Oil-rich Venezuela has been on the international policy community’s list of possible fragile or at risk states since at least 1989, when structural adjustment measures set off mass riots that left several hundred dead. During the following decade, the former ‘exceptional democracy’ (Levine 1994) experienced two military coup attempts, the removal of a President by Congress amidst charges of corruption, a seemingly endless wave of protests, and the rise of political outsiders, culminating in the landslide election, in 1998, of former Lt. Col. Hugo Chávez Frias, who had led one of the coup attempts in 1992. Since then, Chávez has rewritten the Constitution, been re-elected twice (in 2000 and 2006), and survived a coup attempt, two oil-industry lockouts, and a recall referendum (all between 2002 and 2004). Detractors accuse the Chávez government of undermining democratic institutions, while supporters claim it is building “participative democracy” and “socialism of the twenty-first century” (Wilpert 2005).

‘Failure’ and the Venezuelan State

By the late 1990s, ‘failed’ or ‘failing’ states had taken the place of ‘rogue’ states within the United States policy lexicon still framed by Cold War assumptions (Klare 1998; Bilgin and Morton 2004: 169). The distinction often signals whether the perceived threat is posed by states
that are considered foes (rogue states) or, instead, by friends that are unable to take care of themselves (Bilgin and Morton 2002: 66). Not surprisingly, Latin American scholars tend to be weary of the concept, fearing that it may be used to trigger a military intervention (Sorj 2005). In Venezuela’s case, those fears have been particularly salient since the U.S. government tacitly supported the short-lived 2002 coup attempt against Chávez, by recognizing the illegal provisional government of Pedro Carmona.¹ Although diplomatic and commercial ties between the two countries have remained unaltered, the ongoing verbal face-off has been punctuated by remarks from high-ranking U.S. officials just short of calling Venezuela a ‘failed state’.²

*Which State? What Failure?*

In the state failure literature, the collapsed state is a rare and extreme form of the failed state, in which there is a total vacuum of authority within the state’s borders (Rotberg 2003: 1-4, 9; Bilgin and Morton 2002: 64). Most states are therefore placed somewhere along a continuum going from relative strength to increasing levels of weakness, according to their ability to provide citizens with security³ and other public goods. Although the Venezuelan state has clearly never collapsed in this sense, some scholars interpret, in language evocative of the state failure thesis, the rise to power of a radical outsider like Hugo Chávez as a sign of the “decline and fall” (Levine 2002), “unraveling” (McCoy and Myers 2004), or “crisis” (Gutiérrez 2003) of democracy, produced by an abrupt weakening of the state during the 1990s. Several models

---

¹ It was the only government in the Western Hemisphere to do so. The U.S. denies any involvement in the planning of the coup, although evidence strongly suggests foreknowledge, at a minimum (Golinger 2005).

² For example, in a statement before the Senate Select Committee on Intelligence, CIA Director Peter Goss classified Venezuela as a “potential area for instability” and a potential “flashpoint” (2005). Similarly, testifying before a House Subcommittee, Assistant Secretary of State for Western Hemisphere Affairs, Roger Noriega, declared that unless the U.S. acted to keep Chávez in check, Venezuela would soon be “poorer, less free, and hopeless” (2005).

³ In the liberal tradition, ‘security’ is first amongst a hierarchy of public goods that the state, through its monopoly over the use of force, provides for its citizens, because it guarantees the provision of other goods (Rotberg 2002: 86; 2003: 1, 6; Ottoway and Mair 2004: 6-7).
have been used to describe this process. In this section, I examine three: *involution*, *decline*, and *state deficiencies*; and a fourth, alternative model I call *hegemonic struggle*.

*Decline*

Daniel Levine describes the collapse of Venezuela’s forty year old party system, also known as the *Punto Fijo* regime for the pact that established it in 1958, as “The Decline and Fall of Venezuelan Democracy” (2002). The implication is that with the rise of Chávez, Venezuelan democracy (not just the old regime) has fallen.⁴ According to Levine, key events during the 1980s and 1990s undermined the pillars of Punto Fijo, leading to a political crisis characterized by the reduced capacity of parties to channel conflict, control organizations, mobilize votes, and manage inter-party relations (2002: 251). Levine argues, contrary to dominant explanations, that this process was not pre-determined by any one set of cultural, economic, or institutional causes, but rather reflected a dynamic whereby “continuous tinkering” with the electoral system in the attempt to reform it contributed to the fragmentation of the party system, altering the existing balance of power (251-257).

This dynamic also included the emergence of an ‘anti-party lobby’ claiming to represent civil society, which led an unrelenting attack against what it characterized as a *partidocracia* (Levine 2002: 257-258). In a similar vein, Levine insists that the protest cycle of this period was engendered by the regime itself, corresponding to a “new kind of citizenry, with entrenched expectations” produced by four decades of democracy and economic growth (252-253, 259). Drawing from social movement theory, he claims that Frances Fox-Piven and Richard Cloward’s

---

⁴ Although one of the ten theses featured in this polemical piece is that the 1999 Constitution’s internal contradictions “may make it possible for the new constitution to provide a framework for open politics, despite the authoritarian tendencies of some of its proponents,” (Levine 2002: 266) the text is quite clear about who these proponents are and what the author’s expectations are for the near future. “Soon,” he notes ominously, “the old times may not look so bad,” (267).
emphasis on spontaneous unorganized protest (1979 [1977])\textsuperscript{5} fits the pattern of protest in Venezuela, explaining “why so much protest ended up with so little permanent organisation, and so great an attachment to, and dependence on, the leader: Chávez,” (Levine 2002: 256). In this view, the popular networks that emerge in the context of the political vacuum that followed the demise of the old regime remain vulnerable to manipulation by authoritarian leaders (260-261).

\textit{Involution}

According to Francisco Gutiérrez Sanín, the Andean states (Bolivia, Colombia, Ecuador, Peru, and Venezuela) have all recently experienced democratic involutions, resulting from twin political and economic transitions since the 1970s, which have simultaneously eroded democracy and preserved it as the basic political regime (2003: 4). In this account, neoliberal adjustment programs undermine the transition to democracy in two major ways: 1) since they promise future returns in exchange for present sacrifices, they mine away the social bases of support for democracy among those sectors who sacrifice the most, and whose capacity for waiting is the least, particularly unorganized informal sector workers; and 2) they insulate elected representatives from social demands, limiting their responsiveness, facilitating ‘policy switches’, and sometimes directly undermining party structures deemed a hindrance. Following Albert O. Hirschman (1970), Gutiérrez argues that in this way ‘voice’ is significantly weakened, opening the possibility of ‘exit’ from democracy for different sectors (2005: 131-133; 2003: 12-13).

Gutiérrez describes the process of Venezuela’s specific involution in the following way: “both popular sectors and elites are fed up, because they consider that they could fare better without uncomfortable democratic institutions. They can even agree on the redundancy of

\textsuperscript{5} In fact, one of the central themes in Fox-Piven and Cloward’s work is that these apparently spontaneous “eruptions” are not just the most effective form of protest available to sectors lacking resources, their effects are often more “enduring” than those of formal organizations, which actually tend towards demobilization (1979 [1977]; 1998; 2005).
democracy, for contradictory reasons. For example, elites can find reforms too slow and unstable, while the people believe they are fixed and too aggressive,” (2005: 135). Borrowing from Guillermo O’Donnell’s notion of ‘delegative democracy’ (1994) as a diminished subtype (Collier and Levitsky 1997: 437-442), Gutiérrez classifies Venezuela under Chávez as a ‘semi-democracy’, a regime type that takes hold where, in contrast to the countries of the Southern Cone (for example) the military retains some degree of prestige, making a partial exit from democracy feasible to the masses or the elites, although full exit is no longer an option as it was during the Cold War (2005: 129-130, 135; 2003: 11, 24-25).

State Deficiencies

Like Gutiérrez, Scott Mainwarning links the travails of Venezuelan democracy to a regional trend in the Andes. Mainwarning expressly distinguishes the polity with state deficiencies, which despite all its problems still functions, from the collapsed state, of which he notes there has not been one anywhere in the Andes in recent decades (2006: 23-24). Interpreting the low levels of satisfaction with democracy, reflected in an important regional survey (Latinobarómetro 2005), 6 Mainwarning argues that, since representative systems in the region are already open, the real problem behind this “crisis of representation” is lack of state capacity (defined, in the same way as in the state failure literature, as its ability to deliver political goods), which erodes citizen confidence in core democratic institutions, (2006: 23). The

---

6 Gutiérrez also cites the Latinobarómetro reports, noting that the ‘democratic index’ for 2001 only reflects high levels of support for democracy in Venezuela and Peru, “the two countries that have experienced a clear-cut authoritarian drift,” (2005: 127), adding almost dismissively that these figures probably include supporters and detractors ‘craving’ higher levels of democracy. It is not insignificant, however, that by 2005, Venezuela was the only Andean country where a majority agreed that “democracy is always the best form of government,” (Mainwarning 2006: 23). The 2004 and 2006 reports confirm that Venezuelan respondents’ support for and satisfaction with democracy, as well as the perception that their government is democratic, were not only among the highest in the region, they have risen considerably since 1998 (Latinobarómetro 2004: 5-6, 23; 2006: 64-68, 72, 74), a trend that merits further analysis.
‘state-bashing’ that often went hand in hand with neoliberal reforms (not the reforms themselves, however) is identified as a major cause of these deficiencies (26).

