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## **MAGISTERARBEIT**

**Title: The main Actors and their Role in the Bolivarian Revolution  
in Venezuela**

**vorgelegt von:**

Franziska Wöckel

Kurt-Huber-Straße 13

26129 Oldenburg

franziska.woeckel@web.de

**Betreuender Gutachter:** apl. Prof. Dr. Fernando Mires

**Zweite Gutachterin:** Dr. Lydia Potts

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# Table of Contents

<b>1. Introduction</b>	<b>1</b>
<b>2. A brief History of Venezuela</b>	<b>4</b>
2.1. Background Facts about Venezuela . . . . .	4
2.2. Discovery and Colonization . . . . .	4
2.2.1. The Native Population . . . . .	4
2.2.2. Colonization . . . . .	5
2.2.3. Spain's Policies . . . . .	5
2.3. Rebellion . . . . .	6
2.4. Wars of Independence . . . . .	7
2.4.1. The First Venezuelan Republic . . . . .	7
2.4.2. The Second Venezuelan Republic . . . . .	7
2.4.3. The Third Republic . . . . .	8
2.5. Venezuela's Independence - Dictatorship . . . . .	9
2.5.1. Páez Dictatorship (1830 - 1847) . . . . .	9
2.5.2. Turmoil and Unrest (1847 - 1870) . . . . .	10
2.5.3. Guzmán's Dictatorship (1870 - 1888) . . . . .	11
2.5.4. Crisis and Turmoil again (1888 - 1908) . . . . .	11
2.5.5. The Beginning of the Petroleum Era under Gómez . . . . .	11
2.6. Summary . . . . .	12
<b>3. Political Developments on the Way to Democracy</b>	<b>14</b>
3.1. Transition to Democracy . . . . .	14
3.1.1. The Trienio 1945-1948 . . . . .	15
3.1.2. Opposition forms . . . . .	15
3.1.3. Marcos Pérez's Dictatorship 1948 - 1958 . . . . .	16
3.2. Democracy . . . . .	17
3.2.1. President Betancourt 1959 - 1964 and Guerrilla Formation . . . . .	17
3.2.2. Leoni's Presidency 1964-1969 . . . . .	18
3.2.3. Rafael Caldera's first Presidency 1969-1974 . . . . .	19
3.2.4. Carlos Andrés Pérez's first Presidency 1974 - 1979 . . . . .	19
3.2.5. Campín's Presidency 1979 - 1984 . . . . .	20

*Table of Contents*

---

3.2.6. Lusinchi's Presidency 1984 - 1989 . . . . .	21
3.3. The new Crisis . . . . .	21
3.3.1. Carlos Andrés Pérez's second Presidency . . . . .	22
3.3.2. El Caracazo . . . . .	23
3.3.3. The Coups of 1992 and the Aftermath . . . . .	23
3.3.4. Caldera's second Presidency 1994 - 1998 . . . . .	25
3.4. Summary . . . . .	25
<b>4. Hugo Chávez</b>	<b>27</b>
4.1. Young Years . . . . .	27
4.2. Chávez's Movement . . . . .	28
4.2.1. The Movimiento Bolivariano Revolucionario-200 . . . . .	28
4.2.2. The 1992 Coup . . . . .	30
4.2.3. The Structure of the Movement . . . . .	30
4.3. Campaign and Election . . . . .	31
4.4. Chávez's Policy . . . . .	33
4.4.1. Economic Policy . . . . .	33
4.4.2. Oil policy . . . . .	35
4.4.3. Trade Agreements . . . . .	38
4.4.4. Social Policy . . . . .	40
4.5. Summary . . . . .	43
<b>5. The new Constitution of 1999</b>	<b>45</b>
5.1. The Constitutional Assembly . . . . .	45
5.2. Main Changes in the new Constitution . . . . .	46
5.2.1. Women's Rights . . . . .	47
5.2.2. Law and Justice . . . . .	47
5.2.3. Economic, Social, Educational, Cultural and Human Rights . . . . .	48
5.2.4. The Right to Information . . . . .	48
5.2.5. Political Parties . . . . .	48
5.2.6. Referenda . . . . .	49
5.2.7. Indigenous Rights . . . . .	49
5.2.8. Environmental Rights . . . . .	49
5.2.9. Five Powers . . . . .	50
5.2.10. Civil Disobedience . . . . .	50
5.3. Summary . . . . .	51
<b>6. The Media</b>	<b>53</b>
6.1. Media in Venezuela . . . . .	53

*Table of Contents*

---

6.1.1. The case of RCTV . . . . .	55
6.1.2. The Law on Social Responsibility in Television and Radio . . . . .	56
6.2. Chávez and the Media . . . . .	57
6.3. Summary . . . . .	58
<b>7. The Military</b>	<b>60</b>
7.1. The Venezuelan Military . . . . .	60
7.2. The Plan Bolívar . . . . .	61
7.3. Turing point Caracazo . . . . .	62
7.4. The Coups of 1992 . . . . .	62
7.5. The Military in the Constitution . . . . .	63
7.6. Militarizing the Government . . . . .	64
7.7. Civilianizing the Military . . . . .	64
7.8. Military Politicization and Factionalism: . . . . .	65
7.9. Militarizing the Civilians . . . . .	66
7.10. Summary . . . . .	66
<b>8. Political parties</b>	<b>68</b>
8.1. The Punto Fijo Agreement . . . . .	69
8.2. Political Fragmentation . . . . .	69
8.3. Other Parties . . . . .	70
8.4. The new Socialist Party . . . . .	71
8.5. Summary . . . . .	72
<b>9. The Unions</b>	<b>74</b>
9.1. CTV . . . . .	74
9.2. Chávez and the Unions . . . . .	75
9.3. The new Labor Union . . . . .	77
9.4. Summary . . . . .	78
<b>10. International Relations</b>	<b>79</b>
10.1. USA . . . . .	81
10.2. Cuba . . . . .	83
10.2.1. Ideology . . . . .	84
10.2.2. Agreements . . . . .	84
10.3. South America . . . . .	85
10.3.1. Colombia . . . . .	85
10.3.2. Brazil . . . . .	86
10.3.3. Argentina . . . . .	86

*Table of Contents*

---

10.3.4. Bolivia . . . . .	87
10.3.5. Ecuador . . . . .	87
10.4. Summary . . . . .	88
<b>11. Conclusion</b>	<b>91</b>
<b>A. Chronology</b>	<b>100</b>
<b>B. Glossary of Selected Terms</b>	<b>103</b>

# 1. Introduction

*"There is no solution within capitalism, one must transcend capitalism. Nor is it about statism or state capitalism, which would be the same perversion of the Soviet Union, which was the cause of its fall. We must reclaim socialism as a thesis, as a project and a path, but a new socialism. Humanism, putting humans and not the machine ahead of everything, the human and not the state,"*

Hugo Chávez at the fifth World Social Forum in 2005

The intention of this thesis is to give a review of the main actors and organizations involved in the Bolivarian Revolution in Venezuela initiated with the election of Hugo Chávez as President of Venezuela in 1998. Another goal is a general overview of Venezuelan history since its colonization in order to better understand the current processes in the country.

Since Hugo Chávez' presidential campaign and election in 1998 much has been said and written about him and his movement.

Scientific German publications on the subject are not very abundant since political science here tends to be very euro-centric and if it deals with America it usually deals with North America. In contrast to this there has been much discussion about Venezuela on a scientific basis in the United States and in other Latin American countries. Many publications have focussed on the question of what kind of government Venezuela has, they have focused on its oil or foreign policy.

In order to explore the Bolivarian Revolution, and to identify its main actors, resources from the political, historical, journalistic and economic domain have been used in order to give a complete picture. Some of the authors of the publications themselves sympathize with one or the other actor and his role, or even belong to the surrounding field of one, making challenging to analyze their work.

This list of actors makes no claim to be complete as there are some which I have not been able to deal with. I had to confine myself to making a selection of the most prominent actors in order to not go beyond the scope of this thesis.

In order to facilitate reading, the glossary (page 103) in the appendix provides additional information on various selected terms, the translation of Spanish words, abbreviations used throughout the text and are marked in *italics*.

The history of Venezuela with its struggles and independence wars has had great influence onto all of the actors in the Bolivarian Revolution putting its stamp on all

of them. For easier classification the second Chapter will begin with a quick review of Venezuelan history from colonization, the independence wars into the 20th century and the *Caracazo* up to Chávez election as president.

Chapter 3 will deal with the more recent process of democratization in Venezuela tracing its way from the beginning of the petroleum era to Chávez' election in 1998.

The actors this thesis will focus on are:

Hugo Chávez is President of Venezuela and a very exposed person on an international level with a lot of influence in the integration of Latin America and global oil policy. Since April of 2002, when a coup was effected against him, the level of international awareness level concerning Venezuela has increased due to big media coverage of the event. Chávez's heritage, his motivation, the origins of his movement, his election campaign and the policies he has implemented in his presidency will be explored in chapter 4.

A Constitution is the basis and legitimization of any democratic government. Its goals and intentions are the marks a government's policy and results must be measured by. Chapter 5 analyses the development process and the main aspects of the new Constitution ratified in 1999.

(Mass) Media has an important role in our society today. This, one can suppose, is also the case in Venezuela. In some democratic political systems it is even considered an additional branch in the division of powers, making it an interesting actor to examine. Chapter 6 is dedicated to a review of the Venezuelan media scene and whether it has undergone any changes since Chávez' presidency.

The military has often played a very unfortunate role in Latin American politics. Chávez himself being military and often making his public appearances in uniform, suggests that the military also plays a role in Venezuela. Chapter 7 focusses on the the role of the Venezuelan army in the history of the country and in Chávez' movement and policies.

Political parties are generally important actors in decision-making and represent the interests of different groups in democracies. In the 8th chapter the analysis will show how political parties in Venezuela have evolved, which ones exist today, which ones are oppositional and which ones support the president and what their role is in the Bolivarian Revolution.

Unions traditionally have the task of representing the interests of workers in democracies. It is not uncommon for them to be left-leaning and to have close ties to left-leaning political parties and organizations. Venezuela is a big oil exporter which implies a large petroleum sector with many employees and a vast field for unionism. Chapter 9 will deal with the unions existing in today's Venezuela, their policies and recent developments in unionism.

## *1. Introduction*

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International relations and trade are important economic and political factors for any country in the world today. The same is the case for Venezuela and its oil exports. Chapter 10 will discuss Venezuelan relations with the USA, as it is a very dominant economic power in the region, and with a selection of other Latin American countries with important economic or political relations to the country.

Finally, I want to extract the basic means and ends of the Bolivarian Revolution by identifying actors, their background and the decisions made by them.



## 2. A brief History of Venezuela

*I know of only two methods of establishing equality in the political world, rights must be given to every citizen, or none at all to anyone...save one, who ist the master of all.*

Tocqueville

### 2.1. Background Facts about Venezuela

Today's Venezuela is the sixth largest country in South America with an estimated population of 25 million people. 89% of the population live in urban areas. The country covers 912,050 square kilometers (comparison Germany 357,050 km<sup>2</sup>) thus is one of the least densely populated countries in the world [Tarver and Frederick 2006, page 2].

### 2.2. Discovery and Colonization

On August 8, 1498 four men from a tribe called the *Caribs* discovered Christopher Columbus on his third voyage to the New World. Columbus called it "Tierra de Gracia" first (Land of Graces) because it was so beautiful [Levin 2007, page 22].

At the time of Columbus' arrival the estimated native population of today's Venezuela was around 350,000 to 500,000. First archaeological findings of Amerindian groups are dated around 20,000 and 15,000 years ago. Most of the tribes lived in the northern part of the country, in the Andes, along the Caribbean coast and in the Orinoco watershed.

The Spanish were at first not interested in colonization but lin ooking for riches to take back to Europe.

#### 2.2.1. The Native Population

The arrival of the Spaniards proved fatal to most of the native population. Many died in wars, were caught as slaves or died of diseases the Spaniards brought with them from Europe. The native population was reduced to around 10% by the end of the Conquista [Levin 2007, page 23].

During the conquest and the colonial period the Spanish divided the peaceful Indian tribes from the non peaceful ones according to whether they were *Carib* or not. Non-*Carib* were judged as peaceful and as suitable trade partners. *Caribs* were seen as

enemies since they were resilient to Spanish conquest and therefore available for slaving. The Spanish used these definitions as it suited them best and the status of a tribe could change if convenient [Tarver and Frederick 2006, page 25]. The *Caribs* were finally defeated by the Spaniards in the 1560s and the survivors were enslaved or killed and their land was taken [Tarver and Frederick 2006, page 27].

### 2.2.2. Colonization

After first having regarded the "New World" simply as a place to exploit for new riches to take back to Europe by the middle of the 1500s the Europeans decided that the real riches lay in the fertile lands of this world.

By 1520 the Spanish Crown was deeply in debt and the right to exploit the Venezuelan coast was given to a consortium of German bankers under the House of Welser as a form of debt reduction. The German practice of slavery was even harsher than the legendary cruelty of the Spanish. The Germans established Venezuela's first fiscal system, the *Real Hacienda*. Fiscal gains came from a boom in slave trade in the last years of the sixteenth century. German governors spared no lives or resources in the search of the famous *El Dorado* until their leave in 1556 [Tarver and Frederick 2006, page 27].

In the sixteenth and early seventeenth centuries wheat flour constituted the primary export of the Venezuelan colonies. Later cowhides, cacao, tobacco, indigo dye and sugarcane followed. Chocolate prices boomed.

It is estimated, that in 1700 about 45% of the population was *pardo*, meaning 25% white and 15% Indian. Since it was not always apparent to the eye of what descent someone was laws were passed to force *pardos* to wear different clothes than whites. *Pardos* worked in trades as laborers or on cattle ranches. There was a legalized separation of people due to their race and class which usually corresponded. This society was very rigid and included no mobility within. This would later play a big role in the Independence wars [Levin 2007, page 26].

### 2.2.3. Spain's Policies

In 1728 Spain reorganized colonial governmental and economic structure to make it more efficient and profitable. There had been a lot of smuggling to avoid Spanish taxes. Spain gave the *Compañía Guipazcoana* (the Caracas Company) a monopoly on cacao which gave them the power to set the price that would be paid to farmers since there was no one else it could be sold to [Levin 2007, page 26].

Coffee was introduced to Venezuela in the eighteenth century. This century also brought war with England and Austria to Spain causing the Spanish colonies to suffer harsh periods of lack of import products vital to their economy. In 1748 open protests

were waged against the *Compañía Guipazcoana* by the *Criollos*, the commercial elite. They were the ones to set the prices paid to farmers since they were the only ones allowed to export cacao. The pressure to the Crown by the *Criollos* led the king to eventually allow them to freely engage in commerce and trade with Spain [Levin 2007, page 26-27].

In 1777 King Carlos II of Spain established the *Capitanía General de Venezuela*, Captaincy-General of Venezuela - a collection of autonomous provinces belonging to the jurisdictions of Santo Domingo and Santa Fe de Bogotá, which would later become Venezuela. This began the social process of creating a national identity. Later King Carlos II decreed free trade between Spain's New World colonies and the English-speaking North American colonies. This was put into practice in the Venezuelan provinces in 1785 [Tarver and Frederick 2006, page 37].

### 2.3. Rebellion

Rebellions against oppressive taxes imposed by the Spanish administration which were increased further to finance Spain's war with Great Britain began. What actually set off the Venezuelan independence movement was an administrative change in Spain. In 1810 the Venezuelans woke up one morning to find themselves practically a French instead of a Spanish colony after Napoleon Bonaparte had defeated and imprisoned King Fernando VII of Spain. Replacement governments were sent to all the Spanish colonies. None of the colonies was happy about this but since Venezuela's economy depended on almost only one single crop, cacao, and was very vulnerable to a change in regime, and in consequence, in trade. Being a French colony meant war with England - one of Venezuela's best customers.

More small rebellions surged by plantation owners who did not want their trade hampered. Angered by Napoleon's impositions many Spaniards installed *juntas* in the name of the Fernando VII, the captured king. The interim governor had chosen to openly support Fernando VII but refused the colonists request to install a *junta* in Caracas.

Venezuelans wanted to remain loyal to the Spanish King and also wanted more say in their own affairs. The interim governor was finally forced to resign by peaceful demonstrations of the *Criollo* population in Caracas. The new *junta* legitimized its rule as representative of Spain's King in 1810. This bloodless coup started Venezuela's independence.

A new American culture had emerged after the Conquista and the Colonization by the Spanish. Through a mix of race and culture the population had for the greatest part become *pardo* leaving only a small white minority which held most of the power [Tarver and Frederick 2006, page 45-48].

## 2.4. Wars of Independence

The *junta*'s leadership so remained divided between autonomy and independence. The young aristocrat Simón Bolívar loudly called for independence and Spanish loyalists quickly organized opposition to remove him.

Simón Bolívar was a *Criollo*, son of a Venezuelan cacao planter. He attended a military academy and received private tutoring. One of his tutors, Simón Rodríguez, was a passionate republican and follower of Rousseau's teachings. He influenced Bolívar with his ideas on government, equality and liberty. Bolívar lived in Europa for several years where he swore to liberate the Americas.

He was given a commission to travel to London to seek help, in vain. Bolívar met Francisco Miranda there (who had tried for independence in 1806) and persuaded him to come to Venezuela to fight with him [Levin 2007, page 30].

### 2.4.1. The First Venezuelan Republic

Congress announced Venezuelan independence and the establishment of the first Venezuelan Republic on July 5, 1811. A constitution was written and a republican government established. It eliminated many feudal traditions but retained Catholicism as state religion. It abolished African slavery but limited full citizenship rights to property owners. It required *llaneros* to carry documents proving their employment and enacted vagabondage laws to allow the arrest of unemployed *llaneros*.

The constitution made existing conflicts worse. *Pardos* and *llaneros* were frustrated. Many switched sides and joined the loyalists at the same time that black slaves began a revolt against plantation owners [Tarver and Frederick 2006, page 50].

Miranda suffered defeat as his forces disintegrated. He tried to negotiate with the Spanish -without luck. He attempted to flee the country but Bolívar seized him and turned him over to the Spanish because he suspected Miranda to be a traitor. Bolívar left the country and went to Nueva Granada where republican forces had also declared independence. The First Republic died a short year after its birth [Tarver and Frederick 2006, page 50-51].

### 2.4.2. The Second Venezuelan Republic

Bolívar called for the unity of Colombia's forces and urged the liberation of Venezuela in order to protect Colombia against Spanish invasion. He received a commission in the army and advanced westward. His victories brought him generalship in the Colombian army and support for the liberation of his homeland. He led forces towards Caracas in 1813. The Spanish realized they could not hold Caracas and withdrew. The patriot

army entered Caracas in triumph. He received the title of Liberator from the city council and Congress declared him supreme dictator of the Second Venezuelan Republic.

Aside from the loyalists, the republicans under Bolívar had other enemies too. Criollos did not want to free their slaves and the vagrancy laws against the *llaneros* drove these onto the Spanish side as well. In consequence the *llaneros* swept across the highlands towards Caracas with a mixed-race force. Racial tensions of the country were misused and brought new anger into the war.

With the fall of Napoleon (1814) Fernando VII returned to the Spanish throne. The king sent reinforcements to support loyalists in Venezuela. Bolívar won most battles but lost the war. The patriots retreated eastward and Caracas was recaptured by the loyalists. Bolívar had to flee again and sailed to Cartagena in 1814 to regroup his army. The Second Republic was at its end and Venezuela was greatly impaired with many deaths and a destroyed economy [Tarver and Frederick 2006, page 51-53].

### 2.4.3. The Third Republic

Bolívar hoped to gather troops in Colombia but Nueva Granada was not in the position to send an army to Venezuela, since they had their own trouble with Spain. Bolívar gathered support in Haiti and landed on the island of Margarita in 1816 with a small liberation army [Tarver and Frederick 2006, page 53]. His attempts failed and he retreated and regrouped again. He changed his tactics and decided to invade up the Orinoco River. He landed on the eastern shore of Venezuela and began recruiting roving bands of patriots and guerillas who were joined by disillusioned *llanero* and former British soldiers.

1819 Bolívar created a new Republican Congress and the Third Venezuelan Republic which adorned the Liberator with dictatorial powers. He ordered a new Constitution to be drawn up with reforms the earlier republics had not carried out. This included an agrarian reform and the abolition of slavery.

Spanish forces tried to take the Orinoco River. Bolívar moved to Nueva Granada and left Venezuela to the *llanero*. At the battle of Boyacá he crushed the royalist army and took a virtually defenseless Bogotá. Bolívar returned to Angostura where Congress began the creation of Gran Colombia. It would combine the territories of Nueva Granada, a new Colombia and Venezuela plus a region near Quito [Tarver and Frederick 2006, page 54].

Aided by a revolt in Spain, Bolívar seized the Colombian coast and advanced towards Venezuela. General José Antonio Páez, known as the "Tiger of the Llanos" [Levin 2007, page 35] and the *llanero* attacked Caracas from the North and Bolívar from the South. Congress finalized the creation of Gran Colombia and formed a highly centralized government with a liberal constitution. Bolívar continued in presidency and Francisco de

Paula Santander became vice president. By July 1821 Bolívar and Páez finished the conquest of Venezuela. Peru and Bolivia were also liberated [Tarver and Frederick 2006, page 54].

## 2.5. Venezuela's Independence - Dictatorship

In 1826 unrests in Venezuela pulled Bolívar away from Bogotá. Francisco de Paula Santander was Bolívar's aide who oversaw things in Bogotá while Bolívar travelled and Páez had remained in Venezuela. Trouble arose between Páez and Santander. Santander promoted the gradual abolition of slavery trying not to anger landowners. Indian land for sale was soon bought by rich landowners and many were unhappy with the abolition of slavery. Rumors of government corruption spread and mixed with unrests. Páez, who represented a large part of the military, did not see Venezuela represented equally in Bogotá [Tarver and Frederick 2006, page 60]. Since no agreement was found, President Bolívar assumed dictatorial powers. In November 1829 the Venezuelan Congress seceded from Gran Colombia. The Congress appointed Páez as provisional president and Bolívar was forbidden ever to return to Venezuela. 1830 he resigned as president of Gran Colombia and dictator of Perú and went into exile [Tarver and Frederick 2006, page 60].

After 20 years of revolts, wars, revolutions, and several failed attempts Venezuela had finally gained independence. First together with other countries into Gran Colombia, and then on its own. Leaving behind colonialism Venezuela passed through a long and troubled period of political turmoil. *Caudillo*, military dictators and presidents took their turns in ruling the country mostly for their own benefit. With the provisional president Páez the Fourth Republic of Venezuela entered a long age of *caudillismo* [Tarver and Frederick 2006, page 60].

### 2.5.1. Páez Dictatorship (1830 - 1847)

Páez ruled as a military dictator for 17 years and reestablished a rich, white urban elite in the region of Caracas. Páez instituted a strong central government and returned the old privileges to the church and to the upper class. Wealth now began to come increasingly from coffee instead of from cacao. As with cacao it was more profitable for people to work on large plantations instead of on small farms [Levin 2007, page 35].

In 1840 the coffee price dropped dramatically and caused an economic crisis and a great loss of support for the government. As the crisis went on an opposition formed mainly consisting of wealthy planters mainly concerned with their economic loss [Tarver and Frederick 2006, page 62].

The Conservatives were loyal to Páez and the Liberals opposed him. The later be-

lieved in the right to vote for all men, the separation of church and state and a more decentralized government in which states and provinces had more power than the conservative system allowed. The opposition leader Antonio Leocadio Guzmán was also very popular with some of the *llanero* including Chávez's big hero Ezequiel Zamora. He called himself the General of the Sovereign People. He used slogans such as "Land and free men, general elections" and "Hatred towards oligarchy". Sometimes he also used the "liberty, equality, and fraternity" of the French Revolution. Zamora wanted to implement policies which helped the poor people in the countryside. He wanted a certain amount of land around each town to be available for common use. He also demanded large landowners to provide milking cows for the poor [Levin 2007, page 37-38].

Páez selected José Tadio Monagas, a Liberal, as his successor in 1846. After coming to power he ousted Conservatives from government and forced Páez into exile. 10 years of dictatorship followed. In spite of this slavery was abolished and the constitution was reformed.

### 2.5.2. Turmoil and Unrest (1847 - 1870)

The increased corruption and self-enrichment of the Monagas family finally forced some Liberals to join with the Conservatives to oust the regime in 1858. No replacement for Monagas was found resulting in twelve years of civil war [Tarver and Frederick 2006, page 65]. During this war the conflicts emerging from the independence wars returned. The concepts of centralization stood against federalization. Regional *caudillos* wanted more power, autonomy and say in the government [Tarver and Frederick 2006, page 66]. Liberalists were mostly federalists and Conservatives were centralists. The traditional egalitarian ideals of the *llanero* brought them on the federalist side and were at the core of the war. On one side were the whites in power and on the other the racially mixed from the hinterlands. The war caused massive migration of fighters and civilians. Around 150.000 to 200.000 people were killed, while more people died of diseases than by fighting [Tarver and Frederick 2006, page 66-68].

