2005c:518): He aims pollution of actors (intellectuals and independent Mass Media) setting them apart from the People, and purifies himself and ‘the People’. For example, the daily El Nacional is in opposition not to him, but to the Revolution (polluting Media, an actor of the civil society).
They had called Chávez ‘guapetón de barrio’ (someone who is bluffing about his bravery and who comes from a slum); but ‘guapetón’ is also referred to a handsome man. So that he replies: “I am not ‘guapetón’ (handsome); but from a slum? I do! I love slums! (barrios)” (2005c:525), thus refusing himself (an actor) to a concrete part of the audiences (the slums).

As we see, Chávez does not only perform the populist cultural structures but also establishes new relationships between the profane-sacred and the profane-evil poles of the cultural spectrum, trying to make appear meaningless (outdated, belonging to the recent past) elements of a former hybrid discourse (its more ‘civic’ elements), the institutions of the liberal democracy, and other closely related references to it, with whom the opposition to his government tends to be identified. These elements are opposed almost term by term to Alexander’s description of ‘The Discourse of American Civil Society’, in which: “The qualities of the democratic personality are constructed as those that permit open, trusting, and straightforward relationships. They encourage critical and reflective rather than deferential relations among people. In contrast, counterdemocratic persons are associated with secretive, conspirational dealings in which deceit and Machiavellian calculation play a key role” (Alexander 1993:162). The easiest and most straightforward conclusion is that the cultural structure expressed in Chávez’s performances is not a democratic one according to the standards of ‘the Discourse of the American Civil Society’—which is so obviously true that is almost trivial. Three things are worth noticing:

First, the cultural logic implies the reaching of ‘communitas’ through on an identification of certain concrete actors with the polluted side of the Charismatic Cultural Structure and other concrete, specific actors with the sacred side of it, and the reason why this is a personalistic representation
in pure cultural logic; whereas in *the Discourse of the American Civil Society* there are some general codes and in principle any actor can be symbolically ‘dragged’ to either side of the dichotomy. In other words: in *a heroic, charismatic representation of himself and of the nation as the unit ‘the People’*, Chávez can embed himself and the contenders to his government to their respective roles, trying to minimized when not to eliminate the critical distancing between him and the following. Hence, throughout these dynamics of pollution / purification he fosters particular symbolic contexts in which him and his government’s policies appear *authentic, part of the people*, unlike the polluted or ‘meaningless’ (i.e.: ‘belonging to the recent past’) oppositionists projects and leaders to his government. Second, and this is critical, Chávez has not created *ex nihilo* a new cultural structure. What we witness is that he has ‘turned around’ the values (sacred/polluted) of the previously existing mixed or hybrid codes, and selectively highlighted or disembedded others—here ‘The Populist Cultural Structure’, or the ‘Charismatic Bond’, while the elements Chávez’s performances aim polluting those associated with the previously existing semi-liberal political system.

Third and last, this also means that over the same nation-state there might be more than one, or a hybrid ‘cultural structure’ and state-actors may display them in the public sphere according to different historical circumstances. To more exhaustively explain the political signification of these dynamics we first need one more step.

5.2. Changes: Displacement of Meaning and the Narratives’ Ascending Logic

In *Why War?* Smith (2005) summarizes and expands Frye’s formalization of narrative genres in low mimesis, tragedy, romance, and apocalyptic. As Smith defines it: “Heroic and romantic
understandings encourage the belief that radical changes and great deeds are possible and for this reason are often implicated in the allocation of charismatic status on notable individuals” (Smith 2005:20-21). On the other hand, the apocalyptic narratives, the “… most powerful of all narrative genres enables the cultural constrains on violence to be overcome and for support to eventuate for the sacrifice of priceless human lives... they involve the most intense character polarization that invokes the highest and lowest of human motivations…” (Smith 2006:26-27). In this case, we see a movement in Chávez’s speeches from a romantic-heroic, towards an apocalyptic narrative. It is an iterative imposition of one narrative over the other instead of a complete substitution: the first does not disappear when the second appears, it becomes a variation of the first. The archetypical images or the cardinal functions of the narrative (Barthes 1977), which binds together actors and symbols is a role played, unsurprisingly, by the notion of Revolution whose initial paradigm was the Moral Revolution, followed by the Revolution as a Political War. After 2005, Socialism became a new meaning for the Revolution. Let us take them one by one.

**Moral Revolution / Romantic-Heroic Narrative** (approximately from 1999 to 2002). From the very beginning, the ‘Bolivarian Revolution’ is meant to accomplish a radical break from the past: “Today, February 2nd, 1999, has arrived the time of the father of the homeland Simón Bolívar!... a revolutionary process has been set in motion, which has in its entrails the same sign than the Independency saga had, back to 1810” (2005a, p.33). The end of the 20th Century meant the death of the Fourth Republic, for there was not the will or the capacity to face the little disturbances that were born during the 70’s: “That moral crisis of the 70’s, it was the big crisis and that is the deepest crisis we still have” and “the root of every crisis we still have and of this entire catastrophe” (2005a:8). He then depicts Venezuela’s history after 1958 as a succession of crises: from the moral
to the economic, social, and finally the political crisis. This last crisis is the one that he represents when leading the 1992 coup (2005a:9). As previously shown, he aims pollution of the liberal democracy of 1958-1998 and depicts himself in the story as the actor who spoke out against that polluted, crooked past. In this direction, Chávez portraits the Bolivarian Revolution as a bridge between the past of the 19th Century Independence and Restorative Wars and a glorious future, meant to symbolically skip over 20th Century governments of the liberal democracy that have sunk down the country in poverty and domination.

**Revolution as a Political War / Apocalyptic Narrative** (approximately from 2003 to 2005) A tactic to remove Chávez from the office was to collect signatures for backing up a referendum to revoke him as the President in 2004. He then ‘performs’ the ‘astuteness’ of the common people embodied in *Florentino’s* character191. On June 3th, 2004, Chávez accepts the Presidential Revocatory Referendum and calls for what he called ‘the Santa Ines Campaign’. He then tells the story of Santa Ines Battle, for which they are now preparing to fight again in the 21st Century: “This is not a military war, but a political war” (2005f:205). He thinks the situation has some similarities with Santa Inés battle: “… today I announce to Venezuelans that I become the commander of the Santa Ines campaign… for the final battle, the battle will be the Revocatory Referendum” (2005f:305),

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191 ‘Florentino y el Diablo’ —Florentino and the Devil— is a poem by Venezuelan poet Alberto Arvelo Torrealba (1905-1971), who found in this battle part of his literary inspiration. The poem tells the story of a llanero —Venezuelan cowboy— named Florentino who is riding his horse amidst the plains and met the devil wearing black clothes and a typical Venezuelan hat (called *pele’ e guama*). Then, the devil challenges him to ‘sing’ in Santa Ines—it is a costume among Venezuelan cowboys to sing *coplas* —couplets— improvised in a way that is clearly a challenge and a competition, a *contrapunteo*. *Coplas* are short improvised verses which continuity guarantees the success to the singer. Every *coplero*—the singer of couplets—engaged in the *contrapunteo* have to take turns and follow the coherence of what the other *coplero* has sang before him. Florentino accepts the challenge. The devil arrives to the agreed place completely dry walking under a pouring rain —which uncovers him as the devil. After a long “Contrapunteo”, when the devil is ready to take away Florentino with him, the cowboy uses his astuteness and religious formulas in the last *copla*, defeating the devil. This poem, a Venezuelan folk version of *Faust*, expresses the mythical dimension of Venezuelan plains (*los llanos*) (Yusti 2005).
as Santa Ines was supposed to be the final battle against landowners in the 19th Century\textsuperscript{192}, portraying himself (actor) within nationalist and popular collective representations. He goes on: “… this battle goes beyond Venezuela; the United States administration is backing these oppositionist leaders and that mister George W. Bush, black hat and black flag, is the real instigator, the real planner… I accept the challenge, for the dignity of Venezuelan people” (2005f:307). He accepts the challenge as Florentino did it when ‘the Devil’—represented in this script by the US President Bush—challenged him. Chávez ‘brings’ Bush—a real actor—to Venezuela through a metaphorical association in the system of collective representations, providing a cultural-translation of Bush as a symbol of the crudest manifestation of evil that Chávez’s followers can conceive.

\textit{The Socialist Revolution / Apocalyptic Narrative} (approximately from 2005 to 2009) After 2005 there is a turn in the general conception of the political project from an exclusively ‘Bolivarian-Zamorian-Robinsonian’ base to an openly called ‘Socialist’ project: “After so many readings, debates, discussions, travels around the world, etc, I’m convinced, and I think it will be for the rest of my life, that the way towards a new, better, and possible world, it’s not capitalism, the way is socialism… I believe Jesus Christ was the first socialist in history. Christ preached equality and

\textsuperscript{192} The \textit{Santa Inés Battle} was developed in adjacent lands to the town of Santa Inés in 1859, Barinas state, Venezuela. According to Rangel (2006), it was designed by three revolutionary French men who had escaped from Luis Napoleon’s regime in 1858: Napoleon Avril, Joseph Chaquert, and Henri Morton. As fugitives, they were travelling to “The Spanish America, …, a land without law” (Rangel 2006:23) and, more specifically, to one of the most ‘rebellious’ countries of America at the moment: Venezuela, a country in which “even the geography was a disorder” (Rangel 2006:29). Barinas state was rich in high-quality tobacco. Zamora, the caudillo who lead the peasants’ military movement against the local landowners, choose Santa Ines as the place to fight the decisive battle, for the central government’s army – better fed, equipped, and with professional troops— had to try to catch the rebels who controlled a place valuable enough for the Godo (Goth) army. Its most remarkably feature was the very concept of the morphology of war: the precise change from a war of movements to a war of positions, and then coming back to a war of movements. The engineering of the battle was perfect and the enemy was lost. But Zamora’s impulsive decisions at the last moment allowed part of the enemy troops to escape. He was killed during an ambush in 1860 and anarchy and civil war reigned in Venezuela until 1900—as Zamora himself had predicted it, had some fraction of the Goth army survived as it did (Rangel 2006:141).
that is what socialism preaches, the social justice, social equality, political equality. On the other hand, I also believe the Twenty First century socialism has to be invented. Let’s invented it, let’s discuss it…” (February 27th, 2005, AlóPresidente#214, p.90). We see a rhetorical turn in which the whole (the historical-religious meaning of Jesus Christ) is identified with the part (the modern concern with social justice), re-fusing two elements of the collective representations.

