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The Decline of Democracy in Venezuela:
The Deterioration of Venezuelan Exceptionalism and the Rise of Hugo Chávez

by Meredith Aach
Many view Venezuela as a country with a nationalist authoritarian leader where democratic governance has steadily been on the decline. In 2007, a United States-based organization that focuses on advocacy for and research on democratic rule, political freedom, and human rights around the world, ranked Venezuela as a 4 on a scale from 1 to 7, 1 being the most free and 7 being the least free. This number has risen from 1.5 in 1986 and 2.5 in 1998 (Freedom House, 2007). There has been a suppression of opposition from workers of Petróleos de Venezuela Sociedad Anómia (PDVSA), the state oil company, and the closing down of RCTV, one of the country’s oldest television stations and critic of Hugo Chávez’s regime. President Chavez’s political agenda, reforms, and his moves to strengthen the presidency have led some to wonder for how long democracy will last in Venezuela. The proposition that Venezuela is a model democracy has seemed to have completely disappeared.

What has led to the decline in democratic governance in Venezuela?

The impact of oil is one reason cited for Venezuela’s move to the left and its move away from democracy. Many contend that oil serves as an impediment to development for political, economic, and cultural reasons. Politically, oil encourages rent-seeking behavior, corruption, and depending on the timing of oil production; it can prevent strong institutions and an environment of democratic governance from developing and continuing. Economically, the Dutch disease, the phenomenon where an inflow of money from natural resource wealth leads to currency appreciation, hurts domestic industry, economies tend to be less diversified, and countries often depend on the volatile oil industry for public spending and development. This allows vulnerabilities to exist which can intensify in times of crisis, increasing public dissatisfaction. Culturally, dependence on oil prevents a relationship of accountability from developing between the government and its people because of the lack of a taxation system. It also fosters a culture of consumerism ignoring the systemic and structural issues that hinder equitable growth and development (Hellinger, 1994; Karl, 1997; Ross, 2001; Schubert, 2006).

Many theorists attribute the decline in democratic governance and in protecting civilians’ freedoms to the “oil curse” (Friedman, 2006; Ross, 2001). However, the history of oil is unique to each country and needs to be explored in the context of other political, economic, and social conditions. First, one must understand the process of state building concurrent with the finding and excava-
tion of oil. Second, the way in which oil has affected political institutions, especially the political parties, can provide significant insight. Third, one must also evaluate how oil development and changes in governance have impacted local public opinion, which has reflected strong support for the internationally criticized Chávez regime.

Overturning Venezuelan Exceptionalism

In Venezuela, state-building began around 1920s which was about the same time oil was discovered in the country. As Miguel Salas states, “oil remained inseparable from the evolution of Venezuelan state building” (2007, p. 35). The presidency maintained almost unlimited power because of a lack of checks and balances established in the process of state development. Furthermore, factionalism, “partyarchy” and the formation of a pacted democracy allowed for the illusion that Venezuela had established a stable and honest democracy with representative rule (Ellner, Salas, et al., 2007; Karl, 1997). This illusion of a legitimate democracy ran parallel to the ideals of Western-style democracy and became known as “Venezuelan exceptionalism”; the idea that Venezuela avoided the crises plaguing the rest of the hemisphere including tendencies to authoritarian rule, civil strife, and weak political institutions (Ellner, Salas, et al., 2007; Levine, 1994). In the mind of the United States government, Venezuela became the exception and model that other countries in Latin America, who were dealing with racial conflict, military dictatorships, and political instability, should follow. However, this illusion broke down in the 1980s under the weight of increasing debt, worsening impoverishment, and greater disillusionment with traditional “democratic” institutions.

Venezuelan exceptionalism, according to Ellner and Salas, rested upon three principles. First, Venezuela was economically “privileged” when comparing the country to others in Latin America. Second, it remained relatively free from class and racial conflicts that often hurt stability elsewhere in the region. Finally, the system of democracy and the political system were viewed as “healthy and solid” by the United States and other Western countries (2007, p. 5). This paper will focus on the third principle by addressing why Venezuela was accepted as a “model democracy,” why this idea was ultimately rejected, and how this has led to declining democratic governance in Venezuela today.