In addition, like Levine, Mainwarning argues that one of the causes of the problem is that “the incorporation and empowerment of new citizens, even in countries with staggering social inequalities, has bred heightened political expectations and an awareness of the right to demand from government certain collective and particularistic goods,” (2006: 24). In this view, attempts to expand representation or participation are not only ineffective and unnecessary, “reforms that foster participation at the expense of state capacity threaten to do more harm than good,” (25). This perspective echoes what some refer to as the ‘Huntingtonian formula,’ which prioritizes state ‘strength’, in terms of stability and political control, over democratic reforms in peripheral countries (Bilgin and Morton 2002: 62-65). The basic argument is that too much democracy too soon will overwhelm the state’s limited ability to meet the often contradictory demands of newly empowered sectors, further undermine ‘weak’ or ‘immature’ states.8

Hegemonic Struggle

The models described above share the general logic of state failure: the weakening of the Venezuelan state during the 1990s by a given combination of variables (electoral tinkering by state-bashing elites, neoliberal restructuring, or the heightened expectations of an empowered citizenry) has resulted in a diminished form of democracy. Some critics of the state failure thesis, like Pinar Bilgin and Adam Morton, argue that by portraying the state as a distinct

7 Pinar Bilgin and Adam Morton trace this ‘formula’ to a Report to the Trilateral Commission, headed by Samuel Huntington (Crozier, et al. 1975). According to Bilgin and Morton, this perspective was a result of the close relationship between US policy makers and academics during the Cold War, which informed theories of development and democratization well into the 1990s, including such key works as Transitions from Authoritarian Rule (O'Donnell, et al. 1986) and Democracy in Developing Countries (Diamond, et al. 1989), both of which were commissioned to be written by the U.S. Congress (2002: 65).

8 For example, commenting on the U.S. occupation of Iraq, Francis Fukuyama has argued that there is a fundamental and irreconcilable tension between state-building and democracy, where the former must come first in order for the latter to thrive (2005: 87).
institutional category, such models reproduce the anti-democratic and Eurocentric discourses dominant in the world system. Bilgin and Morton propose examining potential state failure cases according to the framework developed by Antonio Gramsci instead, in terms of “shifts or variations in hegemony which may reveal the limits of social order in organizing a reciprocal balance between force and consent,” (2002: 71-72).

In Gramsci’s view, social and political dominance, or hegemony, is achieved by the group that secures the active consent of subaltern groups through both material concessions (1971: 161) and the exercise of “intellectual and moral leadership” (57). When emerging groups challenge the former dominant class and each other for leadership, the situation can be described as one of hegemonic struggle. Margarita López-Maya and Luis Lander argue that this is the case in Venezuela, following the breakdown of the Punto Fijo elite’s hegemony after 1989 (2005: 105). In this view, short of actual state collapse, the problem is less the weakness or failure of the state, but rather of the erosion of the social consensus underlying a particular regime. In the following sections, I examine the ways in which this process has taken place in Venezuela, and attempt to offer some insight into the new arrangements that are taking shape.

The Long Collapse of a Party System

Venezuelan representative democracy was born on January 23, 1958, when General Marcos Pérez Jiménez was ousted by simultaneous military and popular uprisings. In order to

---

9 Thus, for example, by prioritizing ‘strong’ states over democratization, the Huntingtonian formula imposes ‘Western’ sequences of ‘development’ on peripheral countries without questioning the structural effects of their colonial and postcolonial history (Bilgin and Morton 2004: 174-175).

10 Gramsci defines the State as “the whole complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules,” (1971: 244) which operates on two levels: that of ‘political society’, through which ‘direct domination’ is maintained, and that of ‘civil society’, through which social hegemony is exercised (12). In the language of state failure, the breakdown of hegemony could be said to correspond to the ‘weakening’ of the coercive or consensual capacities of the State, but this may be misleading, since Gramscian hegemony depends on a historically specific balance of forces among contending classes.
prevent the endemic elite conflicts that had prompted the military to take power in the past, three of the country’s major parties signed a power-sharing agreement known as the Pact of Punto Fijo, which excluded the Venezuelan Communist Party (PCV). Over the next four decades, the social-democratic Acción Democrática (AD) and the social-Christian Comité de Organización Política Electoral Independiente (COPEI) alternated power, using oil rents to build strong corporatist and clientelistic linkages, especially through the national Workers’ Federation (CTV) and Chambers of Commerce (FEDECAMARAS), locking other political actors out of the system.¹¹

**Black Friday: The Bubble Bursts**

When the oil industry was nationalized in 1976, during the first presidency of Carlos Andrés Pérez (AD), soaring prices stimulated lavish spending and widespread corruption. The state, in the words of anthropologist Fernando Coronil, seemed to acquire magical characteristics (1997). The price of oil, however, did not oblige for long. On ‘Black Friday,’ February 18, 1983, President Luis Herrera Campíns (COPEI) devalued the bolívar for the first time in twenty years, in order to counteract capital flight, laying bare the massive economic crisis that had built up beneath the surface, compounded by the Mexican debt default. Venezuela had become a textbook example of ‘Dutch disease’. Massive oil revenues had led to the neglect of other sectors, especially agriculture. As oil faltered, these other sectors were unprepared to absorb the excess labor (Karl 1997). Unemployment rose sharply, average real income continued to decline

---

¹¹ Several groups, drawing inspiration and material support from the Cuban revolution, pursued armed struggle during the early 1960, including the PCV (many of whose leaders resigned their elected posts to take up arms) and an AD splinter group known as the Movimiento de Izquierda Revolucionaria. The insurgency, which operated in rural areas as well as the urban barrios surrounding Caracas, was crushed by the late 1960s (Wickham-Crowley 2001 [1989]: 133-134, 160-161), but had lasting influence on the political culture and organizational forms of areas like the Caracas parish 23 de Enero (Velasco 2006).
(López-Maya and Lander 2000a: 197-198), and the makeshift homes that dot the hillside barrios on the outskirts of Caracas and other major cities multiplied.

Devaluation contributed to COPEI’s defeat at the polls in December of 1983. The administration of Luis Lusinchi (AD) introduced Venezuela’s first macroeconomic adjustment package in February 1984, which included mild austerity measures such as the reform of the currency exchange system, price liberalization, and a general reduction in public spending, cushioned by non-wage compensatory measures to reduce their impact on the working class. López-Maya and Lander refer to the Lusinchi reforms as a ‘heterodox package’, because it was implemented by the government without a formal commitment to the IMF, maintained an active regulatory role for the state, and included measures to safeguard distribution and employment. The reforms achieved some degree of stability, but incited increasingly violent protests nonetheless (López-Maya and Lander 2000a: 188-189; 2005: 97).

Then, on October 29, 1988, a military counterinsurgency unit massacred fourteen people on a fishing boat near the village of El Amparo, in a remote border region. The subsequent cover-up was revealed when two villagers who managed to escape resurfaced to tell their story. The event captured national media attention, “provoking indignation among sectors of the urban populace ordinarily uninterested in the fate of rural people... [Images of the martyred villagers used during protests] articulated a widely circulating opposition view: The Amparo victims stand

12 Even so, poverty is estimated to have increased from 36% to 46% between 1984 and 1988, and extreme poverty from 11% to 14% (Lander and Fierro 1996: 65).
13 The Lusinchi government implemented policies whose goals were clearly outside the neoliberal logic, like stimulating agricultural development, lowering interest rates, and stimulating job creation. In fact, the VII National Plan, which was never implemented as a result of fierce opposition by the business sector, intended to create the legal rubric of a ‘third property system’ designed to promote worker ownership (López-Maya and Lander 2000a: 189).
14 Between October 1986 and September 1987, the percentage of protest events reported by the daily newspaper El Nacional that were “violent”—a single-digit figure during the early 1980s—rose to 30%, and remained in the double digits into the 1990s, signaling an increased willingness to use force on the part of both protesters and the state. The percentage of reported protests motivated by “civic and political” causes also increased that year, amidst campaigns for political reform (López-Maya and Lander 2005: 97).
for all of us,” (Coronil and Skurski 1991: 308). The embattled government was further discredited, and Lusinchí was spurned by powerful sectors within his own party. Pérez, remembered by many as the architect of the ‘Great Venezuela’ of the oil boom years, was selected as AD’s presidential candidate, and won the December 1988 elections (Coronil 1997: 372-374).

The Great Turnaround

Despite campaigning on the promise to restore the social protections of the 1970s, shortly after his inauguration, Pérez unveiled his ‘Great Turnaround,’ a full-fledged orthodox adjustment package that his government had secretly agreed to in a letter of intent sent to the IMF. This second set of policies, aimed at reorienting the economy towards private, non-traditional exports and the repayment of the foreign debt, was based on a series of recommendations made by the IMF in 1987, including the restriction of public expenditures and wage levels, the flexibilization of exchange rates, and the reduction of price controls and subsidies (Lander and Fierro 1996: 51-52). The macroeconomic success of the programs’ initial stages was short-lived, as public spending15 and oil dependence actually increased,16 while manufacturing and agriculture deteriorated ever more rapidly.17 In this context, only large, capital-intensive industries were

---

15 Although rising briefly as a result of the 1989 economic contraction, non-oil exports fell as soon as domestic demand began to increase, dropping by 25.7% in 1991, and by 9% overall between 1989 and 1991. While in 1988, the private sector’s contribution to gross investment in fixed capital exceeded that of the public sector, by 1992, the private share had declined by 35.5%. In 1989 and 1990, net capital investment depended exclusively on the public sector, and in 1992 (the third consecutive year of strong GDP expansion) the private sector’s contribution was barely one fourth the total, having been half in 1988 (Lander and Fierro 1996: 56-57).

