

REARRANGING THE DECK CHAIRS ON THE TITANIC:

The Agony of Democracy in Venezuela*

Aníbal Romero
Simón Bolívar University

The threat of death hangs over
this republic without republicans.
Raymond Aron, *Memoires*

THE CRISIS HYSTERIA

If one is to believe what a good number of commentators on the Venezuelan political scene have written over the years, democracy in that country has been in perpetual crisis. By at least the mid-1970s, the view that the democratic system established in 1958 was deteriorating rapidly had become widely accepted in the Venezuelan press and among Venezuelan academic analysts. It was not always clear, however, exactly what was meant by "the crisis" (Peña 1978; Stempel-Paris 1981; Romero 1986). This perception of crisis intensified some years later, to the point that one outsider observed in 1984 that according to the prevailing view of democracy in Venezuela, the political system must be totally bankrupt and its survival could be explained only as the result "of an unprecedented act of political will or of the imbecility of the population" (Baloyra n.d., 2).

Albert Hirschman may have been right in arguing that human societies have much tolerance for deterioration and can take considerable degradation in their stride: "A lower level of performance, which would mean disaster for baboons, merely causes discomfort, at least initially, to humans" (Hirschman 1970, 6). Still, a crisis cannot last forever, and it is therefore reasonable to ask what the Venezuelan crisis, which supposedly began in earnest in the middle to late 1970s, meant at the time and whether it means the same thing twenty years later.

According to an accepted interpretation of the origins and development of Venezuelan democracy, great oil wealth in a small country, with a relatively small population free of significant ethnic divisions and

*I am indebted to Robert Bond for the characterization used in the title. The original version of this article was presented to the Latin American Studies Association in Washington, D.C., 28–30 September 1995.

a remarkably homogeneous upper strata, created favorable conditions for democracy. But it was the political skill of Venezuelan leaders that brought democracy about (Coronil 1988, 70–71; Alexander 1964; Blank 1973; Levine 1973; Karl 1986; Romero 1989a). Other observers have agreed with Daniel Levine that it is “false and misleading to attribute the successful transition to democracy [in Venezuela] primarily to the impact of oil revenues. Relative abundance obviously helped—it is simpler to pay off and incorporate than to confront, isolate and defeat. But the plain fact is that Venezuela has enjoyed substantial revenue from petroleum since the 1920s. The decision to seek political conciliation and democratic institutionalization is independent of the wealth available. After 1958, the wealth is used differently” (Levine 1985, 52). From this perspective, Venezuelan democracy is the outgrowth of a particular political style characterized by avoidance of conflict and pursuit of consensus on procedural and utilitarian forms rather than on substantive issues (Rey 1989, 253–71).

It is true that during the first phase of democratic institutionalization, Venezuelan elite groups relied heavily on compromise and conciliation, limiting the field of political conflict and excluding both the Marxist Left and the militarist Right from the political arena. The political compromise reached in 1958, however, was possible largely because the oil economy could support it. The military dictatorship overthrown in 1958 had proved corrupt and inefficient. In the new scheme of things, the state would distribute wealth rather than monopolize it. The elite pacts’ fundamental premise was that a democratic state would be a more legitimate, stable, and efficient instrument for mediating the distribution of oil rents.

The diverse groups that entered into the pacts “sought less to use the state against each other than to use each other to gain access to the state” as the crucial source of money (Coronil 1988, 70). The democratic government thus complemented an economic model based on expanding the oil economy. The substantive as well as the formal constitutional pact between the elites and the people was based on the implicit and explicit assumptions that democracy would be the instrument of delivering constantly increasing standards of living to the masses (Rey 1992, 19; Sabino 1994, 42–43). Venezuelan democracy was never predicated on the premise recently expressed by Samuel Huntington: “Democracy does not mean that problems will be solved; it does mean that rulers can be removed,” or in other words, “democracy is a solution to the problem of tyranny, but not necessarily to anything else” (Huntington 1991, 262–63). Instead, democracy in Venezuela has always been assumed by the majority to be a mechanism for changing governments peacefully but also a type of government capable of distributing prosperity more efficiently. Once the oil-based economic model began to show signs of exhaustion in the late 1960s and early 1970s, democratic governance also began to exhibit signals that Venezuelans were coming down from the euphoric “high” of

democratization to the “low” of democracy (Huntington 1991, 262). Frustration began to be felt.

Intensifying political confrontation was temporarily relieved by the oil-price booms of the 1970s, and the democratic system gained breathing room, but it proved to be only the prelude to a more profound crisis. The outcome of this process, which matured under the government of President Jaime Lusinchi (1984–1989), reconfirmed the vicious spiral characterizing the country’s style of democratic development: Venezuelan society continuously demands more resources from the state in order to grow, maintaining the illusion of thereby solving the problems generated by oil-induced growth (López and Gómez 1985).

The country-specific nature of the Venezuelan democratic government must be emphasized, particularly the importance of petroleum as a dynamic factor enabling political compromises among competing groups. This point must be underscored to dispel the myth of some sort of positive “Venezuelan syndrome” being evidenced in the current wave of democratization in Latin America (Cammack 1985). The conditions that allowed the restoration of democracy in Venezuela in 1958 do not exist in any other Latin American country today. Oil continues to play a unique role in shaping and sustaining the Venezuelan democratic government. Consequently, as Terry Karl has pointed out, “the long-term viability of this form of pacted democracy and its value as a model for other countries may become clear only when the oil money begins to disappear” (Karl 1986, 219).

Certainly, some achievements of the Venezuelan elites’ coalition during the first phase of democratic institutionalization can be reproduced elsewhere in Latin America, including elite consensus, the definition of democracy in essentially procedural terms, the shelving of conflicting issues, and the marginalization of the Left. What cannot be replicated is the fundamental role of oil income in financing the long-term viability of the system. This crucial economic factor is precisely what accounts for the perception of “Venezuelan exceptionalism” (Levine 1994): the idea that Venezuela has somehow been a special case of a healthy democracy within the mainly authoritarian Latin American context. Venezuela indeed faces challenges common to established democracies in a crisis context (McCoy and Smith 1995, 4). But the influx of oil money has allowed the Venezuelan democratic government to postpone for at least two decades the “constellation of problems” that led to the breakdown of democracy in other countries in the region in the 1960s and 1970s (O’Donnell 1972).

When oil prices first leaped higher in 1973, it was becoming increasingly evident that the Venezuelan state could not go on subsidizing the country’s industry and agriculture forever. But the flood of petrodollars allowed the Venezuelan leadership, epitomized by the just elected

Carlos Andrés Pérez, to intensify state-financed development, with pernicious consequences for the entire country. Pérez wanted to transform Venezuela overnight into “one of the most highly industrialized countries in the world” (Romero 1986, 74). He dumped billions of dollars into a weak and distorted economy in an ill-conceived campaign that reinforced the country’s dependence on the oil-based model. Christian Democratic President Luis Herrera Campins, who succeeded Pérez in February 1979, recognized in his inaugural speech that Venezuela was “a mortgaged country.” His administration initially attempted to reorient economic policy away from oil-subsidized statism. Once again, however, another jump in oil prices that year permitted the government to keep postponing hard decisions to curtail the rentier nature of Venezuelan national life.¹

In short, the combined effect of the ten-year oil bonanza and demagoguery by political leaders was abysmal: Venezuela was heavily in debt and could not pay up without sacrificing its national reserves. The great investment schemes in the Guayana region had created unproductive state enterprises that were constantly operating in the red. The *bolívar* had to be devalued substantially in 1983, and social inequalities mounted to alarming proportions. Yet even these disappointing results did not produce the much-needed correction under new Social Democratic President Jaime Lusinchi, who took office in 1984. To the contrary, Lusinchi not only failed to keep his promise of “austerity” but increased public expenditures every year for five years in a row. Along the way, he liquidated Venezuela’s international reserves and generated an enormous internal debt by issuing massive public-debt bonds (Cantó 1989, 37, 55–59). This internal debt was Lusinchi’s legacy to Pérez, who was reelected in December 1988 by an electorate expecting the “new” president to restore the ephemeral bonanza enjoyed during his first administration. Pérez had indeed promised in his election campaign to restore the standards of living prevailing during the petrodollar years (Romero 1989b, 29–32). The fact that he could not do so was a basic cause of the series of turbulent events that began with the massive popular uprising of 1989.