Venezuela was viewed as having a healthy democracy because of the relative stability maintained since the country’s initial democratic regime until the mid-1970s. Venezuela’s centralized government, power-sharing agreements among the elites, and the support from oil income, determined this stability (Levine, 1994; Karl, 1997; Ellner, Salas, et al., 2007). However, this viewpoint was grounded in faulty assumptions and allowed for the government to avoid dealing with serious problems. The embedded vulnerabilities of the Venezuelan state system became apparent with the onset of the financial crises of the 1980s. The
realization that Venezuela was not a model democracy then solidified with the increasing violence in the 1990s, and finally, with the two coups of 1992 and Hugo Chávez’s rise to power. In order to understand the decline of democratic governance today, one must look back to the factors that established the legitimacy of Venezuelan exceptionalism, including the “stability” maintained by the strong central state authority and “partyarchy,” and the effect oil had on Venezuela’s political culture, institutions, and on the relationship between the state and the public.

**Strong Central Authority**

*Centralization of Power in the State:*

Centralized power in the Venezuelan presidency has existed since the entrance of oil companies into the country. This power was facilitated by a weak congress, powerful political parties, and the use of oil to maintain stability. The expansion and centralization of the state laid the foundation for future presidents of Venezuela to maintain their authority and the country’s stability, while preventing a strong, healthy democracy from emerging.

The role of the state in Venezuela fundamentally changed during the regime of Lieutenant Juan Vicente Gómez during the early 1920s. Until the mid-twentieth century, caudillismo, in which powerful landowners and elites were the major nodes of political authority, characterized Venezuelan leaders. There was a lack of political, social or administrative institutions; thus, political rules were established by force with self-organized militias and leaders as the only legitimate rulers. However, there was a persistent need for a strong central authority, which the caudillos themselves, wanted to embody (Hellinger et. al, 1994).

The centralization of power in the state initially began with the entrance of oil companies into Venezuela in the early 1900s. Oil was first discovered at Lake Maracaibo in 1922, and then subsidiaries of Standard, Shell, and Gulf entered the country (Hellinger, 1994). The scramble for petroleum during this time allowed Gómez to consolidate power in the presidency. He saw the benefits of linking himself with foreign capital and taking advantage of the competition between oil companies. He led negotiations on concessions without the restraint and check of Congress, actions which served to benefit both the oil companies, who could obtain crude oil supplies, and Gómez, who centralized his power and increased his personal wealth (Hellinger, 2000; Karl, 1997).

Second, Gómez’s petroleum laws further allowed him to empower the executive branch. For instance, he declared private land rights unconstitutional in 1922 because the oil companies wanted to deal with one, weak, central authority rather than numerous, decentralized land elites (Karl, 1997). The move from caudillismo, mostly decentralized, to presidentialism led to the expansion of state central authority. This would allow predation, patronage, and the notion that oil and petrodollars could be used to maintain stability in a regime (Karl, 1997). This idea would remain dominant for the next century.

The centralization and expansion of state authority included the expanded jurisdiction of the state. The public wanted the government to capture more rents from the “imperialist” oil companies that could be used for social programs. In the mid to late 1940s, President Betancourt promised that the newly formed Acción Democrática (AD), a dominant political party in Venezuela, would demand a fairer, or more “just” share of oil earnings to improve the standard of living and the conditions in Venezuela (Hellinger, 1994). The Hydrocarbons Act of 1943 incorporated new taxes on oil companies, which would later lead to a “50-50” share in profits further increasing the complexity of the state (Karl, 1997).

The country’s economy was burdened with an influx of dollars, and the Venezuelan currency became overvalued, encouraging imports and ultimately stunting growth of the domestic industries—the embodiment of the “Dutch Disease.” The agricultural industry was hurt and made uncompetitive with the complete collapse of coffee and cacao exports (Karl, 1997). These conditions led to the financial crises of the 1940s because of the country’s massive deficits. Revenue could not be obtained through taxation of the people due to the damaged agricultural sector and because the urban class was already devastated by the crises. Instead, the state had to rely on the oil companies for income. The Hydrocarbons Act also led to rentier behavior because of the domestic cooperation organized against the oil companies (Hellinger, 2000; Karl, 1997).
**Jurisdiction versus Authority:**