A clearer example of this ascendant narrative as a whole appears neatly in Chávez’s speeches in the United Nations Headquarters: in September 21st, 1999, he says he is there “to guarantee the whole world that in Venezuela the essence of democracy” has been and will be respected. (2005a:320-327). Moreover, he ends congratulating the President and General Secretary of the United Nations for they efforts to “improve the mechanisms to reach peace, brotherhood, solidarity, in a world that is … in total mutation” (2005a:330). In November 10th, 2001, Chávez ratifies his condolences to the people of the United States due to the 9/11 tragedy; but he adds provocatively: “We say that war against terrorism must become the war against war, say, reaching peace” (Chávez, 2005c:581) and “who can feel as a winner in this world filled and crossed by misery, cry, pain, and death? What is the victory?, of which model?” (Chávez, 2005c:584). In third place, September 20th 2006, we notice a different tone: after quoting Chomsky’s *Hegemony or Survival*, he says: “Yesterday, ladies and gentlemen, from this very tribune, Mr. President of the US, to whom I call the devil, came here speaking as if he were the owner of the world” (2006:1) and “… the United Nations system, born after the Second World War, collapsed… It does not work! It only works for us to come here and give speeches, to meet once a year; yes! That is what it works for…” (2006:3). After 2005 and until his death in early 2013, no paradigmatic changes occurred in the narratives and the apocalyptic tone remains guiding the speeches.
6. Conclusion: The political relevance of Chávez’s Cultural Performances

Corrales (2010) argues that while the politics of the Bolivarian Movement under Chávez’s leadership was innovative, it was not the case in economics where the government has practiced “old formulas”. We can add that it was *culturally regressive*, as previously shown in this chapter. Chávez’s government has not necessarily stopped the entropic forces that have driven Venezuela’s economy and society of the last decades. He and the ‘revolutionary’ political elite have nonetheless given them particular meanings: instead of the impersonal forces of underdevelopment, there are concrete ‘bad guys’ whose lack of moral integrity has caused crises in Venezuela; instead of failed attempts at modernization, the bad guys’ projects appear as conspiracies against to and betrayals to the homeland; economic dependency of the international market is portrayed exclusively as the effects of colonialism; he is the hero fighting for the People against a never-ending set of enemies in this sort of Epic story, and that’s why the People ‘should’ elect him continuously; and so forth. Certainly, in this plebiscitarian context Chávez won elections not only because of his ‘effective’ rhetorics. Analysts of populism show that political organizations, social policies, and even poor people’s organizations are politically useful for populist leaders to win elections (de la Torre 2007:392). However, the *political success* of his performances may lie upon the ability to show his exceptionalism: that even in a scenario where contenders offer ‘populist policies’ too (as the main contenders of the 2006 elections did it), he is *authentically* popular, nationalistic, and the heroic heir of the ‘truly Revolutionary men’. The case of Chávez ‘cultural performances’ matters, then, because it contributes to understand the populist bond or ‘direct mediation’ between the leader and the following, in the larger context of populist mobilization.
VII. The Mexican Case

1. Introduction

The puzzle leading our discussion has been how was possible the turn to radical populism in Venezuela (1999-2013), which Mexico avoided (2000-2012), in spite of previous radical-populist incorporation into the political arena (1934-1940 in Mexico, 1945-1948 in Venezuela), and after similar FMRs-informed critical junctures. This chapter provides the final elements we need to answer that puzzle, in comparing the identified mechanism in the Venezuelan case to Mexico. With that objective in mind, in the previous chapters I have shown the unfolding of the populist movement along the lines of the Venezuelan state-making crisis. In this chapter I turn to the Mexican case and compare the different dimensions of that crisis in the Venezuelan case. In doing this, following some of the dominant literature in the area, I propose a combined explanation as to why Mexican politics went through a historical transition from a PRI-dominated system to a multiple party-system after 2000, instead of taking the road of radical populism (represented by the PRD) like its Venezuelan counterpart.

One way of reading the Mexican process since the 1990s and until the transference of government from the PRI to the PAN, is in terms of a “process of normalization” in which Mexico starts experiencing similar problems as other developed democracies (Levy & Bruhn 2006). This view depicts a transition from a stable but undemocratic Mexico to a more democratic although possibly less stable one. According to this point of view, the PRI regime historically “… put political stability above all, or in equal conjunction with economic growth, subordinating both democracy and equality as well as defining national independence to fit its stability and growth priorities” (Levy & Bruhn 2006: 60). In fact, stability facilitated economic growth, an outcome that would
ward off democratic demands (Levy & Bruhn 2006:5)\textsuperscript{193}. In this direction, albeit the so-called Mexican Miracle (1940-1970) PRI governments were unable to reach certain level of equality in spite of promoting economic redistribution, while the party lost cohesion and legitimacy, and several institutional changes created openings for opposition parties (Edmonds-Poli & Shirk 2009:93-94). The reforms can then be seen as the cause of establishing a more democratic system which later facilitated the power transference from PRI to PAN (García 2010:133).

These explanations cover a vast ground when explaining the Mexican transition from a single to a multi-party system, and I will rely on then in this chapter. Nevertheless, in trying to perform an explanation as to why the Mexican case did not evolve in the direction of radical populism, we need to address three other things besides the effects of political reforms, say, the role of populist rhetorics, the absence of the military in the public sphere, and the failure to reach power of the party most akin to the MVR in Venezuela—the PRD (Party of the Democratic Revolution). To begin with, in the next section (2) I describe the political scenario under the control of the PRI. That will provide the structural and historical background to the rest of our trajectory. Then, in section 3, I show the similarities between the rhetorics of PRD’s candidate, Andrés Manuel López Obrador (also known as AMLO), and Chávez, in order to address the issue of to what extend this variable explain differences in our study cases. Then, considering the similarities in discourse, the section takes us to the question: why did not AMLO achieved in Mexico what Chávez did in Venezuela? Answering this question heads the discussion, in section 4, towards the reasons of why the PRD did not reach the level of success that the PAN (its main competitor in 2006) did in Mexico, or the MVR in Venezuela—an explanation that is partially conveyed with the reformation

\textsuperscript{193} A similar, eclectic explanation is that of Camp (2014) who presents the Mexican political process in terms of a continuum between democratic consolidation and democratic decline.
process in Mexico, but in where there are also specific reasons of why the PRD failed to reach power. In section 5, I show how reforms within the military did not alter its self-vision as a homogenous hierarchy, unlike in Venezuela where the reforms created fertile ground for dividing wedges within the military hierarchy. Finally, in section 6 I present and discuss the different reforms of the Mexican political system that contributed to the transition from a single-hegemonic party to a multi-party system in 2000. As I have shown in previous chapters, all these are fundamental factors when explaining the advent of Chavismo, who once in power relied on Chávez’s charisma while lavishly spending in the social sector.

2. The PRI-dominated Mexican Scenario

As it is known, the Institutional Revolutionary Party (PRI) lasted in the office for 71 consecutive years, from 1929 to 2000—more than any other party in the world—when they were defeated by the center-right National Action Party (PAN) and its candidate, Vicente Fox. In this section I describe the historical background leading to the 2000 election in which in spite of a historically relevant change of party in power, FMRs continued to be applied, and the closest to a radical populist alternative was also defeated consistently in five electoral contests from 1988 to 2012. Given these two continuities, “change” meant anti-incumbent vote rather than ideological embrace of democratic principles (Domínguez 2004:331), or alternative principles of any kind for that matter.

Indeed, scholars analyzing the 2000 presidential election have found that the key factor explaining the transference of power from PRI to PAN was the presidential campaign, in spite of good

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194 For this section and the one on the reforms of the political system, I drew heavily from Edmonds-Poli & Shirk’s (2009) encompassing synthesis of Mexican politics. For a similar but briefer account, see García (2010).
economic performance of the sitting president of PRI affiliation—Ernesto Zedillo. Thus, “… political campaigning affected voting behavior in Mexico’s 2000 elections because social cleavage attachments were weak (as always), partisanship had weakened compared to elections past, prospective economic assessments outweighed retrospective assessments, and evaluation of the political regime was not a salient factor in the voting choice” (Domínguez 2004:331). Even though this represented an important change, voters thus evaluated it in the sense of “politics as usual” and not in the sense of thorough political reform—in contrast to Venezuelan voters electing Chávez. In spite of broader implications for the Mexican state and democracy, it was voters’ perceptions on economic management, crime fighting and reduction of corruption what turned the scales to favor Vicente Fox, the PAN’s candidate over PRI’s Labastida. In other words: “Change for the Mexican voter meant, above all, more effective government, not a new political system” (Magaloni & Poiré 2004:315).

Despite a tarnished story of corruption, clientelism, corporatism, and even repression, voters did not seek radical change—as was the case in Venezuela. One possible explanation is that the Mexican political system undertook important reforms which, in spite of members of the PRI’s intentions, turned out to be openings which oxygenated the system—as we have seen this was the opposite in Venezuela, where when they occurred favored Chavismo unwantly. The overall project of reforming the Mexican political system was a rather effective one. Indeed, “… Mexico’s political transition was not purely the product of campaign effects. A number of broader institutional changes set the stage for the 2000 campaign. These included, among other things, electoral reforms culminating in the autonomy of the Federal Electoral Institute (IFE), the development of independent media and polling firms, the emergence and growth of viable
opposition parties, and inroads by these same opposition parties at subnational levels. In this new context, opposition parties could expect to compete on roughly equal footing with the PRI and win elections—even presidential elections” (Lawson 2004:19). Let us now take a look at the existing political structure when the critical juncture of the FMRs, and the broader process of political reforms, entered the scene. I shall return to these reforms in section 6.

2.1. The Mexican Political Structure during the Era of PRI dominance

PRI’s hegemony stemmed from different reasons. Some of these reasons are related to the origins of the PRI itself during the aftermath of the revolutionary era, but some others were reinforced as time passed by and the PRI continued to reign in Mexico. On the side of the revolutionary origins we find, first and foremost, the complete rejection to the idea of consecutive reelection, expressed in the slogan “effective suffrage, no re-election” coined by Mexico’s president Francisco Madero after the dictatorship of Porfirio Díaz (a period known as El Porfiriato, 1876-1911), later overthrown and assassinated by Victoriano Huerta and his men in February 1913. From this fact we find the second aspect rooted in the revolution: the Mexican Constitution. Given Huerta’s political weakness, including its incapacity to completely get rid of the Porfiriato’s political elite (Levy & Bruhn 2006:45), four different armies arise in arms against him (led by Carranza and the Constitutionalist army, Zapata, Villa, and Obregón). Revolutionaries were divided but still managed to defeat Huerta, who finally fled from Mexico in 1914. Divisions grew larger around the timing of the discussion on the “social question”, accelerated by the revolutionaries Zapata and Villa, on the one hand, and Carranza on the other (supported by Obregón), who thought more prudent to first consolidate the movement in the office. The battle took place at the ideological level as well, with the different groups offering legislative benefits to the population. Obregón
defeated Villa and the Constitutionalist took control of the main ports, and virtually of most of the country. Yet there was no national unity. In 1916 a call was made to convene a Constituent Congress with men only of the Carrancista group, resulting in a new Political Constitution of the Mexican United States in 1917. Although by no means it ended the era of military conflicts and strongmen, it became the most stable legal reference in Mexico (Matute 2010:230-233).