Andrew Templeton, a respected analyst of public opinion in Venezuela, has argued that the last year in which Venezuelans could believe in the myth of their country’s wealth and their own prosperity was 1982, before the devaluation in February 1983 (Templeton 1995, 84). Unfortunately, this assessment does not take into account the national mind-set. As will be shown here, the myth of Venezuela’s unlimited riches lives on in most Venezuelans’ view of the world. This myth has been reinforced by two fundamental traits of the political behavior of Venezuelan demo-

1. In arguing that Venezuelan national life has a “rentier nature,” I am referring to the fact that earnings from oil have little to do with the productive processes of the domestic economy (see Karl n.d.).

cratic leaders: the propensity to deceive the electorate with false promises, irresponsibly creating expectations that soon prove impossible to fulfill; and the traditional tendency of democratic leaders to formulate their decisions according to the best conceivable future scenarios, with no concern for unexpected contingencies, always trusting that oil will come to Venezuela's rescue.

These traits may be more or less typical of the way democratic politicians behave everywhere most of the time. But demagoguery undoubtedly has been a crucial aspect of Venezuela's democratic politics, a factor that must be taken into account in attempting to explain the evolution of the governmental crisis. Systematic demagoguery by the Venezuelan leadership has compounded the problems arising from a rentier economic structure that has all but destroyed the crucial cultural relationship between work and well-being (Ball 1994, 30). The consequence for Venezuelan society has been not a creative process of political learning but "pathological learning" (learning that actually reduces the capacity to learn): Venezuelan political leaders, rather than increasing their range of more effective responses to repeated external stimuli, have drawn lessons that have reduced their subsequent capacity to learn and modify their own behavior (Deutsch 1963, 163–71). These lessons have produced Venezuela's addiction to state expenditures as a substitute for productivity and competitiveness.²

The elites that established the Venezuelan pacted democracy in 1958 had previously gone through a process of political learning that led them to modify their tactics and adopt a more conciliatory political style (Levine 1978). They built a system based on electoral competition and neocorporatist bargaining (McCoy and Smith 1995, 10), a system with a markedly utilitarian bent (Rey 1991, 542–44). This learning experience and its subsequent evolution demonstrate the importance of separating analytically the factors that explain the origins of democracy from the factors that explain democratic stability (Bermeo 1992, 279). Neocorporatist pacts predicated on gratifying utilitarian expectations may be useful as tools for compromise, particularly in the early phases of democratic institutionalization. But they do not necessarily entail a deep normative commitment to democracy per se. As Adam Przeworski has pointed out, pacts appear on the political agenda only when the conditions for spontaneous class compromise are threatened or absent. What advanced democratic capitalist nations have in common is not pacts but advanced capitalism itself plus electoral and institutional conditions that generate spontaneous compromise, the kind that "supports the coexistence of capitalism and

2. For a detailed account of the 1994 *World Competitiveness Report*, see "Call to Arms," *Veneconomy Monthly* 12, no. 5 (Feb. 1995):16–20. This report ranked Venezuela close to last in several key categories of a list of more than forty countries.

democracy" (Przeworski n.d., 3; Coronil 1988, 63). Short of these conditions, democracy cannot emerge "spontaneously."

Przeworski assumes a model of capitalist society in which wealth is generated by and distributed among capitalists and workers within a national domain (Przeworski 1987, 3). The Venezuelan case is far from one of market spontaneity (Coronil 1988, 67). As discussed, the pacts agreed on in the inaugural phase of democracy were geared toward controlling the state and the petroleum rents. The utilitarian motive was critical for legitimizing the system. As long as the oil revenues allowed generalized improvement in Venezuelans' standard of living and satisfied the key elite groups who had entered into the pacts, democracy seemed to work adequately. Underlying this delicate balance, however, has been a deeper reality: a weak and fragile democratic political culture tied too closely to utilitarian concerns and therefore easily undermined by any downturn in the oil economy.

The Venezuelan crisis thus represents the degrading of a pacted democracy under the combined pressures of economic underdevelopment, pathological political learning, the frustrations of a population committed to a utilitarian, non-normative political culture, and demagogic political leadership. This so-called crisis, however, has actually been a process that must be distinguished in its different phases. From 1958 until 1989, the "crisis" had to do mainly with what the electorate perceived as inadequate governmental performance, but it gradually became a regime crisis whose basic but not exclusive cause was deterioration of the rentier economic structure on which Venezuelan democracy had fed for thirty years.

SIGNALS AND NOISE: THE EVOLUTION OF POPULAR OPINION

In the field of military intelligence, experts talk about the "cry-wolf syndrome" in cases of alert-fatigue, a condition manifested in early-warning systems geared toward preventing unexpected attacks after they have been subjected to too many false warnings. When this syndrome occurs repeatedly and the "signals" about enemy activity turn out to be no more than "noise," intelligence services often lose credibility among decision makers, become demoralized, or deteriorate in their professional capabilities (Romero 1992, 65). The "crisis hysteria" over the state of the Venezuelan political system may well have produced a similar effect at the strategic level: so many warnings about a severe crisis over many years became tiresome and weakened Venezuelans' ability to perceive the accelerating erosion of democracy, particularly after Pérez's "great turn-about" (*"el gran viraje"*) in 1989 and its profound impact on Venezuelans. Warning signs had appeared, particularly in the months preceding the February 1992 attempted coup d'état. Some of them were articulated by

prominent Venezuelans surveying the dangerously deteriorating political situation (Tarre 1994). But when the coup actually occurred, it took everyone by surprise, inside and outside the country.

The “background noise” had hidden the obvious “signals” about what was coming. After more than thirty years of democratic life and despite the common realization that Venezuelan democracy was disturbingly unhealthy in many ways, it remained hard to imagine that the ghost of military insurrection would reappear as a key determinant of the country’s political evolution. Possibly the major barrier to adequate perception of the magnitude of the danger was the “paradigm” prevailing in 1992 (Kuhn 1970) that considered Venezuelan democracy, however flawed and frayed, as somehow immune to demagoguery, inept leadership, and adverse economic circumstances (Serbín and Stambouli 1993, 213, 215; Levine 1989, 242; Rey 1989, 256; Philip 1992, 455). The rude awakening provided by the two coups attempted in 1992 and their sequels have helped dispel long-held illusions about the solidity of democracy in Venezuela. But old habits die hard, and scholars still tend to underestimate the deep cultural, institutional, and economic vulnerabilities of democracy in Venezuela.

Military intelligence experts never tire of pointing out that “signals” become unequivocal only in retrospect, that until the enemy actually attacks, we have only “noise,” a confusing mixture of contradictory bits of information about the intentions and capabilities of the other side (Handel 1976). It was indeed impossible to predict that a military coup would take place when it did. What was less difficult, given the evidence available since at least the mid-1980s, was to foresee that if a coup did occur, it would be greeted with widespread popular support because democratic principles had not taken hold firmly in Venezuela. Disappointment with the performance of succeeding governments thus set the stage for a regime crisis of considerable proportions.