The nature of the petro-state requires a strong government because “both the requirements of oil exploitation and the depletability of the resource necessitate a highly centralized authority” (Karl, 1999, p. 35). Beyond the 1940s, the centrality of state authority persisted. The state had more responsibilities, but it was still weak and lacked the capacity to take on this role. Furthermore, strain on Venezuelan institutions and public dissatisfaction during the seventies and eighties propelled desire for more jurisdiction of the state; yet, the state was unable to handle the new responsibilities it was handed. Corruption and administrative inefficiencies pervaded government institutions (Karl, 1997). The history of Venezuelan state building and the necessities of the oil state continued the expansion and increased complexity of the central authority. As Karl explains, there was a large gap between “jurisdiction” and “authority”, or rather between the “scope or degree of intervention in the economy...and...its ability to penetrate society and channel effectively the direction of change” (1997, p. 14). This gap would lead to the crises of the 1980s.

In 1973, the Arab oil embargo sent oil prices skyrocketing, quadrupling them overnight, and making the push for nationalization strong. In 1976, Venezuela nationalized its oil industry, and finally, the oil “belonged” to Venezuela. Or did it only belong to the elites? At the time the president, Carlos Andrés Pérez, increased spending which began to spiral out of control and outstripped revenue (Hellinger, 1994). Pérez then looked to United States’ banks to borrow, putting Venezuela in debt, allowing spending to further grow uncontrollably, and damaging fiscal discipline for the long term. This also prevented efforts at instituting a tax reform because it was almost impossible to persuade Venezuelans that the state needed more money (Karl, 1997). The public felt the state was already rich and that it did not need to take more money from them. The lack of a tax structure also prevented a healthy relationship from developing between the state and the public, known to some as the “taxation effect,” which further increases corruption (Ross, 2001).

The revenue received from the petroleum industry allowed for the continuity of the myth that the state could effectively handle a larger role in the economy. From 1917 until 1936, it is estimated that 29% of state revenues came from oil. In 1936 until 1945, that percentage jumped to 54% of state revenue. And, between 1945 until 1958, the percentage of oil revenue that was a part of state revenue was 71% (Salas, 2007). The myth centered on the large amount of money the state collected from the rise in oil prices and oil revenues, which meant it could effectively manage crises, and meet the public’s needs and desires. This type of oil-based development caused a dangerous reliance on the state. “When oil monies first come on stream, or when booms occur, rapid petrodollar flows encourage new belief systems about the expansive role of the public sector, new modes of behavior and new vested interests” (Karl, 1999, p. 35). The large role of the state is not only a belief, but it is also perpetuated because of key interests in the oil rents.

Venezuelans seemed content with how the country was being run until the onset of the financial crises, which exposed fundamental vulnerabilities of the current political and economic system. The dependence on oil revenues would prevent the necessary reforms that might have enabled the state to more effectively deal with the current and future structural problems of the country. These problems included the decline in the price of oil, the inability to increase productivity and competitiveness, the inability to generate other forms of revenue, and the deepening “petrolization” (Romero, 1997).

Even attempts to reform led to more corruption, cronyism, patronage, centralization, and bureaucratic inefficiencies (Karl, 1997). Reforms were ineffective and increased public discontent with current conditions. In one instance, former President Carlos Andrés Pérez implemented reforms that were “diametrically opposed to his policies of 1974 to 1978.” Those past policies gave him the support to win the presidency for a second time. In contrast to the late 1970s, he privatized different corporations, cut state employment and subsidies, and agreed to an International Monetary Fund (IMF) program. His proposed IMF program provoked massive, violent protests
that prevented him from implementing the agreement (Hellinger, 1994, p. 41). The reforms, during both the late 1970s and 1980s, led to rent-seeking and the inability to reduce corruption, permanently hurting the authority of the pacted democracy. Karl correctly points out that these failures of the reforms “undermined the legitimacy of pacted democracy and its capacity to set any coherent economic policy” (Karl, 1997, p. 140).

The history of state building and the entrance of oil into Venezuela led to the development of a strong state role in the country’s political, economic, and cultural spheres. However, corruption, inflexibility, and inefficient management plagued the state institutions. These factors led to public disillusionment with these institutions, especially directed towards the political parties because of the “partyarchy” and pacted democracy that existed in Venezuela. The strategy of pact-making and alliance building of the pacted democracy would be determined by oil rents and rent-seeking behavior, which would further prompt public discontent with political institutions in Venezuela.