The turbulent years that came later were a sign that neither the Maderista slogan nor the Constitution were sufficient in themselves to reach unification and pacification. After the assassination in 1928 of the re-elected president, general Obregón, President Plutarco Elías Calles made a call for the substitution of caudillismo for institutions, which had the creation of the National Revolutionary Party as its main emblem (later the Party of the Institutional Revolution, PRI), establishing the era of the one party-system in Mexico. Calles was successful in persuading regional and labor caciques, and “from fifty-one registered parties in 1929, Mexico was down to four by 1933”. Later on, President Cárdenas ended with “El Maximato”, the period of Calles’ dominance in Mexican politics, cutting Calles lose form the party and using his own popularity and personal charisma to strengthen the party (Levy & Bruhn 2006:52).

PRI’s hegemony in Mexico was thus born as synonymous with personalism and power centralization. Two broad, historical consequences derived from here. On the one hand, any group or organization not joining the PRI was excluded from power and access to government resources. On the other, upward mobility within the party was determined by loyalty to the president rather than by any other criteria, such as performance or connection with constituents—the so-called
camarilla system (Edmonds-Poli & Shirk 2009:154). In time, this consolidated a system in which three conditions predominated:

- The PRI held the majority in both houses of the Congress from 1930s to 1997.
- The ban on consecutive reelection made party discipline salient, because politicians lack the motivation to response to their constituents but made important for their careers the loyalty to party leaders.
- Yet the most relevant factor, affecting the two previously mentioned, was the president’s role as being simultaneously head of the state and head of the party (Edmonds-Poli & Shirk 2009:124).

Let us now see the most salient aspects of this PRI-dominated political system.

a) Hyper-Presidentialism. During the post-revolutionary years, a highly presidentialist system took shape in Mexico. In fact, closely resembling the Venezuelan case during the Chávez era, presidents in Mexico were able, among other things, to amend the constitution unilaterally; to influence the judiciary even in technical (juridical) matters; to nominate party candidates for offices at all levels of government; to appoint military commanders in Mexico’s armed forces with Senate approval and other military personnel without Senate approval; to appoint the attorney general and high-level diplomatic personnel; to introduce legislation and execute laws generated by the Congress; and “to overrule or even remove state governors and other elected officials”. Moreover, particularly relevant for this structure was the “dedazo”, or “the ability of sitting executives to handpick their successor” (Edmonds-Poli & Shirk 2009:125-126).
b) **The Legislature.** At least until 1988, the PRI managed to obtain around 75 percent of the seats in the Chamber of Deputies, while the elected deputies were prompted to support the executive’s initiative given the position of the president as the head of the PRI. In this context, having the two-thirds majority, the PRI was able to amend the Constitution without the approval of other political forces (Edmonds-Poli & Shirk 2009:132)

c) **The Judiciary.** Similarly to the legislature, the Supreme Court ended up supporting presidential initiative at least until 1994, when “the twenty-five justices were handpicked, and could be removed only by the president… and did not have the power of judicial review…” (Edmonds-Poli & Shirk 2009:136). For this reasons, the Supreme Court was not expected to rule against the president, which is to say: against the PRI.

As we can see, Mexico’s political system was then coming from a highly presidentialist system under a one-party hegemony towards a diversified party-system, whereas Venezuela moved somehow in the opposite direction during the Chávez era. Now, with these clues in mind, I will compare in the following sections the aspects that led to the success of Chávez and his movement in Venezuela, to the Mexican scenario. They answer the question: *why not radical populism in Mexico after 2000?*, which will provide hints to polish the mechanisms previously identified in explaining the movement toward radical populism in Venezuela.
3. The Role of Discourse: AMLO’s Speeches in Comparative Perspective

A consideration to the role of discourse is due, given the importance it has when defining populist movements, which Chávez puts constantly on the table. To briefly address it, I will focus on the candidacies and speeches of Andrés Manuel López Obrador (AMLO) for at least five reasons. First of all, similarly to Chávez he represents the most radical figure in Mexican politics of the last two decades. Second, like Chávez AMLO is widely seen as a skillful political operator and an astute strategist with regard to mass media (Lund 2006:13), while his charisma is seen as a key tool to mobilize the masses. Third, like Chávez AMLO pushes constantly to rely on plebiscitarian mechanisms to gaining legitimacy and rejects the institutions, to the point that his leadership institutionally weakened the PRD. AMLO fomented or directly created associations even outside of the PRD to promote his candidacy for the 2006 presidential elections. Fourth, quite like Chávez and his movement AMLO claims to be fighting on behalf of the poor and against the corrupted elite (oligarchy and foreign interests), relying on a contentious discourse. Finally, AMLO depicts his fight as a recovery of the nation from the neoliberals who has expropriated it from the people.

On these bases, AMLO offered a restoration of the state as the key factor for the social power and a revolutionary nationalism as a factor of social cohesion, both as an alternative to liberal democracy (Loaeza 2007:827). Just like Chávez and the Bolivarian movement in Venezuela. In short: AMLO is a case of a populist movement aspiring to reach the office, a plebiscitarian leader establishing a direct relationship with the “people”—many of them in the informal sector of the...
economy. These similarities make them good cases to compare and assess to what extent the populist rhetorical structure explains or not, or in what context, the success of Chávez and his movement in Venezuela, and the failure of AMLO in Mexico.

A difference between them is that, unlike Chávez, AMLO was not an outsider but a professional politician (Loaeza 2007:822). AMLO was candidate for governor in the state of Tabasco (from where he is from) in 1994 and 2000 with the PRD, losing both times to the PRI. His arrival to the scenario of national politics was through the presidency of the PRD. But in 2000 he was elected as the governor of the Federal District. In 2006 he was defeated in the presidential election by the PAN’s candidate, Felipe Calderón, by the slimiest margin of less than 1% difference. During five months AMLO protested the results and rely on mass mobilizations to do it. His rejection of the results and the means to do it were seen as a regression of the Mexican left to anti-system strategies (Loaeza 2007:819). Yet, the criticism of the electoral authorities by AMLO was not well received by the general population. On September 16, 2006, the blockade of Mexico City was terminated, with AMLO and his followers breaking away from the institutional political process with Calderón as the head of the state. On November 20, the anniversary of the Mexican Revolution, AMLO “officially” protested as the president, and announced the formation of a parallel government (Loaeza 2007:835) to no avail. In this sense, the extra-institutional mobilization resulted of limited impact in the Mexican context as well.

In the scholarly literature, AMLO’s discourse has been characterized as populist because —among other things— it has as its core a romantic vision of the category of the People, who appears impoverished, which helps to relate it to elements of the Mexican national history. This appears in
In an oversimplified way, incorporating a colloquial language, using very frequently idiomatic expressions (Guzmán 2008:85-86). Similarly to Chávez’s discourse, in AMLO’s there is nostalgia for the origins (the period after the Revolution, particularly after 1934, and before neoliberalism in 1982), the fall (which is represented by the application of FMRs), the current moment of political change (democratic and pacific, but radical), the utopia (with his triumph there will arrive a reign of justice), the messianic agent (whose moral strength was tested during his period as governor of the Federal District), and a myth (Benito Juárez, who fought against the Monarchy in the 19th century) (Guzmán 2008:93-94). Likewise, he also speaks on behalf of a new historical period in Mexican history, marked by a more human and egalitarian coexistence (AMLO, February 26, 2006, quoted by Guzmán 2008:112). All, just like in Chávez’s discourse.

In the rest of this section, based on a small sample I analyze selected speeches of AMLO as an example to show how similar they are —structurally— to those of Chávez. I considered some of the speeches that were giving during key moments of the political process, characterized by the dispossession or the lack of control by the performer over the means of symbolic production, particularly the following five speeches:

- (a) The “Desafuero” or Impeachment Discourse to the members of the Chamber of Deputies. April 6, 2005. This discourse is a reply to the charges of corruption against him while he was the governor of the Federal District.

- (b) The Second Informative Assembly at the Zócalo Square. July 16, 2006. The speech was given to supporters of his movement during the demonstrations against the electoral results of the 2006 presidential election.
- (c) Another Informative Assembly at the Zócalo Square. September 10, 2006. The speech was given to supporters of his movement during the demonstrations against the electoral results of the 2006 presidential election.

- (d) When he “accepts” the Presidency (in an informal act) by his following at Zócalo Square during the demonstrations after his claims of fraud in the July 2 2006 presidential elections. September 16, 2006.

- (e) Presentation of the New Project of the Nation (his new political movement, MORENA). March 21, 2011.

In these speeches, AMLO appears as the defender of the most humble and the “forgotten” (a)\(^{195}\), and his cause is beyond his own interests, it is the cause of the real democracy and social justice in Mexico (b). The happiness of the people is the objective of his political movement. In order to reach it, a new republic is to be founded (c). There will be no democracy if there is not justice for all (e). In fact, the father of the homeland, Miguel Hidalgo, fought “… not only for the Independence, but for justice, because disagreed with slavery, because he disagreed with the dominant system of landowners, and for that reason he sided with the humble poorest people, with the shabby, the humble, we started the movement to reach the national independence and to proclaim the abolition of slavery” (e).

The political crisis that he and his movement represent has its main antecedent in the Salinas project, which converted the government in a committee to the service of a minority of bankers. For that reason, financial interests have been imposed over social demands (d). Likewise,

\(^{195}\) The letter at the end of each sentence represents where the sentence comes from, in the list above described.
privatizations have been paralleled by the kidnapping of the state institutions (e), by the party elite of PRI and PAN (a). He opposes his project—“… a new homeland, fair, humanitarian, democratic and worthy”—to theirs—“… the face of classism, of racism, of intolerance, of anti-democracy and authoritarianism” (c). That is where the “gang” of white collar delinquents and corrupt politicians, who are ruling the country, come from (d). As because he is willing to fight them on behalf of the humble, he is the target of their attacks—including the by-then president Vicente Fox.

In short, it is the dominance of an oligarchic group, formed during the era of the Salinas administration and its FMRs (in fact for him privatizations and “lootings” are synonymous), which explains the Mexican crisis (e). As the People is sovereign, it is the people who “puts” and who “removes” from political positions (e). And this oligarchic elite is afraid of losing their privileges (d) to the people, represented by his project.