16 The oil industry’s share of gross investment in fixed capital, which reached 12.4% in 1988, increased to 30.6% in 1992. Its contribution to net capital investment increased from 8.37% in 1988 to 33.15% in 1992, exceeding the private sector for the fourth consecutive year. Despite a systematic public relations campaign according to which PDVSA was an “excessive fiscal burden”, the ratio of total income to expenditures increased systematically from 21% in 1976 to 70% in 1991. As a consequence, the oil sector’s share of GDP increased from 18.72% in 1988 to 20.89% in 1992 (Lander and Fierro 1996: 57).

17 The GDP share of industry and agriculture was lower in 1992 than 1988, while the construction sector grew, along with the oil sector. The manufacturing sector’s share fell from 18% in 1988 to 9% in 1992 (Lander and Fierro 1996: 58, 61).
likely to survive, even as social spending dropped to its lowest level since 1968, resulting in a dramatic concentration of income, rampant unemployment, and increasing poverty.\textsuperscript{18}

On February 27, 1989, the day that the increase in the price of gasoline foreseen by the package came into effect, private bus drivers doubled their fares, despite regulations which barred them from raising them by more than 30%. What began as localized protests soon became a mass upheaval, known as the \textit{Caracazo}, that spread rapidly throughout major cities. Taken by surprise and unprepared, the government declared a curfew and suspended Constitutional rights as looting stretched into its second day (Coronil and Skurski 1991: 320-321). Anywhere between the official figure of 277 and upwards of a thousand people were killed (Coronil and Skurski 1991: 291, 325-326; López-Mayo 2003b: 128-130). The Caracazo set off a protest cycle\textsuperscript{19} lasting until 1998, recording a total of 7,092 protests, for an average of two per day (López-Mayo 2002: 13). These can be classified as one of three basic types: a) over the lack, deterioration, or increased price of public services; b) to stop or slow wage decline (especially in the public sector); and c) in defense of civic and human rights (López-Mayo and Luis Lander 2000a: 202-204). The first two categories refer to the consequences of neoliberal policies, while the second refer to citizenship rights, particularly of those sectors most frequently targeted by state violence.

\textsuperscript{18} Despite 3 years of growth rates over 6%, and despite a decline in the unemployment rate from 9.6% in 1989 to 7.1% in 1992, the unemployed population in absolute terms grew by 17% between 1988 and 1992. Between 1988 and 1991, the share of income going to the poorest decile fell from 2.3% to 1.8%, and that of richest grew from 30.3 to 43%. While in 1988 the ratio between the labor income of the poorest 10% and richest 10% was 1 to 13.2, by 1991 it had increased to 1 to 23.9. Poverty increased from 46% to 68% between 1988 and 1991, and extreme poverty from 14% to 34%. There was also a reduction in the per capita consumption of important food groups, eradicated diseases reappeared, and infant malnutrition, mortality, and infant mortality increased in 1989-1990 (Lander and Fierro 1996: 61, 65-66; see also López-Mayo and Lander 2000a: 194-200).

\textsuperscript{19} Sidney Tarrow defines a “cycle of contention” as “when contention spreads across an entire society” (1996: 10) or “a phase of heightened conflict across the social system” (142), with phases of mobilization and demobilization (143-150).
Popular unrest after the Caracazo pressured the Pérez government into accepting some of the recommendations of the Presidential Commission on Electoral Reform (COPRE) appointed by the previous administration. As a result, the country’s first municipal and state elections ever were held in December 1989, allowing two PCV offshoots from the 1970s, Movimiento al Socialismo (MAS) and Causa Radical (CR), to unexpectedly win seats in several local governments. In December 1992, CR candidate Aristóbulo Istúriz was elected mayor of Caracas (López-Maya 1995). In office, the CR program included many of the demands articulated by the Barrio Assembly movement, including community participation in parish-level governments and water and sanitation management (Antillano 2005: 207; Arconada 1996). Most of these efforts ultimately failed, in part because they were intended to function on the basis of existing neighbors’ associations largely controlled by AD. In 1996 CR lost Caracas to the AD candidate, but many of its initiatives, including the water roundtables, have resurfaced at the national level under the Chávez government (Arconada 2005).

The partial opening of Venezuela’s party system, illustrated by the unexpected local successes of CR, coincided with the emergence of an anti-political discourse embraced by actors across the political system (Levine 2002: 257-258; McCoy and Smith 1995: 135-136). Two failed military coups in 1992, one by mid-level Army officers in February, and another led by

---

20 Istúriz was elected mayor of Libertador, then the single municipality of the Capital District of Caracas, which at the time also had its own Governor. The Capital District was replaced by the 1999 Constitution with a Metropolitan District, headed by a “High Mayor” (Alcalde Mayor), which includes Libertador and four other municipalities (Sucre, Chacao, Baruta, and El Hatillo) belonging to the state of Miranda (each of which has its own Mayor as well).

21 An earlier attempts at community organization in popular areas by CR, an effort known as Pro-Catia in the Catia sector of Sucre parish, in Libertador, began to weaken after a split in the party in 1983, and lost force by 90s (López-Maya 1995).

22 A number of former CR leaders have been a driving intellectual force in the Chávez government. Patria Para Todos (PPT), a party that broke away from CR in 1997, has been part of the Chávez coalition since 1998 (despite a brief distancing between 2001 and 2002). Several important ministries have been led by PPT leaders in recent years, even though it does not have a large electoral base (López-Maya 2002b).

23 For example, the two major competing coalitions of neighbors’ associations, despite their different positions on whether or not to interact with political institutions, both developed a strong anti-centralist, anti-party discourse that which attributed the backwardness of civil society organizations to party intrusions (Ellner 1999: 75-77).
Air Force in November, received broad popular support (Myers and O’Connor 1998). The impeachment of President Pérez in 1993, as accusations of embezzlement surfaced, was largely an attempt by the Congress to salvage the system in the face of mounting popular unrest (Coronil 1997: 379-380; Lander and Fierro 1996: 68). Politicians, even those who remained within AD and COPEI, scrambled to distance themselves from the legacy of Punto Fijo. In the words of Henry Dietz and David Meyers, the Venezuelan party system had “thawed” and the “deluge” had begun (2002: 19-20).

**The Deluge: Agenda Venezuela**

In December 1993, COPEI founder and former President (1969-1974) Rafael Caldera ran on a coalition ticket which included the MAS, defeating the AD and COPEI candidates by a wide margin. Like Pérez, Caldera was elected on a platform of autonomy from IMF, with the prominent participation of economists identified with the traditional political Left. The new government’s inability to confront either the IMF or the inherited fiscal crisis, however, became evident when, in a futile attempt to prevent an avalanche of further bankruptcies, it opted to bail out a large private bank, setting off a string of bailouts that soon overwhelmed the state’s fiscal capacity (Lander and Fierro 1996: 69). Turning to the IMF for help in 1996, the Caldera government implemented the Fund’s conditions as *Agenda Venezuela*, the third neoliberal package of the decade. Among other measures, the program foresaw the liberalization of public

---

24 Caldera received 30.5% of the vote, against AD’s Claudio Fermín (23.6%) and COPEI’s Oswaldo Alvarez (22.7%). MAS’s share of the vote was 10.6%, over a third of Caldera’s total. All three candidates were also supported by a number of smaller parties that received less than 1% of the vote. (All election results are taken from the National Electoral Council, www.cne.gob.ve).

25 For instance, former guerrilla leader and MAS-founder Teodoro Petkoff was named head of the Presidential Coordination and Planning Board (Ellner 1997).

26 Ranked first or second among Venezuelan-owned private banks, *Banco Latino* held close to 10% of all deposits in commercial banks. With close ties to the Pérez administration, the bank had experienced substantial growth as a result of deregulation during the early 1990s (Lander and Fierro 1996: 69).
service fees and price controls (except for basic food staples), and the privatization of public enterprises (López-May and Lander 2000a: 192-193).

The law authorizing privatizations was passed in 1992, including at first only non-strategic sectors of the economy, such as small banks, hotels, and sugar mills, beginning with the public telephone company. By 1997, however, proposals to privatize the crown jewels of the Venezuelan economy—oil, aluminum, and the electric companies of the Corporación Venezolana de Guyana (CVG) in Bolívar state—were being openly debated in Congress (Ellner 1997). By this point, executives at the state oil company, Petróleos de Venezuela (PDVSA) had successfully opened the oil sector to foreign direct investment, disregarded the country’s OPEC commitments on production quotas, and lobbied for the replacement of the special tax system for nonrenewable resources by a liberal tax regime, among other milestones of the so-called apertura petrolera (Lander 2005: 30). Another focus of the debate was the social security system. FEDECAMARAS sought to exclude the state from any significant role, arguing that the state was fundamentally corrupt and inept. Labor leaders argued, however, that the private sector was actually responsible for the collapse of the Venezuelan Social Security Institute, comparing it to that of the Venezuelan Development Corporation. In the latter case, the multimillion dollar debt owed by private businesses had simply been condoned by the state once the agency was privatized (Ellner 1997).

