DEBATES

For and Against Chávez
The Debate Continues

GOMEZ continued...

Graduate study on Latin American topics at the University of Saskatchewan can be pursued in a variety of different areas. Among the most active are Community Health and Epidemiology where students do work on numerous issues to do with public health options. They are joined by faculty in other departments to create a particular strength in health research in Latin America. The University also has a special focus on indigenous concerns, including work on indigenous issues in Latin America that spans numerous colleges and departments. Each year, a number of graduate students in the Department of History work on Masters and PhD degrees focusing on environmental, indigenous, and peasant topics in Latin America. Opportunities for graduate study also exist in Political Studies, Sociology, Psychology, and in such thematic centres as the Centre for the Study of Cooperatives (which has recently received a large grant to work on cooperatives and globalization) and the Centre for the Study of Agriculture, Law, and the Environment. Relatively generous graduate funding (especially when compared to the cost of living in Saskatoon—called the "Paris of the Prairies" by the Tragically Hip) is available for well qualified graduate students.

For further information, please contact Jim Handy at *jim.handy@usask.ca*. ■

Countervailing Powers

by GREG GRANDIN
New York University
grandin@nyu.edu

Incompetence, corruption, and authoritarianism: on these three pillars, opponents of Hugo Chávez build their case. A comparative defense can be made against any one of these charges in relation to past Venezuelan governments, or, for that matter, to other reformers, from FDR, to Jacobo Arbenz, or Salvador Allende. Indeed, the latter's commitment to proceduralism is often used to bash Chávez, although Allende strengthened the executive branch to advance Chile's economic policies. But comparison to past progressive governments for one that claims to represent a new form of democracy is not enough, so let's take them one by one.

Incompetence is the most difficult charge to make stick. His coalition enjoys not just electoral success, but economic indicators that are the envy of every Latin American country save perhaps Argentina: strong growth, particularly in the non-oil sector of the economy; decreasing unemployment and poverty; rising tax revenue; high currency reserves; and increased savings and consumer power, especially among the poorest fifth. Critics say Caracas has the luck of expensive oil. But Chile's heralded social neoliberalism is equally dependent on the high cost of copper. And the relationship between high oil and Chavismo's accomplishments is not unidirectional: one of Chávez's first initiatives was to end Venezuela's habit of pumping more oil than was allowed under OPEC quotas, helping to prompt a steady increase in world prices.

The success of Chavismo's social *misiones* (described by an Inter-American Development Bank official as striking at the "heart of exclusion" at a "reasonable, sustainable cost") is confirmed by the opposition's acceptance, however tactically, of the terms of a new social contract. In last month's election, Chávez's challenger, Manuel Rosales, promised to "distribute land to the peasants," expand the *misiones*, and dole out oil profits directly to the people.

There is a chaotic energy to Chavismo, driven as it is by a lack of ideological rigidity that has generated innovative social experiments. Some work, some don't. Chávez's role as a broker, mediating between contentious constituencies within a broad coalition, adds to the government's try-as-it-goes style. Detractors use this apparent incoherence as cover to distort his administration's record, seeing failure where there is significant improvement. This is most common when commentators cherry-pick outdated statistics to assert that poverty has either remained the same or increased during Chávez's tenure, when it has in fact declined from 41.6 to 33.9 percent between 2000 and 2006.[1] There are shortcomings: an urban housing shortage, crime, capital flight, and not-fast-enough job creation are some areas where there has not been enough progress.

Corruption is a major problem. Nevertheless, prior to 1998, crime flourished in the very institutions that supposedly serve as controls on the executive: in the legislature, courts, and the two-party system. This suggests that it is not Chavismo's unchecked power, but its limited reach that is responsible for the persistence of institutional venality. As a political movement that came to power through the ballot (as opposed to a protracted insurgency that could count on ideologically focused

and technically capable cadre to fill the vacuum of power left by the outgoing political establishment), Chavismo's ambitions greatly outstrip its abilities. Because it is not truly hegemonic at the institutional level in the way the Cuban or Nicaraguan Revolutions were in their early years, it has had to make significant compromises with existing power blocs in the military, political class, and civil and educational bureaucracy. All of them are loath to give up their illicit pleasures, and have even seized on the openness of the moment to extend them.

In terms of authoritarianism, there are three related elements to this charge: that Chávez rules by polarizing the nation, governing on behalf of his majority supporters and demonizing his minority opposition; that he may have been elected democratically but he does not rule democratically; and that he is a populist, and populism is not compatible with democracy.

The first ignores the economic polarization that existed prior to Chávez's election in 1998. In 1995, more than 60 percent of Venezuelans lived in poverty, and any attempt to change the structures of this inequality, to confront the rapacious impunity not just of domestic elites but of multinational corporations, would unavoidably transmute social division into political conflict. Can anyone seriously argue that someone like Rosales would have promised to distribute land, and spend oil money on the poor, if it were not for the kind of mobilization and confrontation that has occurred over the last seven years?

The second holds up specific instances of this conflict—fights over the judicial system, legislation to regulate the media,[2] the infamous Tascon list, etc.—as evidence of governing undemocratically. Yet if one accepts the premise that Chavismo represents a transition from a decomposing political order, held to be illegitimate by a majority of Venezuelans, to a new governing coalition with a mandate to restructure economic relations in a more equitable fashion, then Chavismo is notably democratic. Save perhaps for Chile's Popular Unity government (which never received as much electoral support as the Bolivarian process has), I can think of no other instance where similar attempts to reorder political and social relations have been ratified at the ballot on an ongoing basis. In 1998, 3,673,685 Venezuelans voted for Chávez. Last month, almost seven million did so—an extraordinary achievement since transfers of power that involve economic restructuring tend to generate crises that drain away popular support.[3] This also means that conflicts which in traditional insurgencies or revolutions would have been resolved early on are prolonged across time through the electoral and legislative system, as competing political factions fight among themselves to define the limits of the new order.

Take for instance the government's 2004 expansion of the Supreme Court from 20 to 32 members, an action condemned by international monitoring groups like Human Rights Watch as a betrayal of Venezuelan democracy. The motive behind this expansion was certainly every bit as comprehensible, and perhaps even more justifiable, as that which moved FDR, Arbenz, and Allende to infringe on judicial autonomy: not only did the Court absolve the military officers who were involved in the April 2002 failed coup, but many of its judges were picked by, and apparently allied with, Luis Miquilena, a former advisor to Chávez who broke with him over opposition to a series of measures taken in late 2001, including the land reform and the hydrocarbon laws. These measures were essential to fulfilling the government's mandate to promote social-democratic policies; yet they were bitterly fought by Miquilena's congressional and judicial agents, along with the domestic and multinational elites they represented, generating two years of acute polarization, from the 2002 coup (which Miquilena supported) to the 2004 recall vote.