As we can see in this very small sample, the coincidences with Chávez’s discourse are striking—as the scholars previously quoted already showed. First, the identification of himself as a hero who is up to save the people (the poor, the humble, the have-not), and his identification with a re-interpretation of the actions of the father of the homeland (Hidalgo). The manichean contraposition of the elite (politic and economic) and the people. The struggle for the national independence from the corrupted elite. The re-foundation of the republic. The evil that is represented by the FMRs. And so forth. Being perhaps one of the main differences Chávez’s emphasis on the Latin American unity, a heritage of Bolivarianism, which seems to be virtually absent in AMLO’s discourse.
This, then, points the role of discourse to a circumscribed sphere of action. Given the similarities between Chávez’s and AMLO’s discourses, the limited sphere of action of the second in the Mexican scenario, vis-à-vis the broad dominance that Chávez enjoyed in Venezuela, takes me to hypothesized that even if the entire environment is pervaded with discourse, its role becomes more prominent for populist movement once they are in the office. It certainly matters for mobilization at any point of a political process, but it is once that populist leaders are in the office when it works as its best—especially if teamed up with other political mechanisms. Which might be translate into the idea that controlling the means of symbolic production if definitively fundamental in making the most of the powers of discourse. But then, how are we going to explain the defeats of AMLO and his movement in Mexico? The answer to this question is what I present in the following section.

4. The Defeats of AMLO and the PRD

As the MBR 200 movement (later the MVR party), the Chavista party in Venezuela, the PRD arose at a time when leftist parties around the world were declining, was born around the personality of a single leader (Cuauhtémoc Cárdenas196), and was the newest party of the competitive ones, “… which gained strength largely by evoking the symbols, ideologies, and leaders of the past” (Levy & Bruhn 2006:97). Initially created in 1987 out of PRI’s divisions and the coalescence of small leftist parties and nonpartisan social movements197, the PRD has widely resorted to internal elections for candidates and party leaders—although repeated scandals of fraud

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196 The son of Lázaro Cárdenas, one of the most beloved Mexican presidents.
197 Including previous PRI members, former guerilla, communist, Maoist, Trotskyist, and so forth (Loaeza 2007:828).
surrounded the results. In such a context and in spite of similarities with its possible Venezuelan counterpart, what led to consecutive defeats of the most radical party of the big three, the PRD?

First of all, the PRD ran a difficult election against the PRI in 1988 when accusations of fraud were raised against the last and its candidate, Carlos Salinas. As a matter of fact, scholars seem to agree on seeing this election as the beginning of the end of PRI’s hegemony (Molinar & Weldon 1990; Campuzano 2002). Yet, the PRI entered a period of decline after the fraud. Kathleen Bruhn explains the PRD’s decline in the 1990s through several factors (quoted by Edmonds-Poli & Shirk 2009:163): Internally, “First, the party comprised a number of disparate groups with different ideals and goals”. While this diversity was initially an important impulse, in time it became an obstacle for the consolidation of the party because it made straightforward tasks more complicated—such as defining its platform and choosing candidates. This created divisions that hampered the party’s development, for example with internal accusations of fraud and corruption, damaging its public image. Another factor was that the party suffered from a lack of institutionalization. Rules and procedures were decided on an ad hoc basis having Cárdenas the last word, promoting overreliance on the leader. And the fact that, unlike PRI and PAN “The PRD, …, had no loyal voter base and no brand name recognition to call on” (Levy & Bruhn 2006:98), only strengthen that tendency because Cárdenas was the only one providing a common ground to the multiple factions. The fact remains that “More than any other Mexican party, the PRD has been shaped by political competition” (Levy & Bruhn 2006:99).

Externally, first and foremost were the PRI’s efforts to undermine the PRD. On the one hand, being a previous member of the PRI, Cárdenas’ criticism and challenge were perceived as a betrayal. On
the other, the PRD develop a popular appeal that threatened with taking over PRI’s voters. The PRI then harassed and even harmed PRD activists, while publicizing its internal scandals, and even “used its control of the media to portray the PRD as a radical party prone to violence” (Edmonds-Poli & Shirk 2009:164). Likewise, PRI managed to stealth elections from PRD which forced the last one to demonstrate and protest, in turn reinforcing the image of it as confrontational and incapable of playing by democratic rules. Thus, the fact that the PRI was still a real force in the political game ended up hampering the PRD in its political aspirations.

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<td>First</td>
<td>PRI 50.36%</td>
<td>PRI 48.69%</td>
<td>Coalition led by PAN 42.52%</td>
<td>PAN 35.89%</td>
<td>Coalition led by PRI 38.21%</td>
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<td>Second</td>
<td>Coalition led by Cárdenas 31.12%</td>
<td>PAN 25.92%</td>
<td>PRI 36.11%</td>
<td>Coalition led by PRD 35.33%</td>
<td>Coalition led by PRD 31.59%</td>
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<td>Third</td>
<td>PAN 17.07%</td>
<td>PRD 16.59%</td>
<td>Coalition led by PRD 16.64%</td>
<td>Coalition led by PRI 22.26%</td>
<td>PAN 25.41%</td>
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Yet in the 2000s there has been some resurgence of the PRD. To begin with, its share of the seats in the Chamber of Deputies almost doubled from 52 to 95 in 2003. Its main candidate was now a former PRI member, AMLO, Mexico City mayor, whose popularity was related to his commitment to the poor. Although corruptions scandals surrounded members of his administration, his popularity was sustained particularly after the Fox administration tried to impeach him on a minor charge in order to disqualify him as a presidential candidate. In 2005 the charges were finally dropped, after they increased his popularity. AMLO was outrun by PAN candidate Felipe Calderón.

198 Source: [www.eleccionesenmexico.org.mx](http://www.eleccionesenmexico.org.mx). Percentages are share of the total votes.
by a slim margin of 0.56% of the votes which ended up in fraud denunciations and multiple manifestations. In spite of multiple and massive demonstrations, the denunciations of fraud never got a strong hold and were finally dismissed by Mexican electoral authorities. If this was the case, the close results speak not only of a closely divided voting but also of a difficult result to revert. In fact, AMLO did not receive the support neither of the institutions, nor of organized society, nor of the military. The PAN campaign for the 2006 elections presented AMLO as an option with terrible political and economic consequences, and his image was even linked to the image of Chávez in Venezuela, “…whom many Mexicans identified with the reckless and radical left” (Edmonds-Poli & Shirk 2009:165). By the 2012 presidential elections he had already formed his own political movement, MORENA (Movement of National Renovation).

In sum: AMLO and the PRI, when they were still allied, never managed to coalesce as a unitary force capable of defeating the PRI and the PAN—or elections were stolen from them. Moreover, neither the institutions, or organized society, nor the military supported their movement. And given the political context, after the separation of AMLO its chances of becoming a new hegemonic force have been reduced to the point of disappearing. However, the chances of AMLO to get to the presidency remain important.

5. The Mexican Military

The popular character of the Mexican military was born with the revolutionary times. Quite like the Venezuelan, the bulk of the Mexican military comes from popular sectors of the population, working the armed forces as a vehicle for social mobility (Levy & Bruhn 2006:54). And also similar to the Venezuelan during the Chávez era, the Mexican military has been widely used in
tasks of social development such as dentistry and medical attention, masonry, carpentry, among others (Saavedra 2003:66,68,70). In this sense like in the overall political structure, Mexico comes from a spot similar to the one towards Venezuela has moved to in recent years. However, unlike the Venezuelan military the Mexican has never intervened in politics since the 1930s. This, apparently, makes a whole lot of a difference.

The explanation of this fact lies in at least three factors. In the first place, “… each successive government reduced the military’s allocation as a percentage of the federal budget from 1921 to 1964. The size of the military in relation to the population, and the sum budgeted to the military per capita, was among the lowest worldwide…” (Camp 2014:146). Ironically, this tendency has been reverted since the 1990s and particularly since the first PAN government in 2000-06.

Moreover, in second place, given the PRI absolute dominance the military was not sought as an ally by any particular social force seeking power. The lack of political competition played in favor of an exclusion of the military in politics. In fact, it has been the civilian system which has determined the military role, a subordinate role that represents a feature of Mexican exceptionalism (Levy & Bruhn 2006:55). A third factor is also of relevance: the Mexican military educational system, which initial institution was established precisely in the 1930s. This third factor takes us directly to the point of contrast to the military reforms in Venezuela during the 1970s.

There have been some reforms in the military realm in Mexico, but none of them has created destabilizing conditions among mid-rank officers in strict sense. In fact, the military educational system has introduced clear but legitimized divisions, for it is a three-tiered system composed by

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199 This trend may be related to the most urgent role the military has come to play in contemporary Mexico, say, the fight against drug production and trafficking.
“(1) the Heroico Colegio Militar, for entering cadets pursuing military careers, (2) the Escuela Superior de Guerra, an academy for selected junior officers (lieutenants and captains), thought to have command potential, and (3) the Colegio de Defensa Nacional, founded in 1981 and designed to expose the cream of the officer corps (lieutenant colonels and colonels) on the fast track to general rank to a range of national security issues” (Camp 1999:6). This has been a system legitimizing differences among the various military ranks, instead of making them seem unfounded or outdated—as in the Venezuelan case. Other reforms were, for example, the 1971 Organic Law for the Mexican Army and Air Force, mostly expressing its mission in helping civilians when needed, and the 1986 reform of the same law making nuances with regard to this task. It is not difficult to guess that no radical party like the PRD would get support from the Mexican military—even after denunciations of fraud.

Finally, just like in the Venezuelan case a period of important reforms took hold in Mexico with important consequences for the political system. I discuss them in the next section.

6. Reforms of the Mexican Political System

Previous to the 2000 general elections, the dripping loss of legitimacy was riposted by the PRI presidents with reforms looking for re-legitimation, similarly to Venezuela. In contrast to the Venezuelan case is the fact that institutional reforms in Mexico were effectively applied—in spite of PRI’s efforts to the contrary. Moreover, these reforms were implemented along different presidential periods and for over twenty years, with the following tendencies:

- In the 1970s, reforms focused on increasing the legislature
- In the 1980s, the focus went to decentralization
In the 1990s, the reforms concentrated on the electoral system.

6.1. Reforms of the Legislature

The first reform of the Mexican political system was the Legislature reform of 1972 by the Echeverría administration, in which the minimum threshold for obtaining a party seat in the Chamber of Deputies was lowered from 2.5 to 1.5 percent of the national vote. In theory, the opposition would have a better chance at representation in the national legislature. In reality, however, while there was an effective opening for the opposition, the reform also had the consequence of dispersing the opposition. This would translate into no real threat for the PRI (Edmonds-Poli & Shirk 2009:97).