The Liberals won the war and General Juan C. Falcón became president. A federal constitution was drawn up giving the states and the population more power. But regional sentiments were strong and many local *caudillos* refused to cooperate with the federalist state. President Falcón soon faced a revolution led by Monagas driving him out of the country. Monagas son was then named president in 1869.

The competition and differences between the Liberals and Conservatives did not always remain political but turned bloody. Coups and overthrown governments followed each other quickly. The economic situation of the country was highly volatile [Tarver and Frederick 2006, page 68-69].

### 2.5.3. Guzmán's Dictatorship (1870 - 1888)

Strong central government and dictatorship were restored in 1870 by Falcón's aide Antonio Guzmán Blanco and lasted for eighteen years. Stability was largely due to the facts that the world market was growing and coffee, cattle and cacao prices were high. Foreign investors put money into Venezuelan railroads. Guzmán build boulevards, sewers, a public transportation system, had a water supply piped in, and installed electricity in Caracas.

After years of crisis and civil war in 1872 another Constitution was drawn up which included a representative government, universal suffrage and a directly elected president. Economic reforms were implemented and a nationwide educational system of public primary schools was established.

Guzmán Blanco had enough resources to maintain his support with the expansion of the coffee production bringing years of peace to the country. He came back to office twice in the time following. At the end of his third period in office Venezuela had modern laws, national symbols and an administration capable of controlling the nation. He had defeated the *caudillo* with military campaigns and a centralized government [Tarver and Frederick 2006, page 80].

### 2.5.4. Crisis and Turmoil again (1888 - 1908)

After Gúzman and a long period of stability several other governments with different presidents attempted consolidate a civilian government but failed [Tarver and Frederick 2006, page 71]. This was also largely due to falling coffee prices and accordingly less resources were available to distribute.

General Cipriano Castro rose up in a revolt against the Constitution in 1899 to defend the principles of federalism and took over power. Castro was not very popular in the international community and when he travelled to Europe in 1908 for medical reasons and his barely literate vice-president Juan Vicente Gómez seized the opportunity to overthrow his government, no one opposed him [Tarver and Frederick 2006, page 79].

### 2.5.5. The Beginning of the Petroleum Era under Gómez

Gómez held absolute power from 1908-1935 as commander-in-chief of the military [Tarver and Frederick 2006, page 79]. He brought repression and torture to the country as a real *caudillo*. He seized any land or woman he pleased, stole, raped and tortured his citizens at will. In spite of this he managed what seemed a miracle: he stabilized the government and the economy.

The economy expanded, especially coffee exports. The first oil well was drilled in



Venezuela in 1914 and by 1918 the petroleum reserves began to provide an incredible income to the country. Venezuela's petroleum era began. Gómez rule was also called the "petroleum dictatorship" [Tarver and Frederick 2006, page 79-80].

Gómez allowed foreign companies as the Royal Dutch Shell or the Standard Oil of New Jersey (later Exxon) to pay for the permission to drill for oil and to take it away. There was no reason to process it in Venezuela since there were no refineries or people trained to run refineries. By 1929 Venezuela was the largest exporter of oil in the world! Oil money saved Venezuela from depression in the 1930s and investors were attracted to a stable Venezuela [Levin 2007, page 40].

Gómez payed off Venezuela's foreign debt and started public works programs. A (urban) middle class emerged associated with the petroleum industry. For most people though, the oil boom did not bring new jobs, higher salaries or any improvement in their standard of living. On the contrary domestic agriculture declined, imports and inflation increased. Trade unions began to form and resistance to Gómez grew. Beneficiaries of the new riches were mostly Gómez and his associates. He rebuilt the Venezuelan army and used it to eliminate political opponents and to keep regional *caudillos* in check. He also created a secret police force known as *la Sagrada*. Tens of Thousands were imprisoned or put to death by starvation or torture [Tarver and Frederick 2006, page 80].

Gómez died in his bed peacefully at age 78 and his people danced in the streets in celebration. His death left a strongly centralized Venezuela with a strong army stabilizing the government. The army was also the power which appointed the next leader: General Eleazer López Contrerar.

### 2.6. Summary

In the early period it's geography and location between the Caribbean and the Atlantic made Venezuela an interesting land to those who sought control over the Caribbean region and its natural resources and gold made it attractive to those seeking profit in exploitation, treasure hunt and trade. The Spaniards, French and Germans heedlessly exploited the land, enslaved the people or killed them if they did not see them fit for slave work or they resisted.

As a result, a recurrent issue in Venezuelan history is the struggle between the people, particularly the lower class, against an oligarchy which consisted first of the Europeans, and later of the local oligarchy being mostly Spanish descendants. The causes for rebellion were mostly economic ones due to oppression hindering the people to live of their own land and work. Rebellion began with the caribs' struggle against the Spanish conquistadores and goes on to the liberation movements against Spanish rule. After having

achieved independence the struggle continued since satisfactory living conditions for the people had not been achieved. It is a struggle for land and therefore for power and survival.

The only way independence finally could be achieved was by uniting against the Europeans and their allies, the local oligarchy. A Latin American integration was a chief goal for Simón Bolívar, as it is to Chávez, and was the concept that led to victory.

The conflicting concepts of centralization against federalization was one of the factors which repeatedly caused unrest. Centralization brought stability and wealth to the country by defeating the local *caudillos*. This leads to another recurrent problem - *caudillismo*, which seems to persist until today since many call Chávez a modern *caudillo*.

### 3. Political Developments on the Way to Democracy

After Gómez' death in 1935, the Council of Ministers and the military appointed General Eleazar López Contreras as new president. He began restoring civil liberties allowing the founding of new political organizations but permitting labor to organize. Debates between the different ideologies were opened and the government became more sensitive to political moods of the population. Several parties were founded or reorganized during López' term: The *Movimiento de Organización Venezolana (ORVE)*, the *Partido Democrático Nacional (PDN)* and the *Comité de Organización Política Electoral Independiente (COPEI)*.

*ORVE* wanted to stabilize and support the government in its effort to create a modern country. It became more aggressive over the years.

*PDN* was the result of a fusion of several leftist groups. It was committed to the installation of an authentic democratic regime, universal and direct suffrage with secret ballot. It wanted to bring those to trial who were responsible for the old regime's crimes. In 1941 it became the *Acción Democrática (AD)*, associated to social democracy [Tarver and Frederick 2006, page 88].

The communist party *Partido Revolucionario Venezolano (PRV)* was founded in Mexico in 1926. In 1931 it became the *Partido Comunista de Venezuela (PCV)*. After Gómez death they returned to Venezuela and organized themselves clandestinely under the name *Partido Republicano Progresista (PRP)* because in 1936 all communist groups were banned from political discourse [Tarver and Frederick 2006, page 88].

#### 3.1. Transition to Democracy

Venezuela officially remained neutral during most of World War II, although much of the allies oil was shipped from there. As a result of these trading ties the allies' democratic values had an impact on the country and its political development. General Medina Angarita became president in 1941 and many Venezuelans gone into exile under Gómez returned to the country. More freedom was demanded and granted to the people, an atmosphere of tolerance characterized the political arena. By 1945 Venezuela had structured political parties, an economy running on the petroleum industry, a functioning public administration, a social security system, income taxation, an agrarian reform and social advances in health and education provision

After the communists had won the municipal elections together with the Medina Angarita supporters and *AD* had been defeated, *AD* came to the conclusion, that it had to modify the electoral rules and procedures. Until then only literate adults over 21 had the right to vote. The *Unión Patriótica Militar (UPM)* was an organization of junior military officers. They were discontent with the slow modernizations and demanded faster progress. *AD* saw it's chance to gain power [Tarver and Frederick 2006, page 88-90].

#### 3.1.1. The Trienio 1945-1948

1945 a coup by *AD* and *UPM* took place. A *junta* was established. It was led by Rómulo Betancourt [Tarver and Frederick 2006, page 90]. Power was shared among the two: *AD* controlled the government and *UPM* the military.

Betancourt's goals were to give back the land Gómez had taken from the people and to create small farms. New parties were formed, democracy was institutionalized by universal, direct and secret balloting. A modern political party system was formed during the Trienio. Modernization efforts were revitalized and intensified. *AD* launched reforms. A 50-50 tax was introduced ensuring the state of half of the profits of the petroleum industry. Labor was encouraged to organize and pursue its interests. *AD* promoted unionism since it viewed it as its source of power as well as legitimization. It organized itself in the *Unión de Trabajadores de Venezuela (CTV)*. Agrarian reforms were also undertaken as well as programs for health, housing and education. Peasants organized themselves in the *Federación Campesina de Venezuela* [Tarver and Frederick 2006, page 90-92].

A new constitution was drafted. In 1947 Rómulo Gallegos was elected president in the first universal, direct and secret elections held in Venezuela. *AD* won all elections during the Trienio with around 70% of the votes. It had become the most important element of power besides the Catholic Church and the armed forces [Tarver and Frederick 2006, page 93].

All of this provoked opposition from the conservatives which peaked in a military coup in 1948.

#### 3.1.2. Opposition forms

The *Unión Republicana Democrática (URD)* was founded in 1945 as a conservative group. *COPEI* was also founded by Venezuelan Catholics to confront the advances of the leftist movements in 1946. Both insisted in not being political parties at first, but a combination of democratic forces [Tarver and Frederick 2006, page 93].

In 1948 the presidential candidate of *AD*, Rómulo Gallegos became president. He made an effort to reduce the influence of the military but his government was overthrown by a military coup after less than a year. The system was annulled, legitimate elections stopped, political guarantees interrupted, the constitution of 1947 renounced. Congress, regional electoral *junta* and municipal councils were dissolved. Repressive policies against *AD* and the unions, targeting communists and the media were launched. Eventually even *COPEI* and *URD* were banned by the new regime [Tarver and Frederick 2006, page 94].

These years marked a historical rupture between *AD* and the army. The army had taken advantage of the fact that democracy depended on it. *AD* had not succeeded in truly winning the military's loyalty to the constitutional government [Tarver and Frederick 2006, page 95].

### **3.1.3. Marcos Pérez's Dictatorship 1948 - 1958**

Under a *junta* and later Marcos Pérez Jiménez all reform programs were cancelled and reversed. Right-wing military dictatorship eliminated all democratization efforts. The 1936 constitution was brought back into force [Tarver and Frederick 2006, page 95]. *AD* was dissolved and its leaders arrested or sent into exile. Its property was taken by the government which terrorized its supporters. The *CTV* was dissolved and the University of Caracas was closed. Opposition members died of disease, malnutrition, torture or overwork in prison camps. Opposition supporters were terrorized [Tarver and Frederick 2006, page 95-96].

Under popular pressure Pérez eventually announced presidential elections for 1952. His opponents came only from the *URD* and *COPEI* since the other oppositional parties had been outlawed. After it turned out that the *URD* candidate was in the lead, news coverage and ballot counting was halted by Pérez. He later announced his victory and was named provisional president [Tarver and Frederick 2006, page 97]. A new constitution was adopted which gave the president many new powers. He used force to ensure order.

The anti-communist stance drew strong support from the USA. This brought favorable deals for Esso, Dutch Shell and Gulf. There was limitless oil money with which highways and public buildings were built. Many so badly planned that they were useless. No money was provided for public education or public health.

In 1958 student-rioting began in Caracas. The uprisings led to the end of Pérez 10-year regime. The Church, press and politicians united with the air force and navy to overthrow him. Army officers forced the dictator to flee to Miami, Florida [Tarver and Frederick 2006, page 99].

## 3.2. Democracy

After Pérez had fled to the US a military *junta* lead by Admiral Wolfgang Larrazábal was established. Political consensus was agreed to be a top goal as well as the new democratic regime to be preserved at any cost. Elections were held in the same year. A new window opened for Venezuela to create a new democratic and representative political system.

After a long chain of dictatorship, coups and short periods of democracy finally a consensus among major political and social forces was reached that democracy was to be the way of the future. The one agreed upon was to become Latin America's longest [Tarver and Frederick 2006, page 99].

### 3.2.1. President Betancourt 1959 - 1964 and Guerrilla Formation

Rómulo Betancourt, the *AD* candidate, was elected president by popular vote in 1959. He made coalitions and institution-building his immediate goals. The pact of *Punto Fijo* was a pre-electoral agreement between representatives of Venezuela's three main political parties (see chapter 8 for more details).

The extreme left was very disappointed and felt betrayed with Betancourt's government. Although they had supported him and helped him come to power, organized street demonstrations and worker strikes, he did not consider them in the *Punto Fijo* agreement or in his government. This failure to integrate the extreme left would eventually lead to the guerrilla movement and their violent conflict with his government [Tarver and Frederick 2006, page 102].

The *Corporación Venezolana del Petróleo (CVP)* was founded to watch over the national petroleum industry and the creation of OPEC was supported.

The government experienced pressure from parts of the military from the right as well as from young *AD* members from the left. The later ended with the expelling of the group from *AD* who founded the *Movimiento de Izquierda Revolucionaria (MIR)* which sympathized with the Cuban Revolution. The MIR and the (disappointed) *PCV* joined their effort to overthrow the government in favor of a "popular revolution" as in Cuba. After the arrests of several editors of a MIR-Newspaper demonstrations were held, riots broke out and more arrests followed [Tarver and Frederick 2006, page 107].

The failure of their efforts convinced the Left that another plan was needed. Some favored a strategy of rural guerrilla warfare as described by Mao Zedong and Che Guevara. A non-peaceful path was chosen to bring about the desired political change. Support from Cuba was organized and granted in form of training in tactics and manuals on sabotage. Betancourt finally broke off diplomatic relations with Cuba because of this

support in 1961. Betancourt believed to be better of working with the USA than against it. The USA was also Venezuela's best customer regarding oil sales.

Since the guerrilla movement continued unsuccessfully the revolutionaries went from street rioting to urban and rural terrorism robbing banks, burning warehouses, killing policemen and kidnapping in 1962.

Some left leaders went to the mountains and began guerrilla training camps. Several small revolts from leftists within the armed forces were carried out but failed. Some of the *URD* joined the revolutionaries and together they formed the *Fuerzas Armadas de Liberación Nacional (FALN)* and the *Frente de Liberación Nacional (FLN)*. The newly formed guerrilla movements knew that the next electoral campaign of 1963 would be decisive for the country and the future of their movement.

The government reacted by suspending constitutional guarantees. A censorship of the press was put in place. The minister of the interior, Carlos Andrés Pérez requested to outlaw the *PCV* and *MIR* in Venezuela. After the terrorists had perpetrated a mass killing on a passenger train of which they had first removed the first aid kits the population stood strongly behind the government and the guerrilla had lost all legitimacy. Many of the terrorists were arrested, including important leaders [Tarver and Frederick 2006, page 112].

There was also opposition from the right in form of Pérez Jiménez' supporters funded by the dictator of the Dominican Republic.

Despite all the threats the elections were carried out as planned. *PCV* and *MIR* had been outlawed as requested leaving nine parties supporting seven candidates for presidency. Voters ignored the threats by the extreme left and 92% of them cast their ballots. *AD* won 32.8% of the vote and Raúl Leoni was became president [Tarver and Frederick 2006, page 113].

### **3.2.2. Leoni's Presidency 1964-1969**

*AD* had won the presidential election but had not obtained a majority in the Senate or the Chamber of Deputies. As a result Raúl Leoni was forced to govern with a coalition. He forged it with the center-left *URD* and the center-right *National Democratic Front. COPEI*, led by Rafael Caldera did not join the Leoni government because they felt he had not offered them enough government positions. *COPEI* became the first big political party in the role of a democratic opposition. The broad coalition gave Leoni strong support and acceptance in the population [Tarver and Frederick 2006, page 115-116].

Social investment grew during the Leoni administration. The areas of education, infrastructure, sanitation and housing were greatly improved. In spite of this, left-wing insurgency continued with Cuban support and assistance. In 1966 Leoni ordered troops

into the Universidad Central de Venezuela to successfully seize hidden rebels, arms, ammunition, explosives and terrorist plans. Cuba also supported the *MIR* and *PCV* financially. In succession parts of the *PCV* adopted a "democratic peace" and claimed the armed struggle over which enraged other parts of the party. A breakup began. Internal disaccords also affected *AD* also causing a breakup and the founding of the *Movimiento Electoral del pueblo (MEP)* [Tarver and Frederick 2006, page 116-117].

Its oil policy gave the government a greater fiscal share of the industry. The *CVP* was obligated to supply 1/3 of the national oil market. Maximum benefit was secured for the nation and oil prices remained constantly high.

In the 1968 elections the splintering of *AD* proved a disaster and Rafael Caldera won the presidential elections for *COPEI* while *AD* did remain the largest party in Congress [Tarver and Frederick 2006, page 117].

### 3.2.3. Rafael Caldera's first Presidency 1969-1974

*COPEI* candidate Caldera ruled with a single-party administration without formalizing a coalition although he did cooperate with other parties. *AD* and *URD* formed a democratic opposition. Caldera re-legalized the *PCV* and the *MIR* offered political amnesty to guerrillas which was widely accepted.

He supported a policy of reserving the country the right to exploit natural gas reserves, internal commerce and control over oil industry-related activities. The government was in charge of fixing oil prices. He continued to expand social development and infrastructure as his predecessors did. In the 1973 presidential campaign Carlos Andrés Pérez was *AD*'s candidate and won gaining control of both chambers of Congress [Tarver and Frederick 2006, page 119].

### 3.2.4. Carlos Andrés Pérez's first Presidency 1974 - 1979

Pérez conducted a state-run capitalism nationalizing the iron and petroleum industry and created *Petróleos de Venezuela S.A. (PDSVA)*, an organization whose function was to coordinate, program and control the activities of the oil industry [Tarver and Frederick 2006, page 124]. By this time the petroleum industry had become absolutely essential to Venezuela's economy and was bringing a lot of money to the country. To avoid inflation the *Fondo de Inversiones de Venezuela (FIV)* was founded. It lend money to other Latin American countries and served as its own bank [Tarver and Frederick 2006, page 124-125].

Agrarian reforms were also expanded as well as the hydroelectric industry. Oil price increased drastically by 1974 and Pérez's policy was to distribute Venezuela's oil revenues around the country broadly. Numerous programs were initiated. He was supported by



his party, labor unions, private-industry-sector, Congress and the campesinos. Programs to nationalize human resources were also launched resulting in scholarships for scientific and technological personnel since most of these jobs had been held by foreigners in the past. Generally higher education for the poor was introduced [Tarver and Frederick 2006, page 125-126].

Pérez had improved his prestige and image especially in Latin America though his foreign policy became more aggressive. He criticized the large economic differences between so-called developed and developing nations due to the fact, that developing nations were forced to sell their products at low prices and were forced to buy their consumer goods expensively before. He wanted a new international economic order. He saw one means for this goal in OPEC which had been created to protect the wealth of its members whose costs for imports had never been compensated for with oil-exportation. He wanted a similar approach for the Latin American economies interests. He wanted to establish an international forum for balanced trade relationships between the producers of raw materials and the goods producers [Tarver and Frederick 2006, page 129].

He normalized relations with Cuba and opposed the sanctions against it without sharing the ideology. Caldera stressed common policies for the development of their nations.

Corruption, although always present, became a big issue since the increasing fiscal revenues during Pérez's administration had allowed it to reach incredible levels. At the end of his first term in office there were countless public denunciations made against him regarding the abuses of public funds. Both *AD* and *COPEI* (ab)used petroleum revenue for their political support at the ballot box [Tarver and Frederick 2006, page 134]. The former president Rómulo Betancourt had considerable influence in his party and loudly criticized the corruption within. Betancourt favored Piñerúa Ordaz as new presidential candidate for the 1978 elections, others supported Pérez. As a result the 1978 elections were lost to *COPEI*'s Luis Herrera Campín. Together *AD* and *COPEI* held almost 90% of the votes [Tarver and Frederick 2006, page 130].

#### **3.2.5. Campín's Presidency 1979 - 1984**

Luis Herrera Campín of *COPEI* cancelled price controls imposed by Pérez and earned himself criticism by those who feared this would result in a higher cost of living. His government brought charges of corruption against the Pérez government. To compensate for the higher cost of living which indeed arose, Congress approved higher public wages and salaries, a minimum wage, elderly pensions, infirmity and death benefits.

As a result of the Iran-Iraq war in 1980 oil prices shot up reaching record levels on international markets. This led to an even greater revenue for Venezuela. Still the

foreign debt which had risen during Pérez presidency continued to rise. The Venezuelan currency Bolívar was devaluated and money fled overseas. Unemployment rose to about 20% during the early 80s.

In the 1983 election *AD*'s candidate Jaime Lusinchi had an easy victory over ex-President Rafael Caldera from *COPEI* with 56.8% of the votes. *AD* also achieved 66.2% in the municipal elections of the same year versus 23.7% of *COPEI*.

### **3.2.6. Lusinchi's Presidency 1984 - 1989**

*AD*'s Jaime Lusinchi's greatest concern was the growing economic crisis against which he started a recovery program including the guarantees of oil industry self-sufficiency and the reduction of national deficit in which he took great pride. He attempted to increase productivity in iron, steel and aluminum industries. In 1986 another devaluation of the Bolívar took place bringing high levels of inflation to the country [Tarver and Frederick 2006, page 132–133]. Lusinchi engaged Venezuela in a large anti-narco-trafficking campaign which was well received by the United Nations General Assembly [Tarver and Frederick 2006, page 133].

Under Lusinchi a Presidential Commission for the Reform of the State (Copre) was established to study the crisis of the continuing political system and to derive solutions in 1984. The Commission reported on the great dissatisfaction due to corruption with *AD* and *COPEI* and recommended several reforms which were all ignored by the government. Among the recommendations were: a new approach to electoral funding, development of internal party democracy, an overhaul of the electoral system and a project of political decentralization [Gott 2001, page 154].

### **3.3. The new Crisis**

The growing amount of oil revenue and money to spend had caused growing corruption under Presidents Carlos Andrés Pérez, Luis Herrera Campín and Jaime Lusinchi. Public denunciations and many cases of maladministration or corruption became known. The presidents and their parties *AD* and *COPEI* succeeded in bolstering support from their followers using the petroleum revenue though.

Even when corruption charges against ex-president Pérez reached Congress the deputies, including the opposition, were unwilling to vote in favor of labeling him as corrupt. As long as oil prices stayed high filling the government's cash box thanks to the nationalization of the petroleum industry, and the administration got things done it seemed acceptable to have a certain amount of corruption [Tarver and Frederick 2006, page 134–137]. But as oil prices began to sink in the 1980s the nation's economy found itself in a

bad condition leaving a spotlight on the two large political parties and their corruption.

### **3.3.1. Carlos Andrés Pérez's second Presidency**

*AD* had dissociated itself from Carlos Andrés Pérez and had tried to link him to the corruption cases as a person. He had been working on a come-back for some time devoting a lot of energy and work to his party (*AD*). By 1986 the media began to focus on him again and he was being discussed positively and negatively. Using his influence far beyond only organizational boundaries Pérez went against the official party pre-candidate Octavio Lepage with a presidential campaign as an "outsider" and created his own clean political image. He managed to overcome his vilified image as a corrupt politician very successfully [Tarver and Frederick 2006, page 140].

By 1988 a drastic decline in world oil prices cut government income in half, and down payment of foreign debt became more difficult. The average income per person had dropped by more than 75% since 1977 and the Bolívar was worth 90% less than five years earlier [Levin 2007, page 68]. In 1988 Carlos Andrés Pérez was reelected President on the promise of dealing with the economic problems he had so successfully managed in the past [Ellner and Hellinger 2004, page 95]. Venezuela had about \$35 billion in foreign debt at the time and oil prices were low.

Pérez remembered some of the proposals of the Presidential Commission for the Reform of the State from 1984 which Lusinchi had ignored. The earlier system of closed-block voting was replaced with a more open system in which voters knew whom they were voting for. State governors and mayors were now elected by direct and secret vote under a simple plurality system. This resulted in many victories for minority parties like the Causa R and the MAS in 1989 in governor elections and 1992 in Congress elections. But the reforms did not address the general problem and discontent in the country, but they did open up the system for newcomers [Gott 2001, page155].

Shortly after his election 1989 he informed the public that he had already arranged for "el paquete" (the package) with the International Monetary Fund. This included a structural adjustment agreement. Together with his neoliberal advisors he started short-term reforms. He stopped subsidies and price controls on many public services and consumer goods. Foreign exchange and interest rates were liberalized, he cancelled tariffs and trade restrictions and relaxed controls on foreign investment [Ellner and Hellinger 2004, page 95]. The Pérez administration allowed drastic price increases for gasoline and therefore for public transportation. Oil prices went up by 80%, bus fares by 30% which resulted in bus drivers tripling their prices. For water, sanitation, electricity, telephone, the government began to privatize state industries and lower public expenditures [Tarver and Frederick 2006, page 140].