Venezuelan Democracy
Pacted Democracy and “Partyarchy”

In 1958, pacts were established at Punto Fijo between three main political parties at the time, Acción Democrática—Democratic Action (AD), Partido Social Cristiano de Venezuela—Social Christian Party of Venezuela (COPEI), and Unión Republicana Democrática—Democratic Republican Union (URD). These parties maintained control over state action through power-sharing;
however, URD eventually declined in importance with AD and COPEI maintaining power for the next three decades (Coppedge, 2002; McCoy, 1999). The power and stability maintained by AD and COPEI from the 1950s until the early 1980s became defined as a system of “partyarchy” and pacted democracy underwritten by the massive oil revenues. Some viewed the system as a “subsidized democracy” (Danopoulos and Sylvia, 2003). The economic expansion and social mobility experienced during this time legitimized the belief that Venezuela was a healthy, stable, and democratic nation (Karl, 1997; Coppedge, 2002).

The term “partyarchy” was coined by Coppedge (et. al, 2002) to describe the stability achieved by giving a central role to the two main political parties who would govern through “compromise and shared spoils” (Danopoulos and Sylvia, 2003, p. 64). The Pact of Punto Fijo, which established both pacted democracy and the partyarchy, intended to represent the lessons the political parties learned from past political mistakes especially the failure of the unilateral rule during the trienio of 1945-1948 (McCoy, 1999). However, the pacts made in 1958 would have their own problems; chief among them were their inflexibility and exclusion.

Coppedge details AD and COPEI’s maintenance of governability and stability between the 1960s to early 1980s. First, the parties were seen as being broadly representative of society; yet, the party system was exclusive only to party representatives. The “partyarchy” created bureaucratic and “hierarchical national organizations and relied on oil revenues to satisfy the needs of their major constituencies...Oil revenue remained inequitable and the parties gradually took control of most organizations within civil society” (McCoy et. al, 1999, p.64-65). Rather than representing all of society, the parties retained the support of the elites through oil revenues. Second, the parties politicized non-party organizations like labor and student organizations, which furthered the parties’ outreach to civil society (Coppedge et. al, 2002). They maintained stability through incentives and constraints for various interest groups. Third, the military was embedded into the political parties, a fact that coerced their constituencies into obeying the elites in power and fostered an environment of discipline. Fourth, both AD and COPEI continually sought consensus, avoiding conflict at all costs (Coppedge, 2002; Romero, 1997).

Since 1958, the parties “sustained an elite consensus and systematically insulated policymaking from substantive debate” (Karl, 1997, p. 110). The avoidance of conflict through consensus prevented needed reforms from being implemented and allowed the state to ignore problems that it would eventually have to deal with in the future. Finally, they worked well with other actors, especially the military and the public sector to compromise and keep each other content with the status quo (Coppedge, 2002).

The power of AD and COPEI is further described as a pacted democracy, which Terry Lynn Karl defines as “elite bargains and compromises during transition from authoritarian rule by selectively meeting demands” (1997, p. 93). Not only were pacts made between political parties, but also with business and church elites. The groups agreed upon power sharing, reconciliation of grievances, respect for individual rights and liberties, reliance on the state as the major engine for economic development, postponement of proposals for redistributing wealth, and the support for the United States in the Cold War (Myers, 2004). These pacts ensured consensus and enabled the state to establish authority, power, and ultimately legitimacy through the stability achieved.

Petro-states, like Venezuela, generally depend upon oil revenues and political stability to govern. Between parties and among constituencies there were contests for the prize of “a greater share of rents through legal and extra-legal practices...These parties evolved into organizations competing for their share in the oil-rent trough” (Hellinger, 1994, p. 39). The allocation of rents was extremely politicized within the pacted democracy, encouraging rent-seeking behavior and corruption among political and business leaders. The distribution of oil revenues depended upon satisfying the key elite leaders and ensuring that there was at least “generalized improvement” in the standard of living in Venezuela to maintain stability (Romero, 1997). This balance allowed the system to remain intact, until the vulnerabilities inherent in the system finally made this strategy of pacted democracy fall.