Another reform was introduced by de la Madrid in 1986, increasing again the size of the chamber of deputies by 100 proportional representation seats. Although seemingly an opening, the reform was intended to give PRI access to proportional representation seats. In this way, the PRI would benefit from the first round of reforms of 1972, due to the “governability clause” introduced in 1986. This clause would benefit only to the party with the largest number of seats with at least 30% of the vote, but it would not benefit coalitions even if they got those numbers. This meant that the party with the highest number of votes would also obtain the majority in the Chamber, even if getting less than 51 percent, guaranteeing the existence of a party with absolute majority—which means an over-representation of the winning party. As a result, having only a plurality would guarantee the control of the Senate.
In 1993, another round of reforms was implemented by the Salinas’ government. One element was that the size of the Senate was doubled, to 128 seats. As four seats correspond to each state, the first three awarded to the party with the greatest share of the votes, and the fourth seat was reserved for the second party, the result was that the opposition managed to get a 25% of the seats. But this did not risk the PRI’s two-thirds majority (Edmonds-Poli & Shirk 2009:107). Also, that very year the contentious governability clause was amended, which was an important reform because no party was able to obtain over 60% of the seats. This translated, in turn, into no party having the two-third majority to amend the constitution unilaterally—including the PRI. Building on Salina’s, President Zedillo introduced new legislation in 1996 preventing overrepresentation in the Chamber of Deputies. This time the reform would assign seats to the second-place party.

6.2. Decentralization

Similarly to Venezuela, decentralization in Mexico was a process induced from above, and considered more as an administrative than as a political reform (Mizrahi 2004:134). Although the idea of regional planning was introduced already by the government of Echeverría (1970-1976), and planning committees for development at the state level were created during the López administration (1976-1982), decentralization was first promoted by the pro-FMRs de la Madrid administration starting in 1982. The first step in this direction was the introduction of proportional representation to municipal elections, which main political consequence was that “… it paved the way for the opposition to gain entry into, and hence valuable hands-on experience from, governing at the local level” (Edmonds-Poli & Shirk 2009:102). One of the most important reforms of the period was the modification of the Article 115, providing a legal base for the local and state governments. Nevertheless, the federal government continued to have the control over the
resources distributed to state and municipalities, such as the federal public investment and the expenditure in regional development.

Although Carlos Salinas administration (1988-1994) widely abused the metaconstitutional powers granted by hyperpresidentialism, removing from their positions an unprecedented number of governor, the amounts of resources transferred to states and municipalities also grew significantly from 11.6% in 1988 to 35.5% in 1993. Even in this case, “the most important decisions regarding how the transferred resources would be managed remained under the control of the federal government”, and PRONASOL (see chapter 2) came to substitute decentralization in the public agenda. It ended up weakening state and local authorities (Mizrahi 2004:148-150).

President Zedillo (1994-2000) was convinced that excessive centralism was a source of problems (regional imbalance, social inequality). Thus his program the “New Federalism” became a priority, one of which main ideas was precisely decentralization. The key stroke was the 1997 elections when PRI lost its majority in the Congress and had to yield to the pressure of opposition parties, especially the PAN. So that in this context, “In 1998, the federal government reduced into share by almost 10 percentage points, reserving 70.9% of all resources for itself…” (Mizrahi 2004:154) down from 80%. In spite of this change, there were also inertia and negative consequences. States and municipalities became even more dependent on the resources from the federation, moneys that were earmarked for specific projects that restricted their autonomy. Moreover, there remained ambiguities in the responsibilities among the three levels of government, and the differences in tax contributions between rich and poor states ignore the performance of the different governments.
One of the reasons for these problems was that distribution of resources does not substitute democratic institutions and mechanisms for citizen participation (Mizrahi 2004:156).

6.3. The Electoral Reforms

The first of the reforms of the electoral system was the 1977 Federal Law of Political Organizations and Electoral Processes (LFOPP), by the López Portillo administration. Under this new law, political organization would get official registration “…by receiving 1.5 percent of the national vote, or by providing a copy of party statutes and evidence of 65,000 national distributed members” (Edmonds-Poli & Shirk 2009:99). Moreover, under the new law 100 were added to the Chamber of Deputies for parties obtaining “1.5 percent of the national vote and won fewer than sixty of the 300 single-member district seats” (Edmonds-Poli & Shirk 2009:99). But in a similar fashion as the 1972 reform, it dispersed the opposition by promoting the formation of small parties instead of a unified opposition. Yet it had another important consequence: it allowed opposition parties to gain experience and to gain terrain in the public.

A major reform was the introduction by the Salinas administration, in 1990, of the Federal Code of Electoral Institutions and Procedures (COFIPE). The 1988 elections were won by Salinas and the PRI, but amidst serious accusations of fraud. Scholars have pointed at this situation as a moment in which the hegemonic system showed its incapacity to control and deal with party competition (Campuzano 2002:2008). Salinas found himself in a difficult position and with very little legitimacy, so that reforms of the electoral system were aimed for the purpose of regaining legitimacy. COFIPE created a new voter registry and two new independent electoral institutions. On the one hand, the Federal Electoral Institute (IFE) which replaced the Federal Electoral
Commission, in charge of organizing and overseeing elections. On the other hand, the Federal Electoral Tribunal (TRIFE) was given the authority to adjudicate electoral disputes. Moreover, it also included a revision of the governability clause: “Under the COFIPE, the revised governability clause guaranteed that the party with the most votes in single member districts for the Chamber of Deputies, as long as it was above 35 percent, was automatically awarded a majority of seats in the legislature” (Edmonds-Poli & Shirk 2009:106). In spite of the distrust to the reform coming from the PRD, the reforms were passed because the PAN was willing to support them, given that PRI could not single-handedly amend the constitution any longer. During the second round of reforms in 1993, “the IFE was given the role of certifying legislative electoral results”, with the consequence of enhancing the transparency of the process (Edmonds-Poli & Shirk 2009:107).

With Zedillo after 1994, the IFE “… became a truly independent body governed by nonpartisan citizen councilors rather than the minister of the interior, and with sole authority over electoral matters” (Edmonds-Poli & Shirk 2009:109). With it, also parties were given more equal access to resources and media exposure, while campaign contributions and spending were monitored.

Finally, another set of reforms take place in 2007 under the administration of PAN’s elected President Felipe Calderón. These reforms were a response to the exceptionally negative tone of the 2006 campaigns, and to the fact that given the slim margin of 0.6% by which the PAN candidate defeated the PRD candidate AMLO, which served as a rationale for this last one to proclaim himself the real winner while denouncing fraud and calling for massive protests. Yet the Federal Electoral Tribunal of the Judicial Branch (TEPJF) decided to uphold the IFE’s verdict (Serra 2010:11-12). One reform was the creation of a General Comptrollership of the IFE to audit and
sanction the Institute’s civil servants acting as an agent of the Congress, and whose members can be reelected. As a consequence, and given that an important task of IFE was set to supervise parties’ finances, the comptroller becomes an auditor audited by the parties. In the same direction, another reform was the elimination from the COFIPE of the “…provision barring party leaders from becoming Electoral Councils”. Also, the new law removes state authorities’ oversight on the internal affairs of the parties—including candidate nominations, elections, and funding (Serra 2010:20,22-25). Finally, parties and mass media have been banned from making negative comments (campaigning), and there is a new restriction on political advertisements. As a consequence, parties have gained a new opportunity to influence on who and what to air during interviews (which are not banned), through their connections with the two larger TV networks. The reforms were passed with the approval of the three major parties (PRI, PAN, PRD) and have been pointed out as a turn in the direction of a nascent Mexican partyarchy (Serra 2010).

One side effect of the reforms of the electoral system was the increasing participation of opposition supporters: as electoral reforms took hold and the traditional instruments of authoritarian mobilization weakened, there were more people willing to vote (Lawson & Klesner 2004:83). However, the PRI was increasingly relying on vote buying and coercion in the 1990s given that the reforms of the electoral system, including monitoring of the electoral processes by independent observers, reduced its capacity for manipulating elections. In spite of this, the overall results is that, as the evidence suggests, “… vote buying and coercion have by no means disappeared from Mexican elections, but the incidence of such practices has probably fallen enough, and their actual impact on voter behavior has become sufficiently attenuated, that voters subject to authoritarian mobilization are unlikely to affect most election outcomes” (Cornelius 2004:52).
6.4. Reforms of the Judiciary

Perhaps the first government to seriously undertake a reform of the judiciary was the Zedillo administration. In 1994, the government introduced the Law of Judicial Power. According to this new law, the Supreme Court would be composed by eleven judges of a fifteen-year term each. Moreover, “The president nominates judicial appointments based on their legal experience and candidates must be confirmed with two-thirds approval of the Senate” (Edmonds-Poli & Shirk 2009:136).

Likewise, the 1994 constitutional reform introduced two new powers of judicial review to the judiciary. Under this new law, the Supreme Court would now have “…the authority to decide the constitutionality of federal laws and international treaties with ‘constitutional actions’, and the right to resolve ‘constitutional controversies’, or legal disagreements among different branches and levels of government” (Edmonds-Poli & Shirk 2009:136). In this way, the Court will have the possibility to veto legislation and to settle intergovernmental conflicts, previously non-existent functions.

6.5. Reform of the Presidential Power

Even though there is one single reform of the presidential power, it was one of the most significant of the Zedillo administration, namely, his refusal to choose a successor, a well-established PRI’s tradition. In so doing, he put pressure on the party with respect to the internal rules for candidate selection, weakening “…the traditional power of the president and brought greater internal democratization to the PRI…” (Edmonds-Poli & Shirk 2009:109).
6.6. Political Reforms and Radical Populism in Mexico

As we can see in table of Summary: the Most Relevant Reforms of the Mexican Political System, the key reforms were the reforms of the electoral system, and the limitation of presidential power. To begin with, (a) presidentialism and the personalization of politics that gained terrain in Venezuela with the reforms of partyarchy, were slowed down when Zedillo inflicted the final blow by weakening the presidency and forcing PRI to held internal elections. And even in such a context, unlike in Venezuela (b) factionalism did not triumph over competition with other parties. Given that the Mexican political system was coming from a one-party hegemony, the reforms of the electoral system opened the way for opposition parties, favoring particularly the PAN—the opposition party with the longest trajectory (founded in 1939). In contrast, in Venezuela bipartisanship was entirely tarnished.