### 3.3.2. El Caracazo

These measures, drastically and suddenly affecting practically everyone in the country and lacking the correct political backing, brought a level of inflation unseen before in Venezuela (around 150%). Social unrest broke out. Poor people, who are the largest customer group in public transport reacted with protests and demonstrations. The situation quickly got out of control. Buses flared up on fire and looting began [Ellner and Hellinger 2004, page 95].

The poor poured down from the mountains around Caracas where they live into the wealthy city center and began to smash store windows, looting and burning them. Whole city blocks were destroyed [Levin 2007, page 64,65]. The police were hopelessly overwhelmed by the riots and did either not intervene or solidarized with the people [Diehl and Muno 2005, page 22]. Pérez finally called out the armed forces resulting in many deaths (see chapter 7)

Dissatisfaction was articulated in more strikes and demonstrations as well as in the direct elections of governors in the states and the mayors in the cities in December 1989 where the governing party *Acción Democrática* clearly lost, and 55% did not vote at all [Diehl and Muno 2005, page 24]. After the Caracazo a new attempt was made in June 1989 to reform the state by addressing the constitution itself. The left-wing *Patriotic Front* were the first to demand a Constituent Assembly to rewrite the constitution of 1961. The Congress agreed and a Commission for the Revision of the Constitution was set up and presided over by President Caldera. The idea was to produce quick reforms but meetings dragged on and on without deriving real results[Gott 2001, page 155].

In November of 1991 a general strike of all unions took place to protest against the cost of the reforms. Pérez's government still insisted on the reforms. The international community of finances, the *IMF* and the World Bank at the same time was very happy with Venezuela for complying with the reforms under a democratic government. Unrests continued and by 1992 a climate favorable to a coup had emerged [Diehl and Muno 2005, page 24].

### 3.3.3. The Coups of 1992 and the Aftermath

On February 4th 1992 [Levin 2007, page71] a group of elite army officers led by Hugo Chávez and Arias initiated a coup with which they hoped to call in a Constitutional Assembly and to organize a new democratic order for Venezuela after an indefinite period of transitional rule. They attempted to take the presidential palace and the military bases of Caracas under their control. Although the coup was successful in other parts of the country and barracks were captured, the crucial goal, to capture the president, had not been achieved. President Pérez managed to escape.

### 3. Political Developments on the Way to Democracy

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As Chávez realized that his coup had failed he surrendered and asked to speak on television so that his other officers may also peacefully surrender and a bloodbath be avoided. His 4 minutes on TV turned him from totally unknown into a famous person and someone on whom many hopes lay [Gott 2001, page 70].

*First I want to say good morning to all the people of Venezuela, but this Bolivarian message is directed specifically to the courageous soldiers of the parachute regiment of Aragua and the tank regiment of Valencia.*

*Comrades: unfortunately, for the moment, the objectives that we had set ourselves have not been achieved in the capital. That's to say that those of us here in Caracas have not been able to seize power. Where you are, you have performed well, but now is the time for a rethink; new possibilities will arise again and the country will be able to move definitively towards a better future. So listen to what I have to say, listen to Comandante Chávez who is sending you this message, and, please, think deeply. Lay down your arms, for in truth the objectives that we set ourselves at a national level are not within our grasp.*

*Comrades, listen to this message of solidarity. I am grateful for your loyalty, for your courage and before you, I alone shoulder the responsibility for this Bolivarian military uprising. Thank you.* [Gott 2001, page 70-71]

Chávez had done something until then unheard of: He had accepted full and sole responsibility for the coup and his defeat. Something no politician had ever done in the country no matter of what crime or corruption he had been accused of or caught with [Levin 2007, page 73].

He stirred popular hope that the struggle had only begun with the words "for now" [Ellner and Hellinger 2004, page 32]. He made himself understood that another time would come and spread hopes and promised a better time. He also called to his people to give up arms and to avoid bloodshed and won the hearts of the people.

As the military movement faded, a new political movement began to grow. A growing politicization of the armed forces had begun.

In November 1992 a second coup attempt was made without Chávez. This time with officers of the army, navy, air force and the national guard. The leaders again planned to install a civil-military *junta* while redesigning democracy. The lack of active rebel ground troops made a takeover impossible. Because of the violence of the coup attempt from the air the public did not gain public support the way the leaders of the first coup did [Ellner and Hellinger 2004, page 96].

The insurgents called themselves “Movimiento Bolivariano Revolucionario 200” (MBR-200). They were defeated but had gained considerable recognition and support among the public. (Ellner p96)

Hugo Chávez and the other leaders of the conspiracy went to jail but the country had changed. The former president Caldera held a speech before congress right after the coup in December of 1993 which shook the nation and was heard by everyone. He showed sympathy for the coup leaders and put the blame on president Pérez and his neoliberal economic program. Caldera was reelected president two years later, some say thanks to that speech.

Since the crisis would continue while Pérez remained in office a constitutional procedure to impeach him was set in motion which finally removed him in 1993 [Tarver and Frederick 2006, page 144].

#### **3.3.4. Caldera’s second Presidency 1994 - 1998**

National elections were held and Rafael Caldera came back to office as an independent since *COPEI*, the party he had founded, refused to nominate him. Some say that he was elected mainly because he was anti-Pérez. No party obtained a majority in Congress. The two-party system, which had been the backbone of modern Venezuelan politics, had deteriorated [Tarver and Frederick 2006, page 146]. Caldera’s administration experimented with a series of populist economic plans before turning to negotiations with the *IMF*.

Chávez had become so popular through his short speech that all the candidates of the election had had to promise to free him. Caldera released him before his trial had ended in March of 1994 [Levin 2007, page 76].

By 1996 Caldera had begun to implement similar reforms as Pérez had made. The costs, again, were to be paid by the poorest. To control the social unrests, Caldera suspended constitutional guarantees which protected against arbitrary searches and arrests, protected the freedom of movement, against expropriation of property without compensation and the right to engage in any legal economic activity. A wave of human rights violation followed [Tarver and Frederick 2006, page 147-148]. But the economic recession continued and the system lay in ruins paving Chávez’s way to power in the 1998 elections [Ellner and Hellinger 2004, page 83].

### **3.4. Summary**

The social and economic structures of Venezuela were radically changed by the time Pérez fled the country after his first presidency. Political liberalization began to take

place and was further developed. Major political forces such as unionism and political parties began to take shape.

Venezuela had begun to learn democracy. After Betancourt had brought it back to Venezuela, power began to switch hands without coups, the army stayed out of politics for the most time. A new factor began to play a significant role in the country and would change it forever: petroleum.

In the course of time party leaders evolved into self-serving corrupt electoral machines which alienated the population. The two-party system was rejected and apathy and absenteeism rose at the same time as the whole system lost its legitimacy. The two large parties were blamed for the political and economic disaster the country had slid into resulting in terrible poverty of great parts of the population. The country is deeply divided by race and by class. The effect was that greatest political success in Venezuela was obtained with an anti-party and anti-politics discourse

The Caracazo openly marks the collapse of the political system of reconciliation and consensus among the most important parties. Different forces surged to fill the vacuum left by the traditional two-party system, including the *Movimiento Bolivariano Revolucionario 200 (MBR-200)* of Hugo Chávez. The country was a different one after the Caracazo. Politics had stopped to be a realm reserved to the political elite. The inaction of the political actors led to radicalization of some groups and a fragmentation of the parties.

These were conditions favorable to the rise of Hugo Chávez Frías and his movement.

## 4. Hugo Chávez

His family history had a considerable impact on young Hugo. His great-great-grandfather was Colonel Pedro Pérez Pérez and a guerrilla chief who fought together with Ezequiel Zamora in the "Sovereign Army of the People" against the oligarchy in the 1840s. His son, General Pedro Pérez Delgado (known as *Maisanta*) fought against the dictatorship of General Juan Vicente Gómez from 1914 - 1922 in the *llanos* when he was captured, his land was confiscated and he died in prison. *Maisanta* had two daughters, one of whom is Rosa, Chávez's grandmother. *Maisanta*, Zamora (see chapter 2) and *Bolívar* remained his principal heroes until today [Gott 2001, page 36].

### 4.1. Young Years

Chávez was born in the llanos region in Sabaneta on July 28th of 1954, historically and traditionally the land of cattle, cowboys and rebels. His family's house was very modest with a dirt floor and a roof of palm leaves, no electricity or running water. In spite of both parents working, the family was poor. Hugo and his brother Adan were raised by their grandmother Rosa Inés in town [Levin 2007, page 48].

His parents, Hugo de los Reyes Chávez and Elena Frias, were both school-teachers who took an active part in political life. Chávez' father had once been a *COPEI* member was very committed to educational politics and later worked as state governor. They encouraged both of their children to study, become educated and get out of poverty. His elder brother Adán is a professor at the university in Mérida and was member of the Constituent Assembly in 1999 and a supporter of his brother's movement [Levin 2007, page 47].

Hugo's mother wanted him to be a priest and he served a year as an altar boy to please her. Chávez disliked the way the church pictured Jesus as a victim and instead saw Jesus as a rebel, a revolutionary who overturned the power structure of his people, criticized the leaders, condemned corruption and spoke passionately about taking care of the poor. [Levin 2007, page 50] Chávez often had political disagreements with his family as they spoke of Delgado (see also chapter 2) as a murderer and he regarded him as a freedom fighter [Levin 2007, page 57].

Hugo Chávez joined the army at the age of 17 and entered the military academy in Caracas. According to him it was for his enthusiasm for baseball that convinced him to



enroll. He entered the military academy of Caracas during Caldera's (founder of *COPEI*) first presidency and majored in army engineering and studied political science, history and "marxism-leninism". He pursued his interest in *Bolívar* and spoke of "Bolivarianism" and dreamt of a united Latin America with his friends [Levin 2007, page 57].

He graduated in 1975 and received his sword of command from President Carlos Andrés Pérez himself, whom he tried to overthrow 16 years later. Chávez spent the next two years in Barinas in a counter-insurgency battalion. The battalion was sent to Cumaná to crush a fresh guerrilla outbreak. At this point Chávez began to feel sympathy for the guerrilla as he became aware of how corrupt the political world was [Levin 2007, page 38]. Treatment of the guerrilla fighters by the soldiers was so humiliating it shocked Chávez and caused him to argue with his superiors saying there would be no torture under his command [Levin 2007, page 58].

During that time he met *Jesús Urdaneta Hernández* who later played an important role as head of the secret police, and they became friends. He revealed to Urdaneta, that he planned to create a movement within the armed forces. In 1978 Chávez was transferred to Maracay and two years later back to the military academy in Caracas as chief sports instructor where he remained for another five years. In his following position as a tutor in history and politics at the military academy he was in an ideal position to influence young students in their political ideas and to later promote his political movement [Levin 2007, page 59].

## 4.2. Chávez's Movement

From 1982 on Chávez began to organize serious political conspiracy with two other military officers: Felipe Acosta Carles and Jesús Urdaneta Hernández, both lecturers at the military academy. They created a political cell within the army and called it: *MBR-200* 200 stood for the 200th anniversary of *Bolívar*'s birth in 1783. Acosta was later killed in the Caracazo (see chapter 2) in 1989.

### 4.2.1. The Movimiento Bolivariano Revolucionario-200

On December 17th of 1982 Chávez and his two friends swore the oath *Bolívar* had sworn in Rome in 1805. Underneath the great tree at Samán de Güere near Maracay where it is said *Bolívar* had rested they swore:

*I swear before you, and I swear before the God of my fathers, that I will not allow my arm to relax, nor my soul to rest, until I have broken the chains that oppress us and oppress the people by will of the powerful... ( Bolívar*

*had said "until I break the chains that oppress us by will of Spanish power"*)  
[Levin 2007, page 62].

The young men studied the history and problems of the country and began to think of coups and overthrowing the government. Their movement resembled a study group rather than a conspiracy in the beginning. They were well placed to recruit others in the military academy. Major Francisco Javier Arias Cárdenas joined them as one of the most prominent intellectuals. Cárdenas had many friends in the civilian left and later joined the *Causa R* and was elected governor of his home state, Zulia [Gott 2001, page 40].

They greatly appreciated the ideas of Ezequiel Zamora, the llanos leader, *Bolívar*, the Liberator and Simón Rodríguez, *Bolívar*'s tutor. Their whole project was left-wing slanted from the beginning. This was due to the fact that in the Venezuelan military of the 80s junior officers were sent to study social sciences in civilian universities which helped create contacts with survivors of the guerrilla movements and other left-wing personalities [Gott 2001, page 41].

As the movement grew it became impossible to keep it secret and the *Dirección de Inteligencia Militar (DIM)* was informed of the group. Chávez was identified as dangerous and transferred away from Caracas and from his influential position to Elorza, close to Colombia. Chávez used his time there to try out some of his ideas. He encouraged experimental schemes of cooperation between soldiers and civilians and soon became very popular throughout the whole region. In 1988 he was brought back to Caracas to the presidential palace where he worked as aide to the national security council [Gott 2001, page 42].

On the 27th of February of 1989, the day of the Caracazo, Chávez lay in bed with a contagious illness. The doctor at the Miraflores Palace had sent him home. Cárdenas was among those sent out to repress the rebellion. He felt the army was on the wrong side in the war and made a great effort to ensure his soldiers would not fire into the crowd. He was appalled and enraged at what he saw that day. Weeks later Chávez returned to his duties in Miraflores. Soldiers of the presidential guard began asking him about his movement. They were not willing to open fire on their fellow citizens (again) [Gott 2001, page 45].

In 1991 he was transferred to Maracay to a parachute battalion about 80 km from Caracas. Spurred on by the horror of the Caracazo Chávez redoubled his efforts to prepare his Bolivarian Revolutionary Movement for action [Levin 2007, page 70].

### 4.2.2. The 1992 Coup

From Maracay he planned his coup code-named "Plan Zamora". During the planning disagreements arose between the actors. Some wanted the coup to start with civilian actions as with a general strike. Chávez argued against "civilians in the way". There was also disagreement about the right time for the coup. After Chávez learned that he would be transferred near the Colombian border on February 14th 1992 a date was set [Levin 2007, page 70].

On February 4th 1992 Chávez marched into Caracas with five squads to take the Defense Ministry, Miraflores Palace, the airport where Pérez would arrive from his trip abroad and the Historical Museum where a base was set up with communications equipment [Levin 2007, page 72]. The forces who were to capture the president failed in doing so. Chávez and his troops came under fire while marching to the Museum and once he got inside realized that the equipment he needed was missing. The Palace was too well guarded and was not taken either. In other regions of the country the coup went as planned and military barracks and cities were taken over.

Early in the morning President Pérez announced on TV that the rebellion had been put down and at 9:00 Chávez surrendered. He asked to speak on TV "to avoid bloodshed". 14 soldiers had died and 50 were wounded as well as 80 civilians. It was then that he held his famous speech (see chapter 2) before going to jail. Among his coconspirators Chávez was blamed for having given up too fast and to not have gone far enough.

The Yares Prison where Chávez was sent was a very dirty run-down and dangerous institution where many prisoners carry guns [Levin 2007, page 75]. Chávez had privileges such as visitors, he gave radio and TV interviews and was treated as a military officer not as a criminal. He was still in a position to continue planning future rebellions. During his time in prison Chávez spent a lot of time reading [Levin 2007, page 75-76]. He studied political theorists such as *Antonio Negri* who had written a lot about "constituent power" and the importance of a constitutional assembly to give a country a revolutionary foundation to go from [Wilpert 2003].

The coup had failed. Nevertheless President Pérez was removed from office shortly after on corruption charges.

### 4.2.3. The Structure of the Movement

After being pardoned by President Caldera in 1994 Chávez was at first opposed to participating in elections since he considered the old system as too corrupt to be reformed and too closed shop against newcomers. He even opposed the campaign of his friend Francisco Arias Cárdenas as governor of Zulia in 1995 who was then not supported by *MBR-200* but by *Causa R* [Gott 2001, page 143]. Chávez and his friends began to

travel around the country building up organizational structures and internal procedures for their movement. They laid out political and ideological positions more clearly than before, elaborating the beginning of a long-term political program they called the "*Simón Bolívar national project*" [Ellner and Hellinger 2004, page 80].

The structure of the *MBR-200* was composed of a low base called *Bolivarian Circles*, being local groups similar to cells in other organizations. Whoever wanted to join had to make a Bolivarian commitment, an oath to be "hard working, honest, and humble, and exercise solidarity" *MBR-200* 1994, [Ellner and Hellinger 2004, page 80]. These circles were coordinated at the municipal level by municipal Bolivarian coordinators. By 1996 there were regional Bolivarian coordinators in all states. The next organizational level was the *national directorate* which made all final decisions. In 1996 it consisted of Chávez, Luis Davila, Freddy Bernal and two civilians. The whole structure struggled to find a balance between its military and civilian members [Ellner and Hellinger 2004, page 80].

The circles organized local assemblies in neighborhoods to discuss politics, carry out activities to educate members in study circles or courses in national and international history. Interaction between military officers and civilians, it was hoped, would overcome prejudice against one another and strengthen democratic attitudes [Ellner and Hellinger 2004, page 80-81].

Chávez continued travelling and talking to ordinary people all over the country. Some made fun of this, others said it was his strength. Being of mixed race and from a poor background as most Venezuelans, he was a figure to identify with for most Venezuelans [Levin 2007, page 79].

### 4.3. Campaign and Election

In 1997 his opinion about participating in elections began to change. His many conversations with people all over the country may have been a reason for this. He had also had many talks with *Causa R* and the *Movimiento al Socialismo*. He concentrated on the idea of having a constitutional assembly where a new constitution would be written with the participation of ordinary people and of the necessity to dissolve Congress [Gott 2001, page 143]. When he realized that he had enough support to campaign he began restructuring the organization *MBR-200*. This meant it would be transformed into a real political organization with military and civilian support. In April 1997 he formally declared his intention of becoming president of Venezuela [Gott 2001, page 144] and *MBR-200* decided to field candidates in all the elections of December 1998 on its first congress the same month. There was opposition within the movement against the campaign since were afraid their radical programs would be watered down.

For these reasons the movement was left as it was to avoid trouble and a new group was organized to form an electoral force. In July Chávez named it the *Movimiento Quinta Republica (MVR)* for the fifth Republic of Venezuela [Gott 2001, page 144]. It was founded on the ideas of *Bolívar* in contrary to previous republics. The "fifth" took into consideration what was referred to as fourth republic and had begun with the separation from Gran Colombia in 1830 until present day. The Republic had always been dominated by oligarchies. Since it was illegal to register a political organization with the name of Bolivar in it, the phonetical similarity in Spanish of the the v to the b was used to transfer the identity since symbolism played a great role in the movement [Ellner and Hellinger 2004, page 83].

The *MVR* was not a party but an electoral front controlled by the *MBR-200*. The function of the front was not promoting internal discussions or training their members. Its sole use was to make quick decisions in the electoral process by people the leaders had selected and whom they trusted. The great success of the *MVR* did in time leave the *MBR-200* without a role, causing its disappearance [Ellner and Hellinger 2004, page 83]. About 60% of the members came from the military and 40% were civilians [Gott 2001, page 146].

Early in 1998 other parties began to offer support to the campaign. *Patria Para Todos* (a wing of *Causa R*) was followed by *Movimiento al Socialismo*. The new alliance was called *Polo Patriótico (PP)*. The ideas of the parties filled the ideological vacuum of Chávez's movement which offered little more than nationalism and enthusiasm [Gott 2001, page 146].

Chávez and the *PP* campaigned with three main arguments:

1. End of Puntofijismo
2. End of political corruption
3. End of poverty in Venezuela.

The situation in Venezuela in 1998 was such that 80% of the people lived in poverty and 33% were working for the government bureaucracies. *Transparency International* identified Venezuela as one of the ten most corrupt countries in the world [Levin 2007, page 80].

Chávez main opponent in the electoral campaign was the ex-beauty queen Irene Saez who was serving her second term as mayor of the richest borough of Caracas. Her topics were: better education, smaller government, law and order. The fact that *COPEI*, which had no candidate of its own, decided to back her may have led to her loss. As a result her approval rating went from 22% to 2%! *COPEI* then withdrew its support

and backed Henrique Salas Römer instead [Levin 2007, page 81]. *AD* first supported its own candidate Luís Alfaro Uceró. His approval ratings being around 6% only a month before elections *AD* decided to expel him from the party *COPEI* in their support for Salas Römer.

The election on December 6th 1998 was won by Chávez with 54% of the votes. Salas received 39%, Irene Sáez came in third at 4% and Alfaro Uceró was fourth [Gott 2001, page 148]. After *AD* and *COPEI* had abandoned their own candidates and Chávez had won the election with his movement it was obvious that the two-party system in Venezuela had ended. Many rich people left the country and foreign investors pulled money out expecting a President who had been elected mainly by the poor and lower-middle sectors of the country [Ellner and Hellinger 2004, page 84].

#### 4.4. Chávez's Policy

*Our project is neither statist nor neo-liberal; we are exploring the middle ground, where the invisible hand of the market joins up with the visible hand of the state: as much state as necessary, and as much market as possible.*

President Chávez, 2 February 1999

Chávez took office on February 2nd 1999 and immediately tried to put his campaign promises into effect [Levin 2007, page 81]. His aim was to rewrite the constitution of 1961 and to integrate the armed forces into the economic and social life of the country through a program he called *Plan Bolívar 2000* [Gott 2001, page 153].

He also envisioned his "third way" - Chávez wanted to design and implement an alternative economic model for Venezuela, he planned to bring the country's oil policy back under government control, generate welfare programs for the poor and to set new priorities in foreign policy.

As in most oil producing countries the abundance of oil has undermined the development of other industrial branches of the country. This gives the petrol industry a very strong position in the country's economy as will be shown [Gott 2001, page 154].

##### 4.4.1. Economic Policy

The year 1999 ended with negative macroeconomic indicators showing a recession and worsening living conditions of the poor people. Venezuela retook an active role in the OPEC in 1999. The country began to comply with the assigned quotas and the Ministry of Energy and Mines played its role in formulating a petroleum policy. Something *PDVSA* had not done for the past decades and what strengthened international petroleum prices [Ellner and Hellinger 2004, page 86].

Economic results improved. Increasing public revenue and improved fiscal discipline reversed macroeconomic indicators and a growth of 3.2 percent was reported from the Central Bank of Venezuela. Inflation was the lowest in 15 years and sank to 14.2 percent [Ellner and Hellinger 2004, page 86]. Stock markets went up after the elections as locals brought their money back into the country [Gott 2001, page 174].

A strong element in the economic policy of the *Causa R*, *Movimiento al Socialismo* and of *Patria Para Todos* was the encouragement of local investors. They agreed that the state should play an important role in the economy [Gott 2001, page 173].

The Plan Bolívar 2000 was derived as a civil-military operation to improve public infrastructure. It gave the military a new role which was subject to a lot of criticism [Wilpert 2007a, page 50] (see also chapter 7).

Macroeconomic stability was viewed as a prerequisite for structural change. Direct confrontation with international financial institutions was rejected by the Chávez government and nonpayment of the foreign debt was ruled out. Policy was to maintain currency reserves high and to bring inflation under control. The government honored contracts with foreign investors to expand productive capacity. At the same time it modified the terms under which foreign capital would be accepted in the future. The highest priority during the first years of the government was to increase oil revenues in order to avoid economic disaster [Ellner and Salas 2007, page 64].

There were different opinions about the economic policies within Chávez's movement. The *MBR-200* rejected all neoliberal policies and criticized economic globalization as a whole. But Chávez and the *MVR* had shifted their positions and spoke of a "third way" they were looking for. A socialism of the 21. century. The role of the state consisted in a supervisory role in the economy. The alliance that had supported his campaign, the *PP* had written in its program that it looked to a two-hand formula of the invisible hand of the market, in which competition and transparency exist on one hand and on the other the state restrains the weakness and imperfection of the market. The *PP* saw the beginning of such reforms in institutional reforms and the eradication of corrupt practices [Ellner and Hellinger 2004, page 125].

As in the oil sector, national interest was also introduced into other sectors of the country's economy adjacent to protectionism and authoritarianism which was regarded as justified in view of the long year industrial decline. The government promoted and supported small and medium-size industries by introducing better credit availability by the *Banco Popular* and tried to reduce interest rates. Credits were also made easier available to women by the *Banco de la Mujer* recognizing that women were more easily subject to poverty than men. The state began to fight food import dependency by expanding the national agricultural productivity helping the poor in the country where approximately 85% of the population were considered to be poor [Ellner and Hellinger

2004, page 126].

Two other big problems of the country regarding social capital were addressed: education and informal-sector employment. This took into account the link between low educational standard, informal-sector employment and poverty [Ellner and Hellinger 2004, page 126].