A few well-known reliable analysts of public opinion in Venezuela have been documenting the erosion of support for existing institutions since at least the mid-1980s (Torres 1985, 1990; Keller 1993a; Templeton 1995).³ The evidence clearly shows that by the early 1980s, lack of faith in

3. All the Consultores 21 surveys cited in this article are based on data from 1,500 interviews. They sampled cities with more than 20,000 inhabitants (about one-fifth of the total Venezuelan population over eighteen). The statistical margin of error is 2.6 percent, and the reliability rate is 95.5 percent. These surveys, carried out since the early 1980s, are paid for by private subscribers, including some of the most powerful Venezuelan private economic groups. The Pulso Nacional surveys quoted by Andrew Templeton have been carried out for years, thanks to the subscriptions of several large corporations. In most years, the Ministerio de la Secretaría de la Presidencia has subscribed to the survey. Both Consultores 21 and Datos-Pulso Nacional have built solid reputations in Venezuela for their professionalism and reliability. Data and more detailed technical information on the surveys are available at the Roper Center, University of Connecticut, and at the Simón Bolívar University in Caracas. See also Alfredo Keller, “Venezuela: Escenarios de crisis,” in-house report for Consultores 21, 1993.

democratic institutions and in Venezuela were manifesting themselves strongly (Templeton 1995, 81–90). Arístides Torres pointed out in 1985, however, the paradoxical results of surveys in which Venezuelans expressed support for democracy as a political system but great disillusionment with key democratic institutions and the performance of democratic governments. This paradox is not unique to Venezuela (Coleman and Davis 1976), but as Torres observed at the time, it was predictable that if high levels of disapproval of the performance of democratic governments kept on rising, support for democracy itself would fall (Torres 1985, 32).

Two key variables can be traced to illustrate Venezuelans' disenchantment with their governments and the gradual deterioration in their commitment to democratic practices. One is what can be called the "frustration index," which shows the level of support for each administration eight months after its inauguration (see table 1). The second variable is the level of electoral abstention. Regarding the data in table 1, it should be noted that Rafael Caldera's popularity plummeted abruptly in 1995.

According to official figures from the Consejo Supremo Electoral, abstention in presidential elections between 1968 and 1983 ranged from 10 to 12 percent. In 1988, the percentage of those abstaining climbed to 18 percent, and in 1993 (the next election for which figures are available), it soared to 49 percent. Abstention rates in local elections ranked higher, from 17 percent in 1979 on up to 55 percent in the local elections of December 1995 and much higher in Caracas and other key cities, continuing a twenty-five-year trend (Perry 1996). Unofficial figures as well as the data of reliable independent observers painted a much bleaker picture: massive abstentionism; numerous suspicious mishaps, such as disappearing ballots and failures to report results in a timely manner; and many charges of fraud, most of them leveled at Acción Democrática (AD).⁴ Robert Bottome and Jeff Timmons have assessed the situation accurately: "Rather than reaffirming Venezuelan democracy, December's [1995] elections . . . revealed its fragility" (Bottome and Timmons 1995, 10–12).

Arístides Torres, Andrew Templeton, and Alfredo Keller all agree that Venezuelans' attitudes toward the democratic system changed qualitatively in 1989 (Torres 1990, 5, 9; Templeton 1995, 96–98).⁵ From that moment on, negative assessments of democratic institutions and politicians mounted, as did popular feeling about the futility of voting and decreasing faith in democracy itself (Torres 1990, 12, 19). Survey research carried out after the February 1989 mass riots in Caracas and other cities

4. "December Elections: Nothing to Celebrate," *Veneconomy Monthly* 13, no. 3 (Dec. 1995): 10–12.

5. "Estudio de temas económicos," in-house document, Consultores 21, Caracas, first trimester 1989.

TABLE 1 *The Frustration of Expectations in Venezuela, 1993*

<i>National Elections</i>	<i>Percentage of Votes of Winning Candidate</i>	<i>Percentage of Support 8 Months Later</i>	<i>Frustration Index</i>
1968: Rafael Caldera	29	30	+1
1973: Carlos Andrés Pérez	49	44	-5
1978: Luis Herrera Campins	47	32	-15
1983: Jaime Lusinchi	57	32	-25
1988: Carlos Andrés Pérez	53	22	-31
1993: Rafael Caldera	30	66	+36

Source: Consultores 21, "Estudio de temas económicos," 1993 4th trimester, in-house report.

revealed an interesting variation in Venezuelans' perceptions of their personal situations and prospects vis-à-vis those of the country. For several years prior to 1989, most Venezuelans thought that "the country is in bad shape, but I am fine." The events of early 1989 shifted their focus. In the new context of aggravated frustrations, Venezuelans perceived that "the country is in bad shape and that is the reason why I too am suffering." Furthermore, Venezuelans increasingly attributed their multiplying afflictions to external forces rather than to their own actions. For instance, in 1987 and 1988, when asked to explain improvements in an individual's income, 32 percent replied that it depended on one's own efforts. But in 1989, only 25 agreed with that explanation. Thus three out of four Venezuelans perceived the ability to reach a higher standard of living as beyond their personal control. They also felt less responsible for the country's woes. In response to the statement "We the people are partly guilty for what has happened to the country," agreement fell from 14 percent in 1987-1988 to 4 percent in 1989. The main social actors blamed for the crisis were the current administration, those that had preceded it, and all politicians and political parties in general.⁶

What made 1989 critical in the evolution of the Venezuelan political system was the aggravation of a decisive gap between expectations and governmental performance, which occurred under Pérez. The naive belief of the majority that Pérez would deliver a new "economic miracle" soon turned into a nightmare. His decision to apply a free-market approach to the grave economic situation was perceived by many of those who had voted for him in December 1988 as an act of personal betrayal.⁷ As a result, the Pérez administration became the most unpopular in Venezuela's democratic history, sinking to a low of 6 percent support in 1992.⁸

6. *Ibid.*, 9-10.

7. Keller, "Venezuela: Escenarios de crisis," p. 6.

8. "Estudio de temas económicos," in-house document, Consultores 21, Caracas, fourth trimester 1992, p. 34.

TABLE 2 *Placement of Blame for the Venezuelan Crisis, 1992*

<i>Actor</i>	<i>Should Be Blamed (%)</i>	<i>Shouldn't Be Blamed (%)</i>	<i>Don't Know (%)</i>
Carlos Andrés Pérez	84	13	3
AD party	82	13	5
National Congress	78	15	7
FEDECAMARAS (business)	75	16	9
Economic crisis	74	19	7
Judiciary	70	22	8
COPEI party	65	30	5
Privatization	62	28	10
Private enterprise	60	35	5
Oil industry	50	40	10
Left-wing parties	48	45	7
News media	36	57	7
Venezuelan people	35	61	4

Source: Consultores 21, "Estudio de temas económicos," 1992 2d trimester, in-house report.

Disenchantment with Pérez transcended his performance as president to target key institutions of the democratic system (see table 2). Various surveys provided strong evidence of what Templeton has described as "long-standing popular discontent on economic issues, dissatisfaction with the efficiency of public administration, disillusionment with the capacity of existing institutions to resolve the nation's problems and an increasing conviction that these institutions are not only inefficient but also corrupt" (Templeton 1995, 102). This interpretation was confirmed by polls taken in 1992, in which 85 percent of Venezuelans agreed that the political parties "did nothing to help solve the country's problems." Some 73 percent said the same thing about trade unions, 65 percent about the private business sector, and 61 percent about the armed forces.⁹ Yet these same opinion polls and subsequent ones seemed to show that despite the criticism of key democratic institutions and actors, support for democracy as a form of government remains strong among Venezuelans (Myers 1995; McCoy and Smith 1995), and that most Venezuelans prefer a democratic system to a military government (Templeton 1995, 102). Three different polling firms in 1963, 1980, and 1990 asked the question, "What is the best political system for Venezuela?" In all three polls, 69 percent chose democracy, with other systems being preferred by 21 to 28 percent.¹⁰

How can these results favoring "democracy" be reconciled with the high levels of support shown for the coup d'état attempted in Febru-

9. *Ibid.*, third trimester 1992.