As mentioned in the previous section, the structure of Venezuelan democracy prevented successful and efficient reform of the state to deal with the needs of the society. The powerful political parties, institutional rigidities, and “perverse incentive structure” were major obstacles to needed reform (Karl, 1999).
First, dependency on distribution hindered regulatory processes from developing. “State officials became habituated to relying on the progressive substitution of public spending for statecraft, thereby further weakening state capacity” (Karl, 1997, p. 16). The lack of regulation within Venezuela’s institutions kept the state highly centralized, as it was before the pacts of 1958 (Myers, 2004). It also allowed Venezuelan institutions to remain weak, to be plagued by corruption, and to have poor public administration (McCoy et al., 2004).

Second, Venezuela’s reliance upon distributive policies to govern prevented any culture of accountability from forming between the state and the public (Myers, 2004). The immense budget available to the state makes irrelevant a tax structure upon which rests government accountability. As referred to earlier, this is what Ross refers to as the “taxation effect,” where the state feels less accountable to the public (Ross, 2001). The government lacks incentives to address the needs and desires of its people. “Governments that lack accountability...foster a nasty cycle of weakened institutions, patronage, and poor governance, which in turn fosters even more corruption. Once unleashed, these forces are difficult, if not impossible, to rein in” (Schubert, 2006, pp. 7-9).

Third, there were no incentives to be efficient or prudent in making policy because money was pouring into the central power structure perpetuating the “inflexible system” and encouraging rent seeking (Karl, 1999). The influx of oil revenue produced uncontrollable public spending and unrealistic expectations of future income, especially on large, wasteful infrastructure projects (Schubert, 2006). The high level of rents would facilitate foreign borrowing, rather than directly dealing with structural reforms needed. With the loss of fiscal discipline, countries face inflation, indebtedness, and develop a culture of corruption (Ross, 2001). Petro-states are not necessarily forced to adapt because of their use of oil as collateral and because their macroeconomic conditions do not necessarily show the problems they are facing (Karl, 1999).

In the 1980s, Venezuela faced financial crisis from over-spending and from the petroleum industry’s inability to produce the rents similar to past experiences. “The growing gap between the value of oil exports and state expenditures meant that petrodol-

Public Disillusionment

Shown through public opinion polls, many in Venezuela claimed that a democracy was the most fair and just political system that would keep its promises to the public. As Romero points out, the democratic pacts and power-sharing agreements were based upon the premise that the “democratic state would be a more legitimate, stable, and efficient instrument for mediating the distribution of oil rents,” in comparison to the militaristic dictatorship before 1958 (1997, p. 8). Support for democracy is strong in Venezuela, as evidenced by opinion polls of the 1990s showing that democracy is viewed as the best form of government (Romero, 1997), and also those taken today as shown by the Latinobarómetro report of 2007 (see page 24).

While the majority of the population believed in
democracy as the best form of
government, there was strong
popular discontent with political
institutions and in their ability to
deal effectively with the desires
and problems of the people in the
1990s. As referred to by Romero,
Andrew Templeton’s study on public opinion
provided strong evidence of “long-standing
popular discontent on economic issues, dis-
satisfaction with the efficiency of public ad-
ministration, disillusionment with the capacity
of existing institutions to resolve the nation’s
problems and an increasing conviction that
these institutions are not only inefficient but
also corrupt” (Romero, 1997, p. 16). Romero
attributes this difference between feelings
about democracy and the actual conditions
in Venezuela as a gap between “expectations
and government performance” (et. al, 1997,
p. 15).

The public views corruption and ma-
levolence as the cause for this gap and their
dropping standard of living. Furthermore,
they feel that oil profits
should be redistributed
more evenly (Romero, 1995). The
decreasing per capita state oil reve-
uences and growing population from
the 1960s to late 1990s signified a
smaller redistribution of Venezu-
ela’s oil wealth. There was a 47%
drop from 1963 to 1997 of the per
capita oil revenue (Wilpert et. al, 2005). The inequitable distribu-
tion of oil revenue contributed to
this notion that the government
and business elite were corrupt
and unconcerned with the coun-
try’s poor.