The CTV instead proposed a mixed public-private system, but ultimately agreed to the elimination of retroactive social security payments, accepting businesses’ claim that these were

---

27 According to many observers, the apertura was designed to promote the eventual exit of Venezuela from OPEC. Venezuela had already become the leading violator of production quotas, and the President of PDVSA had announced his intent to double production by 2006 to the New York Times. In addition, in July 1997, an anonymous eight-page advertisement in Time Magazine announced that plans to liberalize foreign exploitation of reserves and privatize gas stations and the petrochemical industry were the ‘backdoor’ to the ‘inevitable’ privatization of PDVSA (Ellner 1997). In fact, two key elements of the apertura were the elimination of royalties and the implementation of a tax sliding scale, measures first introduced in the United Kingdom’s North Sea oil fields and applauded by the anti-OPEC International Energy Agency (Lander 2005: 23).
“too onerous” (Ellner 1997). Although such concessions fueled the widespread perception of labor unions beholden to party interests, Venezuelan workers were not entirely quiescent during this period (Lopez-Mayá 2002: 93-110). A key factor of the mobilizations that did take place was the challenge posed to AD supremacy within the labor movement by the ascendancy of CR and MAS (Murillo 2001: 52-91). These important confrontations, however, did not prove capable of influencing the general orientation of economic policy in any significant way (Lander and Fierro 1996: 67). 28 For its part, the militant “New Unionism”, centered mainly in Bolívar state, a focus of CR organizing activity since the early 1980s (López-Mayá 1995), limited itself to demanding that the privatization of CVG affiliates be carried out with a “human face” (Ellner 1997).

Political parties faced even greater constraints on their capacity to resist international pressures to implement adjustment programs. In addition to the well-known punitive aspects of international financial policy, including growing pressures to adapt to market competition (Burgess and Levitsky 2003), on the domestic front parties faced a systematic anti-political discourse that permeated all social sectors. Business interests and the private media especially portrayed any alternative to privatization as motivated by corruption or narrow self-interest (Lander and Fierro 1996: 67). In Congress, CR (prior to its 1997 split) was the only major party to vote against the apertura, and only CR and its offshoot, the PPT, opposed eliminating the retroactive payment of social security. Facing electoral marginalization, AD opposed selling off

28 For instance, a general strike called by the CTV in August 1997, directed not against adjustment policies, but against companies that, contrary to the promises made by the President of FEDECAMARAS at the Tripartite Commission, hadn’t ‘substantially’ raised wages or had laid off workers (Ellner 1997).
PDVSA’s assets, and resisted privatizing the CVG, but supported the apertura nonetheless (Ellner 1997). 29

The Chávez Years

Perhaps the most significant political act of Caldera’s second presidential run was releasing Hugo Chávez from prison. Chávez was the leader of the Movimiento Bolivariano Revolucionario 200 (MBR-200), the Army faction that staged the failed February 1992 coup, who gained instant folk hero status when the Pérez government allowed him to appear on national television to order his followers to lay down their arms. Upon his release in 1996, Chávez toured the country, meeting with leftist and popular movement leaders to build a broad political network. Shortly before the December 1998 elections, the MBR-200 reinvented itself as the Movimiento Quinta República (MVR). Unexpectedly, the Patriotic Pole, a coalition of the MVR, the PPT, the PCV, and (initially) the MAS, with Chávez as its presidential candidate, won by a landslide, as AD and COPEI saw their mass support virtually disappear. 30

The Patriotic Pole had campaigned on the promise to ‘refound the republic’ through a Constitutional Assembly, a process that ultimately resulted in the Constitution of 1999 (López-May and Lander 2000b). Political and social conflict became increasingly pronounced during the first three years of the Chávez administration. Although few redistributive efforts were undertaken at the time, the elite became increasingly alarmed at the government’s radical foreign policy rhetoric and efforts to bring PDVSA back under state control. The Presidential Decree of

---

29 According to Ellner, in addition to that of AD itself, by mid-1997 (a year and a half before the December 1998 election) there were two predominant electoral strategies in Venezuela. On the one hand, COPEI and a faction of the MAS sought to isolate the ‘protectionist’ AD as much as possible, seeking regional alliances with Convergencia (Calderá’s party) and Pérez’s Apertura party. On the other, CR and another faction of MAS prioritized regional and municipal races, and support for MAS where it was the incumbent and in areas not under AD or COPEI control, rejecting attempts to isolate AD. The latter strategy was more ‘nationalistic’, but proposed no economic alternatives (Ellner 1997).

30 Chávez received 56.2% of the vote. Henrique Salas Römer, of the “Democratic Pole”, received 40%, of which AD and COPEI received 9% and 2% of the total, respectively.
November of 2001 that enacted 49 ‘enabling laws’ on various issues, including land reform and the reform of PDVSA, proved to be the breaking point when, on April 11, 2002, several high-ranking military officers staged a coup with the direct or indirect support of the business elite, the privately owned media, the leadership of the CTV, and the US government. Chávez was removed from the Presidential Palace, the Constitution suspended, the legislature and courts disbanded, and Pedro Carmona, President of FEDECAMARAS, declared President (Medina and López-Mayá 2003: 96-121).

A popular uprising supported by mid-level officers and rank-and-file soldiers, brought Chávez back to power within 48 hours, but did not end the confrontation. From December to February 2003, the CTV, in open collusion with top PDVSA executives, staged an illegal oil strike that sent the economy into a tailspin. Chávez’s popular and military support held, however, and the lockout collapsed, giving the government an opportunity to sack 18,000 employees who had supported it (Wilpert 2004: 101-102; Medina and López-Mayá 2003: 139-189). By the end of 2003, oil profits were funding redistributive programs called Misiones in the poorest neighborhoods. Opposition leaders have since turned to more institutional means, such as the recall referendum held in August 2004 (although many still refuse to recognize its results). In December 2006, Chávez was reelected for a second constitutional term by the widest margin yet.

---

31 The CTV, which had been on “permanent strike”, demanding Chávez’s resignation, for several months, called for a march to the PDVSA facilities on April 11. Government supporters called for a counter-demonstration at the Presidential Palace on the same day. When the opposition march reached PDVSA, organizers urged them to head towards the Palace, while private TV channels urged viewers to join them. As soon as they reached the pro-government rally, unidentified snipers fired into the crowd, killing 14 people on both sides. Blaming the bloodshed on government sympathizers, military leaders then announced that they would intervene (Medina and López-Mayá 2003: 96-99). The US government immediately recognized Pedro Carmona as interim President (73-75).

32 The 1999 Constitution states that all elected offices are subject to recall votes (Article 72; ANC 1999: 107-108). After much controversy, including violent clashes between opposition and government sympathizers over disagreements about the signature collection and certification process, the “No” option to the question of whether Chávez should be removed from office received 58% of the vote. Despite the approval of international observers,
Contending Views of Democracy and Citizenship

The confluence of the electoral opening of the state on the one hand, and demands for increased participation on the other, which preceded the collapse of the Punto Fijo party system, supports a view of Venezuelan democracy in the 1990s undergoing intense contestation, rather than straightforward failure or demise. In Gramscian terms, a hegemonic struggle to exercise “moral and intellectual leadership” (1971: 57) ensued among emerging social actors espousing contending views of democracy that sought to fill the spaces left open by the disintegration of the political elite’s legitimacy in the wake of economic crisis, restructuring, and violent conflict (López-Maya and Lander 2005: 105-106). These included new and old business and professional groups (Gott 2006: 154), a highly privileged but increasingly threatened middle class (Lander 1996), and a rapidly growing urban underclass rooted in the so-called informal economy. The fact that this struggle sometimes took undemocratic forms, such as popular support for military coups, underscores the limitations of the old party system.

In addition to offering material and political concessions to subaltern allies, a hegemonic contender must successfully articulate its project in universal terms, as being in the interest of the whole society (Gramsci 1971: 181-182). The key myths of the modern Venezuelan state opposition leaders claimed fraud. Similarly, opposition candidates withdrew from the December 2005 parliamentary elections, allowing pro-Chávez parties to take total control of the National Assembly until at least 2011.

33 Chávez received 63% of the vote. His closest rival, the opposition’s “unity candidate” Manuel Rosales, obtained 27%. Despite widespread speculation on both sides, the Rosales campaign conceded defeat once the final results were announced.

34 Jennifer Franco argues as much for the Philippines (2004), where the civilian mobilizations and counter-mobilizations sparked the removal and (unsuccessful) attempt to reinstate Joseph Estrada in 2001, in a process uncannily similar to Venezuela’s 2002 coup attempt.

35 Among the actors that emerged, street side vendors, or buhoneros, stand out as the iconic ‘microentrepreneurs’ of the Latin American informal economy, which grew exponentially during the neoliberal period (Portes and Hoffman 2003: 49-50). In Venezuela, where the percentage of the labor force occupied in the informal sector jumped sharply from 40.6% in 1993 to 49.31% in 1994 (López-Maya and Lander 2000: 197), buhoneros are usually unemployed or underemployed urban residents who sell cheap goods in busy outdoor areas, confronting established merchants and “quality of life” groups (often proxies for larger economic or political interests) for the right to use public spaces (López-Maya 2002b: 52; see also Smilde 2004: 183-189).
portrayed it as a benevolent, enlightened protector, defending the people from its own worst impulses, a pretense that was shattered by the massacres of El Amparo and the Caracazo. In this context, national symbols were reclaimed by all social groups, becoming ubiquitous at protest events (López-Maya 2002: 155), including unorganized mass uprisings (Coronil and Skurski 1991: 318, 306-307 figs. 4, 5). As the widespread corruption and mismanagement that had prevailed over the last four decades became increasingly apparent, the resulting anti-political discourse cast parties as the usurpers of the nation’s wealth (López-Maya 2002: 151-152). Calls for decentralization and participation reflected a questioning of the dominant notions of citizenship by diverse classes and ideological sectors.