More generally, in Mexico the reforms led to a pluralization of political power, concentrated around three parties (PRI, PAN, PRD), instead of leading to a broad (c) fragmentation of political parties like in Venezuela, as a result of decentralization (right before the Chávez success in the 1998 elections). Decentralization thus, ironically, opened the gate for radical populism in Venezuela but it seemed to have had less dispersing effects in Mexico, which kept the largest parties on their feet. As we can see, overall the reforms weakened the old system of PRI’s hegemony step by step, which brought the system to more plural politics—to some extent. This in combination with the limitations of the PRD to defeat the PAN and the PRI, and the Mexican military pro-institutional reforms, swept the possibility for radical populism, in spite of also embarking on FMRs.
### Summary: the Most Relevant Reforms of the Mexican Political System

**Legislature** | **Decentralization** | **Electoral** | **Judiciary** | **Presidential** |
---|---|---|---|---|
Consequences | Dispersing the strength of the opposition | Gave entrance and hands-on experience into governing at local level to the opposition | Dispersed the opposition by promoting the formation of small parties. Also, opposition parties gained experience and terrain in the public | Candidates to judicial appointments must be confirmed with two-thirds approval of the Senate | Forced the PRI to adopt new internal rules for candidate selection, weakening the power of the presidency |
Consequences | Due to the “governability clause” (1986) the party with highest vote (PRI) would obtain the majority in the chamber of deputies | The Federal government continued to have control over resources | Creation of new voter registry and two independent electoral institutions: the Federal Electoral Institute (IFE) and the Federal Electoral Tribunal (TRIFE) | The court has now the possibility to veto legislation and to settle intergovernmental conflicts |
3<sup>rd</sup> | The size of the Senate was doubled (1993) | Increment in the amount of resources transferred to states and municipalities (1993) | Nonpartisan councilors started governing the Federal Electoral Institute (1994) | Parties were given more equal access to resources and media exposure, and campaign contributions and spending were audited |
Consequences | The opposition got a 25% of the seats but without risking PRI’s hegemony | PRONASOL substituted decentralization in the political agenda | | |
4<sup>th</sup> | Amendment of the “governability clause” (1993) | Transference of resources to states and municipalities (1998) | Creation of the General Comptrollership of the IFE; others (2007) | |
Consequences | No party had the two-third majority to amend the Constitution (including the PRI) | Restriction of local autonomy by the Federal government | Favoring a nascent partyarchy | |
5<sup>th</sup> | Preventing overrepresentation in the Chamber of Deputies (1996) | | | |
Consequences | Assignation of seats to second-place parties | | | |

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200 In green the key reforms for the political process in terms of the transition to a multiple-party system.
7. Conclusions

The objective of this chapter was to contrast aspects of the Mexican and Venezuelan political system in order to distinguish those factors that were absent or present, and that led to radical populism in Venezuela, whereas in Mexico they led to a plural political system and the continuation of FMRs. Like many other countries, both Mexico and Venezuela took the road of the FMRs during the 1990s. Yet only in Venezuela that process drove the country towards radical populism. In this chapter I have contrasted each one of the elements I identified through previous chapters to the Mexican case. It has led me to conclude that, indeed, the harsh liberalization process in Venezuela cannot explain by itself the outcome (as some of the literature tends to affirm). First of all, the reform of the political system in Venezuela barely took hold in a few reforms which, in turn, led to a fragmentation of the party-system—whereas in Mexico led to a plural political system, where three parties compete for the office. Secondly, although radical populism seemed to have appeared, it never stood a chance in the context of a PRI, first, and later PAN-dominated landscape. Even less so when the internal weaknesses of the PRD are considered. Finally and independently, in Venezuela there was a military reform that made several military men to perceive the top ranks of the armed forces as outdated or not completely valid. A charismatic leader like Chávez took advantage of the situation. Nothing like this happened in Mexico, where reforms have only validated the military hierarchy.
VIII. Conclusions

1. Introduction

Throughout this work I have shown the main conditions leading to the success of Chávez and the Bolivarian Movement in Venezuela from 1999 to 2012 as a case of radical populism—a fully developed one. As a case to compare, I have also shown why Mexico did not follow the same path in spite of initial similarities in political incorporation (radical populist in both countries) in the aftermath of the process of state centralization in the early 20th century, and spite of FMRs-related crisis in the 1990s. In Venezuela the crisis was wider than in Mexico (which I have called a state-making crisis). Also, there was a harsh liberalization process that ended up contributing to the crisis, while in Mexico the liberalization was politically crafted. In third place, there was a military reform that became fertile ground for military men who despised the political order of the 4th Republic. Nothing similar happened in Mexico. Likewise, the reforms of the political system led to a fragmentation of political parties in Venezuela, whereas they led to a multi-party system in Mexico. In both cases, they favored the birth of regional leaders. Once in the office, Chavismo has spent in the social sector like no previous government, and has civilianized the military to their benefit. In brief: two different paths were taken after the reforms of the late 1970s, 1980s’, and 1990s, given two similar sets of initial conditions.

![Flowchart showing the process of political development in Venezuela and Mexico](chart.png)
In chapter one, following the leading trends in the literature on populism I proposed an ideal sequence of the unfolding of a populist movement. With the arguments I have relied on in this work, we can confirm that such sequence was followed for most part in the Venezuelan case, but I have one additional unexpected finding: the role of military reforms in processes of populist takeover. In the ideal sequence, the starting point was a crisis, or an event that disrupted the political order, in combination with the absence of an autonomous working class organization. In fact, both things took place in Mexico and Venezuela: both endured a crisis and in both cases the working-class movements were coopted by the leading parties. Yet, the difference was the larger extension of the Venezuelan crisis (chapter 2). Moreover, chronological the first element in Venezuela was the reforms of the military. Although there was no direct link between these reforms and the later process of populist mobilization, the reforms prepared the ground for military men who sought a regime change guided by the new military ethos of the recently created Military Academy and the Andrés Bello plan, instilling a sense of shared responsibility with civilians in social and economic development, and generating rivalries with previous cohorts of higher ranks (chapter 3). Their impact would have to wait until the economic and institutional crisis took hold, being one of its dimensions the very coups staged by those disgruntled military men (chapter 4).

There were extra-institutional demands seeking for alternatives to the dominant bipartisan system, perceived as corrupt and as incapable of fulfilling democratic concerns. Political actors responded, quite like in Mexico, with a set of political reforms aiming at revitalizing the system and gaining legitimacy. But given the characteristics of each political system and the specifics of each reforms dynamics, they ended up favoring the cause of Chávez while hampering that of the PRD, its most similar Mexican counterpart (chapters 4 and 7, respectively). In both cases there was a multi-class
coalition party with a charismatic leader, but they were defeated consecutively in Mexico, while in Venezuela they are still in the office as I write these lines. The reasons are related to the specific dynamics of each context: Mexico coming from a hyper-presidential and one-party hegemony system, Venezuela coming from a bipartisan, presidentialist system. Ironically, this meant more opportunities for outsiders and radical movements. Once in the office, Chavismo (Chávez and the Bolivarian Movement) have relied heavily on social spent and on a constant civilianization of the military to remain in power (chapter 5). Lastly, a movement of cultural regression to a communitarian 19th and early-20th century cultural structure was the key cultural mechanism in sustaining Chávez’s charisma and popular appeal (chapter 6).

<table>
<thead>
<tr>
<th>Ideal Sequence</th>
<th>Venezuelan Case</th>
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<tbody>
<tr>
<td>T₁</td>
<td>(Economic Crisis v Legitimation Crisis) &amp; ~Working-class Organization</td>
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<tr>
<td>T₂</td>
<td>Extra Institutional Demands &amp; Populist Discourse</td>
</tr>
<tr>
<td>T₃</td>
<td>Multi-class Coalition &amp; Charismatic Leader</td>
</tr>
<tr>
<td>T₄</td>
<td>Patron-Client Networks &amp; State Policies</td>
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<tr>
<td>T₅</td>
<td>Reduction of the Leader to a Name &amp; Hegemonic Subject &amp; Populist Inclusion</td>
</tr>
<tr>
<td>T₆</td>
<td>The End of a Populist Cycle</td>
</tr>
</tbody>
</table>

Thus, the Mexican case provided elements to contrast to the Venezuelan case. Logically what is missing from the broad picture is the exploration of other positive cases where there was a
successful radical-populist movement—say, one in which radical politics is played through multi-class electoral coalitions, and where not only populist rhetorics are employed, but in which there are movements, policies, and governments/presidents pursuing a populist project, such as Chavismo in Venezuela. Exploring one of those cases will allow me to construct a more robust explanation on the advent of radical-populist movements in the Latin American context, logically expanding the results. A case of successful radical populism is that of the Cárdenas government also in Mexico (Peronism in Argentina, in spite of its paradigmatic legacy of populism, was truncated by a military coup, which only confirms my findings). I explore it briefly in what follows to round up the picture I have sketched so far. Afterwards I will identify the main mechanisms explaining the success of populist movements.

2. Lázaro Cárdenas (1934-1940): A Successful Case of a Radical-Populist Government in México

General Lázaro Cárdenas is perhaps one of the most beloved presidents in Mexico’s contemporary history and certainly its leading populist. During the Maximato era (when Plutarco E. Calles was baptized as the Supreme leader of the Revolution) Cárdenas remained loyal to Calles, and managed to continuously ascend in the political structure: first becoming government of his native state of Michoacán in 1928, then the head of the revolutionary party and minister of interior, and finally in 1933 the war minister—the top position for a general. In the meantime, Cárdenas had gained the support of peasants associations and had allied with organized labor and, additionally, had also earned the backing of junior officers and army troops (Basurto 1999:76). His presidency was marked by several features that put him apart from others, as for instance the fact that Cárdenas was the first president to complete the presidential term in the office of six years, ending a long
cycle of revolutionary violence (which comes to play the role of crisis in this context). It is his populist stance what interests us the most now. I will briefly describe it in the following subsections.