But even this defense concedes too much, since the legislation provided a number of mechanisms for the minority to drag out debate before going to a majority vote (as an effort to end nomination gridlock it was no worse than the Republican threat to abolish the filibuster in the U.S. Senate). But rather than testing this new system, the opposition boycotted the process, letting Chavistas empanel their judges without a fight and allowing critics to take their charge of court packing to international watchdogs, who duly reported that this was so.

The question of the relationship of populism to democracy is too complex to be addressed here. But a few points are worth considering. There is more than a whiff of condescension when critics describe populism as mystification, as if the poor are not fit to assess the social missions by themselves. Much of this condescension is voiced by traditional Venezuelan leftists, who, long on the margins of *puntofijismo,* expected a place at the new governing table, preferably at its head, only to see a provincial military officer win the allegiance of the people. It was Teodoro Petkoff, one such aspirant, who, even as he was slamming Chávez's "cheap populism," apparently came up with Rosales's signature campaign pledge to give three million poor Venezuelans a black credit card, *Mi negra*, from which they could charge roughly $450 a month from the national treasury (it would add up to over $16 billion dollars a year; call it Robin-Hood neoliberalism: give to the poor to bankrupt the state). *Mi negra* alone

GRANDIN continued...

should once and for all end accusations that Chávez is an irresponsible populist. That this scheme was rejected should, likewise, end the notion that the majority gives their support to Chávez because of the baubles he dangles in front of them, rather than their ability to critically judge, as much as any of us can, the world in which they find themselves.

A recent survey of activists in poor neighborhoods conducted by an economist and a political scientist from Brigham Young University did raise concerns that too much organizing was dependent on a charismatic identification with Chávez, which, they felt, could undermine democratic institutionalization.[4] Yet they also found a significant degree of both financial and political independence from national level organizations. A large majority of their sample was committed to "liberal conceptions of democracy and held pluralistic norms," believed in peaceful methods of conflict resolution, and worked to ensure that their organizations functioned with high levels of "horizontal or non-hierarchical" democracy. There is, it seems, a good deal of competitive pluralism among grassroots organizations, many of which long predate the arrival of Chávez on the political scene. It is common to find committed Chavistas who not only are not members of the *Movimiento Quinta República*, but are openly hostile to it, which, at least in principle, helps keep it responsive. Contrast this with Nicaragua in the 1980s, where it would have been impossible for someone to oppose the Sandinista Party and still consider him or herself a revolutionary.

At the minimum, critics of Venezuela's "protagonist democracy" should be required to account for what is going on in the barrios, cooperatives, and rural communities—for the real extension of power and freedom to those long denied such privileges—rather than just assert their charges of either authoritarian patronage or subaltern enthrallment. As one *23 de enero* activist said the day before the recent election, "there is more liberty now in Venezuela than in all its history."

The key to understanding Chavismo can be found in the writings of an author Chávez mentioned during his last visit to New York. Not Noam Chomsky, but John Kenneth Galbraith. His 1952 *American Capitalism: The Concept of Countervailing Power* argued that the success of the U.S. economy was largely due to the New Deal's extension of labor rights, which balanced the power of monopoly capitalism to set wages and prices. A similar vision of development held great sway in Latin America in the years after WWII, as a wide array of reformers believed that the best way to weaken the oligarchy and stimulate domestic manufacturing was to empower society's most marginal. In many ways, Chavismo represents a fusion of this older, state-directed vision of development and wealth redistribution with a "bottom-up" civil society model of social change that has been evolving throughout Latin America over the last two decades. The return of Venezuela's regulatory state even has had some success in nurturing what used to be called a "progressive bourgeoisie."[5]

Ultimately, the Chávez administration is being judged through the prism of competing lessons drawn from the Cold War. Some look at that history, see the enormity of U.S. power allied with the viciousness of domestic elites, and conclude that any fulfillment of democracy's promise requires conflict. Others draw a different conclusion: that the intractability of society demands the hollowing out of democracy to its institutional shell, emptied of its egalitarian and participatory impulse. "Political democracy," as Samuel Huntington put it in one transitology handbook, "is clearly compatible with inequality in both wealth and income," and "may be dependent upon such inequality."[6] It is too much to ask the Venezuelan government to bear the weight of this history. It should be judged on its own merits. Chavismo has its shortcomings, but its achievements have been impressive.

Endnotes

[1] See Jorge Castañeda, "Hugo Chávez's Moment of Truth," *Newsweek International*, December 4, 2006. Castañeda also misrepresents Chávez's electoral record, writing, falsely, that he "has obtained smaller percentages of the vote with each successive election and, most importantly, turnout has been shrinking steadily; in the 2004 plebiscite, many estimated it at less than 30 percent." Chávez won 56 percent of the vote in 1998; 60 percent in 2000; and 59 pecent in the 2004 recall. The total number of Venezuelans who voted for Chávez has increased over these three elections. Regarding the recall, Castañeda transposes his numbers: it had a high turnout, with 70 percent voting. In the recent election, reports indicate that turnout was equally high, with Chávez winning almost twice as many voters as he did in 2000. For past manipulation of poverty statistics, see Franklin Foer, "The Talented Mr. Chávez" *The Atlantic Monthly*, May 2006. See the retraction printed by the *New York Times* on August 8, 2006, for using outdated poverty figures.

[2] For a sober discussion of these laws see Chesa Boudin, Gabriel González, Wilmer Rumbos, *The Venezuelan Revolution: 100 Questions; 100 Answers*, Thunder's Mouth Press, 2006.

[3] That all reputable polls accurately called the recent election to within a few points gives the lie to opposition claims that Venezuelans are too intimidated to tell pollsters how they will vote: they voted exactly how they said they would.

[4] Kirk A. Hawkins and David R. Hansen, "Dependent Civil Society: The Círculos Bolivarianos in Venezuela," *Latin American Research Review*, 41:1 2006: 102-132.

[5] Juan Forero, "With Chávez, Some Venezuelan Entrepreneurs See Opportunity," *Washington Post*, December 3, 2006.

[6] Samuel P. Huntington, "The Modest Meaning of Democracy," in Robert A. Pastor, *Democracy in the Americas: Stopping the Pendulum*, New York: Holmes and Meier, 1989, pp. 12-13. ■

A View from the Barrios
Hugo Chávez as an Expression of Urban Popular Movements

by **Sujatha Fernandes**
Queens College, CUNY
sujatha.fernandes@qc.cuny.edu

The radical trajectory of president Hugo Chávez in Venezuela has been a highly controversial topic among Latin Americanists, democratization experts, policy makers, and activists. Some lament what they see as Chávez's disregard for the rule of law and the breakdown of the party system. They compare him to other neopopulist leaders who bypassed traditional institutions and created direct linkages with the masses. Others defend his greater concern with addressing historic problems of poverty and entrenched inequalities than with maintaining the order of traditional institutions.