Citizenship in Venezuela during the Punto Fijo years entailed the vertical, corporatist integration of organized labor into the state structure, a broad if not always effective social safety net, and ample civic and political rights, at least by comparison to other regimes in the region, while participation was significantly constrained by the closed two-party system. When pressures for electoral reform increased in the 1980s, a new paradigm developed which postulated a ‘democracy of citizens’ in contrast to the existing ‘democracy of parties’ (Lander 1996: 55). This model, based on the experience of middle class neighbors’ associations or asociaciones de vecinos (AVs), pursued efficient and honest technocratic administration in a

36 As Fernando Coronil and Julie Skurski point out, in the novel Doña Bárbara, written by AD founder Rómulo Gallegos, an educated urban protagonist travels inland, to the heart of the nation, where he meets a beautiful yet naive rural girl, who he rescues from the clutches of her tyrannical, “barbaric” mother. Girl and mother represent the innocence and hardworking character of the Venezuelan people, on the one hand, and its violent, backward side, personified by the innumerable dictators of the past, on the other (Coronil and Skurski 1991: 298-300).

37 This is the Venezuelan equivalent of the “corporatist citizenship regimes” prevalent throughout South America at the time (Yashar 2005: 48, 57-65). Although the Venezuelan model was in some ways always more “liberal” than that of its neighbors, it relied heavily on political patronage and vertical incorporation, especially of organized labor, to a more radical extent than the European social-democratic model.

38 During the 1990s, many Venezuelan NGOs even espoused the idea that they should replace traditional parties as the primary political actors. Some, like Primero Justicia (PJ), went on to become political parties. As the process of decentralization and privatization advanced 1990s, many local services were outsourced to NGO, some of which were revealed to have been involved in corruption schemes (Barrantes 2003). During the Chávez era, important sectors of the opposition, including parties like PJ and the opinion group Súmate, have attempted (not always convincingly) to distance themselves from the traditional parties by claiming to represent civil society.
society free from ideological debates as its political horizon, conceived of participation limited to
strictly local matters, and dismissed any talk of redistribution as ‘irresponsible’, ‘demagogic’, or
‘populist’ (Lander 2005: 28-29). For technocrats and party leaders searching for a profitable
way out of the economic crisis, this vision of citizenship offered a program for procedural reform
that was compatible with the neoliberal vision of an efficient, minimal state. 39

As the economic crisis worsened, however, unveiling the highly uneven distribution and
control of oil wealth underlying the class compromise of the previous four decades, protest
became aligned along sharp class cleavages. The erosion of the social compact caused the ranks
of the urban underclass to expand rapidly during the 1990s. 40 Fermenting on the margins
(geographic as well as social) of major cities, its numbers nurtured by underemployed ‘workers’
as well as migrating ‘peasants’, this multitude appropriated the identity of ‘the people’ (Coronil
and Skurski 1991: 317-319; López-Maya 2003: 156), often used by the state in the past to
command their loyalty (Coronil and Skurski 1991: 292, 296-298). These actors, for whom the
opening of formal political space brought about by the COPRE reforms paradoxically coincided
with the state’s decreasing responsiveness to their needs, posed what Deborah Yashar calls a

39 Neoliberalism is “the doctrine of laissez-faire capitalism legitimated by the assumptions of neoclassical
economics and modernization theory, by the doctrine of comparative advantage, and by the globalist rhetoric of free
trade, growth, efficiency, and prosperity,” (Robinson 2004: 77). From the perspective of hegemonic struggle, it is
also “a theory of political and economic practices,” which “has become hegemonic as a mode of discourse… to the
point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the
world,” (Harvey 2005: 2-3). In this sense, neoliberalism is a political project that aims to ‘disembled’ capital from
the constraints of state-led planning, welfare systems, and other elements of embedded liberalism (11).
40 According to Susan Eckstein, macroeconomic changes shape the repertoire of urban social movements by
affecting who the likely actors are, their grievances, and how they respond to collective challenges (2006: 7). In
Latin America, she argues, the increased constraints (reduced bargaining power) placed on organized labor and
political parties by the newfound mobility of capital shifted the focus of class struggle from the workplace to the
“spheres of consumption,” (3, 9). As a result, protests over the increasing price of food and the deteriorating quality
of public services became commonplace. Venezuela was one of four Latin American countries (with Ecuador,
Uruguay, and Peru) that experienced a tenfold increase in the price of food during the 1990s (Eckstein 2006: 29).
‘postliberal challenge’ (2005: 281-308) to the paradigm of neoliberal citizenship (49) that eroded and replaced the class compromise of the previous decades.41

Material conditions affected the organizational forms adopted by various classes, with professional and middle-class groups gravitating towards AVs and other NGOs, while poor communities lacking resources formed loose, unstable networks geared towards finding solutions to immediate needs (Lacabana and Cariola 2005). The pervasiveness of these cleavages is illustrated by the attempt to build national cross-class structures for the AV movement. Originating in affluent sectors of Caracas in the early 1970s, early AVs relied heavily on the judicial system and were relatively independent from political parties, in sharp contrast to the service delivery “improvement boards” that preceded their arrival in the barrios. The 1978 Law for the Ordering of the Municipal Regime (LORM) granted AVs legal standing as exclusive representatives of their communities, encouraged municipal governments to promote the creation of new AVs, and created a national information office, leading to their rapid proliferation across all social classes (Ellner 1999: 77-79).

The Federation of Urban Community Associations (FACUR) spearheaded the movement for decentralization and increased local participation that was partially fruitful when the Pérez government implemented the COPRE’s suggestions to amend the LORM. Perhaps most importantly for the AV movement, Executive Order 1 of 1990 made internal elections to AV posts uninominal, and thus less vulnerable to party-imposed slates (Ellner 1999: 79, 92). These reforms were not, however, uniformly beneficial to all communities. Inspired by a general

---

41 Although Yashar develops the concept of ‘postliberal challenge’ to examine the mobilization of ethnic indigenous identities in Ecuador, Peru, and Bolivia, she notes “the core argument can take on many empirical guises because the content, configuration, and sequencing of state-society relations and citizenship regimes… have taken different forms in different parts of the world,” (2005: 283). This core argument—that the shift from corporatist to neoliberal citizenship regimes made possible the mobilization of preexisting interests and identities under new conditions and new demands (282-285)—is applicable to the urban underclasses throughout Latin America, including Venezuela.
enthusiasm for smaller decision-making units, the 1989 LORM amendments also gave state legislatures the ability to create new municipalities with the approval of two thirds of the deputies, a requisite demanding considerable bargaining power. Not surprisingly, the three new municipalities that formed in the Caracas metropolitan area after 1989, Chacao, Baruta, and El Hatillo, comprised the city’s most affluent sectors, adding to the city’s social polarization and highly uneven distribution of public funds.42

In sharp contrast to their role in the electoral reform campaigns of the 1980s neither the national leadership of the AV movement nor that of local AVs was active in the cycle of protests against state repression and deficient public services43 set off by the Caracazo. Instead, these protests were organized and led by often short-lived, informal groups, akin to the networks that traditionally address immediate problems in the barrios (Ellner 1999: 79). Whereas AVs in middle-class neighborhoods tended to benefit from greater resources, including professional/technical expertise, AVs in poor communities were far more dependent on the two ruling parties (93), which set out to co-opt them early on.44 Conversely, when CR won the Caracas mayor’s seat in 1992, jeopardizing AD’s chances in the December 1993 Presidential election, local AVs suddenly became proactive opponents of the administration.45

42 The other two of the five municipalities that make up what is today the Metropolitan District of Caracas, Libertador and Sucre, have a combined population of nearly 3 million inhabitants, while Baruta, El Hatillo, and Chacao have less than 600,000 combined. Municipalities are further broken down into parishes: Libertador has 22, Sucre five, Baruta three, Chacao one, and El Hatillo one. State and federal funds are supposed to be allocated equally to all municipalities, to be further divided equally among all parishes. Thus, for example, the parish of Sucre, in the municipality of Libertador, with 1.2 million inhabitants, receives the same amount as the parish of Santa Teresa, with 150,000 (Wagner 2006).
43 Over the course of one year, between 1989 and 1990, the country experienced over 500 protests regarding water service and sanitation alone (Francisco 2005: 147).
44 Although COPEI took the lead in the early 1980s, by the end of the decade AD had created its own national AV structure (Goldfrank 2001).
45 After an unsuccessful attempt to prevent Istúriz from taking office, AD sympathizers obstructed meetings, voted down proposals, and urging other AVs not to participate. The AD-controlled municipal unions destroyed computers and records, stole property, staged frequent strikes, and took the mayor to court 48 times in one year. Since these were also controlled by AD, it was difficult to fire offenders. One allegedly disgruntled employee even fired at the mayor (Goldfrank 2001).
These are the most politically salient examples of the conflicting attitudes and prescriptions towards numerous specific issues, ranging from crime prevention to land occupations, within the AV movement. These cleavages were reproduced on a broader scale throughout the body politic, reflecting two fundamentally diverging views of democracy. One sees democratization in terms of procedural reforms to expand participation in ways that are not incompatible with neoliberal accumulation. Although this model was outwardly antagonistic to the Punto Fijo system, and contributed to its “thawing”, the experiences of local CR governments illustrate its inefficacy for empowering sectors lacking autonomous resources. The second view, expressed by an urban popular movement rooted in specific, immediate demands (Arconada 2005: 212), emphasizes a basic contradiction between neoliberalism and democracy. It is ultimately this latter sector’s willingness to forge an alliance with Chávez’s movement that sealed the fate of the Punto Fijo system.