2.1. Presidentialism

Cárdenas also strengthened the presidency. Once elected, he incorporated Calles’ men to his cabinet. Nonetheless, from the start his radical stance in supporting workers and peasants movements upset Calles, in addition to businessmen, landowners, and some sectors of the urban middle class. As early as June 1935 Calles publicly addressed Cárdenas’ policies, criticizing his inability to maintain stable economic conditions. In response, Cárdenas dismissed his entire cabinet and replace them with loyalists. Minor clashes and acts of violence hinted to a possible coup in the following months. But, as Cárdenas counted with the support of thousands of mobilized workers and agrarians, he ended up arresting Calles and his closest allies in April 1936, and exiled them. (Edmonds-Poli & Shirk 2009:56). So that “By expelling Plutarco Elias Calles from the country, Cárdenas was able to consolidate presidential power and subordinate the Congress and the Supreme Court of Justice to the executive” (Mizrahi 2004:142). During the process, he also fired hundreds of conspirators from the ranks of government and the army (Basurto 1999:77). The result was the sheer strengthening of the presidency in his persona. However, unlike Venezuela’s Chávez in more recent times, Cárdenas chose to institutionalize instead of to intensify the revolution when he bypassed leftist leaders within the party, and chose instead a moderate as his successor (Levi & Bruhn 2006:286, n-16), Manuel Ávila Camacho, a desk officer and administrator rather than a field commander (Basurto 1999:79).
2.2. Populist Policies

One of the main antecedents to Cárdenas’ land distributions was the expropriations of estates and the distribution of their lands to peasants that carried out during the Maximato era. Cárdenas took these policies to an unprecedented level, distributing lands to around eight hundred thousand peasant families, more than all of his predecessors combined, and more than any other afterwards. The process virtually meant the demise of the hacienda system (Basurto 1999:77). The new agrarian code of 1934 break up and redistribute large landed estates in the form of communal lands called *ejidos*. In total, he redistributed up to 17 million hectares of land (Edmonds-Poli & Shirk 2009:54,58).²⁰¹

On the other hand, Cárdenas promoted educational expansion for the masses. During his time in the office, he was able to build 3,000 new schools, train about 100,000 new teachers (many recruited from the cities), and to rise public school enrollment from 1.7 to 2.2 million (Basurto 1999:78). Likewise, during his administration banks were opened whose mission was to lend money to peasants, while technical education was promoted. Cárdenas also nationalized the oil industry in 1938, creating the state-owned company PEMEX.

Finally, in 1938 the PNR (Revolutionary National Party) was transformed in the PRM (Party of the Mexican Revolution), opened to multiple sectors of society (much more than its antecessor) (Meyer 2010:250). As he built popular fronts to support the ruling party, this approach to coordinating interest groups led him toward *corporatism*—a common feature in populism. In this

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²⁰¹ I do not discuss the many problems related to this process for the sake of concision in this final part of the work.
sense, the newly created working class organization (Mexican Workers’ Confederation, 1936) was coopted by the government.

2.3. Civilianizing the Military

For the last years of his mandate, Cárdenas assured for himself the army’s loyalty by civilianizing the military. First, young officers trained in the academy, and who had not fought in the revolution, were appointed for command positions which made them loyal to the president. Additionally, he passed a bill in 1939 with the objective of soften or eliminate the spirit of caste among officers. Moreover, “the Military Service Law of 1939 helped diminish the gap between officers, troops, and the civilian population” (Basurto 1999:79). Finally, Cárdenas brought the military into the party structure, incorporating the roughly 60,000 members of the armed forces into the party (Edmonds-Poli & Shirk 2009:57). In this area, one important difference with the Chávez government in Venezuela is perhaps that Cárdenas trimmed the military’s budget, reducing it from 25 to 19 percent of the federal budget between 1934-38 (Basurto 1999:79). As we have seen in chapter 7, this tendency lasted until the year 2000.

2.4. Rhetorics

Although at the time the mass media communications were not as available, Cárdenas promoted a cult of personality through radio, and especially by traveling to the most remote villages and, once there, through directly hearing the concerns of the common people. Eventually, his reputation as a benevolent man and his compassion for the poor (especially Indians) earned him the nickname of “Tata” (or father in Michoacán). During his campaign, he visited every state of the country, and wherever he went “… he spoke with the local chieftain, met the army garrison commander, and
held audiences with the townspeople” (Basurto 1999:76). He continued his trips around the country once elected.

3. Mechanisms in Cases of Successful Populist Movements

We are now in a better position to make more meaningful conclusions about the mechanisms explaining the success of populist movements in the Latin American context. Let me know review each of the main mechanisms of the explanation developed along the present work.

<table>
<thead>
<tr>
<th>Cases</th>
<th>Crisis or Unrest</th>
<th>Differentiating Military Reforms</th>
<th>Presidentialism and / or Personalism</th>
<th>Distributive Policies and Clientelism</th>
<th>Populist Praetorianism</th>
<th>Populist Rhetorics</th>
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</thead>
<tbody>
<tr>
<td>Cárdenas in Mexico (1934-1940)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>The Chávez Era in Venezuela (1999-2013)</td>
<td>X</td>
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<td>X</td>
<td>X</td>
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3.1. Crisis and the Responses to It

In drawing conclusions from our cases, we can see that the administration of Cárdenas in México, and the Chávez era in Venezuela, all started with a period of unrest. Such a period might not be necessary for the advent of radical populism (as some authors have pointed out), but it seems that it makes it more feasible given its inclination to radical change. In fact, it seems that the wider the scope of the crisis (more dimensions of the state are affected) the easier it results for populist movements to get to the office. Therefore, the term “crisis” needs qualifications since not every type of crisis brings populist movement to power (as the Mexican case after 2000 seems to
confirm). In this direction, the first aspect we need to consider is that the handling of the crisis by the political elite impacts on the future outcome for populism. The recent reforms in the Mexican case, hampering the PRD’s possibilities to reach the office, are a good example.

Indeed, the political reforms of the 1990s in Mexico were successful in opening the system for new actors—particularly the PAN. That was particularly the case of the electoral reforms. The response to a narrower crisis was effective (at least initially), in spite of PRI’s attempts to the contrary. In Venezuela, the response to a wider crisis affecting core aspects of the political system fell short. The relevance of this difference is directly related to an irony: Venezuela had a bipartisan party-system while in Mexico the PRI was a hegemonic party. *Voters and public opining in a more open system, apparently, were more demanding than in a more closed one.* The conclusion in this respect is, to put it in more general terms, that perhaps more important than a crisis for the advent of populism is the way political elites take on it, as well as the openings of the political system. It means that political elites face a bigger challenge: to make reforms that are effective enough to lessen the tension and introduce legitimacy to the system, but not too deep as for them to lose their advantaged positions, in a more open political system which provides higher expectations for the public than a more closed one. That is what we see in the different results of the political reforms in our study cases. In Venezuela, radical factionalism among political elites and effective decentralization (as part of a larger process of reform) opened the way for new political actors, were factors that favored the coming of Chávez and his movement to the office. In brief: crisis can be considered as background conditions for the coming to power of populist movements.
3.2. Differentiating Military Reforms

In the scholarly literature on populism, the role of military reforms is downplayed when not simply completely overlooked. I have found in this work that they in fact matter. In the two periods of positive cases of radical populism, were military men who got to the office, surprisingly, not through military cups. In the case of Cárdenas, there were no specific military reforms to which Mexico’s beloved president could be directly related (unlike Chávez in Venezuela). However, as Camp (1992:135-136) notices it, there was a change in educational patterns among high-ranking military officers between the 1890s and the 1900s generations. Half of the officers from the 1990s generation graduated from the Escuela Superior de Guerra, an academy for selected junior officers (lieutenants and captains), founded in the early 1930s. It became a stronghold in the formation of Mexico’s generals. The middle-rank officers, then, were endowed with the skills and ethos of professional soldiers. The men of this cohort were supportive of a very popular General Cárdenas.

In the case of Chávez and the Bolivarian Movement, the role of military reforms is comparatively clearer. The cohort of Chávez and his co-conspirators were part of the Plan Andrés Bello, which made theirs the first cohort of the Venezuelan military academy who graduated with a degree in Military Arts and Sciences, bringing rivalries with other cohorts, and forming them under a more egalitarian perspective. These men were also formed with a higher sense of shared responsibility with civilians in social and economic development and governance. They developed, somehow, populist-military ideals.

This was also the case of the Trienio Adeco in Venezuela (1945-1948), which, although truncated by a military coup in 1948, represents a case of radical populism. In this sense, scholars seem to generally agree on the existence of some similarities between the era of Chavismo and the AD
Trienio within the Venezuelan case (Corrales & Hidalgo 2013:78). I would just mention now the similarities regarding the military reforms. The algid point of the government of General Isaias Medina (1941-1945) was the presidential succession. Medina had been the Minister of War and Navy of his antecessor López, and this last had been acting as the same minister of Gómez. That was not going to happen again. The Medina administration in fact undertook democratization measures, such of making political parties legal again (illegalized during the Gómez dictatorship) and accepted free press, but the constitutional reform to include the direct, universal, and secret election of the president, was still missing. The political events leading the October 1945 coup, thus, hinged around the issue of succession (Arráiz 2011:47-48). In this context, there was a group within the military called Patriotic Military Union (UMP), young officers who were plotting against Medina, more for military than for political reasons, based on the resentment of the young officers toward the higher ranks: while the former had been formed under professional and modern patterns, the later represented the old school (Arráiz 2011:50). The bottom line is that a new sector of military officers, with higher capacities, technical knowledge, and cultural education, who saw an impediment for progress in the older officers coming from the last stage of the Gómez regime (CAP interviewed by Blanco 2010:81). The new military school created a break between two different ways of conceiving the military affairs, in four fronts: the habits and the pride of career, the military administration, the education (a new world in war vs. neo-classic iusnaturalism), and the budget (Castro 1988:21-22). Quite like with the military promotion of Chávez, there was a process of change within the military that made the higher ranks appeared as not completely legitimated for medium and lower ranks officials. Populist movements have been well served by these unsatisfied military men. Although the twist of this story is that those same military turned against the civilians in 1948.
It seems safe to affirm, then, that unequalizing and modernizing military reforms seem to favor the sprung of populist movements, when they are not just plainly born within the military (the cases of both Cárdenas and Chávez bring evidence to that statement). Apparently, a sector within the military comes to see the military hierarchy either as unfair or simply outmoded. They ally with civilians who consider the political structure similarly unfair. Populist movements would come to be, now as in the past, modernizing movements in one sense: they wish to realize or to fulfill the modern promise of equality—or as I put it in the first chapter, following Charles Taylor: they want to accomplish the expectation of one edge of the modern moral order, that of equality. As we have seen, they ally or fused with the military in order to accomplish their goal. And this seems to be a condition for their success.

3.3. Presidentialism and Centralization of Political Power

A feature of classic Latin American populism was that, as Ernesto Laclau noticed it, it used to pertain to the state, in the sense that populist movements were “…trying to reinforce the role of the central state against landowning oligarchies. For that reason they were mainly urban movements, associated with the rising middle and popular classes in the period 1910-1950” (2005:192). As we have seen, this remains a feature of populist movements—at least that has been the case in the Chávez era. An integrated framework for the study of populism in Latin America should include this point: strengthening of the central state remains a self-imposed task for populist leaders. Therefore, they are a polarizing force in the context of liberalizing and decentralizing political reforms—like the 1980s and the 1990s in Mexico and Venezuela. This was the starting point of this work.