Following the debt crisis of the 1980s, and subsequent waves of privatization and neoliberal restructuring in Venezuela, poverty increased dramatically. The percentage of the population living below the poverty line went from 36 percent in 1984 to 66 percent in 1995 (Roberts 2004:59). Given these stark disparities, a radical approach like that of Chávez could be justified to increase social spending and redistribute wealth.

Yet Chávez's supporters, like his detractors, seem to place a high degree of agency in the hands of Chávez himself as the sole figure responsible for crafting policy, designing programs, and providing orientation to an otherwise incoherent mass. Neither side addresses the role of popular social sectors in shaping the agenda of the Venezuelan Revolution. My own defense of Chávez comes not from an endorsement of his pro-poor policies and programs, but from my belief that he represents a certain territory fought for and won by popular consciousness.

During the eight months between 2004 and 2006 that I lived in a popular barrio of Caracas while carrying out field research, I witnessed the flourishing of grassroots social movements, from community radio collectives to Afro-Venezuelan *cofradías* organizing local fiestas, health committees, and mural collectives. While academics lumped together these diverse groupings as "Chavistas," or the "Chavista movement," many community organizations and popular leaders in the barrios did not identify as Chavistas. Rather, they have alternative sources of identity that come from their barrio or parish (Barrio Sucre, Barrio Marín, 23 de Enero, San Agustín, Petare), and which form the basis of alternative social and community networks (Coordinadora Simón Bolívar, Cayapo, Radio Negro Primero, Ciudadela de Catia). These popular movements claim distinct genealogies that predate Chávez, including the clandestine movements against the 1950s military regime, the post-transition era of guerrilla struggle in the 1960s, movements against urban displacement and hunger strikes led by Jesuit worker priests in the 1970s, and cultural activism and urban committees of the 1980s and 1990s. At the same time, urban movements have participated in shifting clientilist relationships with the state, fostered by three decades of the redistributive welfare model, that was refashioned under Chávez. The approach of contemporary urban sectors towards the government contains these elements of autonomy as grounded in histories of local struggle and mutual dependency that have evolved over time.

The relationship between society and the state is reciprocal: just as the strong figure of Chávez has given impetus and unity to

FERNANDES continued...

popular organizing, so the creative movements fashioned in the barrios help determine the form and content of official politics. To see Chávez as an independent figure pontificating from above, or popular movements as originating in autonomous spaces from below would be to deny the interdependencies that have made possible Chávez's emergence and sustained access to power. At the same time, popular sectors have realized the need to chart an independent trajectory from the Chávez government, or "*oficialismo*," as it is referred to, in order to defend the interests of their community and sustain their projects.

In my research on Venezuela and earlier on Cuba, I have sought to develop a framework for theorizing citizen-state interaction in contemporary societies, particularly as social movements across Latin America began to lay claims to state power. As compared to social movements that emerged in the 1990s such as the Zapatistas, who have defined their opposition to a repressive state apparatus in Mexico, social movements flourishing under moderate and radical leftist governments in the new millennium encounter a new state-society dynamic. Addressing the emergence of critical social actors within movements of hip hop culture, public art, and film discussion groups in contemporary Cuba, I observed that social forces engaged in dialogue with the state, rather than adopting a stance of opposition to it (Fernandes 2006). In contrast to looking at conventional social science approaches, which have tended to focus on state and society as distinct and bounded entities, I propose that we examine the interconnections, alliances, and points of collaboration between critical movements and the state.

At the same time, I note that critical social movements seek to build spaces of autonomy for themselves, especially in contexts of developing social revolutions. During earlier periods of the Cuban revolution, or the Sandinista revolution in Nicaragua, the threat or reality of U.S intervention, combined with a more Leninist model of the vanguard party, reduced the autonomy available to grassroots movements. By contrast, social movements in contemporary Venezuela, Brazil, Argentina, Uruguay, and Bolivia have managed to negotiate greater independence in relation to the state. They engage in decision making in unaffiliated local popular assemblies based in the neighborhood, they carry out protests to register their disapproval of certain policy tactics, and they have their own forms of popular media produced by the community and for the community.

Community groups in the barrios have worked closely with Chávez since the beginning, but the movement for independent organization became most apparent in 2004 during the recall referendum. In November 2003, following a series of efforts by the opposition to oust Chávez from power, including a two-month general strike and a coup attempt, the opposition collected signatures as required by the 1999 constitution for a referendum to determine whether Chávez should be recalled from office. The required amount of signatures for a recall referendum was 20 percent of the population or 2.4 million people. The opposition presented three million signatures, but after a lengthy review the Consejo Nacional Electoral (CNE) ruled that only 1.9 million of these signatures were valid. The opposition was given five days in May to validate the signatures that had been excluded, to see if they could come up with the required signatures. Chávez appointed a body of militants from his party, the Movimiento Quinta República, in a committee called Comando Ayacucho, in order to oversee the recall signature petition. During these days, I heard about numerous cases of fraud from friends and people in the barrios. They said that the opposition had illegally used names of people who were dead or did not support the recall referendum, and in the case of the latter, some people went to dispute the use of their name. But for the most part the Comando Ayacucho failed to mobilize people from the barrios to contest cases of fraud, and they made frequent announcements saying that the opposition would not reach the target of 2.4 million signatures. So when the CNE actually announced in early June that the opposition did reach their target and the referendum would be scheduled for August 2004, people in the barrios felt shocked and betrayed by the Comando Ayacucho. On the morning of June 3, I was carrying out interviews in the parish of 23 de Enero. Some activists wondered if perhaps Chávez had brokered a deal with the opposition. Others said that the Comando Ayacucho was simply incompetent. In a series of local assemblies in La Vega, 23 de Enero, and other barrios, community leaders emphasized the need for self-organization, saying that barrio residents could not rely on the government and officially appointed committees to organize "on their behalf."

In the lead-up to the referendum, local networks and activists were key in organizing popular sectors in support of the "No" campaign to keep Chávez in office. Chávez replaced the Comando Ayacucho with the Comando Maisanta, and a vertically-organized structure of local units known as Unidades de Batallas Electorales (UBEs). Community groups cooperated with the UBEs and at times even incorporated into them, but for the most part these were tactical and temporary groupings to win the referendum. The driving force behind the "No" campaign came from organized community activists, who launched an aggressive campaign to register and mobilize

voters to vote in the referendum. Community organizers set up Voter Registration Centers in all the parishes, and these were staffed around the clock by teams of local activists. Barrio-based radio and television stations and newspapers devoted space to explaining the importance of the referendum and encouraging people to vote for Chávez. As the day of the referendum grew closer, several centrally located radio stations, such as Radio Negro Primero, became News Centers, which gathered information and passed it on to other radio stations. Rather than Chávez's charisma, his subsidized social programs, or the ineptitude of the opposition, the decisive factor in Chávez's ultimate victory was the mobilizing role played by local barrio organizations.