Although the Venezuelan public

desires a strong central state and
a statist model of intervention in
the economy, the institutions are
weak. However, the scapegoat for
their problem has become cor-
rupption instead of institutional,
which has been the focus of public
discontent (Romero, 1997). Hugo
Chávez also takes advantage of
the public’s opinion on corruption
to gain popularity, support, and

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<tr>
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<th>Approval of the Government</th>
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<th>Confidence in the President</th>
<th>The state can solve all the country’s problems</th>
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Source: Latinobarómetro 2007
trust in institutions due to corruption and a simultaneous desire for statist intervention. Yet, with such a gap between jurisdiction and authority, the public has begun to trust personalities rather than the country’s institutions (Romero et al., 1997).

Democracy in Crisis: The Emergence of Hugo Chávez

After the two 1992 military coups that tried to oust Carlos Andrés Pérez, impeached for fraud, and after the 1994 collapse of the banking system of Rafael Caldera, the Punto Fijo agreement finally collapsed in 1998 (McCoy, 1999). The two administrations were viewed as untrustworthy, corrupt, and incapable of running the country effectively. They were overspending, the country was in debt, and the population was faced with impoverishment and a decreasing standard of living. “Not only did these rulers believe

<table>
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<th>Government looks after the good of the people</th>
<th>Confidence in Democracy</th>
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Source: Latinobarómetro 2007
they could finance their major development projects at home, but they could also invest or buy resources and protection abroad” (Karl, 1999, p. 34). The lack of fiscal discipline led to increasing debt and forced the administrations of Pérez and Caldera to adopt economic plans including austerity measures. The programs seemed harsh for the poor and the antithesis of Venezuelans’ opinions on how the state should be run. Both Pérez’s and Caldera’s programs were incompatible with the public’s desire for the state to take care of its people.

The plans adopted by the government were based on the neoliberal model that the public rejected. They felt putting the burden on them was unfair. To many Venezuelans, the actions taken by the state showed how corrupt the political and business elite had become. There was a common perception that the country was rich due to the immense oil wealth, but the policies recommended by the IMF would have put the burden on the people, instead of dealing with the corrupt leaders, which enraged the public. Overspending, structural problems, including the dependency on oil revenue, and the changing market conditions caused all of Venezuela’s vulnerabilities to become apparent—the stage was set for a crisis (Romero, 1997).

After the fall of the pact, democracy even the association with AD or COPEI cost the candidates support (McCoy, 1999). Venezuelans were tired of the way the political system had been handled during the past few decades; thus, they looked to a “political outsider” to fix the system. The void created by the disillusionment with traditional political parties was filled by a strong, charismatic leader, Hugo Chávez. The public became enchanted by “personalismo” because of the previously centralized, exclusive, and corrupt political institutions. Chávez understood the drastic changes desired by the people and he knew how to earn the trust and support of Venezuelans (Cameron, 2001; Romero, 1997; Shifter, 2006).

The aim of Chávez’s Bolivarian Revolution was to reject traditional corrupt institutions and to ensure that all of Venezuela would enjoy the “fruits” of the oil wealth (McCoy et al, 1999). The public is attracted to his “personalismo” and his drive to rid the country of corruption, the long-time scapegoat of Venezuela’s problems (Romero, 1997; Rosenberg, 2007), and to his persistence to “correct the power and wealth imbalances” (Shifter, 2006). Chávez’s Bolivarian Revolution, and his “oil revolution” planned to correct all the problems that have characterized Venezuela for decades (Rosenberg, 2007).

Gregory Wilpert explains the Bolivarian Revolution through five characterizations. First, it was redistributive. The country’s oil wealth was spread more evenly throughout the country by instituting social programs and land reform. Formerly, the wealth was siphoned off by the political elite (Wilpert, 2005). Chávez also directed the funds of the state oil company, PDVSA, into a fund over which the president would have complete control. He has used this money for community based “misiones” that provide basic services to the poor in formerly marginalized communities. According to Shifter, about $20 billion was used for “misiones” to provide food, and education and health services to the poor between 2003 and 2006 (Shifter, 2006).

Second, Chávez’s project is anti-neoliberal, or opposed to free trade, state austerity programs, privatization, and deregulation. Instead, he favors an “endogenous development,” education for the poor, and political and economic integration of Latin America (Wilpert et al, 2005). He funds this type of development completely by oil revenue. “The money that PDVSA does get from selling at market prices goes to finance Chávez’s revolution at home. Last year, PDVSA’s payments to the state totaled more than $35 billion...35% of the company’s gross earnings” (Rosenberg, 2007). He provides discounted oil to countries in Central America and the Caribbean and also uses the money to finance the socially motivated “misiones” (Rosenberg, 2007).