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202 This relationship between differentiating military reforms and populist movements may be a good starting point for a future study on the effects of military reforms in Latin America.
Once in the office, as we have seen, the Chávez regime moved quickly to concentrate power in the hands of the executive, while taking over the judiciary and gaining terrain in the National Assembly (for different reasons, including a boycott of the opposition). Also Cárdenas in Mexico strengthened the power of the executive over the Congress and the Supreme Court. On the other hand, the period of reforms in Mexico of the 1980s and 1990s weakened the executive and distribute power to the Congress and the judiciary. Hyperpresidentialism, thus, seems to be a mechanism favoring populist movements in the office. On the one hand, these movements rely heavily on a charismatic leader (as the bulk of the literature on populism points out). This leader is given wide powers to govern as they wish. On the other, the idea of radical change that the following backs up is a rationale for taking over the other state powers. This tendency created a tension between the democratizing discourse of inclusion of popular sectors and the anti-democratic control of every state power. However while the first is a more difficult task which often involves processes of economic development beyond the control of a particular political group, the second is easier to achieve in the context of low institutional development—like most of Latin America. The Chávez government is, in this sense, an example of what can happen when one man and his movement are overwhelmingly supported by the majority, while simultaneously institutions are not strong enough to put off their will.

3.4. Distributive Policies

The charisma of the leader (and his inner circle) requires some level of effective reform for the following to continue backing up the movement. This is the role played by certain type of policies that tend to be redistributive. Nonetheless, what makes them “populist” is not only their distributive character, but the context of their application: in most cases they are obviously used
as a vote-buying instrument. This is important to keep in mind because too often distributive policies are conflated with populism as such when in fact that points to an ideological discussion in which social-democratic principles and the welfare state are plainly considered populists—this is what authors working in the perspective of the macroeconomics of populism seem to do (Dornbusch & Edwards 1990). In our cases, policies of radical re-distribution were undertook (lands in Cardenas’ case, oil revenues in Chávez’s). They provided the basis for the leader to projecting an image of an authentic concern for the ones in need, they represent the final demonstration of radical change—even though it does not achieve revolutionary change in the social sector. In fact, one could say that during the Chávez era in Venezuela it was the social missions (the social policy) what kept the Bolivarian Movement in the office in spite of fierce opposition.

3.5. Populist Praetorianism

The military reforms that favor the advent of populist movements do not end the relationship of this type of movements with the military. As a matter of fact, once in the office they seem to draw upon another type of military reforms, this time the kind of reforms that bring the military closer to civilian activities—which in lack of a better name I called populist praetorianism. Simultaneously, the military enter into the civilian world to carry out civilian tasks, but yet within a military condition. This makes them different from plain praetorianism, where military men rule the civilian world through the technique that is granted to the military—the coup d’état.

Our cases show this important mechanism of civilianizing the military, explaining the success of populist movements. In the Chávez era it appears clearly, where several measures were taken to
guarantee executive control over the military, and this through the incorporation of military men in several civilian posts, as well as the unification of the administrative structure, and the creation of a new body. In a similar fashion, among other things Cárdenas incorporated the military to the party and he passed a bill to soften or eliminate the spirit of caste among officers. On the contrary, during the Trienio Adecó no military reforms of this sort were carried out, and the populist movement was overthrown by the same military men who had helped them reach the office. Therefore, we can conclude, at least hypothetically, that the radical nature of populist movements demands to be accompanied by a civilianization of the military in order for them to remain in power. Such demand implies a double movement: one of incorporating officers to the structure of government, and thus of sharing power on the one hand, as well as another movement of presidential oversight of the military, a movement of power concentration in the executive. This is a double movement we find in both the Chávez era and during the Cárdenas presidency.

3.6. Populist Rhetoric

Last but not least, the cases at hand show that a charismatic bond between the leader and the following was established. However, by itself it does not explain the success of a populist movement, and this is something that the literature on populism tends to confuse. Populist movement and leaders are defined through the particular rhetorical structure in which the powerful elites are depicted as corrupted, anti-nationalistic, enemies of the people, the authentic patriots. Yet, other factors (as the ones above exposed) help explaining their success. This is a lesson we learn from AMLO in contemporary Mexico. In other words: populist rhetoric is a background, necessary condition, but it is far from been a sufficient one, and in fact they seem to be secondary in nature.
4. Final Discussion

What do these mechanisms say to the different theoretical models presented in chapter 1? In **Model 1** (DiTella 1965) the causal sufficiency explaining populism is reached through the combination of a multi-class coalition and a populist discourse. Yet, the multi-class coalition is led by a disgruntled elite in the context of rising expectations and class exclusion. In our cases, the multi-class coalition is led by a disgruntled military elite, whose rising expectations concern the military hierarchy. Also, unlike in this model our positive cases of populism do not draw from rural immigration but from a time of unrest. Likewise, they enjoy of trade union support but in the sense that it is coopted by the elite and for that reason we cannot speak of genuine unionism but of corporatism. Therefore, we can say that this model was fitted to explain earlier cases of populism, but that it fails to explain our cases. Nevertheless, it provides important clues to reach our objective—such as the idea of rising expectations, that I have shown is fundamental to provide an account of divisions within the military, favoring populism.

**Model 2** (Madsen & Snow 1991) was developed to explain the charismatic bond between Perón in Argentina and his following. Populism is thus explained through such a bond. In this model, rural immigration is again highlighted, only this time the existence of an economic crisis is introduced. A psychological principle of negative self-efficacy is introduced. Given the factors above remarked, we can set this model aside in order to explain our cases and rely on other explanatory mechanisms, for clientelism and military reforms are not considered as the necessary conditions we have seen they are.
Model 3 (Oxhorn 1998) introduces a more complex landscape. Structural conditions such as a large informal economy, rural immigration, income concentration, and the incorporation of women into the labor force, translate into restraints of the productive sectors, all in the context of rapid social change and a worldwide expansion of the service economy, result in extreme social heterogeneity. The organized working class lags behind which facilitate that paternalist elites mobilize those heterogeneous social forces. Which is the key for the continue resurgence of populism in Latin America. This model, however important it is for explaining the recurrence of the phenomenon, does not explain why these movements succeed. All these factors are then “given conditions” which work as the background for populist movements to reach and to stay in power. Moreover, it does not even mention the role of the military in processes of populist contention.

Model 4 reunites those theories (Canovan 1981; Coniff 1999; Weyland 2001) which see populism as a relationship between a leader and a following. While this is true in a definitional level, it does not explain when they succeed. Yet, they highlight the role of patron-client networks which, as it happens, are of much importance in our cases (especially during the Chávez government). Clientelism is what we need to retain from this model, but like the previous one this model completely disregards the role of the military for populist contention.

Similarly to Model 4, Model 5 (Mouzelis 1985) focuses on the patron-client networks that a charismatic or plebiscitarian leader establishes with a following, and the populist, anti-establishment discourse. Like in Model 4, then, it is clientelism what we should retain from this model as previously shown. Likewise, it does not pay attention to the military or military reforms when explaining the success of populist movements.
In Model 6, Hawkins (2010) sees populism as a result of a legitimation crisis, mostly a result of corruption, while not considering the charismatic leader a consubstantial feature of populism (unlike most theories). The legitimation crisis was indeed a determinant factor for Chávez to come to power (as I showed in chapter 4), but it does not seem to have been the same in the Cárdenas case. We need to retain this insight because if not a legitimation crisis in this last scenario, there was a period of severe unrest triggered by the Mexican Revolution and its aftermath. Again, this model does not consider the role of the military.

Finally, Model 7 (Laclau 2005) represents a particular Lacanian theory explaining populism. It can be summed up in three factors: a crisis (or a situation perceived as deinstitutionalized), the division of the social field in two antagonistic poles, and agreement on a symbol among heterogeneous social forces as to be able to reach broad coalitions around this symbol (the charismatic leader). Quite like with Model 4, this one does not necessarily explain when the populist movement succeeds. Unlike Model 4, this model does not focus on the patron-client networks but on the coalitions that are formed around a leader. While coalitions are obviously determinant to any political process and not only to populism, other elements are to be considered when explaining populism—such as military reforms, clientelism and corporatism.

In sum, none of these models highlights or even mentions the role of military reforms for populist movements. As I have shown, they are pervasive in two different moments of the process of unfolding of a populist movement: when hatching the movement, one type of reform that exalts differences between ranks and generations, and later, once in the office they merge the military with traditionally civilian tasks. How can we describe the structure of political opportunities of
populist movements? On the basis of the previous discussion I can now put in a scheme the hypothetical mechanisms leading to the success of a populist movement.

**Background Conditions**

Extreme Social Heterogeneity

Crisis or Social Unrest (more generally)

**Secondary Mechanisms (always present but do not necessarily explaining the success of populist movements)**

Leader and Following

Charismatic Bond (between Leader and Following)

Multi-class Coalitions

Populist Rhetoric / Cultural Regression

**Insufficient but Necessary Mechanisms**

Differentiating Military Reforms

Presidentialism and Centralization of Power

Distributive Policies and Clientelism

Populist Praetorianism

Scholars of social movements have identified some enduring principles of the Structure of Political Opportunities (Johnston 2011:38): a) Federal versus centralized structures. “Decentralized systems of government, such as the federal systems of the US, Canada, and Germany, offer greater
political openings for social movement mobilization than centralized systems, such as in France, the Netherland, or Sweden. This is a principle that has been widely supported by research in European countries” (Johnston 2011:38-39). b) Functional independence (or, the division of power branches in the state). c) Political parties. “The need to form governing coalitions provides access to the halls of power for minority parties and for the movements that have the ear of minority-party officials” (Johnston 2011:40). As I have shown, these principles played a role in the different paths taken by Mexico and Venezuela. Yet, as long as populist movements are concerned, the main finding of this work, thus, pertains to the role of military reforms in their success. A feature that has been overlooked by most works on populism and that speaks of the importance of a possible future research on the consequences of military reforms for the Latin American state.

In the Latin American context, where the landscape is saturated by weak states, radical reformers who speak on behalf of “the people” against “corrupted elites” (the populists), seem to be in need of the support of the men of arms. Consequently, military reforms, first, fetch a fertile ground for them. Reforms mostly by civilians that strengthen a gap (cultural and organizational) between military cohorts become a trigger for the search of a “fairer” system. This is what creates momentum for a cycle of populist contention, when a movement of radical reformers seizes power in a context where a crisis or an atmosphere of dissatisfaction predominates. Once in the office, besides clientelism and corporatism, civilianizing the military and governing with military men becomes a condition for the populist rulers to remain in power. These are necessary conditions insufficiently noticed or plainly ignored by the literature on populism. The pairing of radical reformers outside and within the military is what has the last say on the political success of populism.
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