Following Chávez's success in the August 2004 referendum, social movements sought to assert themselves more openly. Urban activists have taken the initiative to organize street protests in the capital against aspects of government policy in solidarity with rural and indigenous groups. In March 2005 and January 2006, ANMCLA activists came together with indigenous groups to protest the Chávez government's plan to increase the extraction of coal in the oil-rich state of Zulia. The protesters pointed out that the plans would increase water contamination and health risks for the mostly indigenous population of the region, dependent on scarce water supplies. The protesters took on the language and symbols of the Chávez government itself to challenge its plans for coal mining. On their "No to Coal" placards, protesters utilized the "No" symbol of the pro-Chávez campaigners during the recall referendum, as a way of signaling the ways they have supported Chávez, who must now listen to their concerns. The signs referred to Chávez as "*compañero*," but at the same time, the protesters were highly critical of a model of development that exploits scarce natural resources.

Urban social movements have long been engaged in struggles against environmental contamination, halting harmful industrial projects such the cement factory in La Vega in 1981, and during the coal protests in 2005-2006, urban activists expressed their solidarity with indigenous groups. As a result of the protests, the Chávez administration ordered commissions that confirmed the contaminating impact of the mining and they postponed plans to increase coal mining to 30,000 tons, although they did not meet protester's demands to reduce it to zero.

An engagement with the experiences of popular classes in the Chávez era reveals a reality that differs from dominant assessments being made outside of the country. The U.S. State Department and some academics have attempted to demonize the Chávez government, labeling it an authoritarian regime and a security risk to the region. Former Defense Secretary Donald Rumsfeld compared Chávez to Adolf Hitler, referring to the Chávez government as an elected dictatorship. Yet the opposition in Venezuela retains an extraordinary degree of monopoly over the mass media, and all sectors have the rights to protest in the streets and to criticize the government.

Moreover, the active organization and involvement of formerly disenfranchized and marginalized sectors of the society makes contemporary Venezuela more participatory and inclusive than countries often touted as successful democracies. It is an ongoing, sometimes contested, and always negotiated synergy between state and society that lies at the base of the historic presidency of Hugo Chávez.

N.B. I would like to thank David Smilde, Alejandro Velasco, and Greg Grandin for their helpful critical feedback on this piece. Any remaining errors are my own and I take all responsibility for the views expressed here.

Bibliography

Fernandes, Sujatha. (2006). *Cuba Represent! Cuban Arts, State Power, and the Making of New Revolutionary Cultures*. Durham: Duke University Press.

Roberts, Kenneth. (2003). "Social Polarization and the Populist Resurgence in Venezuela." In Steve Ellner and Daniel Hellinger (eds) *Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict*. Boulder, Colorado: Lynne Rienner Publishers, pp 55-72. ■

FOR AND AGAINST CHÁVEZ
THE DEBATE CONTINUES
continued...

Social Spending and Democracy
The Case of Hugo Chávez in Venezuela

by JAVIER CORRALES
Amherst College
jcorrales@amherst.edu

and MICHAEL PENFOLD
Instituto de Estudios Superiores de Administración (IESA), Caracas
michael.penfold@iesa.edu.ve

In "Hugo Boss" (*Foreign Policy*, January/February 2006), Javier Corrales argued that Hugo Chávez has undermined democracy in Venezuela by deliberately pursuing confrontation with organized civil society. The article generated considerable debate, especially on the question of social policies. Critics contended that the article downplayed Chávez's social spending, seen by many as pro-poor, and therefore, a sign of democratic gain. We agree that the connection between social spending and regime type deserves more attention. But we disagree that social spending alone constitutes prima facie evidence of democratic progress. Instead, we prefer to think of social spending—whether it is pro-poor or otherwise—as being determined by democratic variables, rather than the other way around. Specifically, whether an administration chooses to bolster social spending in a pro-poor manner depends on whether two democratic conditions are in place: political competition and institutions of accountability. Under Chávez, political competition has increased, but institutions of accountability have weakened. This mix helps explain how Chávez has chosen to spend Venezuela's spectacular oil bonanza.

For the sake of discussion, we propose that there are four possible types of social spending: 1) underfunding; 2) cronyism; 3) clientelism; and 4) pro-poor. Underfunding refers to situations in which governments fail to provide sufficient funds for social programs. Cronyism consists of social spending that in reality is mere camouflage for direct subsidies to elites, mostly "friends and family" of incumbents. Clientelism refers to spending that, unlike cronyism, is directed toward non-elites, but is nonetheless offered conditionally: the state expects some kind of political favor back from the grantee. Finally, pro-poor spending occurs when aid is offered unconditionally based on true need.

All democracies in developing countries engage in all four types of spending, but proportions vary. When a new administration is inaugurated, the key question is which direction, or proportion, in spending will prevail? The answer depends on whether two democratic conditions exist: 1) degree of political competition; and 2) the strength of institutions of checks and balances.

Competition and Accountability

Political competition refers to the distance between the incumbent and the opposition in terms of *political force* (see Corrales 2006). If the opposition is small in terms of votes, has reduced access to state office, or has no immediate opportunity to challenge the government electorally, then we can say that the opposition is weak relative to incumbents. This condition of high power asymmetry, or alternatively, low political competition, means that there is no effective pressure on the government to spend outside its circle of friends. Only when power asymmetries are reduced, will incumbents feel the heat of political competition and possibly increase spending, if for no other reason than to obtain more votes.

The other democratic variable is institutional accountability. Clientelistic spending depends on differences in the rules that regulate the incumbents' access to public funds, which are mostly set by the relationship between the executive and legislature (Penfold 2006a). When presidents face constraints from the legislative branch, i.e. divided government or high legislative prerogatives over budgets, the opposition is better able to oversee the administration, target social funds, and contain the incumbent's temptation to use social policy self-servingly. All this favors "pro-poor" spending. By contrast, when institutional constraints are absent, presidents are better able to violate budgetary rules, deviate resources and reduce transparency. This favors "vote-buying" social spending.

Democratically elected administrations can exhibit, therefore, different values on these two democratic conditions, with different results in terms of social spending tendency (see Table). The worse situation, for the poor at least, is low political competition. If incumbents don't feel any political pressure because the opposition is weak, incumbents have no incentive to cultivate the vote and thus expand spending. Social spending will remain sparse, or easily divertible to cronyism, if accountability is weak. If there is heightened competition, on the other hand, states have an incentive to cultivate the vote and thus spend among a larger group of potential voters. This is still no guarantee that spending will be pro-poor rather than clientelistic. The best safeguard against clientelism comes therefore from the other key variable: checks on the arbitrariness of state officials.

	Constrained by Institutions	Not Constrained by Institutions
High Competition	Pro-poor spending	Clientelism
Low Competition	Underfunding	Cronyism (friends and family)

This proposition helps to explain social policy under Hugo Chávez, which evolved from underfunding (1999-2000) to cronyism (2001-2002) to clientelistic expansion (2003-present).