Even though stated economic policy has been to regulate and at the same time to encourage foreign investment by local business much of the opposite has happened. A lot of local capital has fled the country and more foreign investment has come in. This has nothing to do with government preference but with the fact that foreign investment is planned on a longer time horizon and has more confidence in being able to enforce contracts [Ellner and Salas 2007, page 66].

#### 4.4.2. Oil policy

The Venezuelan petroleum industry was nationalized under President Carlos Andrés Pérez in 1976. The state-owned was *PDVSA* became a state within a state and its executives were more or less free to do as they pleased. Several governments failed to create a new efficient fiscal and regulatory system in order to ensure the nation to profit from the industry [Ellner and Hellinger 2004, page 131].

#### Undermining Nationalization

Beginning in the 80s *PDVSA* began to develop its own agenda and tried to break away from state control due to the fact that nationalization had not changed the management staff, only the ownership structure. Exxon, Shell and Gulf were the major foreign companies operating concessions in the country before nationalization and they wanted their privileges back. In order to undermine nationalization, they, and not the government, directed resources abroad as for example in the purchase of the *Citgo Petroleum Company* and other refineries, arguing that this guaranteed a market for Venezuelan heavy crudes. They decided to make *PDVSA* into an international conglomerate on their own and did not consult the public or the government in these decisions [Ellner and Salas 2007, page 62]. From their point of view it was not in *PDVSA*'s interest to maximize fiscal revenues (because profit would only go to the state) but to limit its fiscal obligations and to obtain more financial resources for investments. As a result, *PDVSA* concentrated on expanding the oil sector, maximizing volume and sales on all levels. Fiscal revenues were disregarded. This outlines *PDVSA*'s strategy to undermine nationalization and how it tried to regain private investors. Since the oil industry had been nationalized the government made the mistake to believe there was no reason for it to exercise special control [Ellner and Hellinger 2004, page 132-133].



During President Pérez's second presidency from 1989-1992 *PDVSA* pursued a strong internationalization policy many foreign investors came back to the Venezuelan oil industry. In the 1990s the company began to push massive foreign investments and to increase productive capacity contradicting OPEC policy of limited production. Some political figures, including Hugo Chávez, protested against this undermining of nationalization with the aide of the government [Ellner and Salas 2007, page 63].

### Regaining Control over the Oil

At the beginning of Chávez's Presidency the world was in the middle of the worst price collapse of the last 50 years. Venezuela under Chávez successfully began to support oil prices. In collaboration with Saudi Arabia and Mexico the country promoted new oil quotas. Prices recovered and exports peaked at \$29.3 billion in 2000.

Privatization of the *PDVSA* was prohibited in the new Constitution of 1999. Royalties paid by private corporations were increased from 16.6% to 30%. Former *PDVSA* head Luis Giusti was fired by Chávez in 1999 and became energy advisor to the US President George Bush [Kozloff 2006b, page 15].

In an effort to reform *PDVSA* Chávez sacked the presidents of *PDVSA* and appointed new ones. Some of the old executives had played a role in the opposition's attempt to overthrow Chávez and participated in the one-day strike called by the *Federación Venezolana de Cámaras y Asociaciones de comercio y Producción (FEDECAMARAS)* and the *CTV* on December 10, 2001. They also participated in the 2002 lockout which resulted in the dismissal of 18,000 employees [Ellner and Salas 2007, page 65].

Once the government had (re-) established control over the company, Chávez appointed *Alí Rodríguez* as Minister for Energy and Mining. Rodríguez was a former communist rebel born into poverty [Kozloff 2006b, page 17]. He had gone into the mountains and had become a guerrillero specializing in bombs, at this time known as "Commander Fausto". Later he had turned into an oil expert holding seminars on the topic all across the Andes. His career as an insurgent had lasted for 15 years. In 2001 he was also elected secretary general of OPEC.

The Hydrocarbons Law passed in 2001 made private corporations pay 30% royalties instead of the earlier 16.6% and guaranteed *PdVSA* a minimum of 51% share in new oil production and exploration [Kozloff 2006b, page 25].

Since production had steadily gone down to 2.7 billion barrels a day (since 1997) in 2003 and prices had risen sharply, he called for greater unity among the OPEC countries to stabilize the market [Ellner and Hellinger 2004, page 140]. *Rodríguez* tried to make *PDVSA* spend less for investments and expansion and to pay more taxes.

*Rodríguez* announced that the company would increase its potential output to 5 mil-

lion barrels per day and that high foreign investments were expected. The Government introduced measures in favor of local business and the company extended its social programs for neighborhood communities. Between 1999 and 2003 *PDVSA*'s average annual expenditure on social programs was US\$48 million. In 2004 it had risen to US\$1.7 billion and in 2005 to US\$2.4 billion [Ellner and Salas 2007, page 66].

In order to diversify sales Chávez plans to ship crude to China. He also stated that Venezuela wants to become a "secure, long-term" petroleum shipper to India and in March 2005 the two countries signed an energy cooperation agreement.

Currently the USA purchases 60% of Venezuela's oil exports (1,52 million barrels a day, being 11.8% of US imports, [Kozloff 2006b, page 15]) and this is convenient because of the close proximity. In spite of all rhetorics Chávez does not seem to have any intention of reducing exports to the US [Kozloff 2006b, page 36].

### **Diversification of the Economy**

A goal of Chávez' economic policy is to diversify the Venezuelan economy to avoid the high economic volatility due to the dependence on one single resource and the fluctuation of the oil price. One way this has been tried to attain is by Latin American economic integration and protecting these from other economies. (See Chapter on International Relations) Efforts are also being made to expand the agricultural sector (for example by land reform programs), small and medium sized businesses and expansion of the infrastructure. The government target to raise agricultural's percentage of GNP from 6% to 12% by 2007 has not been achieved. The agricultural sector has increased, but not enough. Commerce on the other hand has increased by 68.2% from 2003 to 2006 [Wilpert 2007a, page 70-72]. The means employed to encourage these sectors is mostly by subsidizing them which can only help them grow to a certain size. The plans to diversify the economy and make the country ready for a time when the oil resources will decline have been thwarted by the strong increase of the oil price in the last years skyrocketing oil revenues. (See Chapter 4.4.2)

### **The Coup of 2002**

Chávez had tried to regain control over the petroleum industry of the country by appointing a new board of directors for *PDVSA* in February 2002 which had been strongly opposed by executives of the company who argued that this was not within his province. As a result trade unions favoring the old private system as CTV, and were afraid of losing power and influence otherwise, called out for a general strike. Chávez argued it was not a strike but sabotage since a strike was the right of workers, not of executives. Violence erupted and rallies brought 500,000 people into the streets on April 11, 2002.

Demonstrations were held by the opposition as well as by Chávez supporters. People were injured and killed and soon accusations were heard about Chávez having ordered his followers to shoot.

Chávez stopped media coverage about what was happening in an attempt to stop mass panic. The army demanded that Chávez resign and he was taken into custody. *Pedro Carmona* was named head of government by military leaders and many EU governments and the US government were quick in accepting and welcoming the new government [Niebel 2006, page 184]. But Chávez returned to power only two days later with the support of the air force and mass demonstrations by his supporters in the streets demanding the return of the democratically elected president. Nevertheless strikes and sabotage continued in the petroleum sector well into 2003 [Tarver and Frederick 2006, page 152] stopping petroleum refinery and causing the country massive financial problems. The coup attempt against Chávez had the effect of radicalizing Chávez and polarized society even more.

#### 4.4.3. Trade Agreements

Overall government policy is to look towards local markets for providing what the public sector needs. Preference for local over foreign capital clearly shows in its position to the *FTAA*. Castro and Chávez developed the *Alternativa Bolivariana para las Américas (ALBA)*. This alternative is to stand for the integration of the Latin American states according to their peculiarities in economy, trade, infrastructure. They are to cooperate, not to compete. 2004 Castro and Chávez signed an agreement making *ALBA* a real project [Ellner and Salas 2007, page 67-68].

For Venezuela this means cooperation with Cuba and establishing a common market in the Caribbean and South America. It was a big success for the government for Venezuela to be accepted as member in *Mercosur* 2004 (although this still has not been ratified by all *Mercosur* countries) giving it greater economic and political weight [Niebel 2006, page 234].

#### Energy

Chávez has tried to push Latin American integration via energy integration by proposing a Latin American-wide oil company merging all of Latin America's state-owned oil companies. First steps have been the *Petrosur* agreement with Argentina's state-owned oil company Enarsa in 2004 which was expanded to include oil companies of Brazil and Uruguay. The agreement tries to lower energy costs for the participating countries by eliminating intermediaries and by providing preferential financing of oil invoices. The possibility of paying for energy with goods instead of with cash was provided too. Later

a similar *Petrocaribe* agreement between Venezuela and 14 other Caribbean countries was signed. Then Venezuela signed an agreement with the Andean countries Bolivia, Colombia, Ecuador and Peru forming *Petroandina*. Together these agreements form *Petroamerica* for the energy integration of Latin America with the long-range vision to create a network of electricity line, gas and oil pipelines [Wilpert 2007a, page 99-100].

### **FTAA - Free Trade Act of the Americas**

In 1994 NAFTA was passed in the US and the creation of *FTAA* (with NAFTA as a guidance) with Canada, Central and South America and the Caribbean was encouraged. It was to be the most extensive free trade area in the world having a gross domestic product of about \$13 trillion and an approximately 800 million consumers. The experience with NAFTA has not been a success for everyone. Many people in the US lost their jobs as companies relocated to Mexico where labor is cheaper and standards low. Mexico in return was forced to devalue the peso to attract foreign investment vital to its export-driven economy. This pushed millions into poverty [Kozloff 2006b, page 39-40].

Critics argued that *FTAA* would impose NAFTA conditions onto the whole of the Americas and describe *FTAA* as "an entire new multi-state government in the making, with courts and executives, unelected, with the power to bless or damn any one nation's laws which impede foreign investment, foreign sales or even foreign pollution" [Kozloff 2006b, page 40]. Fidel Castro, who had not been invited to the *FTAA* proceedings said the *FTAA* would "inexorably encourage the annexation of Latin America by the United States" [Kozloff 2006b, page 40].

Under *FTAA* state services such as communications, water utilities, electricity, education, health care etc., are to be privatized and/or opened for competition. A government would not be allowed to treat some companies better than others or be able to favor domestic business over foreign one [Wilpert 2007a, page 156].

At the Fourth Summit of the Americas in Argentine in 2005 Chávez took advantage of the publicity and held a fiery speech against *FTAA* and for his alternative *ALBA*. *Mercosur* Nations Brazil, Argentina, Uruguay, Paraguay and Venezuela voiced objections to *FTAA* fearing it would damage their economies. The conference failed to agree on a trade deal [Kozloff 2006b, page 73-74].

### **ALBA - Bolivarian Alternative for the Americas and the Caribbean**

The basic idea of Chávez's project *ALBA* is similar to the European Union. It would distribute wealth among its member nations, protect Latin America's agriculture since the products can not compete with those of the US. *ALBA* is also directed against intellectual property rights protection seeing it as another form of exploitation and extortion

of the Third World. Another element of *ALBA* is that it does not advocate liberalization and privatization of state services [Wilpert 2007a, page 155-156].

Cuba and Venezuela have signed several documents pertaining to *ALBA* and initiatives in other countries under way [Kozloff 2006b, page 73].

## **Mercosur**

Venezuela has applied to join the Common Market of the South as a full member in 2006. The *Andean Community of Nations (CAN)* (Venezuela, Colombia, Ecuador, Peru and Bolivia) have formed closer ties to *Mercosur* in the direction of a Latin American integration. An agreement between the two was struck and the trade agreement *CAN-Mercosur* was formed. Its goal is to create a free trade zone in all of South America by 2015 with a population of 350 million. Such a common market would be a rival to NAFTA and the European Union. It is agreed upon that within a few years 60% of the goods traded within the zone have to originate from the *CAN-Mercosur* region. The name of the new block is to be *Union of Nations of the South (UNASUR)*. Chávez has called this a very tangible step into the direction of his *ALBA* project [Wilpert 2007a, page 154-155].

### **4.4.4. Social Policy**

Since the 1980s the country had undergone increasing impoverishment and deterioration of social services. According to the UN's Economic Commission on Latin America the proportion of the gross domestic product dedicated to social expenditure was below the average for Latin America at 9% from 1990-1991. By 1996-1997 it had gone down to 8.4% of GDP. Expenditures on public education and health had dropped too at the same time as private health and education services had expanded.

Chávez's government began to reverse this process and raised social expenditure. Enrollment fees for public schools were forbidden and free meals initiated. The violent incidents and the coup of 2002-2003 kept the government busy and stymied activity in social policy during that time [Ellner and Salas 2007, page 68-69].

The Chávez government views social rights as equally important to political rights. In the new Constitution Venezuelans have the right to education, health care, housing, employment and social security. The Constitution demands that the government is responsible to provide free health and education for everyone. In employment it states that the state is to develop economic and social policies aiming at full employment [Wilpert 2007a, page 105].

After the crisis of 2002 - 2003, the government began to concentrate on its social policy and initiated a program called the *Agenda Alternativa Bolivariana* which was designed to

promote cooperatives, small businesses and companies (including the necessary credits) and to stimulate a "humanist self-managing economy". Thanks to the money from the oil industry due to high oil prices the government was able to generate major programs in the areas of health, education, job training and subsidized food for the poor called Misiones [Ellner and Salas 2007, page 67-69].

### **Missions**

The Missions began as programs to eradicate poverty and illiteracy in Venezuela taking the place of the former Plan Bolivar 2000 (see section 7.2). A few examples would be:

**Misión Barrio Adentro** Free health and dental care for the poor. Thousands of Cuban doctors were brought in (doctors for cheap oil) [Tarver and Frederick 2006, page 154].

**Misión Robinson** A series of programs to eradicate illiteracy. It employed Cuban experts to train teachers to educate students in an accelerated program and then prepared teachers to bring their students to a sixth-grade literacy level in only two years [Tarver and Frederick 2006, page 154]. It includes TV programs, reading glasses and material in indigenous languages, night courses in math, geography, grammar and foreign languages [Levin 2007, page 103]. It helps prepare high school graduates for university, helps the unemployed find jobs, provides daycare for children, access to free computer centers etc. The United Nations declared Venezuela free of analphabetism in 2005 [Niebel 2006, page 238].

To support this progress a decree was passed and the Ministry of Education began to inspect schools, including the private ones, with the goal of improving standards. A law was proposed and passed to establish public pension and health protection for informal-economy workers [Ellner and Hellinger 2004, page 126].

**Misiones Ribas - Sucre** These missions aimed at secondary (Ribas) and university (Sucre) education. It brings high school dropouts to graduation level in two years and put them in the workforce with *PDVSA* or *CADAFE*. It also grants students 100US\$ per month during university education [Tarver and Frederick 2006, page 154]. It includes the Universidad Bolivariana de Venezuela, a University system starting 2003 spread all over the country taking higher education to the people. It is based on inclusion and close ties with the community complying with the new constitutional right to higher education for every citizen admitting more than 350,000 students by 2006 [Gilbert and Marquina 2006].

**The Misión Mercado** builds and operates alternative government supermarkets with subsidized food for the poor [Tarver and Frederick 2006, page 154].

**Misión Miranda** Starting in 2005 the government announced "popular defense units" which were to be organized in accordance with neighborhood and workplace directly under Chávez's command. First one million, then two million were to be recruited in order to be prepared for a possible US invasion and an "asymmetric war", according to Chávez [Wilpert 2007a, page 51].

Venezuela's National Institute of Statistics says that the poverty level has dropped 8% to 35% in 2005 and that the critical poverty level has dropped 10% in the first half of 2005, to 8% [Levin 2007, page 116].

Chávez encourages Venezuelans to speak to him directly or to pass him letters with their requests. This means very direct contact with people. It also aggravates the impression, that those who can't reach the President himself don't have the chance to get their request heard at all, no matter how important it may be [Levin 2007, page 106].

### **Rural and Urban Land Reform**

After the general failure of land reforms in South America during the 1960s and 1970s governments were not very keen to take up the issue. Chávez made it a central concern of his government including not only the rural, but also the urban areas. About 12% of the population is rural and 87% is urban today. Due to the concentration on petroleum Venezuela is the only country in Latin America which is a net importer of agricultural products. All attempts to diversify the economy have failed so far. It is now included as a goal in the Constitution [Wilpert 2007a, page 110].

The land reform project is a key element of Chávez's presidency aiming at greater social equity and increasing productivity. In 2001 the "enabling law" was passed, stating that all adult Venezuelans have the right to apply for a piece of land for their family (as long as they meet certain prerequisites) 75% of the country's private agricultural land is owned by 5% of the landowners. On the other hand 75% of the smaller landowners own only 6% of the land [Wilpert 2007a, page 110].

The new land reform laws created three new institutions to oversee the process:

1. The National Land Institute, responsible for tenancy and redistribution;
2. The National Rural Development Institute, responsible for technical assistance and infrastructure;

3. The Venezuelan Agricultural Corporation, responsible for providing assistance with distributing commercializing the products of the farmers benefiting from the land reform.

According to the new law, land can be expropriated if it is idle agricultural land of a certain size [Wilpert 2007a, page 111].

By implementing the law 3 million hectares of state-owned land had been distributed to over 200,000 families by the end of 2005.

The urban land reform program deals with inhabitants of barrios, urban slums where 60% of the urban population lives. The inhabitants built the homes themselves on land they occupied by land invasion or squatting. Many are on unsafe land on the hills around Caracas risking to slide into the valley with strong rains. The poor have been demanding to be legalized since the Caracazo when a barrio movement began which later merged into the Bolivarian movement [Wilpert 2007a, page 116].

Chávez had promised the poor to give them legal ownership and titles for their homes. However the government could only transfer state-owned land which made up around one third. The rest was either privately owned or unclear, and so a new law was introduced.

Land committees were formed to represent the families in the barrios, to organize participatory democracy and to deal with the government. By 2005 5,600 of them had been formed representing about 800,000 families or 4 million people. About 126,000 families received titles to their homes [Wilpert 2007a, page 117].

## **4.5. Summary**

Hugo Chávez plays a very vital and important role in the process of the Bolivarian Revolution in Venezuela. He is at the center of it making many decisions pulling many strings himself. The movement is concentrated on him to a point which makes it difficult to image Venezuela and the Bolivarian Revolution without him. It is doubtful whether developments would continue in the same direction should Chávez no longer be in office. The fixation on charismatic Chávez is a strength and a weakness of the movement. On one hand he is extremely popular and has succeeded in uniting many different people behind him. On the other hand the movement has failed to promote other candidates and alternatives to succeed him.

There were several reasons for the rapid growth of Chávez's support, among them the economic recession towards the end of 1997 bringing an abrupt fall of international oil prices with it. This led to further impoverishment of the people and added to the critical perception of Caldera's reforms.



It seems very clear, that President Chávez is making a great effort to fight social injustice in Venezuela. His motivation seems to be unquestionable and he has been successful in reducing poverty.

Questionable though are some on the methods he chose to employ. He has built up parallel structures using the military for his means, working around the official ministries and partly ignoring the responsible authorities. As seen, for example, in the missions.

He argues that this is necessary because of the immense corruption in the administration and it is true, that many of the civil servants in the ministries are not loyal to him, but to the old establishment. Calling for more democracy, and at the same time working around the democratically legitimated institutions of the country is contradictory. What is missing, is a real long term plan on how to end the problem of corruption and of the disloyalty of civil servants throughout the ministries.

As emergency measures one could accept these methods, but they have been prolonged on and on and need to be integrated into a cohesive administrative structure. Critics argue that the missions would not survive a drop in oil prices - Venezuela's dependency on one "crop" has been solidified this way.

This leads to another problem which still has not been properly addressed: the concentration on the petroleum industry for the country's income. The Economy desperately needs diversification to reduce dependency on agricultural imports and on the oil exports. The petroleum industry will, sooner or later, come to an end. Venezuela needs to be prepared for a time after petroleum.

In spite of all anti-neoliberal rhetoric and discourse Chávez is desperate for investors. He has to tell his nationalist compatriots what they want to hear in terms of independence from the US, in order to keep his popularity high, and at the same time he must not scare off foreign investors which sometimes results in a tightrope walk [Gott 2001, page 173].

Consistent high oil prices on the world market have ensured and facilitated the popularity of Chávez's government as high expenses for its social policy have been possible. State resources have provided for the country's poorest and social rights are being respected.

If Chávez truly wants to develop an alternative to neoliberalism he will have to do more than simply redistribute the wealth gained through high oil prices on international markets. It is left to be seen if his project *ALBA* proves to be a step into that direction.

## 5. The new Constitution of 1999

*"The participation of the people in the formation, execution, and control of public administration is the necessary means for achieving the involvement that ensures their full development, both individual and collective. It is the obligation of the State and the duty of society to facilitate the generation of the most favorable conditions for putting this into practice.*

Article 62 of the Constitution of the Bolivarian Republic of Venezuela

During his time in jail, Chávez studied political theorists, one of them being Antonio Negri. Negri is a well known leftist theorist who wrote much about the "constituent power" and the need for a constituent assembly in order to achieve a revolutionary foundation for a country [Wilpert 2003].

His plans for a new Constitution were so definite that he gave his movement the name "Fifth Republic Movement" signaling the new, the fifth republic to come. Between 1811 and 1961 Venezuela had had 26 constitutions, so that the idea was not new at all. The last one from 1961 had lasted the longest even though President Carlos Andrés Pérez had made several changes in it. After the *Caracazo* more political participation had been granted and the direct election of state governors and mayors had been made possible which was the ground for new parties to come into existence besides *AD* and *COPEI*. After the coups of 1992 calls in favor of further reforms of the constitution went unheard [Wilpert 2003].

### 5.1. The Constitutional Assembly

Right after his election Chávez announced that he would hold a referendum in which the people would be able to decide whether there should be elections for a National Constituent Assembly for a new constitution [Wilpert 2003].

Since the old constitution of 1961 provided no mechanisms to call for a constitutional assembly and a case was filed by the human rights organization *fundahumanos* with the Venezuelan Supreme Court asking to give out a constitutional interpretation about the constitutionality of holding a referendum for the approval of such an assembly. The court ruled in favor of Chávez but the decision remained controversial with those who saw this as an opening for the path to dictatorship [Wilpert 2003].

The referendum had two questions: one was whether to hold a constitutional assembly or not. Which 92% answered with "yes". The second question was whether voters would accept the procedures set forth by the president or not. 86% voted yes in response to this question. The abstention rate was 63 % [Wilpert 2003].

In July 1999 elections for the Assembly were held. 24 members were elected to it nationally, three representatives of the indigenous population and 104 from the respective states. All together there were 131 members who were all elected directly by a simple majority. Only six of the elected representatives were representatives of oppositional parties [Wilpert 2003]. The Assembly had toll-free phone lines installed so people could call in, ask questions or give opinions. Some members of the Assembly traveled around the country organizing assemblies to discuss the new constitution with ordinary people [Levin 2007, page 83].

Chávez had announced the new constitution to be ready within six months. Since plenary sessions were too time consuming most of the assembly's work was done in 22 commissions. The Assembly had also taken over legislative functions bringing on laws to save time which caused a debate, since this was formally out of its jurisdiction. Chávez and his supporters were of the opinion that since the assembly was the highest legislative representative of the people it should be allowed to take over the legislature. On December 15th 1999 another referendum to ratify the new constitution was held. 71% voted "Yes" for the new constitution and only 28% "No!" against it [Levin 2007, page 83].

## **5.2. Main Changes in the new Constitution**

The new constitution changed the name of the country to Bolivarian Republic of Venezuela. It changed the presidential term from 5 to 6 years in office and allowed two terms in succession. It provided for a presidential recall referendum enabling voters to remove the president from office with enough signatures on petitions. It changed the National Assembly from a bicameral legislature to a unicameral one. It forbade the privatization of the oil companies and extended labor and social security benefits. It gave the indigenous people more rights and it improved human rights issues. It included environmental rights, established guidelines for restructuring the judiciary branch and incorporated various forms of direct participation. It also increased the branches of government from three to five by including the *Citizen Power* and the *Electoral Power*. It also gave the military the right to vote [Ellner and Hellinger 2004, page 85].

The new Constitution played a central role in the political process. The poor understood this Constitution as their project. The Constitution is widely read, held up during rallies and the participation of the civil society in the making was enormous. Workshops,

round tables and committees were formed to discuss it [Azzellini 2004].