10. The three polling firms were IFEDEC in 1963, Gallup in 1980, and Conciencia 21 in 1990. See Conciencia 21, "Estudio sobre valores del Venezolano," in-house report, June 1995.

TABLE 3 *Confidence in Venezuelan Institutions as of June 1995*

<i>Institution</i>	<i>A Lot</i>	<i>Some</i>	<i>Little</i>	<i>None</i>
Catholic Church	47	24	18	11
Universities	37	30	17	14
News media	23	35	24	17
Armed forces	22	31	26	20
Judiciary	14	19	36	29
Present government	12	21	34	32
Business sector	11	20	33	35
National Congress	10	13	37	38
Police	10	13	40	36
Trade unions	8	15	33	42
Political parties	6	11	32	50

Source: *Conciencia* 21, "Estudio sobre valores del venezolano," June 1995, p. 217.

ary 1992?¹¹ And how can these results be reconciled with Venezuelans' rejection of democratic institutions (see table 3)? Furthermore, how can such results be reconciled with other data showing that 45 percent of Venezuelans disagree with the statement "The Caldera government should be supported to prevent the fall of democracy, even if prices, unemployment and crime in the streets go on rising"?¹² The question has also been asked: How firm can a democratic regime be that is subjected to a plebiscite at each election?¹³ Finally, what sense can be made of surveys indicating that 45 percent of Venezuelans (51 percent of those thirty-four years of age or younger) would leave the country now if they had the opportunity to do so?¹⁴

Several observers of the current scene have pointed to obvious signs of anomie characterizing Venezuelan society in these turbulent times (Romero 1994).¹⁵ Talcott Parsons defined anomie as a pathology of the collective normative system, a state of the social system that leads its members to "consider exertion for success meaningless . . . because they lack a clear definition of what is desirable." Anomie is thus a state of conflicting expectations and uncertainty about beliefs, values, norms, and goals (Parsons 1968, 316–17). A recent study of social goals and values among Venezuelans makes it clear that a strong demand exists for

11. "Evaluación del intento de golpe de estado del 4 de febrero de 1992," special report for the Ministro de la Defensa, in-house document, Consultores 21, Mar. 1992.

12. "Perspectivas de los venezolanos ante 1995," special report, in-house document, Consultores 21, Jan. 1995.

13. Keller, "Los escenarios sociopolíticos de Venezuela desde la óptica de la opinión pública," in-house report for Consultores 21, 1995, 21–22.

14. For a more detailed report on this survey, see *Seminario Interdiocesano de Caracas*, no. 577 (Aug. 1995), p. 321.

15. Keller, "Venezuela: El regreso del mesianismo," in-house report for Consultores 21, 1994.

authoritarian “solutions” to the problems affecting the majority: 76 percent of the population are convinced that “a few strong leaders would do this country much more good than any number of laws and speeches.”¹⁶ Poll responses indicate that Venezuelans want freedom as individuals—freedom for oneself but not for the rest. What Venezuelans want for society as a whole are controls and authoritarian exercise of political power.¹⁷

If these responses are accurate, it seems reasonable to conjecture that Venezuelans’ presumed attachment to “democracy” in the abstract may in fact be a façade hiding a more complex universe of confusing and contradictory tendencies, perhaps even what Timur Kuran identified in Eastern European revolutions as “preference falsification.” He found that when individuals are motivated by fear, personal insecurity, uncertainty about the present and the future, and sometimes by ignorance and confusion, they will hide their opposition to the status quo and live a lie. In these circumstances, an individual’s “private preference” is effectively fixed at any given moment, but one’s “public preference” is a variable under one’s own control. Insofar as the two preferences differ (the preference expressed in public diverges from that held in private), the individual is engaged in preference falsification (Kuran 1991, 17). Is it unreasonable to speculate that many Venezuelans who insist that they support “democracy” while rejecting democratic institutions and supporting violent coups are engaged in preference falsification?

The events of 1989 in Eastern Europe, which also caught almost everyone by surprise, proved two points. First, the long-entrenched political regimes in the region were far more vulnerable than most observers ever supposed. Millions were prepared to challenge them radically if the opportunity arose. Second, even the support of those who appeared more sympathetic to the status quo was thin (Kuran 1991, 33).

Historical analogies should not be pushed too far, and Venezuela today is not living under a totalitarian political regime. Yet the current Venezuelan situation brings to mind Peter Gay’s observation about the “rational republicans” (*Vernunftrepublikaner*) during the ill-fated Weimar Republic in Germany (1919–1933). These so-called rational republicans knew that in the abstract, democracy was the least undesirable option for their country and preferable to the alternatives, but they “never learned to love [the Republic] and never believed in its future” (Gay 1970, 23–24). Their cool rationalism “was more likely to elicit dispassionate analysis of past errors than passionate loyalty to new possibilities” (Gay 1970, 16). Gay characterized the prevailing climate as one of “indescribable dejec-

16. “Estudio sobre los valores del venezolano,” in-house document, *Conciencia* 21, June 1995, p. 68.

17. *Ibid.*, 67–69.

tion, as though all life in the soul had died" (Gay 1970, 96). In the end, the Weimar Republic succumbed to a great fear, "the fear of modernity."

Several key features similar to those described by Gay in the Weimar experience can be observed in Venezuela today. Even Venezuelans who actually defend democracy and consider it the least undesirable option for the country support it only halfheartedly because the democratic experience has disappointed their expectations deeply in many ways. The Venezuelan people, addicted to the rentier economic model based on oil revenues, are also victims of a great fear: the fear of modernity symbolized by the challenge of becoming productive and competitive in a market environment. As long as this fear prevails, democracy in Venezuela will be incompatible with substantial pro-market economic reforms. The kind of democracy that can coexist with the generalized decline of the oil-based model and international pressure for economic reforms is at best a degraded democracy without popular backing, a hybrid regime with markedly authoritarian tendencies that endlessly expects a catalyst that will end "the crisis" once and for all.

POLITICAL CULTURE, THE MYTH OF CORRUPTION, AND THE SEARCH FOR THE MESSIAH

It is impossible to know exactly how Venezuelan democracy might have evolved had the country enjoyed more enlightened and less demagogic political leadership over the last two decades. It seems likely that the system would have deteriorated less. But it would be unfair to blame the political leaders exclusively because the Venezuelan people as a whole also bear some responsibility for the fate of a political system now decaying.

Analysts of Venezuela's political evolution too often forget that the overwhelming majority of citizens have always been unwilling to change, although the desire for change appears to be a key aspiration of the people, according to the polls.¹⁸ The "leadership shortcomings" (Navarro 1994, 3) of the Venezuelan elites have undoubtedly played a fundamental role in accelerating the erosion of democracy in the country. But the problem has been compounded by the perceptions and attitudes of the majority, who want to go on living forever as if oil and the state were magic tools that allowed Venezuelans to ignore the crucial cultural interrelations among productivity, competitiveness, and material well-being.

The dominant political culture in Venezuela is basically a collection of myths. In one respect, they prevent the citizens from understanding the real causes of what is still happening to them. Yet these same myths encourage Venezuelans to adopt simplistic explanations for a complex set of phenomena, particularly that of continuous impoverishment in the midst of "plenty."

18. "Estudios de temas económicos," Consultores 21, first trimester 1993.