Political Changes under Chávez

The first political change under Chávez was a move from high accountability—Chávez had minority presence in Congress when he came to office in 1999—to low accountability, following the approval of the new constitution and the so-called "megaelections" of 2000. The new constitution expanded the powers of the Executive Branch far more than previous constitutions in Venezuela and contemporary Latin America. In addition, in the 2000 megaelections the incumbents obtained overwhelming majorities in the votes for president, legislators, and governors.

The second change was to move from a situation of low political competition (1999-2001) to heightened political competition (2003-2004). The organized opposition during the first two years was healing from the wounds of the 1998 and 2000 electoral defeats, and there were no electoral contests in the horizon. By late 2001 the opposition had gained strength, but it still did not pose an electoral challenge to the government. Instead, the opposition focused on promoting national protests, galvanized by the President's increasing accumulation of powers. The protests included a two-day civil stoppage in December 2001, a series of coups in April 2002, and an oil strike in December 2002. With the support of the armed forces, the government managed to survive.

Political competition truly resurfaced in late 2003 when the opposition began to focus on electoral competition (the recall referendum) rather than merely street protests. The constitution mandates recall referenda if proponents collect valid signatures from 20 per cent of registered voters, a feat that the opposition easily accomplished on two occasions. For the first time since 1999, the government faced a serious electoral challenge.

Mission Possible

Chávez's social policies responded to these different political contexts. Prior to the April 2002 coups, Chávez actually dismantled the existing social programs. Some critics even argued that the administration during this period was merely continuing the neoliberalism of his predecessors. Chávez's fiscal adjustments occurred for two reasons: he faced hard fiscal constraints, with the price of oil below $10 per barrel, and low political competition; social policies in 1999-2001 thus fitted the "underfunding" quadrant. Insofar as there was any social policy during this period, it fell under the cronyism variant. Chávez created the "Unified Social Fund," administered by the Armed Forces, which according to the government itself, proved to be corrupt and inefficient.

When true electoral pressures returned in late 2003, Chávez launched the so-called "missions to save the people," taking advantage of the new oil windfall. These missions are the cornerstone of Chávez's social policies today. *Misión Barrio Adentro* uses Cuban doctors to provide health care in poor areas, particularly urban shantytowns. Other missions focus on expanding education: literacy in rural and urban areas (*Misión Robinson*), opportunities to finish secondary school for low-income adults (*Misión Ribas*), and access to college (*Misión Sucre*). *Misión Identidad* provided citizens with identification cards, which became mandatory to receive cash transfers. *Misión Mercal* distributes subsidized food through discount stores across the country. *Misión Vuelvan Caras* aims at creating jobs through the promotion of cooperatives. In terms of resources allocated, these missions account for 3.5 percent of GDP, probably the largest social fund program in the recent history of Latin America.

Undoubtedly, these missions are very popular. However, critics claim that the state exploits the missions for political advantage. Recent empirical evidence confirms this (Ortega and Penfold 2006; Penfold 2006). Chávez has distributed resources following different political criteria for each program. While some programs are influenced by poverty considerations (*Ribas*), other programs are also used to "buy votes" at the municipal level. This portfolio-diversification strategy means that clientelism and poverty interact closely. In fact, when distributing cash transfers, the Chávez government has been able to simultaneously "buy votes" while distributing oil income to the very poor. By contrast, other programs (*Barrio Adentro* and *Mercal*) have been influenced by demographic considerations *and* the political criteria of whether the governor or mayor is pro-government. In these missions, poverty variables had no influence in explaining the distribution of resources at the state and municipal levels.

These studies (and those cited by Rodríguez in this *Forum*) suggest that Chávez's social policies are not predominantly pro-poor, but rather, vintage clientelism and cronyism. Only *Ribas* shows that poverty rates influenced the targeting of funds, and even this program has been shaped by political considerations. Even those programs that the government flaunts as successful (*Robinson*) seem to have been ineffective and unnecessarily expensive.

CORRALES / PENFOLD continued...

However, judged in terms of political return (rather than poverty alleviation), the "missions" have proven fruitful. They have allowed President Chávez to overcome his lowest level of popularity since arriving to office (around 45 per cent in mid 2003) and win the August 2004 recall referendum and the 2006 presidential elections with more than 59 percent and 61 percent of the vote, respectively.

The reasons that Chávez has been able to treat social spending at will is that Congress provided no constraints. His dominance over legislative affairs allows him to finance spending opaquely and off-budget, namely by transferring oil revenues directly from the state-owned oil enterprise (PDVSA) to a special fund named FONDESPA and FONDEN. Essentially, social spending is occurring by bypassing legislative procedures to approve the budget. In 2004, *chavista* legislators, who controlled the majority in the National Assembly, consented to this form of executive bypassing, while the opposition had no recourse to force the president to go through the legislature. After the December 2005 legislative elections, which the opposition boycotted, the opposition has had no seats in Congress, further diminishing legislative oversight of social spending.

Conclusion

In short, Chávez's increase in social spending since 2003 is the result of rising electoral competition, a democratic feature reborn in Venezuela since then. But the predominantly clientelistic and crony features of this social spending are the result of declining accountability, a democratic deficit afflicting Venezuela since 1999. The direction of social spending is thus determined by democratic variables.

However, once spending begins to move in a particular direction, the arrow of causality changes direction as well: state spending can begin to have an impact on democratic variables. The state's heavy reliance on clientelism and cronyism has given the Venezuelan government a huge advantage in competing for votes. The state competes with words and money; the opposition, with words only. This creates an uneven playing field. The government has created an electoral majority that is dependent on both high oil prices and low levels of institutional checks, and thus has no interest in seeing either condition change. Social spending that starts in the context of deficient democratic institutions ends up entrenching rather than alleviating these institutions.

References

Corrales, Javier (2006). "Power Asymmetries and the Rise of Presidential Constitutions." APSA. Philadelphia, PA.

Ortega, Daniel and Michael Penfold (2006). "Does Clientelism Work? The Electoral Returns of Private and Public Goods Under Chávez Misiones Programs in Venezuela." Working Paper. Caracas, IESA.

Penfold, Michael (2006). "Clientelism and Social Funds: Empirical Evidence from Chávez's Misiones Programs." Working Paper. Caracas, IESA. ■

FOR AND AGAINST CHÁVEZ
THE DEBATE CONTINUES
continued...

Sharing the Oil Wealth?
Appraising the Effects of Venezuela's Social Programs

by FRANCISCO RODRÍGUEZ
Wesleyan University
frrodriguez@wesleyan.edu

It has become commonplace to assume that the administration of Hugo Chávez has significantly reoriented the priorities of Venezuelan public policies towards the country's most disadvantaged groups. Favourable appraisals of Venezuela's efforts to curb poverty are commonly accompanied by references to recent changes in Venezuelan social policies, in particular to the *Misiones* (literally, "missions")—the label used by the government to refer to a group of social programs initiated in 2003 with emphases ranging from adult education to worker retraining.