### 5.2.1. Women's Rights

Unlike all other constitutions Venezuela's now includes the masculine and feminine versions of all political actors it mentions. It includes the definition of discrimination set up by the "Convention of the Elimination of all forms of Discrimination against Women" which says that an act is not only discriminatory if it is meant as such but when it has the effect of producing inequality. Article 21 states [Wilpert 2003]:

*all persons are equal before the law and consequently: No discrimination based on race, sex, creed or social standing shall be permitted, nor, in general, any discrimination with the intent or effect of nullifying or impairing upon the recognition, enjoyment or exercise, on equal terms, of the rights and liberties of every individual. [con 1999]*

This obliges all public policy to be examined for possible discriminatory effects. Another benefit for women is the right of women homemakers to social security benefits on account of the work done at home:

*The State guarantees the equality and equitable treatment of men and women in the exercise of the right to work. The state recognizes work at home as an economic activity that creates added value and produces social welfare and wealth. Homemakers are entitled to Social Security in accordance with law.[con 1999]*

### 5.2.2. Law and Justice

Article 2 states that "Venezuela constitutes itself in a democratic and social state of law and justice ..." [con 1999]. This implies, contrary to many other constitutions, that law and justice are seen, or can be seen, as two different things. On justice itself the constitution says:

*the state promotes the well-being of Venezuelans, creating the necessary conditions for their social and spiritual development, and striving for equality of opportunity so that all citizens may freely develop their personality, direct their destiny, enjoy human rights and search for their happiness. [con 1999]*

It has been argued by critics that this idea of a state of justice, which is not a clearly defined term and is based much more on motivation and is a moral category, (in contrary to law) contrasts with a state of law and could open the way to (benevolent) dictatorship.

### **5.2.3. Economic, Social, Educational, Cultural and Human Rights**

Motherhood is now protected meaning pre-natal care is guaranteed (although this makes abortion more difficult) as well as family planning. Housing, health care, employment rights and sufficient salary are guaranteed. It introduces the right to: "life, work, culture, education, social justice and equality" [Ellner and Hellinger 2004, page 127] including social security for the elderly, disability payments, housing, unemployment insurance and public health care forming an "integral and universal" social security system. How these rights are to be enforced and what is to happen if they can or will not be enforced remains to be seen [Wilpert 2007a, page35] .

Human Rights play a central role in the Constitution. Not only freedom of expression, the right to assembly and political participation have their place but also the social human rights as employment, housing and health care are included and guaranteed by the state [Wilpert 2003]:

*Health is a fundamental social right, an obligation of the state, which guarantees it as part of the right to life. (...) Every worker has the right to a sufficient salary that allows a life with dignity and covers his own and his family's basic material, social, and intellectual necessities.[con 1999]*

### **5.2.4. The Right to Information**

A very controversial article in the assembly was the one of the right to information. The article says that citizens have the right to information which is "timely, true, and impartial" and then goes on to something seen as contradiction to the first part saying that the information is to be provided "without censorship, in accordance with the principles of this constitution". [Wilpert 2003]

The constitution also guarantees universal protection from war propaganda and discriminatory or intolerant messages, guarantees children and adolescents the right to receive information appropriate to their development. The concerned articles are in accordance with international instruments of human rights law, the United Nations Charter, the International Covenant on Civil and Political Rights, the Declaration of Chapultepec and the American Convention on Human Rights.

In order to implement these guarantees a new law was passed. The "Law of Social Responsibility in Radio and Television" [Golinger-Moncada 2003] (see chapter 6.1.2).

### **5.2.5. Political Parties**

State financing for political parties was completely eliminated. Before *AD* and *COPEI* had received generous funding from the state. Since these parties had lost all credibility

the assembly decided to eliminate state funding for parties altogether. The idea of state funding for political parties originally was to give everyone the chance of participating in the political system, not only the privileged who had the means to finance political engagement. This makes this change considering the rest Chávez' policies somewhat surprising since his policy had always been to benefit especially the poor [Wilpert 2003]. The popularity of the decision since many believed this would put an end to the endless resources of the two main parties *AD* and *COPEI* may be an explanation for this. In contrast to the old *partidocracia* of the 1961 Constitution, the new one does not even mention parties [Ellner and Hellinger 2004, page 150].

### **5.2.6. Referenda**

The path to different types of referenda is opened with the new constitution for the first time in Venezuela. It includes the consultative, the recall, the approving and the rescinding referendum. They can be initiated by the national assembly, the president or by petition from 10% and 20% of the registered voters [Wilpert 2003].

### **5.2.7. Indigenous Rights**

The question of indigenous rights was turned to the representatives of the indigenous population (of about 316,000) themselves. The Constitution, for the first time, recognizes their right to exist as well as their languages, different cultures and territories and commits itself to promote them including the funding of bilingual education. It forbids outsiders to register patents based on indigenous knowledge protecting their intellectual property. It also includes guarantees that the exploitation of resources on their land will not affect the indigenous population living there on land they do not own. It guarantees the indigenous population political representation in the National Assembly and all other elected bodies [Wilpert 2003].

### **5.2.8. Environmental Rights**

The constitution commits the state to protect biological diversity, genetic resources, ecological processes, national parks and the environment in general. It forbids the patenting of the genes of living beings. It includes the obligation to issue environmental and socio-cultural impact reports for any activity that could cause environmental damage [Wilpert 2003].

### 5.2.9. Five Powers

In the legislature the bicameral system was changed to a unicameral one. Chávez argued this was necessary in order to speed decisions while critics say this change favors centralization of the state. Unto now the new system has not been faster in approving laws, though, this may also be a result of opposition stalling tactics [Wilpert 2007a, page 38].

The subject of the office of the presidency was discussed very controversially. Chávez increased the presidential term from five to six years and allowed one re-election. He argued, that the job of building a new Venezuela is too great to be finished within a five-year term. Since 2006 Chávez has been talking about a constitutional amendment which would allow indefinite re-elections of the president [Wilpert 2007a, page 38-39]. The referendum held to the subject did not end in his favor, a majority of the Venezuelans voted against this amendment.

In addition to the three powers: legislative, executive and judiciary two more powers have been added: the electoral power and a citizen/public power.

*Citizen Power* consists of the attorney general, the defender of the people and the comptroller general. The Constitution gives this power the task to:

*prevent, investigate, and sanction deeds that go against public ethics and administrative morality; watch for good management and legality in the use of the public patrimony, the fulfillment and the application of the principle of legality in all administrative activity of the state . . . [con 1999, Article 274].*

It is meant to act as an ombudsman for the country to assure that the other powers comply with their functions [Wilpert 2003].

The defender of the people is to watch the state's compliance with human rights. The attorney general is called upon to prosecute citizens who violate the law and the comptroller general's job is to watch out for corruption and good administration of public finances. The other newly created power is the electoral. It is constituted by the *national electoral council* and is in charge of watching over elections and electoral procedures [Wilpert 2003].

### 5.2.10. Civil Disobedience

The constitution states the obligation of the citizens to reestablish the applicability of the constitution should the government fail to do so.

The Constitution states:

*obligation to reestablish the validity of the constitution" [con 1999, Article 333] "people of Venezuela . . . disavow any regime, legislation, or authority*

*that contradicts the values, principles, and democratic guarantees or impairment of human rights [con 1999, Article 350].*

Critics have said that this article does not allow the breaking of laws and so could make it very difficult to be fulfilled.

### **5.3. Summary**

The constitution played an important role at the beginning of Chávez first term in office. It was one of his first projects and was decisive in politicizing and winning the hearts of the lower class. The constitution was what brought people together in the Bolivarian Circles in their *barrios* to discuss and debate it. More people than ever before in Venezuela felt they were actually participating and had a say in the politics of their country.

The constitutional process kept Chávez' government busy for all of 1999. There were not much resources left for other promised important reforms and projects. Supporters of the new Constitution stress the progressive aspects of it as it defines Venezuela as "democratic, participatory, elective decentralized, responsible to the people, pluralist, based on term limits for elected officials and with revocable mandates" [Ellner and Hellinger 2004, page 152]. It emphasizes civil society and direct participation of the people. It makes no mention of political parties directly but speaks of "associations with political ends". As critics have pointed out, many, if not most of these rights or state duties, are impossible for the state to completely fulfill in the near to medium term, given the limited resources of the Venezuelan state [Ellner and Hellinger 2004, page 127].

Critics observe a strengthening of the military's role since the task of promoting militaries has been moved from the legislature directly to the president giving him very direct control of the military. Until 1999 great efforts had been made to keep the military out of politics, even denying them the right to vote. Chávez plans to make the military more "civilian" in their functions has found many critics as well (see chapter 7) [Wilpert 2003].

The centralization of presidential power has also widely been criticized. The president now has the power to dissolve the National Assembly after three votes of non-confidence by two thirds of the National Assembly. He can declare the state a of emergency and may name ministers and their area of responsibility without approval of the legislative [Wilpert 2003]. Wilpert argues, that although the presidential powers have increased these are balanced by an increase in the population's power given to it by the referenda and other elements of participatory democracy [Wilpert 2003].



The problems involving the elimination of political party financing have been mentioned before and pose a problem for organized political participation in the country by all parts of the society. This may have the effect that people from a poorer background may not be able to organize themselves outside the groups and organizations provided by the government parties or Chávez' movement causing a problem of missing plurality and freedom of choice.

It gives special protection to the marginalized in society as women and indigenes. By using the feminine form the constitution makes an explicit invitation to women to participate equally in politics. By giving the indigenous people direct representation in all powers of the state their needs are receiving much more attention.

Before the coup attempt 2002 and the following oil industry strike little attention was paid to the changes in the constitution regarding civil disobedience. But the opposition has relied heavily on these articles to justify their actions even though it has been argued that the articles do not justify breaking laws or legal actions [Wilpert 2003] .

The elements of participatory democracy have been praised around the world. Many socialist countries have had very advanced constitutions which meant very little when it came down to every day politics. Whether or not this new constitution will make a difference depends largely on the political culture that is to be developed in Venezuela. If the constitution does become part of the people's world view, of their culture and values and all branches of government abide by it, it will be successful.

Another factor is the already mentioned high regard especially the poorer population of Venezuela has for the new constitution. It is read and studied in the *Bolivarian Circles*, waved with and carried along at demonstrations, sold everywhere in the country and has become a true political project of the poor. No other constitution before has ever been so widely read.

## 6. The Media

During his campaign in 1998 the private and public media treated Chávez in a very well-meaning way and as it became clear that there was a real chance of winning the election they documented his appearances even more thoroughly. During his first year as president the relationship between Chávez and the media was sound.

Chávez felt very strongly about news that he thought were not correct or not exact enough though. He did not only refute these statements but started verbal attacks on the journalists and private media that had published or broadcast them.

*Teodoro Petkoff* argues that Hugo Chávez has abused the presidential office in a way similar in its repressive effect to a police intervention to the effect that it has created a negative political atmosphere affecting the freedom of opinion [Rafael Sevilla 2005, page 113-114].

Chávez understands the media as anti-revolutionary and has confronted them very directly and has taken every provocative bait the media has held in store for him and has answered with provocations as well [Rafael Sevilla 2005, page 117].

In Venezuela there is complete and total freedom of press. There is no censorship nor are there any imprisoned journalists. But there have been physical attacks by Chávez' supporters on journalists and media critical of the government. Of course one cannot blame Chávez for these attacks in any legal way. But it is possible to say that his aggressive rhetoric has had its part in creating an atmosphere which made such attacks possible [Rafael Sevilla 2005, page 118-120].

Chávez reacted by calling the media corrupt and an "organ of the oligarchy" and did nothing to stop attacks on journalists from his supporters. Private media supported the campaign against him culminating in the coup against Chávez in April 2002 and after it, when it became clear that the coup had failed. The private TV stations broadcast movies and entertainment and no news at all making clear their position in the conflict [Azzellini 2002].

### 6.1. Media in Venezuela

There are different ways to analyse the media landscape of a country. One is the question of ownership. 95% of the television stations, radio stations and newspapers are owned privately. Only about 5% are state owned. The majority of the private media sympathize

with the opposition and not with Chávez [Wilpert 2007b].

RCTV is one of the biggest television networks in Venezuela and is openly opposed to Chávez' government. It supported the military coup against Chávez in 2002 and during the oil strike from 2002-2003 it called viewers out into the streets to help overthrow the government [McElwee 2007].

According to studies only about five TV stations, few radio stations and few newspapers are read, listened to and watched by the majority. RCTV about 35-40% and Venevisión by about 20-25% . VTV 15-20%, Televen 10% and Globovisión 10% [Wilpert 2007b].

RCTV is a private station, owned by the Phelps family, one of the richest in Venezuela who also own soap and food production and construction companies. The president of RCTV is related to the Secretary General of AD.

The second most-watched channel, Venevisión is owned by Gustavo Cisneros, a Cuban-Venezuelan media mogul and one of the richest men in the world. He owns many media outlets in many countries as well as food distribution companies.

Venevisión as well as RCTV were both involved in the April 2002 coup as they both had exclusive interviews with the plotters and were actively involved in the oil industry shutdown later urging people to participate in a general strike. Venevisión became more balanced in 2004, some say because of a deal between Chávez and Cisneros which both deny. Venevisión removed its most anti-Chávez political talk show.

The government's VTV is directly controlled by the executive which names its director. It is political and pro-government.

Televen, broadcasting since 1988, has been more neutral than others.

Globovisión is a 24-hour news channel established by Venezuela's upper crust. It does not have a wide reach but cooperates with several local private stations and is strongly anti-Chávez.

TVes, Venezuelan Social Television, has replaced RCTV and is state owned as well as channel 8. If it does remain independent of the government it would be a contribution to democratizing Venezuelan media. Unfortunately so far the board of directors has been named by the president and the funding comes directly from the central government too. This has been promised to be a temporary arrangement. Still it gives more Venezuelans the opportunity to be heard than any other channel does [Wilpert 2007b].

The private TV stations as Venevisión, Televen and Globovisión have a limited range since they broadcast mostly in the larger cities [Wilpert 2007b].

The government has started a campaign to enable citizens to use media for themselves. Local community TV stations are beginning to become more numerous. Many in poor neighborhoods where people sympathize with Chávez. The government has launched other TV stations such as Vive TV with focus on communal issues and ANTV which

transmits debates of the National Assembly [Wilpert 2007b].

In 2005 a new TV Channel was created by the government: *Telesur*. The channel is a multinational project with 51% of the funding coming from Venezuela followed by Argentina, Cuba and Uruguay. It also has an agreement on sharing material with Brazil. The managers have also announced their intention to cooperate with Al Jazeera which is to open an office in Caracas. The Satellite is available in South America, Central America, North America, Western Europe and northwest Africa. The program consists of documentaries, movies and entertainment with emphasis on informative programs. The channel offers no commercial advertising. The director of Telesur, Aram Ahoronian says "Telesur's reason for being is the need to see Latin America with Latin American eyes" [Kozloff 2006b, page 126-127].

In the case of newspapers the largest one *Últimas Noticias* is a balanced paper even though the opposition calls it pro-government. Following it in order of size and importance are *El Universal* and *El Nacional* and smaller ones are pro-opposition. In the case of radio stations the share of pro-government stations is even smaller still [Wilpert 2007b].

### 6.1.1. The case of RCTV

There has been a lot of hot and excited debate on the fact that RCTV's license to broadcast has not been renewed. In Venezuela, as in all democracies, it is a normal procedure to give out licenses and they are given out for a specific term. In Venezuela this term is 20 years [McChesney 2007].

RCTV had to apply for a renewed license since the old one expired in 2007. Chávez has publicly said that it would not be renewed and cited the assistance of the TV channel during the coup as one of the reasons. This means that RCTV cannot broadcast over public broadcasting frequencies but can broadcast by cable, satellite and the Internet. The procedure of not renewing a license is not unusual in democracies and has happened in many other countries too [McChesney 2007].

The TV station had openly supported the coup attempt against Chávez as well as the oil strikes following it. It banned pro-government reporting during the coup and even omitted the fact that Chávez had returned to office. This clearly goes beyond the limits of free speech into violating the law. Nevertheless, their license was not revoked during the following five years even though there would have been enough grounds to do so for this very questionable behavior [McChesney 2007].

Between June and December 2006 alone RCTV committed more than 652 infractions against their obligations or Schedule of Conditions of License. The Supreme Court has censured the channel many times in 1981 and 2006 for broadcasting pornographic

scenes at prohibited hours. It has been sanctioned more often than any other channel in Venezuela [Lamrani 2007].

The government did make its decision without administrative or judicial hearings. But this is in accordance with the law enacted in 1987. The way Chávez communicated the non-renewal of the license by calling the station golpistas and fascists make the decision seem like an arbitrary one of the president himself. If RCTV were the only big source of opposition to Chávez its going off air would be troubling anyway. But other top TV stations in Venezuela are clearly in opposition too [McChesney 2007].

The case of RCTV does not appear to be a case of censorship but more of a subversive and law-breaking broadcaster not having its license renewed. It has been replaced with a state-controlled TV station in compliance with a constitutional mandate [Wilpert 2007b].

### **6.1.2. The Law on Social Responsibility in Television and Radio**

Among the stated purposes of the law are the upholding of freedom of expression and information, support of parents by limiting daytime media content deemed inappropriate for children and adolescents and encouraging more educational programs. In addition citizen participation is guaranteed in the communication sector [Venezuelanalysis.com 2006].

The law was passed after an intense consultation process all around the country including with universities. It seeks the active participation of citizens in all processes of production, distribution and consumption of media. "It forbids prior censorship and demands post-facto responsibility" [Vega 2004].

There has been much opposition to the law especially to the part stating the prohibition of "Graphic descriptions of real violence" during daytime unless it is absolutely necessary to understand information or if it is unforeseen. It also allows the government to punish stations that "promote, defend or incite breaches of public order" or "are contrary to the security of the nation." Another one is the requirement that at least 50% of musical content must be Venezuelan and 50% of this traditional. Popularity of Venezuelan music has increased dramatically since the enacting of the law [Venezuelanalysis.com 2006].

The Law on Social Responsibility in Television and Radio has contributed to the diversification of the media landscape by mandating five hours per day (between 5am and 11pm) be produced by independent national producers, with no single producer contributing more than 20%. Many independent producers have registered for their participation [Wilpert 2007b].

The Opposition criticizes this law saying the punishment of messages which are "discriminatory, promote violence, promote the breaking of laws or of secret messages" limits

the freedom of expression [Wilpert 2007b].

## 6.2. Chávez and the Media

Until the end of 2001 opposition was divided and scarce. Debates took place in the news and not in parliament. The decline of parties and their capacity to mobilize voters has been the same as throughout the world and parallel to the rise of mass media campaigns and their success. Chávez understood the media well and used his charisma and his communication skills well at the beginning. So opposition began a struggle to limit his use of state-owned TV and broadcasting rights [Ellner and Hellinger 2004, page 48].

Chávez program "Aló presidente!" is an example of his skill with the media. In the program callers ask for help with their problems related to education, finances, employment or anything else troubling them. The president then directly offers and gives assistance to the caller. An office was created to attend the many petitions coming in by mail, phone or fax or from people waiting outside the Palace or residence [Ellner and Hellinger 2004, page 49].

The media which had supported the president during his campaign, as for example the important newspaper *El Nacional* turned away from him as well as other private TV and radio stations. At the same time a very heterogenic anti-Chávez movement came into being and was supported by the media.

For the government only the state owned TV and radio stations remained for communication and these are traditionally not watched much in Venezuela [Welsch/Werz 2002].

According to Welsch/Werz when the media lose their distance and turn into organs of government or opposition this demonstrates a split society. As long as free media and press are given this is the way this problem is voiced. Venezuela is a deeply polarized society and the president's sharp attacks against the private media and specific journalists demonstrate the fact. Journalists actually felt hampered or threatened doing their job. Owners of TV- and radiostations complained and protested against Chávez' endless speeches which they were forced to broadcast according to their broadcasting licenses [Welsch/Werz 2002].

Feeling the government was abusing this right several private media complained to the Human Rights Commission of the Organisation of American States (OAS). The commission did go along with the complaint giving out a communiqué which criticized the fact that the government had given out 30 synchronized programmes of 15-20 Minutes within 2 days. The Commission pointed out that this violated the American Human Rights Convention [Welsch/Werz 2002].

When violence broke out during the march and coup in April 2002 the government

interrupted all tv broadcasting of the shootings and obliged the stations to transmit a speech of the President saying everything was under control. The channels transmitted the speech but one after the other began to split the screens showing Chávez speech on one side and the transmission of what was going on in the streets on the other side. This made Chávez' speech seem utterly absurd when looking at the violence on the streets [Welsch/Werz 2002].

Since 2005 the Reporters Sans Frontières believe the freedom of press to be endangered in Venezuela. The reason for this was tightening of a law against those who insult the president making it punishable by introducing prison sentences from 6 to 30 months [Niebel 2006, page 240].

### 6.3. Summary

Venezuelan media have played an important part in the process of the Bolivarian Revolution. For the largest part the private media has stepped into the breach left by the inapt opposition and constantly criticize and attack the government. This has kept to the government on its toes. Some of the media have overreacted leading to the coup attempt of April 2002 which was openly supported by them. This is very exaggerated understanding of opposition. The media will probably continue to replace a opposition for a while since opposition as yet has not been able to organize itself in a reasonable way.

An interesting explanation for the the aggressive way Chávez has reacted to oppositional media is offered by *Teodoro Petkoff* [Ellner and Hellinger 2004, page 25 ]. He suggests that one reason could be the understanding Chávez has of himself as a revolutionary. A revolutionary, contrary to a "normal" president, knows no legitimate opposition but only enemies and counter revolutionaries which must be eliminated, not integrated, according to Petkoff. His seeing himself as a revolutionary, without revolution, leads to further polarization of the country [Rafael Sevilla 2005, page 114-116].

Since the success of Chávez' movement and his election the old political system was left in ruins. There is no parliamentary opposition left. Opposition has thus voiced itself on the private media.

The conflict between the media and Chávez culminated in the coup attempt in April 2002. The "war" between them culminated in the coup and the counter-coup in April 2002 [Rafael Sevilla 2005, page 114-116].

Media are free in Venezuela. There is no censorship and no journalists have been jailed [Rafael Sevilla 2005, page 118-119]. Legally, everything Chávez' government has done in the media landscape has been in perfect order. The intention of giving more people the possibility of participation in the media and of encouraging independent productions

are very progressive concepts. The implementation of the protecting of children and adolescents from harmful content (including violence and pornography) puts Venezuela ahead of many other countries in the world. Promoting local culture and tradition instead of the usual US-American based pop-pabulum is another positive aspect of the new law.

What should be considered is the way and the style of communication with the public. The aggressive and insulting stance Chávez has chosen to take against the media, as well as against President Bush continues to polarize Venezuelan society and creates an atmosphere which contradicts the spirit of the constitution and of the Bolivarian Project as a whole. The continuous polarization of society is a problem that persists and endangers the project on a long-term scale. Chávez will need not only a part but all of Venezuela to build a new country.



## 7. The Military

In contrast to other Latin American countries, in Venezuela military factionalism and politicization had not posed a problem earlier. The country has had a democratic history since 1958 and the military was an institutional ally of it. [Ellner and Hellinger 2004, page 96].

The military consists of four branches: The army, the navy, air force and the National Guard. The National Guard functions between the military and the police with its primary function being internal security [Ellner and Hellinger 2004, page 104].

The president is chief of the armed forces. Chávez has created a new position besides the minister of defense called the "chief of staff of the armed forces" who is to respond to the president directly [Ellner and Hellinger 2004, page 105].

### 7.1. The Venezuelan Military

It appears that usually the armed forces play an unfortunate role in politics in Latin America whenever they have the opportunity. The military seem connected to bourgeois ideology and not the ideal partner for a revolutionary role in a capitalist environment.

In Venezuela things are different as the military have played an important role in supporting social projects and were a main actor in helping Chávez return to power after the April 2002 coup against him [Harnecker 2003b].

The "Plan Bolívar 2000" has given the military a key role in Venezuelan politics as an answer to the high expectations attached to Chávez victory in the 1998 presidential elections. Chávez recurred to the military for the implementation of his social programs since it was the only organization, besides the Catholic Church, with the necessary nationwide structure to carry out the ambitious plans. By making direct contact with the poor especially young officers became very enthusiastic with the programs [Harnecker 2003b].

Harnecker [2003b] sees one reason for this in the philosophy of *Simón Bolívar* who never spoke of class struggle but did show concerns for the poor and especially for Latin American integration. His philosophy has deeply influenced Venezuela's military.

Chávez generation was the first not to be trained in the School of the Americas in the USA. Instead they studied at the Venezuelan Military Academy which had been reformed and had achieved university standards. The officers studied political science,

strategies and attended other universities mixing with civilian students and also came in contact with leftist ideas and ideals. This had a deep impact on the mentality of the armed forces. The new generation of the Venezuelan armed forces did not face any active guerrilla as many others in Latin America. They did not confront fighters but met poverty and the reasons for it. The Venezuelan Armed Forces are very open to all members of society. Senior officers also come from humble families and backgrounds who have often experienced difficult situations themselves often giving them a more profound understanding of the problems of the Venezuelans [Harnecker 2003b].