According to Manuel García-Pelayo, “myth and reason are two different forms through which human beings exist and orient themselves in the world. . . . Myths seek to fulfill not a need for knowledge or for rational conduct but an existential need for orientation in the world, based on emotions and feelings and sometimes profound intuitions” (García-Pelayo 1981, 12, 23). Although myths are nonrational, they can articulate what people feel, think, and hope in a vague and obscure way. Myths also provide a framework that gives sense to and makes sense of a particular social situation (Romero 1995).

In contemporary Venezuela, corruption has become a central myth that helps individuals make sense of their situations. This myth has also allowed the Caldera administration to shift the blame for its own shortcomings onto other actors for a while. Until the economic crisis became acute in Venezuela in the early 1980s, popular attitudes toward corruption were soft and tolerant (Templeton 1995, 90–92). Why did they harden, particularly after 1989? Survey research alone makes it evident that in that year, corruption became far more than a single issue on the political agenda. Corruption in fact became a catch-all means of interpreting a wide range of problems, especially the economic crisis.¹⁹

Regardless of how much corruption actually exists in Venezuela (and the evidence indicates that it is indeed a serious problem), the fact remains that corruption dominates the public mind in Venezuela far more than in other countries (Navarro 1994, 8). This preoccupation has resulted mainly from the need to find a plausible explanation for the coexistence of enormous national wealth in the form of oil with continued economic decline. The myth that corruption has caused most of Venezuela’s problems—including economic dependence on oil, economic mismanagement, and political demagoguery—may be useful in creating scapegoats, but it leads nowhere.

Since 1985 the Venezuelan public-opinion research firm Consultores 21 has conducted detailed investigations on national attitudes and perceptions. These studies have been used to distill a set of basic beliefs that shape the cognitive map of most Venezuelans (Jervis 1976; Hever 1982; Romero 1992). This set of beliefs, which was articulated more plainly in the late 1980s, can be organized as a kind of syllogism that expresses the mythological “logic” that determines how most Venezuelans view what goes on around them in their political and economic environment:

What most Venezuelans believe / Our country is a very rich country. All Venezuelans own that wealth. The distribution of our wealth is a matter of social justice. I am a good person and deserve my part of the country’s

19. *Ibid.*, second trimester 1990, 42–45; 3d trimester 1991, 74–78; 1st trimester 1992, 11; 4th trimester 1993, 31, 34; and 1st trimester 1994, 57.

wealth. To be fair, my share must equal that of the rest. The government must distribute the country's wealth fairly. The government is political.

What Venezuelans actually see / I am poor and helpless whereas others are rich and privileged. Rich people are the elite of the country. The politicians belong to the elite.

The conclusions Venezuelans reach / The government does not distribute the country's wealth fairly because the politicians are corrupt (they steal Venezuela's wealth). If corruption is eliminated, there will be enough money for all and more, and Venezuela will again become a rich country.

According to the survey data, 91 percent of Venezuelans believe that the country is very rich, 82 percent hold that Venezuela's wealth should be distributed among all without distinction or privileges, and 75 percent think that oil revenues are sufficient to satisfy all of the population's expectations. But amazingly enough, only 27 percent feel that they have received some benefit from oil revenues—in a country with the lowest gasoline prices in the world, free education and health care, and state-subsidized prices for an array of goods and services.²⁰ The statement "If Venezuela were honestly administered and corruption eliminated, there would be enough money for all and more" is supported by 94 percent of the citizens.²¹

Pérez and his technocratic team of ministers fatally underestimated the decisive influence of the rentier mentality prevailing among Venezuelans. This mind-set created virtually insurmountable obstacles for the administration's neoliberal "economic package." David Myers concluded recently, "Venezuelan public opinion reveals no overwhelming consensus behind either a market economy or one in which centralized planning prevails" (1995, 135). In my opinion, the evidence shows unequivocally that the Venezuelan public favors the statist model of economic interventionism by the government (Templeton 1995, 102–5; Romero 1994, 21, 82–96).²² Workers in the public and private sectors alike strongly reject competition as a legitimate mechanism for ascertaining each individual's skills and merits.²³ The Venezuelan experience shows that the rentier nature of the petro-state has undermined the emergence of the institutions and norms necessary for building a market economy (Chaudhry 1994, 2). What has happened over the last few years in Venezuela has highlighted the relevance of cultural factors in consolidating a democratic

20. Keller, "Indicadores sociales y electorales como reflejo del grado de satisfacción de las reivindicaciones políticas," in-house report for Consultores 21, 1992, pp. 4–8.

21. "Estudio sobre los valores del venezolano," in-house document, Conciencia 21, June 1995, 194–95.

22. *Ibid.*, 183–95.

23. "Estudios de temas económicos," Consultores 21, 2d trimestre 1990.

polity and creating an open society and a market economy. The “throw-money-at-it” mentality can help maintain a “political order” of sorts while the money lasts. But in the process, as Terry Karl has pointed out, “the state’s ability to penetrate society in order to change actors’ behavior, to develop and implement comprehensive, long-range autonomously determined policies, and to place issues of purpose above the tug and pull of political pressures is sacrificed” (Karl n.d.).

Analysts of Pérez’s failed attempt at reform have stressed the lack of a “communication strategy” (Naim 1993, 150–52) or “information policy” (Navarro 1994, 22). Venezuelans were totally unprepared for the major turnabout in economic policy launched in 1989. Clearly, a key component of the effective exercise of leadership is the ability to formulate a vision “that conveys to the population or at least to significant groups a sense of purpose concerning the reform process, so that an adequate public perception of the links between reform and national goals and values can be facilitated” (Navarro 1994, 1). But one is forced to agree with Juan Carlos Rey that it is naive to believe that a more efficient communication strategy would have altered the final outcome of the failed neoliberal reform attempt (Rey 1993, 89), particularly given the massive cultural barriers created by decades of state profligacy and political irresponsibility.

Cultures can change, but never easily. It is not impossible to implement pro-market economic reforms in Venezuela under loosely defined democratic conditions. But the really important point is, what kind of learning process is needed for substantial political and economic changes to take place in the country?

The question of whether a crisis of wealth can somehow shake a petro-state out of its oil-dependent path (Karl n.d.) has temporarily been answered in the negative by the current Caldera government, inaugurated in February of 1994. A study of voters’ expectations carried out just after the December 1993 presidential elections showed that a majority of those who actually voted expected two things from the new Caldera government: a radical change in economic policy, reversing Pérez’s pro-market reforms and returning to traditional economic controls; and uncompromising opposition to corruption. Yet the same study indicated that half of the electorate who did not vote perceived that none of the presidential candidates in the 1993 elections would be willing or able to achieve those two goals.²⁴ Caldera was viewed as more experienced and more honest than the rest, but he never explained in sufficient detail exactly what he intended to do. Despite the generalized perceptions that Venezuela was in dire straits and the democratic system might be getting its last chance, the electoral campaign was characterized by bitterness rather than by any attempt to actually debate the great problems facing the nation.

24. *Ibid.*, 1st trimester 1994.