Rigorous analytical studies of the impact of the *Misiones* are indispensable if we want to understand whether the Bolivarian revolution has really favored the Venezuelan poor. Existing studies tend to concentrate on the evolution of poverty rates.[1] Most of these studies conclude that poverty has decreased during the Chávez administration, but that most if not all of that decrease can be explained as a result of higher economic growth—in itself fueled by higher oil prices—and not necessarily as a result of improving income distribution.

It is unclear, however, that poverty rates based on money income will be very informative about the effectiveness of the Venezuelan government's social initiatives. To the extent that most Venezuelan social programs provide non-cash benefits, these will not be reflected in the income data used to construct poverty indicators, but will nevertheless significantly affect the welfare of the poor. A rigorous evaluation of the

administration's social programs is required for an understanding of the evolution of well-being among the poorest sectors of Venezuelan society.

Attempts at evaluating the *Misiones*, however, are hampered by lack of availability of comparable data on non-income dimensions of well-being. The few highly aggregate series that are available may be inadequate for capturing the impact of health, education and nutritional programs whose effects may operate with long and variable lags and have only recently been initiated. Nevertheless, many of them do not show dramatic signs of improvement during the Chávez administration, while some actually show substantial deteriorations. Infant mortality and newborn mortality rates have decreased since the beginning of the Chávez administration in early 1999, though the decrease does not appear to be substantially different from that which had been achieved during the 1990-1998 period; indeed, this series has been steadily decreasing since the 1940s. The percentage of low birth weight babies has actually *increased* from 8.4 percent in 1998 to 8.8 percent in 2004, as has the percentage of children in the 2-6 and 7-14 age subgroups who are either underweight or under height—though the same indicator has continued decreasing for the 0-2 age subgroup.

These trends may not capture the complete effect of the government's social policies, as the variables may respond with a significant time lag to social interventions and may be heavily influenced by general economic conditions such as the deep 2002-03 recession that is broadly associated with the national strike. The government's social programs may have improved other, harder to measure, health indicators. These statistics are thus far from conclusive as to the effect of the Venezuelan *Misiones*.

There is, however, one key program for which available data allows a more conclusive evaluation. This is the Simón Rodríguez Extraordinary Literacy Program, better known as *Misión Robinson*. According to official announcements, 1.5 million people were taught how to read and write using the Cuban-designed *Yo Sí Puedo* ("Yes, I Can") program. Studying the effects of this program can give important insights as to the extent of the progress made by the Chávez administration in the fight against poverty.

There are several reasons why it makes sense to devote particular attention to *Robinson*. The first one is size. By any standard, the mobilization of economic and human resources reported by the government in *Misión Robinson* is simply massive. Official statistics claim that between one and two percent of the national labour force was employed by the government as trainers in the literacy campaign, and that 1.5 million adults were taught how to read and write. Given the magnitude of these efforts, one should be able to pick up the effects of this program in the national data even with aggregate national-level data. The second reason is that the government's claim of almost complete eradication of illiteracy gives us a natural benchmark for evaluation. A comparison of our estimates with official figures can serve as an indicator of the reliability of other official announcements regarding the achievements of social policy. The third reason is data availability. The Venezuelan Household Survey, collected every semester since the late 60s by the National Institute of Statistics, includes information on the self-reported literacy of respondents, enabling us to readily evaluate the program's success at the national and state level. In the survey, which is available through the second half of 2005, interviewers ask respondents the following question: "Does this family member know how to read and write?" The question is asked to the person or persons present at the moment of the interview about all household members.

In recent joint research with Daniel Ortega and Edward Miguel[2], we have used the raw data files of the Household Surveys to estimate literacy rates in Venezuela from 1975 to 2005, allowing us to study the evolution of illiteracy over the implementation of the *Robinson* program. Our results show no evidence of the dramatic reduction in illiteracy claimed by the Venezuelan government. According to our estimates, in the second semester of 2005—the first period after the government declaration of the eradication of illiteracy—there were still 1,014,441 illiterate Venezuelans over age 15, only slightly less than the estimate for the first semester of 2003 (before *Robinson* began) of 1,107,793 persons. Because of population growth, this small reduction in the absolute number of illiterate Venezuelans coincides with a moderate drop in the illiteracy rate from 6.5 percent to 5.6 percent of the over-15 population.

Closer inspection of the data reveals that this increase in literacy rates during the period of program implementation is pretty much what one would expect based on the long-run evolution of this variable. Between the first semester of 2003 and the second semester of 2005, literacy increased at a yearly rate of 0.38 percentage points—hardly a stellar achievement given that during the Caldera administration (1994-1998) it had increased at a yearly rate of 0.48 percentage points. Statistical analysis failed to uncover any systematic effect of *Misión Robinson* on Venezuelan literacy. Even after taking into account possible nonlinearities in time trends, national cohort effects and inter-state variability in the intensity of the program, the bulk of the

RODRÍGUEZ continued...

estimates derived from the analysis of the data provide small, statistically insignificant effects. In other words, the evidence suggests that most of the decline in the absolute literacy numbers—93,352 persons according to our best estimate—is due to the changing age structure (particularly the deaths of older, previously illiterate persons and their replacement by younger literate ones) than to any effect of the government's literacy program.

Not only was the program a failure; it was an expensive one. According to official Ministry of Finance data, the Venezuelan government invested $50 million in *Robinson*[3]. Even if we were to attribute the whole of the decline in absolute illiteracy to the program—probably a gross overestimate of program effectiveness—the estimated cost would be $536 per pupil who learned to read. In contrast, a recent UNESCO study of literacy programmes found that the average cost in Latin America per successful learner was $61.[4]

The data, in other words, paint a picture of a stunning failure of one of the government's flagship social programs. These results should not surprise those familiar with the literature on large-scale literacy programmes. Previous research shows that such programs tend to be plagued by low initial enrolments, high dropout rates, and rapid loss of acquired skills, with the percentage of students passing exams being generally less than 50 and as low as eight percent (Abadzi, 1994).

The results are also not surprising when one examines more closely the details of the Venezuelan government's claims. The inconsistencies that arise from even a cursory look at official statements about *Misión Robinson* are enough to raise considerable scepticism about the possible effects of the program. For starters, there is the fact that the government claims to have taught 1.5 million Venezuelans how to read and write, despite the fact that the 2001 census, carried out just two years before the start of *Robinson*, reported only 1.08 million illiterate Venezuelans of age 15 and greater. Indeed, official census data shows that the absolute number of Venezuelans who do not know how to read and write has never exceeded 1.5 million adults since 1936, the year of the nation's first census.