### 7.2. The Plan Bolívar

Chávez wanted the military to play a vital role in his national development plan. He had already integrated them into his movement before. The military included a pool of capable and educated individuals who were not associated with other parties such as *AD* and *COPEI*.

The idea of Chávez's *Plan Bolívar 2000* was to mobilize spare capacity of the armed forces and to link it with local community groups. Together they were to improve the social infrastructure of the country [Harnecker 2003b]. 40,000 soliders and volunteers began to work on the (re-) construction of roads, health centers and schools together with local authorities.

Chávez chose the military to implement his projects to improve living standards of the poor, clean up streets, build schools, fight diseases and to find solutions in general so the big social problems of the country [Harnecker 2003b].

The Plan Bolívar was one of the first things Chávez put into action after his election. It was an assignment for the military to come up with ideas about how to combat poverty. These plans were very popular especially among the poor. But soon rumors began to spread about corruption among the responsible people and poor oversight of the budget. There was an investigation and many officers were removed from their posts. Suspicion remained [Ellner and Hellinger 2004, page 105-106].

President Chávez, asked about the Plan Bolívar said:

*My order was: Go house to house combing the terrain. The enemy. Who is the enemy? Hunger. And we started it on February 27, 1999, ten years after the Caracazo, as a way of vindicating the military. I even used the contrast and I said: Ten years ago we came out to massacre the people, now we are going to fill them with love. Go and comb the terrain, look for misery. The enemy is death. We are going to fill them with bursts of life instead of gun shots of death. [Harnecker 2003a]*

From 2003 on the misiones took the place of the Plan Bolívar. They also functioned with the help of the military but not only with them. They were also directed by civilians in co-operation with the military reducing the influence of the latter in civilian duties [Wilpert 2007a, page 50].

### **7.3. Turing point Caracazo**

During the Caracazo in 1989 President Carlos Andrés Pastrana gave control over to the minister of defense, leaving to him and to his troops to reestablish control over the streets. The soldiers, who had been trained and socialized to fight only external enemies, found themselves ordered to shoot their own countrymen. Bloodshed was considerable. No one knows exactly how many people died in the riots. Estimates are from 300 to the thousands [Levin 2007, page 66].

This upset many in the military, including Hugo Chávez Frías although he himself was sick and in bed during the Caracazo [Levin 2007, page 66]. Strong emphasis on civic action roles had brought many military officers in close contact with the poor, creating sympathy for their troubles. Many in the military had also suffered from the economic decline. They identified themselves more with the people they were sent to shoot, than with their superiors. The government's decision to use the army against the people led many members of the armed forces to question the government's ability to act in the best interest of the Venezuelans. It encouraged many officers to align themselves with the people, against an apparently corrupt and oppressive regime [Ellner and Hellinger 2004, page 96]. It sharpened the awareness of many officers of the social problems in the country. The obviously huge inequality along with the widespread corruption causing so much poverty in spite of the oil boom did its own part in this [Harnecker 2003b].

### **7.4. The Coups of 1992**

On February 4. 1992 Chávez and Arias initiated their coup which they hoped would call a constitutional assembly and organize a new democratic order for Venezuela after an indefinite period of transitional rule. Another coup followed the first one in November (see section 3.3.3).

The coups changed the military and public perception of the military. Inside the army political activity became more familiar and more probable. Intramilitary divisions before the insurgencies tend to deepen further following the actual events, whether rebellions or coup attempts. In Venezuela these divisions became more complex after Chávez election, as seen in the April 2002 coup against Chávez [Ellner and Hellinger 2004, page 96].

The 1992 coup attempts showed the public a new and visible alternative to the more and more stagnant party-dominated political system. For both civilians and the army, military affairs and political affairs had stopped to exist in separate spheres [Ellner and Hellinger 2004, page 96].

### 7.5. The Military in the Constitution

Constitutional changes for the military after Chávez elections were significant. Venezuela's tradition of an apparently subordinate - or at least politically neutral military institution came from the constitutional premise that:

*The National Armed Forces form an apolitical, obedient and non-deliberating institution, organized by the State to ensure national defense, the stability of democratic institutions and respect for the Constitution and the laws. (Article 132 of the 1961 constitution)*

The 1999 constitution proclaims that the military should be “without political militancy”, and that “its fundamental pillars are discipline, obedience and subordination” (Article 328) The different phrasing was also made to more easily grant the active-duty members of the military the right to vote (Article 330), a privilege they had not had before. The implications of replacing “apolitical” with “without political militancy” seem significant. The wording is vague and allows room for political activism. The constitution also got rid of parliamentary control over promotions, leaving them in the hands of the military institutions themselves. The only exception are the promotions to general (admiral) which the president oversees [Ellner and Hellinger 2004, page 99].

In contrary to the 1961 constitution which granted the state the sole right to possess military weapons the new constitution assigned the military oversight over practically all issues regarding weapons [Ellner and Hellinger 2004, page 100]. The new constitution lay the groundwork for expanding the role of the army.

*The National Armed Force will be the institution authorized to regulate and control, in accordance with the respective laws, the manufacturing, importation, exportation, storage, trafficking, registration, control, inspection, trade, possession and the use of other weapons, munitions and explosives (Article 324) [Ellner and Hellinger 2004, page 99]*

This endowed the military with the authority over foreign relations, the customs office and trade if they involved the use of weapons [Ellner and Hellinger 2004, page 100].

### 7.6. Militarizing the Government

The new role of the military was not only visible within the constitution. Chávez expanded the military's political presence by bringing military personnel directly into the government. Some through elections, others through the *MBR-200* and still others participated in the 1999 Constitutional Assembly or were appointed by the new government. 1998 and 2000 more and more military officers joined electoral politics [Ellner and Hellinger 2004, page 100]. In Chávez government between 1999 and 2004 26% of the ministers have been military officers. Of the 24 governors elected in the 2004 regional elections 41% have a military background [Wilpert 2007a, page 49].

After Chávez had been elected he began preparations for the National Constitutional Assembly where his wife, a brother, five of his former ministers and several retired members of the military and military insurgents, were elected. Other officers were appointed, some to *PDVSA*, the state oil company [Ellner and Hellinger 2004, page 100].

In 2001 Chávez made a symbolic move and placed a civilian as minister of defense. But at the same time he created a new position, a chief of staff of the armed forces who was a military and responded directly to the president therefore bypassing the defense minister. The minister was to be a spokesman for the administrative policy of the institution [Ellner and Hellinger 2004, page 103].

Some interpreted this change as a sign of Chávez's diminishing control over the divided armed forces instead as an effort to demilitarize the government [Ellner and Hellinger 2004, page 100].

### 7.7. Civilianizing the Military

While the government became more military the military became less so. Its role was expanded towards less defense-oriented functions to more police responsibilities and civic action operations. In the 1960s Venezuela's governments had tried to lessen revolutionary potential from the guerrilla by using the military in civic action projects to improve infrastructure and economy. This was continued even after the guerrilla was defeated [Ellner and Hellinger 2004, page 104].

Chávez' Plan Bolívar 200 started on February 27, 1999 - the tenth anniversary of the Caracazo. Chávez wanted the military to clearly stand on the side of the poor publicly demonstrating the inadequacy of the old regime's efforts. He was very keen on repeatedly demonstrating the difference to the *partidocracia* from his Bolivarian Revolution [Ellner and Hellinger 2004, page 105].

With the "National Plan for Citizen Security" starting in May 1999 the national guard assumed a new role acquiring responsibility for combating Venezuela's public safety

problems. It consisted of executing preventative and punitive operations against any sign of criminal activity. Eventually the national guard assumed control of the police [Ellner and Hellinger 2004, page 105].

Some members of the military were concerned with the new role of the military and the shifting away from traditional defense. It also faced problems of corruption and scandals and accusations of human rights violations [Ellner and Hellinger 2004, page 106].

### 7.8. Military Politicization and Factionalism:

The military's intense involvement in government and the political success of Chávez increased factionalism and dissent within the military. Chávez had alienated former allies. Rumors of coup plots surged, especially in the months before the April 2002 coup [Ellner and Hellinger 2004, page 106].

The breach with Arias Cárdenas, member of his former coup coalition, began with Chávez' television appearances during the coup attempt 1992. The public had converted him into a public "idol". For this reason the imprisoned *MBR-200* Members voted to make him the leader. This placed him above the elder Cárdenas, which did not agree with military practices or the more collegial traditions of the *MBR-200*. Contrary to Cárdenas, Chávez continued to reject electoral politics even after his imprisonment. Cárdenas wanted to make the *MBR-200* a political organization and foundation which would allow the people to be united and directed towards change leaving aside the military perspective. Another disagreement between the two. The episode following the accusations of human rights abuse of the military while trying to regain control in the affected zones after the disastrous floods in 1999 near Caracas and Vargas, deepened the differences between them [Ellner and Hellinger 2004, page 106-107].

Not only Cárdenas began to criticize Chávez for having strayed too far from the "Bolivarian project" or the initial goals of the military movement. This culminated in Cárdenas challenge to Chávez during the 2000 presidential elections. Even after the election, factionalism continued [Ellner and Hellinger 2004, page 107].

In March 2000 a group of retired officers announced the formation the the *Frente Institucional Militar*. This was to be a nonpolitical organization opposed to Chávez politicization of the military thus using it as a personal instrument in civilian tasks, compromising military professionalism. This was shortly followed by the emergence of *Junta Patriótica Militar* who sought Chávez resignation, although not through violent means. They also criticized Chávez undemocratic concentration of power. Proclerical concerns were also involved [Ellner and Hellinger 2004, page 108].

Preceding the 2002 coup was a general strike partially organized by *Pedro Carmona*.

Violence erupted with several wounded and dead. Guns were fired and even though never became clear who had fired it reminded people of the Caracazo 1989. Many had since then vowed not to support a government who used the army against its own people. Many army officers could no longer remain loyal to Chávez [Ellner and Hellinger 2004, page 109].

### 7.9. Militarizing the Civilians

In addition to the *Misión Miranda* (see section 4.4.4) to which many military reservists were called out Chávez has organized "popular defense units". This was symbolically announced on the 13th anniversary of his 1992 coup attempt in 2005. The units are of various sizes and are organized according to neighborhood and workplace. They are part of his ten-point "new strategic plan" announced after the 2004 regional elections. The units are placed directly under Chávez's command. First one million, then two million Venezuelans. The reason given is the preparation for a possible US invasion into the country [Wilpert 2007a, page 51].

### 7.10. Summary

The Venezuelan military has played an unusually progressive role in the Bolivarian process for a Latin American context. Instead of fulfilling the usual counterrevolutionary role it is at the heart of the movement. Chávez himself is a military and the first members of his group were military officers. The military has filled in for many tasks usually carried out by civilians and has supported Chávez to a point as to stand in for him during the coup of 2002.

Although there are many parallels, Chávez administration is not a military dictatorship. Chávez acts on the border between democracy and authoritarianism. He has built a new order with power strongly concentrated in the presidency, grassroots movements and the military while also giving the Venezuelan people more power by implementing elements of participatory democracy. He looks to the armed forces as the most capable institution to help him achieve his goals. He has created new institutions to replace the ones he destroyed. Members of the armed force are strongly involved in his administration. The distinction between civilian and the military roles have been blurred. The consequence has been an increase in the politicization and factionalism of the military [Ellner and Hellinger 2004, page 110].

One of Chávez main ideological anchors is to unite the military and the civilians. He has quoted Mao in this context:

*"The people are to the military as the water is to the fish"*

He regards the separation of the two as artificial and one big cause of repression of the civilians through the military. He explicitly wants to break with this because he regards it as an obstacle to the country's development. In practice this has meant: Participation of the military in civilian affairs as in the Plan Bolívar 2000 and the missions. Participation of civilians in military affairs as in the mobilization of military reservists for the Misión Miranda [Wilpert 2007a, page 50]. Considering Latin American history, Chávez theory of overlapping the military and civilians may be a good idea to avoid repression. The negative image the military had gained especially through the Caracazo has been improved much since the people have seen soldiers put to good use in the last years for the first time.

One could say that at the same time as the government has been militarized, at least from its appearance on one hand, on the other the military has been civilianized very strongly. In any case the boundaries between the two worlds have become very blurred [Wilpert 2007a, page 52]. The question to be raised is whether this is a good or a bad thing. Taking into account that military dictatorships in Latin America have always had the background of a very clear boundary between the military and the civilian world it can be considered a positive idea to civilianize the military.

Through changes in the Constitution the president has gained more control over the armed forces than before. The National Armed Forces (air force, navy, national guard and army) have been bound into a single National Armed Force under a centralized command. The president has the promotion list totally under his control politicizing the army at the same time [Wilpert 2007a, page 52]. On the other hand the (united) military is also in a much stronger position to exert pressure on the civilian government.

The polarization and politicization of Venezuelan society has also been decisive for the military. Members of the armed forces can no longer simply obey commands and "do their job" but are forced to take sides. This also results in another problem concerning the "line of command". Higher ranking officers in the army had trouble following orders from lower ranking officers who were their superiors in the political hierarchy [Ellner and Hellinger 2004, page 103].

The positive changes Chávez has brought about "civilizing" the military have not been institutionalized submitting them to personal preference of the president and so making them very vulnerable [Wilpert 2007a, page 51]. These changes should be institutionalized in the near future in order to maintain them even with a new president, not leaving it to chance whether they are to persist.



## 8. Political parties

Since the 19th century, Venezuela had evolved from an oligarchic regime to a social-democratic revolution at the beginning of the 20th century to a tyrannical dictatorship in the middle of the last century into a liberal democracy in the 1960s [Tarver and Frederick 2006, page 107].

Up until the 1990s Venezuela was considered the prototype of a successful democracy in Latin America and *AD* seemed the prototype of a modern party developed out of a marxist revolutionary group. In most research (especially US) special attention is payed to the programmatic statements of the two popular parties *AD* and *COPEI* and their moderate orientation concerning foreign policy. Less attention has been payed to the analysis of internal structures and innerparty democracy. Patronage, corruption and exaggerated proportional regulations were viewed as less important.

The studies done by Latin American social scientists were much less optimistic in their judgement than European and US-American ones [Rafael Sevilla 2005, page 38-39].

The development of political parties and the Venezuelan party system can be divided into five phases:

1. The founding phase of the 40s dominated by *AD* with *COPEI* as the only opposition.
2. The passage after the transition to a presidential democracy 1958-1968 and party fragmentation.
3. Phase of a two party system 1969-1988 where *AD* and *COPEI* took turns in government eventually dissolving political differences between them.
4. The phase following the political crisis of the Caracazo. Venezuela went back to a fragmented multi-party system and an increasing number of people not voting.
5. The phase beginning with Hugo Chávez' victory in 1998 with parties losing more and more importance. Chávez uses a personal-plebiscital governing style marked by increasing instability.

[Rafael Sevilla 2005, page 43-44]

### 8.1. The Punto Fijo Agreement

The agreement of punto fijo between the two biggest parties *AD* and *COPEI* and the liberal democratic party *URD*, excluding the communist party, was of critical importance for the consolidation of democracy in Venezuela. The Communists were excluded although they had supported Betancourts campaign and election [Tarver and Frederick 2006, page 107]. After the experience of ten years of dictatorship the awareness had manifested itself, that consolidation of democracy was only possible with an agreement on polls and a consensus in a few basis questions.

1. Defense of the Constitutional order, the right to govern according to election results.
2. The establishment of a government of "national unity" .
3. The promise to present the voters with a common minimal program.

[Niebel 2006, page 60]

The agreement of Punto Fijo is considered as a draft for democratization and modernization of the contrary with reformatory traits and elements of a social state. This view was confirmed by the people who gave the participating parties 95% of their votes in the elections of 1958 [Rafael Sevilla 2005, page 43].

### 8.2. Political Fragmentation

The problems in Venezuelan democracy were well known: unproductive use of public finances, too large an administration, corruption within the political class, legal uncertainty, governmental inefficiency, high crime rate and a growing loss of values. Beginning during the mid 80s the idea started to spread among some politicians and intellectuals, that the policy of informal distribution and the oil-rent-based state were the reasons for the errors in the system. Privatizations were called for. The new magic words were: Modernisation, efficiency and decentralization.

1984 a "commission for state reform" (COPRE) was founded. It reintroduced the direct election of governors and mayors to boost regionalism and get rid of centralism. The results came quickly: Regional politicians and groups achieved good results which led to more democracy and emphasis on personality. This complicated and fragmented the political system. The support of *AD* and *COPEI* diminished [Rafael Sevilla 2005, page 45].

During the 90ies several a new phenomenon appeared: successful politicians without parties entered the scene in Venezuela. Examples would be the ex-Miss-Universe Irene Saéz or Henrique Salas Römer. They gained influence in the same measure as parties lost it. Parties were regarded with more scepticism, they were losing members and people stopped going to the ballots. Factors like the end of the cold war, denationalization and privatization, decentralization, regionalization and the informalization of working conditions may also have contributed to the economic and political crisis [Rafael Sevilla 2005, page 48-49].

President Caldera (see chapter 2) broke his electoral promise to keep an economy with strong state control and turned to neoliberal reforms after his election just as President Pérez had done. The deregulation of banking, the lifting of price controls, privatizations of infrastructure and the opening of the oil industry to private capital led to politics spinning out of control. Social protest and extraconstitutional actions took the place of parties in the political process from then on leading to the Caracazo and the two following coup attempts and then, eventually, to the election of Hugo Chávez as president [Ellner and Hellinger 2004, page 10].

Tendencies towards a “Delegative democracy” and a “hyperpresidentialism” began to show. Compared with other countries in Latin America there was an excess of institutionalizing in the political party system which had penetrated many areas of society which had to do with the possibilities of patronage through the oil riches of the country. These were at the same time the big advantage of Venezuela and cause for a lot of corruption [Rafael Sevilla 2005, page 46].

### 8.3. Other Parties

Fragmentation of the two large political parties rewarded those small parties which had assumed a radical stand towards them. *Causa R* which had emerged after 1989 was one example. It was founded by previous guerilla fighters of the Communist Party in the 1970s and had split away from the Venezuelan Communist Party. The *Causa R* concentrated on the workers’ movement associated with the steel industry and unionism in general - areas previously under the control of *AD* [Ellner and Hellinger 2004, page 11].

Its candidate Andrés Velásquez was elected governor of Bolívar state in 1989 and ran for president in 1993. He won 22% of the vote for *Causa R*. As governor of Bolívar Velásquez governed in a consultative style similar to the Sandinistas in Nicaragua [Ellner and Hellinger 2004, page 36].

The party was opposed to mega-projects concerning the export-oriented industry as iron, aluminium and bauxite and wanted to concentrate on medium-scale manufacturing

industry.

Democracy and the provision of services were to be secured for the people [Gott 2001, page 140]. As it began to cooperate with *COPEI* and *Movimiento al Socialismo* and began to neglect its anti-party discourse, it began to lose support and popularity [Ellner and Hellinger 2004, page 11].

After Chávez' coup in 1992 his companion Arias Cárdenas joined *Causa R* and was elected as governor of the state of Zulia in 1996 at time when Chávez was still opposed to participation in elections [Gott 2001, page 141]. In 1997 the Party split on the question whether to support Chávez or not into one part maintaining the name of *Causa R* and another one being called *Patria Para Todos*. The later supported Chávez in the electoral campaign 1998.

The *Movimiento al Socialismo* was another secession of the Communist Party. A small political organization with significant intellectual potential located somewhere between "euro-communism" and social democracy which has lived a lot of internal dissensions during its 30 year existence. *Teodoro Petkoff* was a prominent member who had moved from the guerrilla to the Communist Party and then to the *Movimiento al Socialismo* and was an architect of *Movimiento al Socialismo*'s support of president Caldera. Eventually the *Movimiento al Socialismo* chose to support Chávez though while Petkoff was still a minister of Caldera - other party leaders than Petkoff had been in contact with Chávez during his time in prison [Gott 2001, page 129-131]. The *Movimiento al Socialismo* subsequently also split in two on the question of supporting Chávez and the PP or not in 2001 [Ellner and Hellinger 2004, page 48].

Chávez *MVR*, *Movimiento al Socialismo* and *Patria Para Todos* formed the *PP* alliance together to support Chávez in the electoral campaign in 1998. The *PP* was also supported bei the *PCV* and the *MEP* [Niebel 2006, page 111].

The small *COPEI*-associated right-wing party Proyecto Venezuela did not manage to play an important role in Venezuelan politics after its support for Salas Römer in the 1998 presidential elections [Ellner and Salas 2007, page 195].

### 8.4. The new Socialist Party

In 2006 Chávez announced the formation of the Socialist Party of Venezuela (*Partido Socialista Unido de Venezuela*). He conceived it as an anti-bureaucratic measure to broaden leadership and the bolivarian process. It was to elect all representatives, spokespeople and candidates from the bases and constitute not only an electoral machine but a grass roots movement. He has called for new faces, but many old ones have remained.

Originally 5.7 million people signed up to join the new party. *PSUV* claims that 1.4 million of these are regularly participating in their battalions though others say the

number is much lower. Most seem to have signed up simply to show their support for the president and *PSUV* is viewed as "Chávez' party". Chávez has called upon all left groups and parties in Venezuela to join the new party and has said that all who don't are "counter-revolutionary". The way politics in Venezuela is mostly divided on the the question of pro- or anti-Chavistas explains why a lot of emphasis is put on unity.

*PSUV* consists of *Unión Nacional de Trabajadores* workers but also of workers of different unions, the Party of Revolution and Socialism, the Liga Socialista, the Revolutionary Marxist Current, the Tupermaros, Bolivarian currents, liberation theologians, intellectuals, students, indigenous and social movement activists [Janicke 2007].

## 8.5. Summary

The traditional political parties have played a huge role in preparing the path for Chávez and his movement. For decades after democratization and the Punto Fijo agreement the two parties *AD* and *COPEI* played a decisive role in Venezuelan politics.

During the 1980s reform efforts failed and backfired causing a massive rise of poverty, economic contraction, social degeneration and growing popular mobilization. Growing accusations of corruption, clientelism and patronage caused the population to distrust the traditional parties with their interests. The parties bitterly failed in channeling and controlling the growing concern in the population. What is more, they did not even take it serious enough to try to realize real reforms. Demands for greater political participation went unheard by the mainstream parties as well. This was the reason *Causa R* had such great success at the beginning of the 1990s, before it began compromising and cooperating with other parties.

Within a very short period of time, from the *Caracazo* in 1989 to the elections in 1998, a consolidated two party system which had been believed to be totally stable had imploded. Movements had taken the place of parties due to the downfall of the political party system. The rise of one-person-parties/movements was the result of the crisis of a corrupt political system.

Chávez used and channeled the frustration of the people demonizing the old system. His rise has to do with radical populism, especially its sharp anti-party course resulting in the polarization of the population. This polarization did not stop with Chávez's election 1998 but continues unto today, dividing society into pro- and anti-Chávez. Chávez sharp emotional rhetoric, and the way the international community has widely rejected Chávez, especially the USA and Europe, have their part in this.

Democracy without real democratic and structured parties is a very chaotic thing. The media have moved into the opposition taking the place of parties in a problematic way. Traditional parties have still not been able to form a programatic opposition to the

government.

The new party *PSUV* is based on the experience of the mobilizations against the coup in 2002 and the lockouts and has opened political space for grass roots groups and movements. Whether *PSUV* can become an instrument at service for the people, the revolution and socialism remains to be seen [Janicke 2007].

## 9. The Unions

Unions began to form under Gómez as discussed earlier. During the Trienio *AD* promoted unionism since it viewed it as its source of power as well as legitimization and organized itself in the *CTV* (Confederación de Trabajadores de Venezuela) Later under Pérez unions were outlawed.

Before Chávez came to power unionism had been very docile and focused on consensus policies in Venezuela. This was due to the fact that *AD* had dominated trade unions for decades and that the steady improvement of living conditions in Venezuela had lead to the common belief of an own form of "American dream". People were optimistic about the future firmly believing that their children would be better of than themselves. There was no room for militant labor conflicts or true leftist control of unionism until Chávez. Unions were often lauded and applauded even internationally for their contribution to stability and their "responsible" policies [Ellner and Salas 2007, page 77].

Labor movement lost prestige in Venezuela at the same time as the traditional parties did. This is not surprising when one takes into account their close ties [Ellner and Hellinger 2004, page 161]. The speed at which class polarization under Chávez deepened suggests, that society had been under great social tensions for a while even though it had not should through workers movements [Ellner and Salas 2007, page 78].

### 9.1. CTV

There have been two important strikes in the country's history in the oil industry. One from 1936-1937 where the whole nation stood behind *CTV* against the oil companies which were regarded as being "imperialist". The second one was aimed at overthrowing the dictator Pérez Jiménez in 1950. (see chapter 2) In 1989 *CTV* called out a general strike against the neoliberal program of Carlos Andrés Pérez aligning itself with the poor [Ellner and Hellinger 2004, page 161].