In 1988 Pérez had been elected because Venezuelans hoped that he would restore the ephemeral oil-based prosperity of his first term by strengthening economic controls, multiplying subsidies, and raising salaries. In 1993 Caldera was elected to achieve exactly the same goals: in January of 1994, 85 percent supported immediate price controls, 74 percent backed more subsidies, and 87 percent demanded that the new president decree an increase in salaries for the entire working population.²⁵

Caldera did not repeat Pérez's mistake. He quickly moved to reverse what was left of his predecessor's pro-market reforms, with strong backing from the population. A *Consultores 21* poll taken later in 1994 found that 76 percent of Venezuelans agreed that rigid controls should be established on exchange, 70 percent favoring setting a limit on the amount of U.S. currency that can be purchased by individuals. The common view that corruption is mainly to blame for the crisis also led a majority (64 percent) to back the government's decision in June 1994 to suspend basic constitutional rights, supposedly to improve the government's chances of bringing those accused of corruption to justice.²⁶

The same opinion poll revealed the extent to which the Caldera government's anti-business and authoritarian stance harmonized with the thoughts and wishes of most Venezuelans. Erosion of the country's economic situation continues to be blamed on the actions of wicked and corrupt individuals rather than on structural developments such as the decline in the price of oil and the country's inability to increase productivity and competitiveness, generate alternate sources of revenue, and stop the deepening "petrolization" of the economy. Over three-quarters of the respondents agreed that all businessmen are thieves (76 percent), and 84 percent blamed politicians for all the country's ills. Fully 81 percent endorsed the characterization of the Venezuelan Congress as a "den of thieves." Corruption is now cited to explain poverty, low salaries, the high cost of living, unsafe streets, poor government services, and nearly all the rest of Venezuela's ills. Some 62 percent supported the idea that constitutional rights must be suspended as the only way to bring the corrupt to justice. Clearly, Venezuelans have bought into the myths, and Caldera is trying to act according to what the majority wants.

It has not been enough, however. As might be expected, Caldera's populist policies have not managed to stop the economic decline. What is surprising is that the new government's honeymoon lasted as long as it did—a little more than a year. During this period, Caldera was somehow "helped" by a huge banking crisis that he skillfully exploited as an excuse, attributing all responsibility for the country's difficulties to the bankers and intensifying his anti-corruption rhetoric. In July 1994, after

25. *Ibid.*

26. *Ibid.*, 4th trimester 1994, 27–38.

economic controls were tightened and constitutional rights suspended, Caldera's personal popularity and that of his administration soared. In 1995, however, the situation changed dramatically. From a favorable rating of 74 percent in July 1994, Caldera's popularity plummeted to a low of 38 percent in June 1995 (Gil Yépez 1995, 4), amidst growing pessimism about the country's situation and prospects. A poll in 1995 found that 67 percent of the respondents assessed the national situation as bad or very bad, with a mere 1 percent describing it as good.²⁷

One point seems obvious: the electorate did not write Caldera a blank check when they elected him. The support he has enjoyed has been as conditional as that of his predecessor. Venezuelans essentially want improvement in their standard of living, and Caldera has been unable to provide them with that. More than three-quarters of the population (77 percent) said that if economic conditions do not improve in 1995, they would directly blame the government. Fully 40 percent reported that they had "friends or acquaintances who are prepared to protest violently, as happened in February of 1989," and 22 percent claimed that they personally were disposed to participate in violent protests. These figures are alarmingly high when viewed in historical perspective.²⁸

No one should be surprised that Venezuelans give high priority to the economic problem. It is evident that a majority of Venezuelans are poor and sliding toward even lower standards of living: 41 percent are classified as living in conditions of "critical poverty" (they cannot even buy half of the basic basket of necessities, as defined by the government), while another 39 percent live in "relative poverty" (they can buy somewhere between one-half and a full basic basket of goods per month) (*Veneconomía* 1995, 53–56).

Caldera's economic policies, rather than reversing these trends, are exacerbating the economic plight of Venezuelans. They voted for him in 1993 because he was perceived as honest and anti-market, reasoning that if corruption was causing the country's economic deterioration, things would surely get better soon with an honest man heading the state. The fact that things have not improved and probably will not poses an immense challenge to what is left of Venezuela's pacted democracy.²⁹ After so many frustrations, Venezuelans have placed their faith in individuals rather than in institutions. They want a leadership style that is authoritarian, messianic, and nationalistic, one that promises to redistribute the country's wealth and take revenge on those who are "corrupt."³⁰ Caldera was perceived as embodying these characteristics, but his inability to

27. Poll taken by Datanalysis-Omnibus in June 1995.

28. "Perspectivas de los venezolanos ante 1995," special in-house report, Jan. 1995, 8–10.

29. Venezuela's economic prospects are dismal. See "Quarterly Economic Report," *Veneconomy Monthly* 12, no. 10 (July 1995):1–12.

30. Keller, "Indicadores sociales y electorales," p. 13.

deliver what was expected is rapidly eroding his support. He still has almost half of his constitutional term left to serve. Will he be able to make it and manage to overcome the challenges that lie ahead? Before taking up this question, I will reflect on what the Venezuelan experience can reveal about democratic consolidation.

WHEN IS DEMOCRACY CONSOLIDATED?

The Venezuelan pacted democracy was established in 1958. It has survived thirty-six years and seven orderly presidential elections, including four legitimate victories by a party out of power. In that sense, it seems absurd to argue that Venezuelan democracy has not been “consolidated,” at least for some periods of time. The issue of democratic consolidation is one of the problems in comparative politics in which definitions and a sense of proportion are crucial. I accept Larry Diamond’s definition that a democratic regime can be considered consolidated when it “becomes so broadly and profoundly legitimate among its citizens that it is very unlikely to break down” (Diamond 1996, 3). This definition is insufficient, however, because a second aspect must be considered—quite simply, what is meant by “democracy”?

In my view, democratic societies are those in which administrations can be changed peacefully through elections and where the rule of law prevails. Both elements are crucial and must always go hand in hand. The reason is that a democratic method for electing governments may coexist with a social situation characterized by the arbitrary exercise of power. This kind of situation has existed in Latin America on many occasions, an outcome that would not be acceptable in defining democracy elsewhere, certainly not in the United States.

If we define democracy as merely majority acceptance of the electoral road to achieving political power, then it is reasonable to argue that Venezuelan democracy was consolidated somewhere between 1958 and 1989. From 1958 to 1968, democracy was seriously threatened by both the Marxist, pro-Castro Left and the militarist Right, but most Venezuelans continued to back the main democratic parties and their promise of a better life for all. The golden years of the system turned out to be the 1970s and 1980s. Paradoxically, these decades were filled with talk of crisis, but they also constituted an era when a majority of Venezuelans were convinced that the future would be better and that their personal circumstances and the country’s would go on improving (Templeton 1995, 81–87). In polls taken between 1977 and 1988 (see table 4), around 15 percent of the electorate expressed strong dissatisfaction with the democratic regime (25 percent in 1983, a high point that may reflect the poll’s being taken amid a bitter electoral campaign). By 1990 the number of

TABLE 4 Percentage of Venezuelans Approving of Democracy, 1977–1990

Response	Venezuela 1977	Venezuela 1983	Caracas 1987	Caracas 1988	Venezuela 1990
Very pleased	29.5	23.4	23.2	23.7	5.2
More or less pleased	55.5	51.4	62.9	58.8	66.2
Should be changed to another political system	15.1	25.2	13.9	17.5	28.6
	(2,260)	(1,789)	(400)	(400)	(2,500)
Total	100.0	100.0	100.0	100.0	100.0

Sources: For 1977, Datos; for 1983, Baloyra; for 1987, 1988, and 1990, Datanalysis.

Venezuelans who declared that democracy should be changed had grown significantly, a trend that has continued.³¹

These figures tell only part of the story, however. Venezuelans have been polled regularly and have always supported democracy as a political system over dictatorships of any kind by a significant majority. Yet they also supported the February 1992 attempted coup d'état. My conclusion is that the second element of the democratic equation—prevalence of the rule of law—is the factor that can tell the other half of the story about Venezuelan democracy: the arbitrary exercise of political power to varying degrees has characterized democratic reality in Venezuela over the last thirty-eight years. Thus the rule of law has been tenuous at best, while judicial inefficiency, corruption, and untrustworthiness have been everyday facts of life in Venezuela.³² In my opinion, the same criteria that are used to assess the quality and the reality of democratic life in fully consolidated democracies like the United States should also be applied to measure democratic realities in Venezuela.