Closer analysis reveals even deeper inconsistencies. The Ministry of Education claims that, 210,353 trainers were involved in the program (Ministerio de Educación, Cultura y Deportes, 2005, p. 913), while the Ministry of Planning and Development reports a more conservative 110,703 trainers. Even the smaller figure amounts to a mobilization of 0.9 percent of the nation's labor force. There is no evidence either in the employment data or in the official budget statistics that this number of people were effectively hired by the Venezuelan government. Among other facts, paying them the official government remuneration for trainers would have cost at least $265 million—more than five times the total government budget of $50 million allocated to *Misión Robinson*[5].

In sum, there is little evidence that the administration of Hugo Chávez has made significant efforts to redirect expenditures towards the country's poor. It is not even clear that the Chávez administration is *trying* to help the poor: the average share of social spending net of social security has actually decreased during the Chávez administration (29.3 percent for 99-04, in contrast to 31.5 percent for 90-08).[6]

How, then, do we explain the continued electoral success of the Bolivarian revolution? It is probable that the main explanation lies in the simple fact that the economy is in the midst of a strong economic expansion fueled by a five-fold increase in oil prices. GDP growth is forecast to be close to nine percent for 2006. It is simply very hard for governments to lose elections under these conditions. Chávez has also been able to shape a clientelistic state and party system in which rewards are strongly conditioned on open expressions of political support, and dissent can be very harshly punished. Social scientists should look at these factors—rather than the nonexistent progress in social development—if they want to gain a clear understanding of recent developments in Venezuelan politics

Endnotes

[1] See Moreno and Rodríguez (2006) for a discussion of this debate.

[2] Ortega, Rodríguez and Miguel (2006).

[3] Ministerio de Finanzas (2006).

[4] UNESCO, 2006, p. 235.

[5] Ministerio de Finanzas, 2006.

[6] Ministerio de Planificación y Desarrollo (2006a).

References

Abadzi, Helen. 1994. "What We Know about Acquisition of Adult Literacy: Is there Hope?" World Bank Discussion Paper No. 245. Washington, D.C.: The World Bank.

Ministerio de Educación, Cultura y Deportes (2005). *Memoria y Cuenta 2004*. Caracas: Ministerio de Educación, Cultura y Deportes.

Ministerio de Finanzas (2006). *Recursos Asignados a las Misiones hasta el 2005 y su Correspondiente Ejecución*. Electronic File. Caracas: Ministerio de Finanzas.

Ministerio de Planificación y Desarrollo (2006a). *Base de Datos Social: Misiones*. Escuela de Gerencia Social. Electronic File.

Ministerio de Planificación y Desarrollo (2006b). *Sistema Integrado de Indicadores Sociales de Venezuela*. Escuela de Gerencia Social. Electronic File.

Ministerio de la Salud (2006). *Venezuela: tasas de mortalidad 1940-2004*. Electronic File. Caracas: Ministerio de la Salud.

Moreno, María Antonia and Francisco Rodríguez (2006) "Plenty of Room? Fiscal Space in a Resource Abundant Economy," Reproduced: Wesleyan University.

Ortega, Daniel, Francisco Rodríguez and Edward Miguel (2006). "Freed From Illiteracy? A Closer Look at Venezuela's Robinson Literacy Campaign." Reproduced: Wesleyan University.

UNESCO (2006). *Literacy for Life: Education for All Global Monitoring Report 2006*. Paris: United Nations Educational, Scientific and Cultural Organization. ■

Venezuela After the 2006 Elections

by JENNIFER MCCOY
Georgia State University
poljlm@langate.gsu.edu

Hugo Chávez's massive victory, with 62 percent of the vote against 37 percent for his opponent in the Venezuelan presidential elections on December 3, 2006, confirms his mandate for another six years. It also raises questions about his role in the hemisphere, and which of the popular conceptions of the iconoclast are justified. Will he replace Fidel Castro as the leader of the anti-imperialist Latin American Left? Is he the champion of the marginalized and excluded in Venezuela and in the region, bringing a new perspective to the meaning of democracy? Or is he simply a populist autocrat who loves power and masterfully uses oil-financed patronage to maintain his popularity in time-worn Latin American fashion? All of these images may contain some truth, but none alone sufficiently captures this complex man or country.

In this year of elections, the so-called Rise of the Left in Latin America is more complex than the popular media imply. The slightly more sophisticated analyses dividing the region into the "pragmatic Leftists" of Lula, Bachelet, Kirchner, Vásquez, and now García (though some have moved him to center-Right); and the "radical Leftists" of Chávez, Morales, Ortega, and Correa, have yet to be proven, and fail to recognize more nuanced variations and commonalities among them.

We should first recognize that the traditional Latin American Left is mostly gone. Alan García, Tabaré Vásquez, Daniel Ortega and the Chilean Socialists (and Lula, if he ever really had them) have abandoned old, idealistic notions of socialism and embraced the market. García and Ortega have accepted free trade agreements with the United States. García of course defeated the nationalist, pro-Chávez candidate Ollanta Humala. Daniel Ortega, who was vigorously opposed by the United States and helped by Venezuela in another of the competitions between those two countries, has already met with the IMF, World Bank and U.S. government in the weeks after his November 4 victory to reassure his own private sector and international financiers of his goals. He aims, in fact, to build a grand coalition to fight poverty in Nicaragua, after a decade of little progress under conservative governments. Ortega will most likely strive to balance a relationship with the United States on whom Nicaragua is economically dependent, and with Venezuela, who can provide the energy help it desperately needs.

In Venezuela, where 1960s-era Marxist intellectuals are sprinkled throughout the government, Chávez has recognized that socialism is no longer viable; he has invented instead a new model, which he calls "21st century socialism." His promises to deepen the revolution must be played out before we can fully evaluate this vaguely-defined concept or his economic goals. Thus far, 21st century socialism has included using oil revenues to redistribute resources to the poor through government subsidies, cash transfers, and welfare programs—not a new thing in Venezuela. It has included some rural and urban land reform, and the revival of state-owned enterprises in certain sectors competing with the private sector. But it has not been much more radical than that.

In this year of elections, we are also witnessing a continent with countries that are seriously divided, demonstrated in the close elections in Costa Rica and Mexico, and run-offs in Brazil, Peru and Ecuador. This reflects a growing demand and frustration at the inability of governments to ease the pain of poverty and income inequality, and a divide in the vision of how

McCOY continued...

to move forward—through a market-based model with free trade agreements, or a slightly more statist model to combat poverty. Polarization especially marks countries like Venezuela, Bolivia, and Mexico, where even geographic divides can be identified and deep political conflict sporadically threatens to erupt into ingovernability and violence.