Up until then unions had not been militant but instead had been dominated, interspersed and organized by *AD* in the *CTV*. The basis of all political work was "consensus". The general improved standard of living in the country spread optimism and reduced tendencies to engage in labor conflicts. This contributed to Venezuela's image of being a stable and priveleged country since it contrasted sharply to the situation in other countries of the continent [Ellner and Salas 2007, page 80].

In the 1990s *CTV* began an even more moderate policy. But the informal economy grew and *CTV* failed to address these workers in it. It accepted the privatization of the health system with second-class treatment for the poor and dropped it's demands to workers' participation in companies [Ellner and Hellinger 2004, page 162].

During Caldera's presidency from 1994 - 1999 *CTV* and the government fashioned an unofficial alliance supporting the neoliberal "Venezuelan Agenda". *CTV* joined a commission to draw up important labor legislation and paid a heavy price for this influence. They were made responsible for the resulting unpopular measures related to the agenda. These were related to transforming the severance payment and social security systems. *CTV* failed to present alternatives to the neoliberal reforms and lost much of it's support and prestige [Ellner and Hellinger 2004, page 164-165].

During the *CTV* elections in 2001 *AD* had put together an electoral pact with unionists of different ideological parties but kept for itself the two top positions being the presidency and the secretary general. The electoral contests were turbulent and accusations of fraud were loud. Further the alliance between *CTV* and the business organizations *FEDECAMARAS* called to everyone's attention the way Venezuelan unionism had been practicing class collaboration and following orders of political parties for decades [Ellner and Salas 2007, page 78].

### 9.2. Chávez and the Unions

Chávez used these developments for his own purposes calling the labor leaders a "trade union mafia" doggishly following *AD* and COPEI. *CTV* Leaders were forced into a defensive position [Ellner and Salas 2007, page 80]. Chávez viewed *CTV* as a part of the corrupt Punto Fijo System.

The Chavista movement was divided on the question on how labor should be ideally organized. How should the relations between organized labor and state and political parties be structured? How much autonomy was necessary for the unions? Some wanted to work with the existing *CTV* while others demanded a complete break and the founding of a new organization. The alliance between *CTV* and *FEDECAMARAS* leading to general strikes from 2001 - 2003 with the goal of removing Chávez from office led to the latter and the founding of the pro-Chávez *UNT*. Autonomy in the end was comprised in favor of transforming the existing structures in the name of class collaboration and corruption. Judicial proceedings were initiated to dissolve *CTV* and the path of consensus was totally abandoned [Ellner and Salas 2007, page 80].

The "moderates" in the chavista movement, headed by Luis Miquilena, Consituent Assembly President, warned of the creation of "parallel unionism" which in the 1960s had isolated leftist trade unionists. The hard-liners within the movement but also in



*Causa R*, continued pressure to completely restructure existing trade unions. They were supported by some of the neoliberals who were happy to see party influence on trade unions reduced [Ellner and Salas 2007, page 81].

In 2000 Chávez appointed Héctor Ciavaldini as PDVSA president. He was set to undermine the position of (*AD*-controlled) FEDEPETROL and went as far as to argue for the sacrifice of bonuses and special payoffs for workers. The president of FEDEPETROL, Carlos Ortega gained support by denouncing Ciavaldini's policy as "neoliberal" by bypassing existing worker organizations and accused him of having declared a war on organized labor. Later on he called on a strike which forced Ciavaldini to negotiate with FEDEPETROL. The contract resulting from the talks included substantial workers' gains leading to Ciavaldini's removal as *PDVSA* president [Ellner and Salas 2007, page 82].

The elections for the confederation's national leadership in 2001 were disrupted, full of accusations of fraud and had an abstention rate of 50 - 70%. Ortega, the *AD* candidate was finally proclaimed winner with 57% of the vote. *CTV* did not want recently founded pro-Chávez unions from the informal economy to participate claiming that the chavistas had created bogus unions using party members. Social polarization in the society played a great role in the conflict within *CTV* too [Ellner and Hellinger 2004, page 172-173].

*CTV* discredited itself with its ten-week general strike 2002-2003 and its alliance to *FEDECAMARAS* with its involvement in the coup against Chávez. This strengthened the position of those in favor of new union structures. Luis Miquilena who had favored cooperation with *CTV* left the *MVR* which weakened the position of the "moderates" even more. A group of independent labor leaders had emerged and were determined to break with *CTV* [Ellner and Salas 2007, page 88].

Pro Chávez unionists grouped in the Frente Consituyente de Trabajadores linked to the *MVR*. This was later changed to *FBT* which had no formal ties to *MVR* and included trade unionists of other parties as the *Patria Para Todos* and the Communist Party [Ellner and Salas 2007, page 85].

A prominent independent was Ramón Machuca, president of Sindicato Unico de Trabajadores de la Industria Siderúrgica (*SUTISS*), a very large union representing the workers of the steel company *SIDOR*. In the creation of a new confederation it was important not to be suspected of an "official" union. So Machuca was chosen as an independent to lead the new union. It was founded in April 2003 [Ellner and Salas 2007, page 77-89].

The Chavista unionists were torn apart by the question of whether to support Chávez unconditionally and to benefit from his huge popularity or whether to insist on being an autonomous movement with critical positions towards him [Ellner and Hellinger 2004, page 162].

### 9.3. The new Labor Union

The *UNT* founders insisted on trying to avoid the structures and practices which had made *CTV* to *AD*'s lap dog. They were determined to fight corruption, political control, and class collaboration from the past. They supported a workers' right to a recall referendum against union officials and voted for a "horizontal" structure with a 21 member coordinating committee instead of a president or secretary general. The new union did not adopt all of *MVR*'s positions [Ellner and Salas 2007, page 89].

By 2005 different currents could be distinguished within *UNT*. Machuca and others grouped in the "Revolutionary Workers Movement Alfredo Maneiro" which they said was independent of Chávez movement and political influence. They wanted *UNT* elections open to all workers and not only the unionized ones. They called for a slow and thorough process with a bottom-up approach to the formation of a truly autonomous labor union [Ellner and Salas 2007, page 89-90].

The other currents were considered "hard liners". one was a current led by the leader of a Trotskyist group demanded the immediate transformation of *UNT* into a regular labor confederation with elections for top leadership positions and the affiliation of other unions, in fact as of as many as possible even if there was a risk of fostering parallel unionism. The goal was to avoid the corrupt practices so deeply rooted in venezuelan unionism. This current was much in favor of government expropriation of companies facing bankruptcy. They argued that the political circumstances were such that another attempt to overthrow the government could endanger the whole bolivarian project. This called for immediate mobilization capacity and promoting a leftist Latin American labor organization taking in confederations in other countries [Ellner and Salas 2007, page 90].

Another current was one associated to the Labor Ministry and parties of the coalition sometimes represented by the *FBT*.

All were in favor of defending the right to strike and maintaining union autonomy [Ellner and Salas 2007, page 77-91]. The rivalry between the currents slowed further advances of the new *UNT*. The new union did actually assume several positions that were not backed by the *MVR*.

With the founding of *UNT* the same pattern of tight ties to a political party could be reproduced as with *CTV* and *AD*. Leading to nonautonomous labor movements [Ellner and Salas 2007, page 79].

Although *UNT* has quickly outgrown *CTV*, general unionization remains only slightly above 20% of the formal work force. 47% of the workers are in the informal sector - according to the latest figures from the National Institute of Statistics [Fuentes 2008].

## 9.4. Summary

Unions, or maybe the lack of functioning unions, have played a fundamental role in Venezuela and the Bolivarian Revolution. Before Chávez election, labor unions had been a conservative force. This ended when *CTV* sided with the right wing in the coup against Chávez in 2002. Since *UNT*'s founding in 2003 the union has grown and now holds more members than *CTV* did. It is more radical than Chávez's government pressuring it to disown more and to support more worker self-management or co-management. Labor movement is today one of the strongest popular movements for radical social change besides grassroots community organizations and community media.

Structural transformations due also to globalization since 1989, the whole or partial privatization of the telecommunications, ports, oil, steel and airlines sectors have generally weakened positions of organized labor. Due to privatization unions could not articulate their demands through parties or insist on union privileges beyond the ones strictly conform to law. Outsourcing became widespread in many industries and the growth of the informal economy made labor organization more difficult. In Venezuela only 13% of employed workers are unionized which means the movement could be much stronger than it currently is organized.

Within *UNT* discussion is still on on whether to support Chávez or whether to push him. On one hand it is clear that unions and labor movement would be far worse off without Chávez. On the other hand it is necessary to criticize the government in order to deepen the movement and promote democratization [Ellner and Salas 2007, page 186-188].

Internal differences, lack of structures and horizontalism with 21 national coordinators constantly wrangling with each other have led to a point where each faction has begun to act independently from the other. Apart from being divided the union seems to lack a political strategy to deepen the Bolivarian process. *UNT* has, as did *CTV*, so far failed in organizing the workers of the informal sector which has set the union apart from the many poor Venezuelans.

The formation of *PSUV* has caused further dispute within *UNT*. Most currents are in favor of joining *PSUV* but not all of them. After Jose Ramon Rivero, member of the Bolivarian Socialist Workers Force's (FSBT), a faction within *UNT*, was named labor minister more dispute followed as he used his position to strengthen his current.

*UNT* seems to need refounding on the grounds of a dialogue between the different factions within it. It needs a democratic process with clear and transparent internal structures [Fuentes 2008].

## 10. International Relations

*We continue strengthening the integration of the South (...) more than the integration, the union of the South. That is what we are doing, forming a South American political block as a counterweight to the hegemonic pretensions of North America or any other hegemonic pretension"*

Hugo Chávez in Mérida, Bolivia in August 2007

Chávez overall goal in foreign policy and international relations seems to be regaining sovereignty over Venezuela's natural resources, resisting US imperialism and neo-liberalism and his emphasis on Third World solidarity and Latin American integration [Wilpert 2007a, page 193].

He envisions a multipolar world in which the "poles" North America, the EU, Asia Africa and South Africa coexist. He classifies South America into two axis: one is Colombia, Ecuador, Peru, Chile and the other is the Bolívar axis consisting of Venezuela, Brasil, Argentina and Uruguay [Niebel 2006, page 267].

Chávez' foreign policy is dominated by two main aspects: One is about oil, the other about his Bolivarian dream of an integrated Latin America like Simón Bolívar had wished for.

Venezuelan oil policy has been discussed earlier. Chávez uses it as an instrument of foreign policy supporting politically opportune countries such as Mexico or Cuba by granting them great discounts and credit. Similar to Bolívar's strategy of a big South American state to be protected against Spanish reconquista ideas, Chávez wants a similar integration to protect Latin America against US American expansionism an example would be the Venezuelan-Brasilian defense-treaty as a counterpart to NATO he aspires. Another step towards Latin American integration is the free trade agreement between *Mercosur* and the *Andes Pact*. Bolivarianism has a vision for Latin America with its own trading alliances presenting a united front and being an alternative force on a global scale [Sylvia and Danopoulos 2003, page 70-72].

Generally a lot of hot rhetorics accompany his foreign policy [Rafael Sevilla 2005, page 90]. He polarizes on international level the same way as he does on a national level. From his point of view there are "good" and "bad" countries as for example he refers to President Bush as "the devil" himself. This polarization guarentees him support on one hand but on the other keeps opposition on its toes. He seems to believe himself a

South American mastermind and claims that with the help of Venezuela's oil and its petro-policy South America will find its "Third Way" into Democratic Socialism.

According to Gregory Wilpert [Wilpert 2007a, page 153-178], Chávez has five main objectives in his foreign policy:

**1. The promotion of multi-polarity** Multi-polarity as opposed to a uni-polar world dominated by the USA. Chávez supports restructuring of the UN Security council, favoring a seat for Brazil and India.

**2. The promotion of Latin American integration** Chávez believes that Latin American integration would be favorable to its development economically, politically and socially. The integration he wants is to replace the *FTAA* because he fears the USA is too powerful within it and so would exploit the weaker participants. Integration as Chavez wants it is also part of the 1999 Constitution where Venezuela is committed to this integration as a major foreign policy goal.

In the past Latin American integration has often been vocalized by the governments of their countries but never amounted to anything. Reasons for this could be, that in the past Latin American governments have feared to be obliged to give up some of their powers if they promoted integration. Another reason is the lack of infrastructure as highways or rail systems and there fore communication and exchange. A third reason is US American dominance over the continent. Conservative governments seem to believe that they are better of cultivating their relationship to the USA than to each other. It has always been the left which has believed otherwise. At the moment many governments on the continent have left-leaning governments so the tide may change.

**3. The consolidation and diversification of Venezuela's international relations** Venezuela has been very focused on the US in it's foreign policy. Chávez wants to move from this single dependency to closer ties with India, China, Iran and especially, other South American countries. This new policy has manifested itself in several new treaties with these countries. China is of special interest due to their interest in venezuelan oil. Chávez also visited countries such as Libya and Iraq which was not well received by the international community. The international media has since never failed to mention his supposedly close ties with Muammar Qaddafi and Saddam Hussein.

The efforts made to diversity Venezuela's economy (meaning non oil-related exports) have not been all too successfull. These exports did not increase from 1998 to 2003 but did increase significantly in the next two years to the highest level ever in Venezuelan history: to 7.4\$ billion.

**4. Strengthening Venezuelas position in the international economy** The strenghtening of OPEC and the exercising of more self discipline among its members is very important for Venezuela and its position in the international economy. The other big goal is the expansion, integration and union of South American state owned oil companies in order to gain a stronger position on the world market. Venezuela has also announced the construction of refineries in other south american countries.

**5. Promotion of a new regime of hemisphere security** Security is not a topic on which there is a lot of emphasis in Chávez´ Social Delevopment Plan. It does encourage citizens to participate in the military as it encourages peaceful dialog between countries. No one payed much attention to the security aspect until in 2005 Chávez announced his plans to form a 2 million persons reserve army and to purchase arms form Russia, Brazil and Spain in large amounts. The government explained this was not due to a Venezuelas participation in a new arms race but that the it was merely updating its weapons arsenal which had become outdated over the past 20 years. Venezuela spends only 1.5% of ist GNP (2004) on military which is not much compared to the 3.3% GNP of the USA or the 3.4% GNP of Colombia. Venezuela argued it wanted to be prepared for a possible US American invasion or other military actions against the country while opposition called this a bad excuse for arming the country in a similar way to Cuba’s *Committees in Defense of the Revolution* and was only a step on the way to turing the country into a ”Castro-Communist” dictatorship.

The goal of promoting an integration between the military and civilians has been quite successful by mobilizing a reserve military force on one hand, but also by involving the military in many civilian tasks as has been described earlier (see chapter 7)

## 10.1. USA

Chávez is a strong critic of the US and its foreign policy. He has repeatedly accused the country of planning to assassinate him. The US in turn supports and funds the opposition in Venezuela and refers to Chávez´ government as a negative force in the western hemisphere in an effort to isolate it [Tarver and Frederick 2006, page 157].

Chávez has helped the poor in the USA by selling them cheap oil through the *Citgo Petroleum Company* oil company owned by Venezuela there. He also offered to sell cheap oil to Native American tribal communities. After Hurricane Katrina Venezuela provided assistance to the mostly african american victims of the disaster. *Citgo Petroleum Company* set up relief centers in Louisiana helping about 5,000 people immediately. The country also provided hundreds of thousands of barrels of oil in assistance to the USA since none of *Citgo Petroleum Company*’s oil infrastrurcture had been damaged. Chávez

is making an effort to build ties with racial minorities in the USA [Kozloff 2006b, page 175]. President Chávez and president Bush have diametrically opposed agendas. Bush wants the *FTAA* and is on the lookout for allies in his "war on terrorism". Chávez wants an economic integration of South America instead of *FTAA* and has condemned Bush's "war on terror" at several occasions.

Their common interest is maintaining the sale of oil from Venezuela to the US at a high level (about 1.5 million barrels/day). These on one hand colliding interests and on the other hand common interests make the relationship between the US and Venezuela very ambivalent [Wilpert 2007a, page 167]. It explains why Chávez uses loud and partly vulgar vocabulary in the media calling Bush a "devil" e.g. and on the other hand tries to improve the relationship between the countries behind the scenes.

Relations were not that tense from the beginning of Chávez first presidential term but grew gradually so.

- In the year 2000 Chávez visited President Hussein during his visits to all OPEC countries.
- In 2001 Chávez signed the closing document at the Summit of the Americas in Canada "with reservations" saying it didn't mention participatory democracy as an important factor.
- 2001 Chávez announced he would cancel the 50-year military cooperation agreement between the two countries.
- In October 2001 Chávez went on TV denouncing the US attacks on Afghanistan showing pictures of dead Afghani children.

These actions greatly angered and estranged the government of the United States. Chávez on the other side was annoyed with the US efforts to fund opposition in Venezuela. From 2002 to 2005 the US government provided over \$26 million to Venezuelan NGOs channelled through the *National Endowment for Democracy (NED)* and the *US Agency for International Development (USAID)*. How much of this goes to opposition groups is not known since the US government refuses to release names.

*NED*, founded 1983, is formally non-governmental but now receives all of its funds from Congress. *USAID* was funded in 1961 and has since then supported political organizations through a private company called *Development Alternatives Inc. (DAI)*. The funds are invisible to the public. Together *USAID* and *DAI* created *OTI* in different countries, officially to "keep them from moving away from democracy." In Venezuela it operates from the US Embassy building. It is assumed, that the media campaign of

the *Coordinadora Democrática* during the national oil industry shutdown 2002-2003 was sponsored by the *OTI*.

The opposition group *Súmate* was found to have received \$ 53,000 from the *NED* and \$84,000 from *USAID* to support its campaign. *Súmate* was the biggest organizer of the 2003 consultative referendum petition asking for Chávez resignation as well as the presidential recall referendum of the same year and the 2004 presidential recall referendum [Wilpert 2007a, page 172]. When investigations began whether the NGO had violated election laws the directors were indicted. The president of *NED* tried to meet Chávez to ask him to drop the case but Chávez refused even though *NED* threatened to make sure the World Bank would stop its funding of the judicial reform program. Since Chávez refused, the funding stopped.

The third project funded by US money via *NED* and *CIPE's* (Center for International Private Enterprise) Venezuelan partner *Center for the Dissemination of Economic Knowledge (CEDICE)* was the "Plan Consenso País". \$33,000 were paid to unite opposition groups including the chamber of commerce (*FEDECAMARAS*), *CTV*, media organizations, the Church and other NGOs. It is assumed that *USAID* and *DAI* also paid around \$200,000 to *CEDICE*.

Wilpert believes the USA to be responsible for the coup 2002 by means of strongly supporting opposition in Venezuela at the time [Wilpert 2007a, page 174]. But he does not believe that Bush is to be blamed for the oil shutdown in Venezuela in 2003 in any way. This, he argues, was not in the interest of the USA since they could not want more pressure on oil prices than already given by the war in Iraq. In October 2003 Chávez began a new verbal attack offensive against the USA after he had discovered, that the USA had been much more involved in attempts to overthrow the government in Venezuela than had been known.

The training of Venezuelan military at the famous *School of the Americas* (today "Western Hemisphere Institute for Security Cooperation") was announced to be immediately suspended. The training school is notorious for teaching torture and violations of human rights.

Chávez further angered the US government when, due to rising prices, he offered cheap heating oil to the poor in the USA in 2005. By selling Venezuelan oil through the subsidiary of *pdvsa Citgo Petroleum Company* with a 40% discount Chávez gained support within the USA.

## 10.2. Cuba

The Cuban role is a very special one for Venezuela under Chávez and is characterized by cooperation and solidarity due to a close personal relationship between the leaders of



the countries but also because of the ideological affinity between the governments and due to the common enemy, the USA. The personal relationship between the two leaders reaches back to 1992 when Chávez attempted his first coup [Wilpert 2007a, page 162].

### **10.2.1. Ideology**

From the ideologic point of view Chávez considered himself a "Bolivarian", not a socialist at the beginning of his presidency. Until 2005 when in a speech to the fifth World Social Forum Chávez announced his new twenty-first century socialism for Venezuela [Wilpert 2007a, page 238]. It would not be state socialism as in Cuba or state socialism as during the twentieth century in eastern Europe.

The socialism Chávez describes is to be based on solidarity, fraternity, love, justice, liberty and equality. His socialism is to be not only economic but also political with participatory and protagonist democracy from below and inside with elements of the French Revolution. He also emphasizes a compatibility with Christian values and the constitutional values of human and social development [Wilpert 2007a, page 240]. This vision of socialism for Venezuela is compatible with Cuba's political development and explains the ideological closeness between the two countries.

### **10.2.2. Agreements**

The cooperation between the two countries covers the areas of oil, health care, education, sports and arts. Venezuela sends oil and Cuba sends doctors, sports trainers, experts in the sugar industry, tourism, agriculture, medical equipment and education. In 2004 an agreement eliminated all tariff barriers for Cuban imports and provided technical help for Cuba to search for oil off its coast. 2000 Venezuelans go to study at Cuban universities each year. Thousands of Cuban doctors come to Venezuela for the "Barrio Adentro" program. The two countries also cooperate in a continent-wide plan to eliminate illiteracy using a Cuban method. *PDVSA* and the state owned bank Banco Industrial de Venezuela both opened a branch in Havana and the Cuban State Bank opened an office in Caracas [Wilpert 2007a, page 164].

Together with Boliva the countries signed an agreement creating *ALBA*, the "People's Trade Agreement": It commits the countries to develop a strategic plan to ensure that the question of preservation of resources, expansion of employment, market access and other aspects are honored in mutual trade [Wilpert 2007a, page 163].

### 10.3. South America

*Mercosur* and *CAN-Mercosur* could be used as a tool to push Latin American integration ahead. Block members currently are: Brazil, Argentina, Paraguay and Uruguay, while Bolivia, Chile and other countries are associate members. Venezuela is still in the joining process. The members have declared their will to form a South American Community of Nations similar to the European Union. A regional parliament akin to the European Parliament in Montevideo. *Mercosur* has begun to pursue political projects instead of concentrating only on economic ones and openly debate the future of free trade in South America [Wilpert 2007a, page 154-155].

#### 10.3.1. Colombia

Colombia and Venezuela are very similar countries regarding their history and culture. Tensions due to border disputes date back to the founding of both countries after Gran Colombia was divided. Border crossings of regular and irregular armed forces out of Colombia cause additional problems. The border issues are so sensitive because of the oil and mineral wealth of the area. The Lake Maracaibo, the largest in Latin America on the Venezuelan side opens to the Caribbean and facilitates transportation of goods through Venezuela instead of Colombia. The whole region is very popular for contraband and has a reputation similar to that of the "Wild West" in the 19th century [Wilpert 2007a, page 164-165].

Colombia has a strong interest to displace people living on both sides of the border in the region in order to exploit the natural resources, transport drugs and other goods without interference. There are reports of paramilitary forces crossing the border from Colombia to force Venezuelans to leave the area. The region is dominated by different groups as corrupt Venezuelan police and military, drug traffickers, rebels and paramilitary forces. Venezuela has 20,000 troops along the 1,400 mile border to Colombia. Many more than Colombia which needs its soldiers in the interior for civil war and to secure the capital from guerilla forces.

Colombian government officials have often claimed that Chávez supports one or both of the Colombian guerilla groups *FARC* and *ELN*. These accusations have not definitely been proven and have always been denied by Chávez. Venezuela has officially claimed neutrality in the conflict in order to avoid being drawn into it and being forced to view either party as enemy. Venezuelan policy has also been to protect its borders against incursions. There have been incidents with the *FARC*, the *Autodefensas Unidas de Colombia (AUC)*, the *ELN* and even the Colombian army [Wilpert 2007a, page 166-167].

The friendly terms between Chávez and Uribe ended when a *FARC* leader was kidnapped from Venezuela by the Colombian government in 2004 and was taken across the border into Colombia. Venezuela closed its border and declared Colombians would from then on need a visa to cross it. Chávez on the other hand has been accused of supporting the guerrilla. With the help of mediators from Cuba, Perú and Brazil the conflict was cooled down and it was agreed to resolve problems on diplomatic channels in the future instead of through the media. Plans for a pipeline through Colombia were reestablished after having been almost cancelled because of these incidents [Tarver and Frederick 2006, page 157].

In 2007 Chávez got involved in helping to obtain a humanitarian agreement between the Colombian government and the *FARC* in order to free hostages in full agreement with the Colombian government. By the end of 2007 Uribe suddenly openly condemned Chávez' efforts. On TV he declared: "We need mediators against terrorism, not to justify terrorism." Thanks to international pressure on Colombia Chávez was able to continue his efforts and the hostages were released. One of them was Clara Rojas, the vice-presidential candidate running with Ingrid Betancourt who was the presidential candidate, both from the green party, who is still held by *FARC*, in the 2002 election.