The ideal and the reality of the rule of law imply a normative commitment by the citizens to the political system, one that is not merely utilitarian. The significant absence of both the ideal and the reality in the evolving Venezuelan regime explains why democracy has proved so fragile during economic downturns and so vulnerable to the siren songs of

31. Keller, "Los escenarios sociopolíticos."

32. For a comprehensive discussion of the situation of the judiciary in Venezuela, see COPRE (Comisión para la Reforma del Estado), *Fortalecimiento del estado de derecho*, Colección Reforma del Estado no. 5 (Caracas: COPRE, 1989).

messianic political figures like Carlos Andrés Pérez, Hugo Chávez, and Rafael Caldera. Brian Crisp, Daniel Levine, and Juan Carlos Rey have asserted that “the question of legitimacy cannot be reduced to a debate between instrumental and affective dimensions, arguing that citizens accord legitimacy primarily in response to material benefits received or because of their devotion to the ideals or operative principles of the system. As a practical matter, the distinction is difficult to operationalize. Most cases are mixed, as with citizens who support democracy while expecting services as part of the ‘overall’ democratic package” (Crisp, Levine, and Rey 1995, 159). This statement strikes me as dubious. What is meant by “democracy” here? Is the adequate functioning of the rule of law merely a service that democracy can or cannot deliver? Or is it a fundamental principle requiring the commitment of the citizens as the only real guarantee of democratic consolidation?

Alfredo Keller, a respected Venezuelan pollster of public opinion, has conducted numerous studies in several Latin American countries on the issue of commitment to democratic principles. He has reached two main conclusions. First, “for the great masses [of Latin Americans], democracy is viewed as an instrument, with little or no normative content.” But certain variations can be found, according to the degree of “novelty” of the system. In El Salvador and Guatemala today, as examples, citizens are mainly responding to normative rather than utilitarian values, the opposite of the situation in the “old” Venezuelan democracy. Keller has argued persuasively that the predominance of utilitarian concerns denotes an extremely fragile democratic political culture (Keller 1993, 59–67).

The Venezuelan case is interesting on the issue of consolidation because it highlights the need to relabel a political system in which certain democratic procedures coexist with a blatant absence of the rule of law. The Venezuelan situation also shows that weakness in normative commitment to the rule of law relates directly to the vulnerability of democracy in challenging situations. Therefore I must disagree with those who try to minimize the relevance of norms and—while not rejecting the importance of norms for democracy in general—argue that they are unnecessary to understanding “the way democracy works” (Przeworski 1991a, 24). To the contrary, normative commitment to the rule of law and the democratic method is essential, a finding that becomes most apparent in extreme situations like economic crises. Commitment to democracy as a method or procedure can be merely instrumental, and in this case, democracy remains intrinsically fragile. Commitment to the rule of law, however, is a commitment to a way of life, the only principle that can truly consolidate democracy. Przeworski has done an impressive job of trying to demonstrate that democracy does not necessarily have to rely on normative commitments. Yet he also shows that the persistence of democracy can come down to a question of performance (Przeworski 1991;

Bernhard 1994, 55–68). The problem arises when democratic performance falters. Does it then become legitimate to destroy democracy and the rule of law supposedly in order to achieve economic well-being and stamp out corruption?

A WORLD RESTORED? CALDERA AND THE DEGRADATION OF DEMOCRACY

Michael Coppedge wrote in 1994 that the Caldera government would be “expected to provide an alternative to the old formula” but would also “be judged by comparison with the achievements of the old formula” (Coppedge 1994, 39). Rafael Caldera’s political project is simple in concept but extremely complex in its execution. At bottom, it is an attempt to arrest change. But it is also an attempt to restore the basic political and economic framework of the traditional Venezuelan pacted democracy under new circumstances. The most important new condition is that the engine now driving pacts is not the array of political parties but the executive power of the presidency itself.

Ever since Caldera assumed office and particularly after he adopted crucial measures of economic control in June 1994, critics at home and abroad have been asking him to produce a “coherent economic plan.” The fact is, however, that the Caldera government already has a plan that it has been implementing consistently (Purroy 1995). The plan consists of two interrelated features: the reversal of the neoliberal reforms implemented during the Pérez years; and adoption of a typical populist economic program, another of the many in Latin America in the last thirty years or more. The aims of both elements of the plan are fourfold: to attempt to create and consolidate a popular base of support for the president; to avoid taking any measure that could be interpreted as contrary to the short-term well-being of the masses; to minimize the threat of a popular insurrection, at least in the short term; and to postpone indefinitely any substantial transformation of the oil-subsidized economy. Whatever tactical moves that Caldera makes in policies—including some adjustments agreed on with the IMF—probably will not modify his basic direction to any fundamental degree.

In strict conformity with the plan, the Caldera government reversed trade liberalization and restored protectionism, radically reduced the autonomy of the Banco Central, halted the privatization process, and established exchange and price controls until April 1996 (Navarro 1994, 34–37). This formula is a well-known one that has been used repeatedly by Latin American governments, especially democratic ones, in their often desperate search for short-term ways of maintaining and possibly augmenting their precarious base of support. The formula has failed more often than not, sometimes leading to the breakdown of democracy and at others forcing democratic governments to adopt orthodox eco-

conomic stabilization plans that rapidly erode their popular support. Only after painful political learning processes involving severe confrontations and hyperinflation have countries like Chile and Argentina been able to implement substantial pro-market economic reforms while advancing along the path of democratization.

Rudiger Dornbusch and Sebastian Edwards have carefully dissected populist policy-making process and have affirmed that in some circumstances, economic populism can muddle through and achieve some degree of success as long as the influx of foreign exchange does not stop. A rigorous fiscal policy is also required: "within these restrictions, there is considerable margin for the redistributive objectives of populism" (Dornbusch and Edwards 1990, 159). Populist demagoguery tends to be short-lived and to lead to nefarious results, as happened during the Lusinchi years in Venezuela (1983–1988): the country's foreign reserves were depleted by a profligate government, forcing Pérez to accept the IMF's "kiss of death" in 1989 (Romero 1989b, 25–29). Yet despite this and other experiences like that of the Alan García government in Peru, Caldera seems convinced that populism is the way forward. One reason is the single major difference between Venezuela and other countries in the region: the guaranteed annual flow of oil revenues into the state's treasury.

This time, however, the conditions have changed. Oil revenues have been continuous but have not increased in years, while the demands of the population have increased exponentially. Finally, deterioration of the economy, the state administrative apparatus, the country's infrastructure, and the quality of life of the majority has gone so far that no government could reverse the downturn in the short to medium term. Caldera seems acutely aware of the potential for social and political upheaval in Venezuela and has yielded to the temptation to try to spend his way toward short-term stability and popularity, but without much success. Public expenditures continue to soar out of control: they approached 200 billion *bolívares* in 1989 and are expected to reach 3 trillion in 1996.³³ The fiscal deficit is climbing to levels that make it impossible for the government to tame inflationary pressures (Purroy 1995, 202–5). As Caldera tries to employ the old populist formula again in Venezuela, it remains to be seen whether his government can survive until 1998, when new presidential elections are scheduled.

Clearly, given the economic and political context, Caldera's attempt to restore the basic framework of the Venezuelan pacted democracy under his personalized control has required significant strengthening of the executive's power and further undermining of the rule of law. In my view, the major changes occurring in 1994–1995 turned the pacted democracy into largely a "delegative democracy." Guillermo O'Donnell defines such

33. See "Reporte," *Diario de la Economía* (Caracas), 1 Aug. 1995, p. 13.

a democracy as a regime in which the president governs as he sees fit, "constrained only by the hard facts of existing power relations and by a constitutionally limited term of office" (O'Donnell 1994, 33). This trend, however, has been somewhat weakened recently by the government's increasingly unpopular performance.