Third, Chávez’s regime is participatory. The system of democracy is no longer representative, but instead based upon citizen participation, including local public planning councils (Wilpert, 2005). Before, the two dominant parties, AD and COPEI, controlled politics and excluded the public from participating in the public sphere. What remains to be seen is whether these programs actually allow the public to participate or if they merely act as a façade of participation. Studies still must be
conducted to assess how involved the Revolution allows the public to be.

Fourth, the Bolivarian Revolution is inclusive. There are redistributive programs, like social projects and land reforms, and affirmative action measures. Moreover “his symbolically integrative discourse cultivates an extraordinary sense of belonging” (Lander, 2007, p. 28). As stated before, the political system was extremely exclusionary under the Punto Fijo, pact democracy. Chávez understood the need to rectify this situation and promised to ensure inclusion of all (Wilpert, 2005).

Finally, the Revolution was based upon fighting corruption. Theories of the oil curse and public perceptions have led to the belief of corruption as one of Venezuela’s main problems. After the fiscal troubles of the 1980s, Romero comments, “Corruption in fact became a catch-all means of interpreting a wide range of problems, especially the economic crisis” (Romero et. al, 1997, p. 20). Corruption remains a “scapegoat” for the country’s difficulties today. “Venezuelans have placed their faith in individuals rather than in institutions. They want a leadership style that is authoritarian, messianic, and nationalistic, one that promises to redistribute the country and take revenge on those who are corrupt” (Romero, 1997, p. 24). Because the country was rich from oil wealth and a huge gap remained between the rich and poor, the public was left to believe that corruption was preventing the oil wealth from being distributed equitably. Chávez’s anti-corruption pledge, thus, is attractive to the poor and earns him popular support among them.

While the Revolution may seem to be a positive alternative to the pact democracy of the 1940s and 1970s, Chávez’s political project has prompted criticism by many Western governments, especially the United States, for being anti-democratic, authoritarian, and for suppressing civil and political liberties. The view of Venezuelan exceptionalism is truly deteriorating: “Venezuela [is] retreating from what seemed like an unstoppable process of democratization” (Friedman, 2005). Chávez rejected the 1961 Constitution which he viewed as a major cause of Venezuelans’ problems; yet, there is no real consensus that anything was essentially non-democratic about it. On the other hand, it represented and symbolized the corrupt political parties that the public distrusted (Wilpert, 2005). Human rights organizations and countries such as the United States have voiced their opposition to Chávez for his suppression of opposition. He is particularly aggressive in his stance on the media as evidenced by his closure of RCTV. He also reacted to strikes by PDVSA employees by firing thousands of them (Rosenberg, 2007).

Besides his aggressive reactions to opposition, his strategy
for improving the situation in Venezuela is viewed as unsustainable. Shifter (2006) views his Revolution as "hardly a sustainable model for Venezuela...[It] is fundamentally clientelistic, perpetuating dependence on state patronage rather than promoting broad-based development." Chávez is dependent upon a single commodity, and oil prices are increasing, but for how long can this last? The market is cyclical, a pattern that will undermine stability in the future if oil prices drop or if a financial crisis occurs. Venezuela is still at the mercy of the volatile international oil market.

In contrast to the United States' discourse of the Venezuelan decline in democratic governance, Venezuelan citizens see their country's democracy as existing and succeeding in Venezuela. The Latinobarómetro poll shows that 70% of Venezuelans believe democracy is preferable to any other type of government, although there was a large drop from 78% in 2005. However, only 11% believe an authoritarian government is preferable to a democratic one (The Latinobarómetro Poll, 2006). The public's view of the current situation in Venezuela is positive. Venezuela has the highest rate of satisfaction with democracy in Latin America, at 57% of the population, up 2% from 2006. On a scale from 1 to 10, 10 being the highest, the average Venezuelan gave democracy in the country a 7.6. The 2007 Latinobarómetro poll shows that 52% of Venezuelan citizens believe that the economic situation of the country is positive, the highest percentage among all Latin American countries and 30% higher than the second highest, Brazil. Not only do they believe that their country's economy is strong; they also believe it will become even stronger. An incredible 60% of those polled believe the situation will improve (Latinobarómetro, 2007).