**Participation in the Chávez Era**

Whether or not the Chávez regime represents a significantly diminished version of democracy is beyond the scope of this chapter, and should be the focus of further research. Understanding the ongoing process of hegemonic struggle that began in Venezuela in the 1990s, however, requires much a closer look at what is taking place on the ground today than is recognized by many academics. Models of democratic decline based on the state failure thesis tend to qualify the Chávez regime as ‘personalistic’ (Levine 2002: 261) and ‘plebiscitarian’ (Mainwaring 2006: 18) because it tends to bypass existing institutional channels in order to

---

46 Issues that reflected class cleavages included the preference by middle-class AVs for local “coordinators” over city-wide multi-class federations, agreements reached with street gangs by AVs in poor neighborhoods (for example, no criminal activity on certain days of the year), and the status of squatters—while many blamed the problem on “populist” politicians who paved roads in illegal settlements in exchange for votes, middle-class AVs tended to favor wholesale evacuation, while poor neighborhoods, many of which originated as land occupations, favored land tenure regularization (Ellner 1999: 88-89).

23
create a direct link between the leader and ‘the people’. Exaggerated or not, this view neglects
the existence of a strong official and popular emphasis on ‘participation’ which may or may not
be indicative of alternative ways in which this relationship is mediated.

Research by non-Venezuelans on popular organization in Venezuela since 1998 tends to
focus on initiatives created and promoted ‘from above’, such as the missions or the Circulos
Bolivarianos (CBs) called for by Chávez in 2000. Closely linked to the figure of Chávez, the
CBs were one of the key organized components of his popular support for some time, leading
Kirk Hawkins and David Hansen to describe them as an example of ‘dependent civil society’
(2006). As Hawkins and Hansen point out, however, the circles “have experienced a significant
have been almost completely neglected by scholars, in part because the dominant assumption is
that these organizations are weak and easily manipulated by charismatic and authoritarian figures
like Chávez (Levine 2002: 256-259).

The fact of the matter is, however, that there has been an explosion of popular
organization in Venezuela since 1998, most of which cannot be readily explained by populist
strategies, and in which the role of the state is varied and complex. Although much of the
initiative is autonomous, legal reforms open institutional channels or make key resources
accessible, enabling the emergence of new organizations. For instance, as Sujatha Fernandes

47 Gutiérrez describes ‘semi-democratic’ regimes as “characterized by high levels of personalism, strong
presidentialism, permanent attacks on parliament, the least possible checks and balances, and plebiscitary
conceptions and practices,” (2005: 130). In addition, he argues, it is a discrete regime type that cuts across the
ideological spectrum, citing a now-typical comparison to the other Latin American ‘semi-democracy’ of recent
years, the right-wing government of Alberto Fujimori in Peru from 1990 to 2000 (130; see also Mainwaring 2006:
18). As Steve Ellner has noted, however, there are also important historical, structural, and institutional differences
between the two that are often neglected (2003).

48 The ‘circles’ of up to 11 members, sworn to defend the Constitution and uphold the ideals of the nation’s founder,
Chávez’s personal hero, Simón Bolívar, were supposed to meet regularly to discuss and address all issues affecting
the community. In December of 2001, Chávez personally conducted a mass swearing-in ceremony of over 20,000
members (Hawkins and Hansen 2006: 103).
points out, community radio stations have multiplied rapidly in Venezuela’s barrios since 2002, in part as a response to what barrio residents see as the political manipulation of information by the private media during the April coup attempt. Although the state now provides nominal funding for registered stations, the great majority of them are not legally registered. The bulk of their funding, registered or not, is provided members of the community itself (Fernandes 2006).

Most of the organizations that today flourish in the barrios echo this experience. Although many of them originated long before the Chávez government, their rapid spread throughout the country has taken place after the 2002 coup attempt, when the government’s interest in engaging communities in local governance coalesced with the latter’s need to address immediate problems. For barrio residents, that event highlighted the need to organize as a means of defending a political project that placed these problems at the center of the national debate.49 For the government, it became politically imperative to facilitate this process. Furthermore, the opposition’s insurgent strategy gave advocates of building parallel ‘revolutionary’ institutions the upper hand within the governing coalition (Ellner 2004), and allowed the government to purge existing ones, such as PDVSA and the military, freeing up resources that could be redirected towards redistribution programs and community organizations.

The Legal Framework

The Venezuelan Constitution of 1999 proclaims the right of citizens “to participate freely in public matters, directly or through their elected representatives,” (Article 62; ANC 1999: 105). To that effect, it recognizes as the “means for the participation and protagonism of the people in the exercise of its sovereignty,” in addition to new and existing forms of representation and

49 These observations are partly based on fieldwork I conducted in the Caracas communities of 23 de Enero (La Cañada, Barrio Sucre, Zona F, Cristo Rey), Propatria (Nazareno 1, Nazareno 2), and Gramoven (La Cubanita) in October 2006.
consultation, “the citizens’ assembly, whose decisions are binding,” (Article 70; 107; my italics). Furthermore, it explicitly links political decentralization to participation, establishing that “the law shall create open and flexible mechanisms” to promote the transfer of service provision to organized communities, and their participation in the formulation, execution, evaluation, and control of public policy, in economic activity through the development of cooperatives, and in the ‘co-management’ of public enterprises (Article 184; 144).

These principles have subsequently been reiterated as national public policy, and through the Organic Law of Municipal Public Power,50 the Organic Law of Planning (one of the 49 Enabling Laws of 2001),51 and the National Social and Economic Development Plan, 2001-2007 (PDESN).52 This framework recognizes the legal right of organized communities to participate directly in public decision-making at different levels. Additional laws and decrees addressing specific areas, such as water service, health, and land tenure have created new channels for implementing and monitoring decisions taken by the community, reinforcing the legal standing of existing organizations, and enabling the creation of new ones.

In the following subsections, I examine four types of organization that have developed in this framework: Technical Water Roundtables (Mesas Técnicas de Agua—MTAs), Health Committees (Comités de Salud—CSs), Urban Land Committees (Comités de Tierras Urbanas—CTUs), and Communal Councils (Consejos Comunales—CCs).

Mesas Técnicas de Agua (MTAs)

---

Racked by corruption and cronyism, the National Institute of Sanitation Works (INOS), which managed water policy since 1943, delivered increasingly deficient water service and was eventually dismantled in the early 1990s. In its place, a tangle of over 100 laws enacted, with a clear neoliberal slant, between 1991 and 1999, regulated water service with little national or regional coordination (Lacabana and Cariola 2005: 114-115). Allowed to hire only administrative employees, the regional water companies, or *Hidros*, created to replace INOS, outsourced their operations to contractors, many of whom were former INOS cronies. As public protests intensified, however, plans to completely privatize the Caracas aqueduct were discarded (Francisco 2005: 147).

In the barrios, informal networks emerged to address the infrequency or absence of water and sanitation services (Castellano and Hinestroza 2002), many of which later became neighbors’ associations in order to lobby for legal recognition and the regularization of water service (Lacabana and Cariola 2005: 122-124). MTAs were first created in a handful of Caracas neighborhoods during the three years of the Istúriz administration, successfully addressing a number of pressing service and sanitation issues (Arconada 1996). In June of 1999, the public water company of Metropolitan Caracas, *Hidrocapital*, announced the creation of its Community Water Management Office (GCA),\(^{53}\) to provide technical support to existing MTAs and promote the creation of new ones (Arconada 2005: 188; Lacabana and Cariola 2005: 117). The Organic Law for Potable Water and Sanitation Systems (LOPSAPS) of 2001, which also created a

\(^{53}\) The national public water company, *Hidroven*, is subordinate to the Ministry of the Environment (MA) through the Vice-Ministry of Water, and is subdivided into semi-autonomous regional companies, which in turn are further subdivided into municipal companies (Lacabana and Cariola 2005: 120). The Caracas GCA later became the Community Coordinators of each of the subsystems that make up the water and sanitation system of the Caracas Metropolitan Region.
national water management scheme (Lacabana and Cariola 2005: 120), legally recognized MTAs as community associations.54

The explicit functions of the MTAs include conducting a census of the community’s needs; drawing up a blueprint, with the help of GCA technicians, of the existing water infrastructure; and participating in regularly scheduled Community Water Councils (CCAs) with neighboring MTAs and the water company’s Community Coordinator. The CCAs also serve as arbiters in places where water is rationed cyclically, and as a ‘water court’ whenever problems arise between communities (Arconada 1996: 191-192). The MTAs and CCAs have formed a national network that gathers yearly at a National Encounter (ENEC) (Arconada 2005: 201). A separate source of funding has been created for projects developed and executed by MTAs, with technical assistance (Hidroven 2005: 174).