Reversing a five-year trend toward more pluralized decision making and decentralization, 1994 and 1995 witnessed a reconcentration and recentralization of power. Contrary to early expectations that the government would likely be stymied by a fractured legislature, Caldera had little trouble directing the country along his desired course. Either the congress has deferred to his wishes, or he has simply overridden its objections by suspending constitutional guarantees (from June 1994 to July 1995) and ruled by decree (Funaro 1994b, 3–7). For all practical purposes, Caldera achieved between 1994 and 1995 what President Alberto Fujimori wrought in Peru, but for somewhat different reasons and in a distinct manner.

The new pacts that Caldera has promoted are faint imitations of the initial agreements on which the Venezuelan democratic experiment was founded but are still important for the regime's survival. The original pacts were engineered by the main political parties together with organized bodies representing the business and labor sectors, the military, and the Catholic Church. Given the current disarray among these organizations and the acute crisis of representation afflicting them (Elliott n.d.), Caldera has limited himself to accepting the grudging support of Acción Democrática (AD) along with that of Convergencia Nacional (CN, his own party) and its coalition partner in the congress, the Movimiento al Socialismo (MAS). Caldera has also acted swiftly to satisfy the military's demands for better salaries and living conditions. His blatantly preferential treatment of the armed forces, in the words of the defense minister (a general), is "providing the military with their best salaries in history" (Linares-Benzo 1995, 7). The backing of Caldera by the AD (actually the anti-Pérez faction of the AD currently in the majority) has resulted from fear and the realization that the democratic system is in genuine danger. According to the AD faction's assessment, the best option is to try to muddle through without making waves, hoping that the economic situation will improve and that the AD will do well in the 1998 presidential elections.

The high command of the armed forces and senior officers in the various branches are divided among themselves, still feeling the impact of the two unsuccessful coups in 1992 (Tarre 1994). The younger generations of officers are restless, many of them sympathetic with the messianic and radical message of those who led the coups (Romero 1995, 28–39). If Caldera falters badly or if the generalized anger and irritation of the masses explodes into the kind of violent riots that took place in 1989, the chances of another Bolivarian military coup should not be underesti-

mated.³⁴ As with the AD, COPEI, and what is left of the elite groups that created the democratic system and sustained it for more than three decades, fear is playing a crucial role in their calculations and actions. Caldera knows it, and his own power and that of the state have increased enormously. The banking crisis has also meant that the government now owns a good part of the financial system and additional economic assets that dwarf the portion of the economy that remains in private hands. This outcome has led some commentators to talk of a “dictatorship in disguise” now taking form in Venezuela (Funaro 1994a, 3–5). Without going that far, it can safely be said that Caldera is doing no more than “rearranging the deck chairs on the Titanic,” to cite Robert Bond’s poignant phrase (Bond 1992).

Caldera has tried to restore some aspects of the old pacts, but it has proved to be a difficult task in the prevailing political and economic conditions. Consequently, he is actually maintaining a façade of democracy in a country where the rule of law has traditionally been tenuous.³⁵ Venezuela is home to widespread violation of human rights (see U.S. Department of State 1995–1996), a country where freedom of the press is severely limited and constantly threatened by a government that controls foreign exchange and thus access to many imported commodities essential for producing newspapers and maintaining television and radio stations (Schmidt 1994). The main parties—Acción Democrática, COPEI, Causa R, MAS, and Convergencia Nacional—have been seriously weakened and discredited, with no credible alternative to be found. A resurgent democratic alternative will need years to gain credibility and adherents, if indeed it even appears on the scene.

Juan Linz has described meticulously the process of disintegration that eventually leads to the breakdown of democracy: “Unsolvable problems, a disloyal opposition ready to exploit them to challenge the regime, the decay of democratic authenticity among the regime-supporting parties, and the loss of efficacy, effectiveness (particularly in the face of violence), and ultimately of legitimacy, lead to a generalized atmosphere of tension, a widespread feeling that something has to be done, which is reflected in heightened politicization . . .” (Linz 1978, 75). Some of these factors are evident in the current Venezuelan situation, but others are not. Working against the survival of severely degraded democracy in Venezuela are acute popular frustration and anger over apparently unsolvable problems, the decadence of democratic institutions and leaders, the lack of democratic alternatives for the future, and the persistent threat of Bolivarian military insurgency. Working for the survival of the flawed

34. For an analysis of the origins, ideology, organization, and objectives of the Bolivarian military movement, see Tarre (1994).

35. See “Police State,” *Veneconomy Monthly* 13, no. 20 (May 1995):1.

democratic system are several factors: the global and regional international context, which is extremely hostile to anti-democratic adventures; second, the lack of an organized disloyal opposition to the regime; third, fear among the most enlightened sectors in the military of assuming power and being unable to confront the “unsolvable problems” in the country; and finally (and paradoxically), the fact that all institutions and most public figures have been discredited. The last factor gives Caldera, who still is viewed as at least honest, some room to maneuver in playing a kind of Bonapartist role, above the daily confrontations of a society convinced that “something has to be done” but without knowing what.

It seems unlikely that even if another military coup succeeds in Venezuela in the short to medium term (one to four years), it will last long in power. The hemispheric pressures working against such violent outcomes are now too strong. It is also extremely unlikely that a process of democratic reequilibration will occur, which would require “not only political and institutional reform but also a reorientation of the socio-economic model to restore governability and legitimacy to the democratic regime” (McCoy and Smith 1995, 37). Populism, paternalism, and the oil-rent model are deeply ingrained in a decisive majority of Venezuelans. It may be several years and perhaps many before most Venezuelans finally realize that their country is being left behind, that others in the region are doing better because they are doing things differently.

Linz has defined democratic reequilibration as a “political process that, after a crisis that has seriously threatened the continuity and stability of the basic democratic political mechanisms, results in their continued existence at the same or higher levels of democratic legitimacy, efficacy, and effectiveness” (Linz 1978, 87). This process cannot be expected to happen in Venezuela for a long time. What will most likely occur is continuation of the hybrid regime that has evolved out of the gradual degradation of democracy—in other words, a degraded democracy as an ongoing form of government. A degraded democracy is characterized by three elements: systematic erosion of the rule of law; extreme difficulties in governability, defined as the degree to which relations among strategic actors in the polity observe arrangements that are stable and mutually acceptable (Coppedge 1994, 40); and finally, a majority of the population expressing toward the regime persistent aloofness, apathy, estrangement, disillusionment, and open or quiet dissent.

Democracy has not yet broken down totally in Venezuela, but the country is experiencing gradual sapping of what remains of its democratic vitality. This process may lead to the death of democracy, yet such an outcome is not foreordained. As Linz has explained in his analysis of democratic breakdowns around the world, “In retrospect, it is possible to identify points at which opportunities existed for alternative courses of action that might have reduced the probability of the fall of the regime”

(Linz 1978, 81). This point is also underlined by Karl Bracher in his path-breaking studies of the fall of the Weimar Republic, in which "alternatives were very much in existence up to the last moment" (Bracher 1995, 6). After two coup attempts, massive riots, the resignation of one president, and widespread popular anger and frustration, the question arises: why is democracy still surviving in Venezuela? Second, what can and should be done to revitalize it?

Venezuela is experiencing the agony of populism, as other Latin American countries have in the past. But in the Venezuelan case, the process is taking longer, and one cannot be sure of where it may lead. How much longer will the Venezuelan people passively accept the calamitous debacle of their dreams of prosperity?

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