All indicators show support for democracy among Venezuelans, as almost the highest in the region according to Latinobarómetro, but the country is still viewed as anti-democratic. What can account for these differences in perspectives? First, the view of Venezuela as a solid, healthy democracy was skewed during the 1940s and 1970s. The perspective that democracy is in sharp decline is not completely valid, because it was never truly the exceptional democracy it was praised to be. It was looked to as a "model democracy" because of the circumstances of the time. The Venezuelan exceptionalism argument was put forward at the time of the Cold War, and the country was stable in comparison to other Latin American countries. There is no doubt that freedoms have declined and that the executive has become more centralized and powerful, but the argument that Venezuela was a democracy for others to model is wrong. Instead, the illusion of stability and the illusion that Venezuela was a healthy democracy have made current developments surprising, and the exceptionalism thesis is finally being questioned (Ellner & Salas, 2007). One must remember that vulnerabilities within the system were allowed to exist, and these have finally deteriorated democracy in Venezuela and allowed Chávez to achieve strong support and popularity, and space for achieving his Revolution.

Many Venezuelans seem content with current conditions in Venezuela. A high priority is put on the state's role in the public sphere, especially its responsibility to solve the problems that the country faces. This expectation dates back to the beginning of the 1920s when oil was first discovered. The role that oil played in centralizing power in the executive and in underpinning the pact-making and stability of the "partyarchy" has produced a strong incentive for the state to use its oil wealth to deal with any difficulty it faces. Sixty seven percent of the population believes the state can solve all of the country's problems and has the means to do so. This percentage is the highest in Latin America, where the regional average is 37% (Latinobarómetro, 2007). However, the public has been enchanted by Chávez's call for ridding the country of corruption and for redistributing oil wealth to the people. As shown in the graph above, corruption is seen to have decreased between 2003 and 2005. These conditions allow Chávez to maintain his support. The lack of trust Venezuelans have in institutions has led them to look to personalities like Chávez. The polls also seem to suggest that Venezuelans feel included in the system, which is completely different from how they felt during the "partyarchy." McCoy suggests that the acceptance of Chávez is because Venezuelan political leaders failed to include new participants in the political system and did not evolve with their changing constituents (McCoy, 1999).

Has the public allowed Chávez the space to rule because they welcome the larger role of the state? Or, has the public enchantment with Chávez allowed them to ignore the oppressiveness of Chávez's rule? Are these social programs even effective and of qual-
ity? There are questions as to whether the Chávez presidency allows true participation and inclusion when “virtually all key decisions are in the hands of the president” (Shifter et. al, 2006). His oppressiveness combined with the lack of sustainability in Chávez’s project leads to the question: how long will this enchantment last? The recent defeat of Chávez’s plan to extend term limits, to call for a state of emergency for an unlimited amount of time, and to increase the state role in the economy casts the doubt on Venezuelans’ clear support for Chávez.

**Conclusion**

Venezuelan exceptionalism was based upon the nature of the state and the government’s strategies during the period of pacted democracy and “partyarchy.” The centralized authority in the state and pact-making, along with the use of oil revenue, allowed the state to maintain relative stability and perpetuated the illusion that the Venezuelan state of democracy was healthy and stable among the public and in the United States. Furthermore, the public’s belief in a strong state to deal with all the country’s problems remains today. However, this approach to statecraft allowed Venezuela to hide vulnerabilities that inevitably developed into future problems, especially the financial crisis of the 1980s. The lack of fiscal discipline and corruption ultimately exposed these ignored problems.

As a result, Venezuelans distrust state institutions, especially the traditional political parties, which are viewed as exclusionary and corrupt. They believe the country is rich from its oil wealth, but the masses have not benefitted from this wealth because the corrupt and malevolent elites stole the country’s money for their own benefit, rather than redistributing it to the people. This disillusionment opened up a vacuum of power conducive to the emergence of a charismatic leader. The public would look to personalities, like Hugo Chávez, who promised to change the status quo.

The Chávez regime is criticized for its authoritarian, anti-United States, and socialist rhetoric and practices; yet, the countrymen seem content with the state of democracy in Venezuela, as evidenced by the Latinobarómetro polls. However, this poll contrasts with recent events by opposition movements like the defeat of Chávez’s proposed charter to end term lim-