*Comités de Tierras Urbanas* (CTUs)

CTU member and activist Andrés Antillano traces their conceptual origin to the first Caracas Barrio Assembly of 1991, which gathered over 200 community leaders and outlined the elements of a common program of struggle for, including issues such as land tenure regularization, physical rehabilitation, co-management of water service, and local self-government (2005: 207). In January of 2002, legislators from the opposition party *Primeron Justicia* proposed a bill to grant land titles to barrio residents based on the ideas of Peruvian theorist Hernando de Soto.55 Facing an increasingly belligerent opposition, Chávez moved to consolidate his support base, issuing Decree 1666 on February 4, 2002, the tenth anniversary of his failed coup attempt (Wilpert 2004: 111-112).

55 De Soto advocates land tenure regularization as a way to promote capitalist values among the poor (and create real estate capital) in the Third World (2000).
The decree submitted a proposal for further legislation by the National Assembly, created a National Technical Office (OTN) for land tenure regularization, and granted legal recognition to a new kind of organization charged with moving the process forward (Antillano 2005: 208-209). The legal framework that was eventually established in Venezuela differs from De Soto’s vision in two significant ways. It establishes, first of all, a direct relation between regularization and “urban transformation”, and second, protective zoning measures to prevent the barrios’ absorption into the real estate market (210). The main functions of the CTUs foreseen by the decree, in addition to defining the limits of the community and channeling its demands, include inventorying and mapping structures in the community, and drawing up a Barrio Charter detailing the history and local norms of the community (Holland 2006).

Each CTU consists of three to seven members elected in open assemblies announced by all available means at least five days in advance and attended by at least half the inhabitants of a contiguous sector containing no more than 200 homes. This assembly certifies the limits of the community in a document signed by those in attendance. By 2006, the OTN reported the existence of 5,212 CTUs across the country, each representing an average of 147 homes, or over one fifth of the population. CTUs may apply for public funding for barrio-wide building or infrastructure projects from a separate fund created in October 2005, or from the Ministry of Housing and Habitat, which provides money for specific short-term projects. If a project is approved, an account is opened at the State Development Bank (BANDES) (Holland 2006).

56 Meaning the physical rehabilitation of housing and infrastructure, but also the ‘integral’ development of the community in economic, social, political (i.e., participation), and cultural terms. Various observers have noted that the rejection of previous notions of the barrio as an anomaly to be wiped out has contributed to the general revival of collective identity and self-esteem (‘pride in the barrio’) among the Venezuelan poor in recent years, where ‘getting out’ was previously an aspiration (see for example Antillano 2005; Holland 2006; Fernandes 2006).

57 Some CTU have set up mapping cooperatives. According to the OTN, 150,000 maps had been plotted by the end of 2005, which also means that large expanses of urban land have been mapped for the first time ever. Maps are verified and confirmed by OTN officials and added to the public registry (Holland 2006).

Although local health committees existed in Venezuela during the 1970s, and ‘socio-sanitary’ boards were set up by state governments during the 1990s (Pereira et al. 2002), privatization and decentralization undermined public hospitals, which fell into disrepair and were increasingly replaced by private clinics, where routine checkups were very costly, and physically inaccessible to the poorest communities (Jardim 2005). Venezuela’s National Economic and Social Development Plan (PDESN) for 2001 to 2007 and the corresponding Social Strategic Plan (PES) of the Ministry of Health and Social Development (M SDS) call for the “integral” promotion of health and quality of life, the rebuilding the national healthcare network, starting with the construction of primary care centers in Venezuela’s poorest neighborhoods, and the participation of the community at different levels (Alvarez and Barcos 2004).

For the first stage of what became Plan Barrio Adentro, coordinators selected 13 of the most remote barrios of the municipality of Libertador (Alayón 2005: 243). When the country’s doctors failed to respond to the government’s call to staff the new program, officials sought aid from Cuba, seeking to amend a comprehensive agreement the two countries had signed in 2000,

---

59 Because of the socio-spatial layout of Caracas, the poorest barrios tend to be located outwards and uphill, where the means of transportation are often inadequate. Barrio residents recount spending hours traveling to hospitals in the 1990s, only to spend entire days waiting, and often return home unattended, even in cases of serious illness (Jardim 2005).


61 The plan also foresees secondary and tertiary care networks, through the transformation of ambulatory units into “popular clinics” and the recovery of the country’s public hospitals (Alvarado 2004: 40).

62 At the start of Plan Barrio Adentro, the municipal Health Director and the Caracas Medical School published three separate calls for doctors, to which, out of 12 that responded, only six were willing to work in the barrios (Alayón 2005: 243). The use of Cuban doctors has provoked outrage from the Venezuelan Federation of Doctors (FVM) and the political opposition in general, according to whom there are 11,000 unemployed Venezuelan doctors. However, the President of the FVM admits Venezuelan doctors won’t go into the barrios “because the government can’t guarantee their safety,” (Jardim 2005).
exchanging a broad array of services for preferential oil prices. The first “brigade” of Cuban doctors arrived in April of 2003 (240-243). As word spread, other communities began to inform that they had held an assembly and voted to request inclusion in the program. The agreement with Cuba was expanded from an initially foreseen total of 200 doctors to 1,000 arriving monthly in groups of 200 (241-242). In order to be able to accommodate increasing demand, the municipality’s Institute for the Development of the Local Economy (IDEL) set up a training school for community leaders, who then worked together with university students to develop an inventory of existing CSs.

Each CS then conducted, in collaboration with its assigned doctor, a clinical history of each family, through door-to-door surveys, as part of a general diagnostic of the community’s health, which in turn enabled the design of an operational plan (Alvarez and Barcos 2004; Alayón 2005: 224, 242). In addition to ongoing diagnostics, the explicit functions of the CSs include promoting preventive and integral healthcare through educational, cultural, and sports activities with different age, gender, and ability groups. In addition, the CS is the community’s legal representative and recognized decision-making body, in coordination with the doctor, in all matters relating to healthcare. A Popular Education Program facilitates tools for CS members to design, execute, and evaluate projects, especially those that require the use of state resources (Alayón 2005: 222-225). In March of 2004, the first National Congress for Health and Life took place in Caracas, with the participation of CSs and doctors from throughout the country (Alvarez and Barcos 2004).

---


64 For example, in one community children were involved in promoting awareness about intestinal parasites, which affected 60% of the population, especially children. In the same community, a ‘grandparents’ circle’ and an ‘expectant mothers’ circle’ were organized to promote outdoors exercise and information workshops, and drug addicts, have been involved in community cleanups and illumination drives (González in Alayón 2005: 232-234).
A second phase of Plan Barrio Adentro, between June and August 2003, consisted in its expansion to other regions in the country. In its third phase, between September and December 2003, the Plan was extended massively throughout the country, reaching a total of 10,179 doctors (mostly Cubans, but some Venezuelans), each looking after 250 families. The Cuban doctors are expected to eventually be replaced by a new generation of Venezuelan doctors, many from poor communities themselves, that have already begun to graduate from medical schools in Cuba and in Venezuela itself (Alvarado 2004: 40). In December of 2003, the Plan became Misión Barrio Adentro, funded by oil profits and responding directly to the President’s office. At this stage, local clinics began to be built within each community, with the participation of the community, on land usually donated by the community (Jardim 2005).

Consejos Comunales (CCs)

The most recent of the organizational types discussed in this section, the CCs are at the heart of the political transformation that is taking place in Venezuela. Like the MTAs, the origins of the CCs can be traced, to some extent, to the COPRE reforms, which created parish-level governments in large cities, and CR’s municipal and state governments of the 1990s, which promoted, at the parish level, the concept of the ‘open cabildo’ or public town-hall meeting where any citizen could participate (Arconada 1996; Harnecker 1995, 1994). Drawing on this model, the Constitution of 1999 established Local Public Planning Councils (CLPPs) and State Planning and Coordination Councils (CEPCs) composed by elected officials at each level of

---

65 At an average 5 people per family, the Mission would now cover about 12.7 million people in total, half the country’s population.

66 Since then, there has been a second and third Barrio Adentro, to construct the “Popular Clinics” that form the country’s secondary care network, and to renew the technological infrastructure throughout the health system, respectively (www.barrioadentro.gob.ve).

67 In the December 15, 2006 speech where he invited supporting parties to fuse in a ‘Unified Venezuelan Socialist Party’, Chávez also called for the creation of a ‘communal state’ and an ‘explosion of the people’s power’ as one of the ‘five points’ on the government’s strategic agenda for the new six-year term (2006).
government, the chief executives of their territorial subdivisions, and representatives of neighborhood associations and others civil society organizations (Arts. 182, 166; ANC 1999: 137, 143).

According to the laws which brought them into effect in June and August of 2002, respectively, the CLPPs and CEPCs have legally binding authority over all aspects of municipal and state planning. Nevertheless, these councils have been the most problematic of all the new participative structures created in Venezuela since 1998, largely because their legal framework requires the cooperation of elected officials, who are reluctant—including those in the governing coalition—to relinquish any amount of power. Thus, although the Law of CLPPs, for instance, required all municipalities to pass an ordinance regulating the CLPPs no less than 30 days after the law came into effect (by July 2002) and imposed fines on those that did not have CLPPs functioning within 120 days (by October 2002), fines went unpaid, few ordinances went into effect, and even fewer CLPPs were actually functioning two years later (Wagner 2004).

After much debate and pressure from below, the Law of the Communal Councils was passed in April 2006, replacing Article 8 of the Law of the CLPPs. The law establishes that a Citizens’ Assembly composed of all inhabitants over 15 years of age is the community’s “maximum decision-making body.” The Assembly elects the CC, which consists of an ‘executive organ’ with one spokesperson for each area of interest to the community (determined by the Assembly), a five person ‘Communal Bank’, legally registered as a cooperative, and a five

---

68 A Federal Government Council (CFG) presided by the Executive Vice-President of the Republic and composed of all of the above is supposed to govern the process of decentralizing power to the states and municipalities (Article 185) (ANC 1999: 145).