Much of Latin America also shares a nationalism and abhorrence of U.S. unilateralism and "bullying," from the Iraq War to the Mexican border wall. Does this mean that Chávez will become a regional leader with his renewed mandate? Certainly he is influential due to Venezuela's oil wealth and Chávez's personal mission to combat U.S. global and regional dominance. The U.S. single-minded focus on Iraq and the Middle East since 2001 opened a vacuum in Latin America that Chávez was happy to fill. His criticism of the United States, though personalized and crude, resonates with people unhappy with U.S. arrogance and attempts to force Latin Americans to choose between Venezuela and the United States. Yet, Chávez may have recognized that he can overstep his boundaries as well. The defeat of candidates associated with him, whether fairly or unfairly, in Peru and Mexico, and Venezuela's loss in the UN Security Council vote, may serve as warnings. Public opinion polls indicating some distress of Venezuelans at distributing oil revenues abroad may also begin to take their toll domestically, though certainly did not harm him in the recent elections.

The Bolivarian Revolution as a model, however, is not easily replicated or exported. Based on extraordinary oil revenues, personal charisma, and a willingness to concentrate power, the conditions giving rise to and sustaining the Bolivarian Revolution are not all present in any other country. These conditions include a near tripling of the poverty rate from the 1970s to the 1990s with its accompanying sense of exclusion and rage; a complete deinstitutionalization of a strong party system over the course of the 1990s; and a seven-fold increase in the price of the major commodity from the beginning of the Chávez administration in 1999 to 2006.

The populist aspect of the Bolivarian Revolution was replicated in the campaign of opposition candidate Manuel Rosales. Competing with the government's social missions which distribute economic resources through subsidized food markets, adult education programs, health clinics, and job training programs, Rosales offered the *Mi Negra* debit card to provide cash transfers to the poor. Venezuela's oil booms have historically fueled a paternalistic state, and the criticism of Chávez's programs as unsustainable populist giveaways have been directed to past governments as well. Nevertheless, no serious international assessment of the social missions has been conducted to be able to measure the effectiveness of these anti-poverty programs, in contrast to the studied (and lauded) cash transfer programs in Brazil and Mexico.

The characterization of Chávez as an electoral autocrat also merits deeper assessment. Certainly procedural democracy is eroded, with checks and balances disappearing and political dissent curbed in a revised Penal Code that criminalizes insults and protests of government officials. This is disturbing. Yet, Chávez has consistently won between 56 percent and 62 percent of the popular vote in every election since 1998. Satisfaction with democracy in Venezuela is the second highest in Latin America, after Uruguay, according to the 2005 LatinoBarometro report. In fact, despite defining democracy primarily in terms of liberty, Venezuelans gave a higher ranking of the "democraticness" to their country than did the citizens of any other country in the region.[1] The perceptions of social inclusion, political representation and personal empowerment and hope provided by Hugo Chávez to the majority impoverished citizens are a powerful factor often ignored in external evaluations of Venezuelan democracy.

The political opposition in Venezuela began to recognize this fact during the campaign of Manuel Rosales. His messages to compete for the "hearts and minds" of Venezuelans, and the more coordinated opposition efforts, indicate the possibility for a more coherent and constructive opposition bloc in the future. Even more importantly, the rapid concession speech by Rosales reflects a political maturation and a stark contrast to the rejection of the 2004 recall referendum results and the boycott of the 2005 National Assembly elections by opposition leaders. With Rosales' recognition of Chávez's victory, the government no longer has a reason not to engage with a legitimate opposition.

The real question has to do with the competing visions on how to accomplish change in Venezuela. The willingness of so many citizens to accept some authoritarian traits in exchange for the empowerment they feel from Chávez simply recognizing them and giving them visibility, as well as the material benefits they are receiving, illustrates the deep desire for political change over the last decade. The problem lies in Chávez's view that change is possible only through confrontation and displacing the traditional elite, while the traditional elite came to believe that coexistence with Chávez would not be possible. These views extended to society, creating a deep-seated polarization and fear on both sides. With some justification, those who oppose the government fear recrimination, as reported by some signers of the recall petitions.

Likewise, *chavistas* fear retribution if they were to leave power, based on the arrests and persecution during the short-lived Carmona government in April 2002.

The Venezuelan case raises a more theoretical question applicable to much of Latin America: can a democratic framework manage a renegotiation of the social contract as citizens demand fuller inclusion and expanded citizenship in all of its dimensions—civil, political and social? As I have suggested elsewhere, the answer may depend on the degree of perceived exclusion, the occurrence of breakdown or fragmentation of traditional party systems, and the absence or failure of social democratic party alternatives.[2] When all three of these factors are present, the more difficult it is to peacefully reformulate the social contract with its concomitant redistribution of economic and political resources to meet expanded citizenship demands—and the more likely that a neopopulist or charismatic outsider variant of either electoral democracy or electoral authoritarianism will arise.

The Chávez administration has accepted elections as a mechanism for citizen participation and choice (holding nine votes since 1999). Elections will continue to provide the opportunity for pluralistic representation at local, regional and national levels. The implosion of the traditional parties after 1998, and the discouragement of opposition voters to participate in electoral processes in 2004 and 2005 in response to opposition leaders' allegations of fraud, led to the dominance of all elected positions by the government coalition and its ability to control other major institutions. The shift in balance of power within the opposition for the 2006 elections, bringing the participationist faction to the forefront over the abstentionist faction, may open the door for increased pluralism.

Electoral conditions improved during the 2006 elections primarily through the mutual agreement of certain rules and policies in August, before the campaign began. In other words, the candidates could register knowing the basic electoral conditions under which they would be competing. The agreement to audit 54 percent of the voting machines immediately following the vote, the increased access of political parties to the pre-election audits, the decision to forego the use of electronic voter registries, all contributed to increased confidence in the system and greater voter participation. Nevertheless, the lack of regulations for the use of state resources during reelection, and the difficulty for the National Election Council to regulate access to the media, continues to be an issue for Venezuela. Pressure from government ministers on public workers to vote for the president, and the partial use of the thumbprint identification machines over the objections of opposition candidates, may have contributed to some level of fear or intimidation of voters that is very difficult to measure.

Continued focus on improving electoral conditions can provide more options to voters while enhancing the legitimacy of the victorious candidates. It will be up to opposition parties to take advantage of electoral opportunities to convince voters that they have a compelling alternative message. And it will be up to the government to take advantage of its current mandate to meet citizen demands for expanded citizenship not only in the realm of politics (electoral choice), but also civil (equal access to impartial justice) and social (housing, jobs, personal security) realms.

Endnotes

[1] *Latinobarometro Report 2005* reports that the three primary meanings of democracy for Latin Americans are liberty, elections, and an economic system that provides a dignified income, though the relative weight of each of these factors varies by country. For example, in Brazil, a dignified income ranks the highest, while in Venezuela liberty ranks the highest, followed by elections. See <www.latinobarometro.org>.

[2] Jennifer McCoy, "Transnational Responses to Democratic Crises in the Americas, 1990-2005," in Thomas Legler, Sharon Lean, and Dexter Boniface, editors, *Democracy Promotion in the Americas* (Johns Hopkins University Press, forthcoming 2007). ■