69 “Ley de los Consejos locales de Planificación Pública” [http://www.asambleanacional.gov.ve/ns2/leyes.asp?id=219]; “Ley de los Consejos Estadales de Planificación y Coordinación de Políticas Públicas” [http://www.asambleanacional.gov.ve/ns2/leyes.asp?id=280]. According to the law, the CLPP are in charge of developing the Municipal Development Plan (Article 2) foreseen in Article 55 of Presidential Decree 1528. The CEPCs may “discuss, approve, and modify” the State Development Plan proposed by the Governor and state legislature.

70 See for example Pérez 2004.
person ‘social comptroller unit’ to monitor all other functions. The Assembly also approves the community’s norms, Charter, Statutes, Development Plan, and the CC’s internal regulations; establishes its geographic limits (between 200 and 400 families, at least 20 in rural areas, and 10 for indigenous communities); consents to projects affecting broader geographical areas (brought before it through the CC); and can recall any member of the CC.71

The CC registers itself with the municipal CLPP and with the local Presidential Commission of Popular Power (CNPPP; a technical advisory body ascribed to the Presidency of the Republic, especially created by the law) by submitting a copy of the approved Charter and Statutes, which grants it legal personality. The law also creates a National Fund for Communal Councils to finance those projects approved by the Assemblies requiring state resources. The CNPPP is set up to work on three levels: National, Regional and Municipal, in order to streamline these initiatives. The Minister of Participation and Social Development presides over the commission, in which several public foundations,72 BANDES, the Ministry of Popular Economy, and the Ministry of Energy and Petroleum all play important roles (Fox 2006).

Conclusion

The processes narrated above confirm the presence of all the variables suggested by the decline, involution, and deficiency models during the crucial decades from 1983 to the present in Venezuela. An educated citizenry with heightened expectations pressured for expanded

72 The Intergovernmental Fund for Decentralization (FIDES), with a billion dollar budget, primarily from sales taxes, now passes 30% of its resources on to the CCs. FUNDACOMUN, a 44 year-old public foundation, which until last year specialized in community housing issues, works in training and technical assistance for the CCs, and is also currently the government institution (until the local Presidential Commissions have been formed) where communal councils register. The Fund for Microfinanced Development (FONDEMI), works on funding cooperative and socio-productive projects through the 250 officially constituted Community Banks, in the form of loans of less than $14,000, with 6% interest rate and 36 months to pay them off. Finally, half of the revenue of just over $1 billion collected through the Law of Special Economic Allotments, from dividends of generated by oil profits, were designated to the CCs in 2006 (Fox 2006).
participation, even as elites seeking a way out of a crippling fiscal crisis turned to radical adjustment policies which further undermined the state’s responsiveness. Along the way, partial state reforms empowered emerging sectors, which adopted a growing anti-political discourse that contributed to the additional fragmentation of the party system. What is not clear from this sequence, however, is in what respects the Venezuelan state was ‘weakened’ during this period, and whether this weakening resulted in a significant diminishing of democracy.

Unfortunately, much of the academic work about the Chávez era produced thus far seems to reproduce the claims and slogans of either the government or the opposition. Models of democratic decline that take for granted the regime’s ‘authoritarian’ bent, citing little evidence apart from Chávez’s own past as a ‘coup plotter’ (Levine 2002: 264), or superficial mention of constitutional changes that appear to undermine checks and balances (Gutiérrez 2005: 130; Mainwarning: 18) are not the exception. On the other hand, serious empirical research suggesting that an ongoing and far-reaching democratization of Venezuelan culture and society is taking place (Fernandes 2007: 19) is rarely taken into account. Theories that rely exclusively on elite behavior, formal institutional change, or at best, middle-class ‘civil society’ movements as explanatory variables, can hardly be expected to fill this gap.

This chapter has attempted to address these issues by accounting for the effects of structural macroeconomic shifts as well as the agency of popular and marginalized sectors, in addition to the factors normally considered as elements of the Punto Fijo party system’s decline. Part of this task includes recognizing that apparently spontaneous ‘eruptions of protest’ are part of a broader dynamic in the mobilization of popular discontent, which includes autonomous forms of organization that are not always visible on the surface, and which can be more effective in the long run than formal organizations (Fox-Piven and Cloward 1979 [1977]; 1998; 2005).
This dynamic is better accounted for by relational and dynamic concepts such as hegemonic struggle, which allows us to understand regime transitions in terms of the erosion of social consensus, than by constructions of the state as a distinct institutional category.

Furthermore, because hegemonic struggle often implies a questioning and redefinition of basic political concepts such as citizenship and democracy (Lander 1994), the collapse of a ‘democratic’ party system does not in and of itself imply the ‘failure’ of democracy itself. Contrary to the Huntingtonian claims that the ‘electoral tinkering’ represented by the COPRE reforms weakened the state’s ability to channel (or restrain) popular impulses (Levine 2002: 251-257; Mainwarning 2006: 24-25), the analysis developed here suggests the emergence of democratic demands during that period that could no longer be contained by strictly formal reforms. In this sense, the new regime represents an attempt to build a new hegemonic coalition that incorporates these demands not just at the political, but also at the economic and cultural level. The organizational forms examined in the preceding section portray some of the concrete ways in which this attempt takes shape.

All of these organizations are deliberative, horizontal, voluntary, based on face-to-face interaction, have permanent access to training, funding, and technical support, regularly interact with each other at different geographic levels, and are either self-selected or elected by open assemblies of the community with decision-making authority and recall powers. Supporters claim they have promoted communities’ self-knowledge, public recognition and accountability, women’s leadership, communication across often conflicting interests (for example, between

---

73 Observers report the open participation of government detractors in these assemblies, despite the clear numerical predominance of government sympathizers (which is to be expected, at least initially, both because this generally reflects the political distribution in Venezuelan barrios, and because participation is voluntary), while attempts by the latter to use them as platforms for pro-government propaganda are energetically rejected by participants (Holland 2006; Antillano 2005; Alvarado 2004).

74 This appears to be the case of the CSs (see González in Alayón 2005).
urban and rural areas), increasing equality and efficiency of certain services, the rapid spread of successful innovations through word of mouth, a renewed sense of self-investment and community pride, self-initiative, and the bridging of ‘popular’ and ‘technical’ knowledge.\textsuperscript{75} Many of these organizations have transcended their original purposes, becoming a source of national policy proposals on more than one occasion.

Such a portrait is indeed a far cry from what one would expect from a ‘plebiscitarian’ or ‘personalistic’ regime. Although it may be true, for example, that representative institutions are often bypassed in the allotment of funds for community projects, these are not being channeled through patronage networks based on parties, local strongmen, or personal loyalty to the leader, but through open and horizontal community organizations. This is possible, on the one hand, because many of these organizations pre-exist the regime itself, drawing from a previous social movement history to which many non-Venezuelan scholars seem completely oblivious. On the other hand, institutional design, from the constitutional protection of participation to a legal framework that gives organizations the flexibility to adapt to each community’s needs, appears to be stimulating a culture that favors organized collective action over clientelistic dependence (Wagner 2004; Holland 2006).

Most of the government’s redistributive initiatives have come at politically delicate moments when a strengthening of popular support was necessary. Such moments tend to coincide with moments of popular mobilization to demand the actualization of the rights promised by the new constitution. Therefore, even if the state’s involvement is at times calculated, the development of the organizational process results from a dynamic tension

\textsuperscript{75} For example, to cite only the MTAs, a comparative study on the decentralization of water and sanitation services in Mexico City, Chennai, Dar-es-Salaam, Cairo, and Caracas conducted for the Development Planning Unit of the London School of Economics notes that these have improved service and strengthened solidarity and democratic participation, emphasizing duties as well as rights, and reducing clientelism (Allen, Dávila, and Hoffman 2005: 36-37; see also Lacabana and Cariola 127-129; Arconada 189-199; and Francisco 155).
between pressures from above and from below. This dynamic can scarcely be explained by those who ignore or deny the existence of autonomous popular movements in Venezuela, or take for granted that the *transformation* of democracy necessarily implies *diminishing* simply because its outward signs include the emergence of a strong leader or a weakening of traditional forms of interest aggregation.

Some democracies may in fact collapse when state’s capacity to protect and provide for its citizens is weak. What is taking place in Venezuela, however, can be better understood as a complex process of social readjustment that may yet produce not only a ‘stronger’ state, but a stronger and more democratic society as well.
Bibliography

Websites
Asamblea Nacional de Venezuela   www.asambleanacional.gov.ve
Misión Barrio Adentro   www.barrioadentro.gob.ve
Consejo Nacional Electoral   www.cne.gov.ve
Gobierno Bolivariano   www.gobiernoenlinea.gob.ve
Hidroven   www.hidroven.gov.ve
Ministerio de Planificación y Desarrollo   www.mpd.gov.ve
Ministerio de Vivienda y Hábitat   www.mhv.gob.ve


Burgess, Katrina and Steven Levitsky. 2003. “Explaining Populist Party Adaptation in Latin America: Environmental and Organizational Determinants of Party Change in Argentina, Mexico, Peru, and Venezuela” in Comparative Political Studies, 36:8, 881-911.