### **10.3.2. Brazil**

Brazil has looked for economic opportunities for itself supplying smaller countries with goods and energy resources. President Lula's project is market-friendly but not to be considered purely neo-liberal as he wants support for domestic companies. His idea is to encourage equitable development of the region with Brazil as the hub of the southern bloc of South America therefore watering down the harsh effects of globalization. Brazil has become very strong on the energy field by producing ethanol made from sugar cane - a process highly environmentally destructive. Brazil is becoming an energy rival to Venezuela with its petroleum-diplomacy in the region.

### **10.3.3. Argentina**

Néstor Kirchner became president of Argentina in 2003 and almost at once became a Chávez ally. The two countries trade and exchange just about all goods including agricultural ones: Argentine sells consumer products and Argentine bonds to Venezuela to help refinance its debt. It receives more than 10 million barrels of Venezuelan petroleum per year. Néstor Kirchner's wife, the new president, has continued her husband's policy regarding Venezuela.

One motive for Argentina's friendship to Venezuela is probably due to the fact that it would like to outpace Brazil and its influence in the southern part of South America.

Ideological closeness also becomes obvious with Néstor Kirchner's position regarding *Mercosur* : "We are not interested only in economic integration," he remarked. "We are not interested in a region of the world where integration is full of poverty, exclusion and unemployment." For Venezuela the friendship with Argentina has many benefits: it makes joining *Mercosur* easier which has been stalled by Brazil and Paraguay [Kozloff 2008].

#### **10.3.4. Bolivia**

Since his election President Evo Morales and Venezuela have signed many co-operation agreements between the two states concerning health and education as well as energy and agriculture. Their common goal according to Chávez is the union in a "battle against neoliberalism, against capitalism" [Parma 2006].

They have also signed a military cooperation agreement which includes cooperation in training, capacity-building, and logistics. It also includes the possible construction of a naval base in Bolivia with Venezuelan assistance. The agreement envisions the widely discussed proposal for a South American Defense Council which has been presented by President Lula of Brazil and has been backed by all countries of the region.

Recently, elite opposition leaders from fertile, resource-rich regions in Venezuela, Bolivia and Ecuador have initiated autonomy movements which threaten to destabilize the countries. Venezuela has already declared its support to President Morales and has rejected the autonomy efforts before the May referendum of 2008 as did the OAS.

Another agreement that was signed between the two countries concerns the creation of an common oil company named Petroandina formed by Venezuela's state oil company *PDVSA* , and Bolivia's state-owned YPF. They hope to further promote Latin American integration by these means.

Petrosuramerica is another project already under way between Argentina and Venezuela and with Bolivia very interested in joining. It concerns developing cooperative projects in the gas and oil industries and supplying energy to the southern nations [Suggett 2008].

#### **10.3.5. Ecuador**

The election of the leftist candidate Rafael Correa in Ecuador in 2006 brought the country into the circle of left-leaning governments in South America consisting of Brazil, Argentina, Uruguay, Bolivia, Nicaragua, Chile and Venezuela. He emphasized social spending instead of repaying debt in his campaign, he promised to re-check contracts with foreign oil producers and opposed free trade deals with the US.

Correa's victory is a step ahead for Chávez' plans regarding hemispheric energy integration. Oil represents about one quarter of Ecuador's GNP and looks to Venezuela

to refine its crude oil. Since the oil industry of Ecuador operates partly on indigenous territory this offer moves Chávez into a dilemma regarding indigenous rights versus energy integration [Kozloff 2006a].

#### 10.4. Summary

**USA** The role of the USA and the relationship between Venezuela and the USA are full of contradictions. Venezuela needs the USA as a customer for its oil and the USA need Venezuela to provide oil. They are important trade partners to each other but on the other hand, their foreign policy is very much apart. The USA want a Venezuela quietly selling its oil integrated into the *FTAA* agreement. Venezuela is very much opposed to the US imperialist course and hegemony and favors a different Latin American economic agreement such as *ALBA*.

Most likely the differences between the two countries will continue to escalate in verbal terms. A military intervention, as Chávez has tried to make believe is about to occur, seems extremely unlikely. The USA simply lack the resources while they are still present in Iraq and Afghanistan and threatening Syria and Iran with war. They would also turn all of Latin America against themselves with such an invasion.

More likely than war are media campaigns spreading rumors about Chávez being linked to terrorism (*FARC*), about corruption or human rights abuse. This could discredit Chávez and Venezuela within the international community and even disturb trade.

It is improbable, that Chávez enemies will try to rid themselves of him again by electoral means since they have lost too many elections and fear further legitimizing Chávez by giving him the opportunity to win more elections. So far even though there have been international media campaigns against Chávez he has been able to gain support all around the world in the political left for his bolivarian project.

Chávez has been able to politically benefit from the common external enemy though. The fear and hatred of the Venezuelan people towards the USA, in which Chávez has a big part, has united the people and has sometimes helped to forget that the external enemy is not responsible for all problems and mistakes in the country.

**Cuba** Cuba has played a relevant role in the process of the Bolivarian Revolution. It has supported Venezuela wherever possible and has made it very clear that it is a reliable partner.

While Cuba has been very successful in implementing social rights such as schooling, education, health care and social security in general, it has failed to establish political rights on the same level: Freedom of press, of opinion and political activity are nowhere near the standards of a modern democracy. Nor has Castro ever emphasized

participation. The departing point of the Cuban Revolution is also very different from the Venezuelan situation. In Cuba the revolution liberated the country from colonization through an external enemy, the USA. Castro was able to unite his people against this external invador.

Chávez on the other hand has emphasized democracy, participation and all other political rights as well as social rights from the very beginning. There was no external enemy to fight or unite against, the opponents are internal ones: the oligarchy in the own country. Venezuelans had already experienced democracy and the political rights to go with them. It would be very difficult to turn the wheel back in time in our days after having had that experience. It is different in Cuba where people have never lived in a true democracy.

The founding of the new party *PSUV* has widely been interpreted as Chávez implementation of an authoritatrian one-party state and an indicator of his intention to transform Venezuela into state-socialism. What Chávez was actually calling for was for all (partially very tiny) parties who support him and his movement to unite into one party in order to democratize the movement and make decisions more transparent and legitimate. Should these high set goals like decision taking really succeed in being done by debate and elections this would indeed make the party the most democratic one all across Latin America [Wilpert 2007a, page 220].

Another indicator pointing to Chávez turning Venezuela into a country with state-socialism like Cuba are Chávez' announcements to nationalize "key sectors" of the Venezuelan economy. This is to happen, according to media, by expropriation without compensation. Immediately to be nationalized after his reelection 2007 were telecommunications, energy, and oil production. The speculations were proven wrong since the owners of the companies were presented with agreements and compensation. Another argument for Chávez wanting to establish a "Castro-dictatorship" is the Enabling Law which allows Chávez to rule by decree. This Enabling Law in Venezuela is limited to 18 months much in contrary to the situation in other (even European) countries.

There seems to be no real reason to believe that Venezuela is on the same way as Cuba is. Not being an island but part of the South American continent as such would already make it much more difficult for Venezuela to isolate itself economically the way Cuba has. There is no way Venezuela could achieve self-sufficiency in its industry the way it is focused on petroleum. Venezuela needs and depends on trade with other countries. Venezuela's free press and its history of democracy in the past decades makes it very unlikely and difficult to go backward in these freedom rights. Chávez' twenty-first century socialism seems to be a very different one than Cuba's, emphasizing social, economic and political rights simultaneously.

**Colombia** Colombia is destined to play an important role in Venezuela since the countries are very similar in many ways. And Colombia actually is an important partner for Venezuela in trade and commerce. But it is obvious that the conservative and US-friendly Colombian president Uribe and Chávez don't get along all too well. The political differences are too deep. While Uribe supports and allows US military action on his territory Chávez fears an attack from the US, possibly from Colombian territory. The more recent incidents of Colombia's attack on Ecuador's territory with the alleged findings of proof for Chávez' *FARC* connections have not improved the relationship.

Should Chávez seriously be suspected of having close ties to the *FARC* or should such allegations prove to be true - it would damage his image and make him lose ground politically. It could also serve as a pretext to Colombia or the USA to paint Venezuela as a country of the "axis of evil" and attack it [Podur 2008]. The Colombian attack on Ecuador's territory at the beginning of 2008 does show what could be in line for Venezuela.

**Brazil, Argentina, Bolivia and Ecuador** The role of the South American countries and especially Brazil, Argentina, Bolivia and Ecuador is considerable. The economic and political integration has progressed rapidly during the last years and has given Chávez political legitimacy and acceptance on an international level. This has won these countries a huge amount of independence and self-determination from the US, the World Bank and the IMF. Integration extends from economic agreements over petroleum and agricultural goods to political and military agreements and mutual support. Though *Mercosur* is a beginning *ALBA* does seem much more promising as it promotes more independence and autonomy for its members from US American and European influence.

*ALBA* has succeeded in integrating more Latin American countries than *Mercosur* promoting trade of goods for goods. Milk, corn, beans, beef and doctors have been part of agreements signed under *ALBA* as well as the creation of a regional development bank and a Bank of the South with its principles of solidarity, non-interference and fair trade. Social movements throughout the continent have been successfully included into *ALBA*.

Chávez' Bolivarian dream about the integration of Latin America seems to be moving slowly ahead. *Mercosur* and *ALBA* could be the beginning of a true economic, political and cultural integration.

## 11. Conclusion

Since the European landing on its territory, the history of Venezuela has been one of struggle and war. First a struggle of the native population against the European invaders, later between the descendants of the natives and slaves against the local oligarchy being descendants of the European colonists. Simón Bolívar was one of the first to fight for a South American union and the integration of South America which he saw as the only chance to stand up against the colonists and true independence.

When independence had finally been attained, the struggle was still not over for Venezuela. Several dictators ruled the country with the support of the former colonial countries and the USA who were not at all disturbed by this as long as trade with Venezuela flourished. The incredible riches of the country in petroleum and other natural resources attracted international attention and were the cause for massive exploitation and domestic corruption. Social and economic development of the country became totally dependent on world petroleum prices and demand. Oil is what makes Venezuela's world go round. This history of violence, exploitation and conflict is crucial in order to understand how and why the main actors in the country act as they do, limiting their scope for decision-making.

The pact of *Punto Fijo* (see chapter 8) finally brought peace to the country but led to corruption and lethargy. Corruption was due to the enormous fiscal revenues attained through the oil industry. Incredible amounts of money were invested into social security programs but much of it was wasted, which did not worry anyone since resources seemed infinite. The two biggest parties soon got used to taking turns in power and making all decisions among themselves. No effort was made to include large parts of the population into democratic decision making. As long as there was enough money for everyone and the social programs were generous there were no big problems or protests.

Venezuela had been considered a democratic model state in South America for decades after the *Punto Fijo* agreement. But the parties failed to establish democratic structures within themselves giving people no possibility to take part in decision making. Without these structures the parties were unable to react to changes by integrating and processing them. Everything seemed to be done behind the scenes and corruption lawsuits were frequent, damaging the trust people had in politics.

When (petroleum) recession came and financial resources were shorter, the parties, who had lost all contact to the population, cut down social programs and protests and



rebellion began. Obviously the parliamentary system of Venezuela was not capable of fulfilling basic democratic functions because they were not ready for these radical changes initiated by the *Caracazo* in 1989. (see chapter 3) The *Caracazo* and the memory of the violence exerted by the military towards their own people is one deeply burned into the awareness of the Venezuelans.

Several small parties had taken advantage of the situation and won a lot of votes in the elections after the *Caracazo*. The broad acceptance of Chávez' coup attempt demonstrates the big discontent of the people with (traditional) parties.

When his movement began to form he took advantage of these pre-coup conditions and won the hearts of the people addressing their problems and worries. This included voicing the general discontent and even contempt for political parties and politicians as themselves. This is a problematic way to win popularity, since it can have a boomerang-effect at any given time. It is also a questionable way of democratization since this can only take place with political parties and politicians.

Chávez' new party, the *PSUV* has a lot of work ahead if it does not want to make the same mistakes as the traditional parties. Democratic internal party structures and procedures have still not been fully implemented. In the past Chávez has regarded his own movement and the other parties in the alliance supporting him as simple electoral machine. If this does not change in the near future Chávez will not be able to convince people that his party is something else than a remake of the old parties with a different name.

Corruption within the Bolivarian Revolution may have its origin in one of the Movement's values: to put the collective above self-interest, leaving unclear though, which collective is being referred to. It could be the family, an ethnic or religious group etc. The result of this is that people give preference to a certain group or network (of which they are a part of) granting it more benefits. The threat of external enemies as the US or the opposition further strengthen tendencies among Chávez supporters to "stick together" and help each other out. These problems are not limited to Chávez' supporting parties or members of the new *PSUV* but includes the military and unions too. This threatens the whole process since it robs the new government and party of its credibility and undermines its legitimacy.

Even if real corruption is probably much less than it is perceived it remains a problem eating away at state resources. This is a problem which Chávez' movement, the new socialist party and the other parties supporting Chávez must address quickly.

The public media mostly paints a very Chávez-friendly picture of Venezuela and the Bolivarian process with improvements on the way everywhere. On the contrary private media has drawn a very dramatic picture of the country being virtually on the border to a military dictatorship without freedom of press or speech. Chávez and several private TV

stations have virtually been at "war" with each other using drastic and vulgar rhetoric often overstepping the bounds of good taste.

The oppositional forces in Venezuela have failed to regroup to form a proper democratic opposition so far. After Chávez' election massive (private) media campaigns combined with international pressure and a coup 2002 were combined to overthrow him. Later on, this referenda were initiated to force him to step down but failed. Since then, the opposition has confined itself to boycotting elections and attacking Chávez in private media. Serious (parliamentary) opposition has not been formed. Neither within unionism nor within the party system, it has solely concentrated on the media. The absence of an organized opposition in Venezuela as a corrective to the government and its policies is a shortcoming in the country's democratic system. The blame must be put on the opposition and on Chávez for both promoting and deepening the polarization of the country making a legitimate opposition impossible.

US policy in Venezuela has been to "promote democracy" by funding and strengthening the opposition and therefore weakening the Bolivarian Revolution. Chávez government has denied all legitimacy of such promotion since Venezuela is a functioning democracy, a point of view obviously not shared by Venezuela's opposition. The government and other actors in Venezuela are powerless to cut off these funds. What they can do, and mostly do, is to make these transfers transparent to the public

Not only the government and the administration, but also the opposition suffers from "undemocratic" tendencies. It is being paid and supported from foreign countries, namely the USA, and lobbies which can be regarded as a form of corruption since it is not only considering the interests of the people it represents. The way the coup was carried out against Chávez in 2002 show clear signs of corruption since it was only possible with many unofficial contacts and clandestine agreements between parts of the media, oppositional political parties, some unions and parts of the military.

In contrary to other Latin American countries, Venezuelan unions have often played a very conservative role in politics after fundamental workers rights had been secured in the middle of the last century.

Unions have moved from being a conservative force to being one of the main forces pushing towards more radical change for the purpose of the Constitution and the ideals of the Bolivarian Revolution, from below. Still unionism is not as strong as it wished for regarding its organizational level.

The *CTV* had undergone a similar process as the traditional parties had. The internal structure of the union had not been able to establish democratic procedures or enabled simple members to really take part in decision making processes. The union was strongly dominated by AD and many board members were also members and funcionarios of the party. They had made their peace with the system and many leaders had become corrupt

and complacent.

Problems arose when there was less money for the workers. They felt the unions were not doing enough for them nor defending their interests. After Chávez came to power *CTV* was forced into the defensive by Chávez' aggressive stance and accusations concerning corruption and "not doing enough" for the workers. The unions failure to integrate the informal sector was one cause for the widespread discontent with their work. When it became clear that *CTV* was even involved in the coup attempt against Chávez in 2002 many of the workers were horrified. From their point of view Chávez was working in their best interest in contrary to the union. At that point *CTV* lost all legitimacy within the the laboring classes in Venezuela.

The majority of Chávez' movement was in favor of forming a new union, a process which is still under way since there has been a lot of trouble in the formation stage. Chávez' movement has tried to realize the ideal of horizontal structures - an idea that has many good arguments for it but has made decision making a much slower process than would have been otherwise. The inevitable closeness between Chávez' government and the new Union *UNT* has impeded important disputes from taking place in the name of harmony and union. The new union leaders have often opted for not attacking or criticizing Chávez' government for fear this could strengthen the opposition. *UNT* has stepped into the same trap as *CTV* had before: it is just as close to Chávez' government and party as *CTV* had been to *AD* and, shortly before Chávez came to power, to *COPEI*. The new union *UNT* needs to find a self-awareness strong enough to be able to criticize Chávez in order to put important reforms and changes under way in order to escape this trap.

The military plays a very special and seemingly progressive role in Venezuela. In contrast to most of Latin America the Venezuelan military appears left-leaning. It has taken up many civilian duties in Chávez social programs and is well represented in Chávez' Cabinet.

Much of the social progress attained, has been achieved by outsourcing tasks from ministries and state apparatus to missions and programs with the military creating parallel budgets and institutions. This approach is understandable considering the strong opposition and corruption Chávez faced from within the state apparatus at his election. The military contained officers Chávez knew and trusted. This persuaded him to use the military for operations it is not trained for much less elected for or democratically legitimized to carry out. The military are neither social workers nor teachers or doctors. Chávez argues that the separation of military and civilian population is artificial and the main cause for civilian oppression through the military. Many in the military have become very enthusiastic with the social programs after having had close contact the poor. Bu not everyone there is happy about being expected to take on civilian duties

even though the prestige of the military has increased since this is the case. This is due to the fact that the population is seeing the military being put to good use for the first time in history and the *Caracazo*-memory remaining vivid (see chapter 3).

What is necessary now is to continue to integrate these parallel structures into functioning institutions with a democratic legitimacy since a democracy will not function otherwise.

Even though there are problems, the influence of the military has not had terribly negative consequences for Venezuela so far, the country has not turned into a military dictatorship and Chávez has made great efforts to put civilians into important positions in the government too. Even in the position of the defense minister which was cause for some turbulence within the military. His idea of civilianizing the military has had positive aspects for the country, bringing the two groups closer together and reducing the chance of a military coup and of soldiers taking up arms against civilians they are meant to protect. On the other hand critics do say that the government has been militarized to a certain point. The military chain of command is something hard to break with officers - even being in a civilian government.

The concept of uniting and mixing civilians and the military has extended the idea of defending the country on a purely military basis to protecting it from all kinds of "attacks" including social and humanitarian ones as hunger, illness or poverty with this civilian-military alliance. The military has expanded its responsibility from physical self-defense to protecting the people from humanitarian dangers. Chávez attempt of arming civilians on the other hand may appear as an attempt to expand civilian responsibility from the humanitarian area to the military one. There is some opposition within the military against these developments from those who prefer a clear division of competences and responsibilities.

Since these developments have not been institutionalized they depend totally on Chávez. Should a president succeed him who does not favor this sort of cooperation and mixing of responsibilities, the whole process can be stopped and reversed. So a clear decision must be taken in a democratic way either by parliament or a referendum: if the mixing of military and civilian duties is to become a part of the Bolivarian Revolution it should quickly be institutionalized and democratically legitimized. If not, then this process should be stopped.

Chávez' aggressive rhetorics against the USA contain another dilemma: It is easy and a classic to unite the people against an alleged enemy from the outside. The price of this union is the deterioration of political culture on the inside as well as in foreign relations.

As to economic justice, Venezuela's strong rhetorical criticism of the US is calling international attention to the fact, that they are promoting neoliberalism in the world forcing especially third world countries to play to their rules, opening their markets to

US products and services. This is one big cause of hunger and poverty in the world as local markets cannot compete with the subsidized products imported from industrialized countries.

Chávez efforts and his will to fight for social justice and more equality in the world between the first and third world countries are honorable. But this is a contradiction: On one side he has tried to unite third world countries in order to get better deals when trading with first-world countries. This obviously brings about more social justice in these countries. But the partners he has chosen in this struggle are often countries where human rights are not respected as in Syria, Iran, Russia, China or Libya.

At this point one must question whether he is really supporting social justice and the people in those countries. The situation and conditions within these countries do not seem to have played a great role in devising foreign policy so far. Human rights are not a big issue in most of these countries and social justice is to say the least, impaired. The people in these countries do not gain from Chávez publicly praising their leaders and governments. On the contrary, Chávez support for these leaders can make the internal struggle within those countries for social justice and human rights even more difficult.

Chávez is trying to fight for social justice within Venezuela, and has been very successful in using petroleum revenue to promote it there, and apparently at the same time compromises it within other countries. Or at least he does not promote it in repressive countries. Venezuela has yet to find a balance between striving for more economic and social justice in the world.

There is no imminent danger of Venezuela following Cuba towards a state-socialism without democratic participation. Though, since 1998, the Venezuelan government has stressed and implemented participatory democracy and has emphasized the importance of the equality of social and political rights. Nothing points into the direction of these rights being reduced in any way in the foreseeable future (see section 10.4).

Chávez has supported the development of different fora (as the World Social Forum) in which alternatives to G8 and WTO are discussed and devised and international coalitions have formed. He has promoted strengthening G-15, G-77 and the non-aligned movement. These efforts contribute to weakening the US position on the international stage thus also weakening neoliberal hegemony.

Venezuela's efforts have been directed very strongly at integrating Latin America to counterbalance the US and Europe and to strengthen the third world. *CAN-Mercosur* and especially *ALBA* are promising projects. A belief of the Bolivarian Revolution is that the third world is better off trading among itself than with the first world where it has always had a weaker bargaining position.

The whole system has come to depend and revolve around the person of Chávez. He is in direct control of the army, the new constitution as granted him more responsibilities

than the presidency had before and he has control over most of the communication between the government and the population.

An example would be his TV show "*Aló Presidente*" where he personally deals with the every day problems of callers at the show giving the deceptive impression of being within reach of every citizen but actually increasing distrust into the institutions. Understandably, people have come to believe that only Chávez himself will hear them and can help them.

Another problem is that there is no plan for the time after Chávez. Neither within his movement, which is due to the fact that he is unwilling to share power or to build up a successor, nor within the totally disorganized opposition. He has already tried to prolong his presidency for another term by proposing a change of the constitution limiting it to two terms. This problematic attempt in terms of democracy theory failed, the people voted against the change. This increases the insecurity about what will happen when his term runs out. Much of the political and social change Chávez has created has not been institutionalized which makes it very vulnerable to a change in power. This increases the possibility of Chávez not stepping down when his term runs out, simply for the fear that this could be the end of the Bolivarian Revolution. This would lead to a military dictatorship in which the Bolivarian Revolution would nullify its own claims and intentions.

Thanks to his charisma Chávez was able to bringing many different groups together in his movement and alliance. Thanks to his ability to rally he overcame the traditional apathy of the poor and created very strong emotional bonds with them. He managed to activate this sector of society and to fill it with the hope, that democracy really can make a difference and change the country into something where they matter.

The new Constitution has redistributed power into two directions. One is away from the administration and ministries to the president himself and the other is from the administration to the Venezuelan people through elements of participatory democracy. These include referenda, local public planning councils, social oversight, citizen assemblies and civil society involvement in many state institutions. The positive effects of the latter do seem to cancel out the alarming effects of the first.

The efforts being made to establish communal TV stations and to enable public participation regarding media are very progressive and represent a new way to distribute power and to encourage citizens to actively participate in their neighborhoods and in "making opinion" (see section 6.1). The new law passed regarding the punishability of insulting the president with up to 30 months in prison is alarming and unnecessary though even if its has never been implemented (see section 6.1).

Chávez intention of diversifying Venezuelan economy and reducing dependency on one single resource, petroleum, have not been very successful yet. Although the government

has made efforts to diversify the economy, these consist mostly in subsidies which can have only limited success. Efforts to strengthen other sectors of the economy besides the petroleum sector should be enforced in order to prepare the country for the post-petroleum era.

Criticism and opposition within Chávez' movement is almost impossible due to the sharply polarized society. One is either on the side of the revolution meaning on Chávez' side, or one is against Chávez, meaning one is an anti-revolutionary and an enemy. Not simply an opponent which would be perfectly legitimate in a democracy (see section 6.3) The additional external threat and fear of a US attack on Venezuela makes it even more difficult to criticize him without appearing as a traitor.

The (private) media and president Chávez have had a very difficult relationship (see chapter 6). The aggressive way Chávez has often chosen to communicate with the them have been a source of tension for several years now. Not without reason does Chávez accuse the mostly private media of having played their part in the coup against him in 2002. The private TV channels were only too ready to celebrate the successful coup against Chávez in April 2002 welcomed by the USA and large parts of the international community.

Chávez exaggerated, aggressive and chauvinist stance taken against the media is one side of the story, and the absolutely one-sided negative private media presentation of Chávez' government is the other side. The latter may be a result of the fact that opposition has still not been able to organize itself properly and so parts of the private media have taken its place and as a result have no interest in being objective in their reports. It would also be helpful for Chávez to cut down on the aggressive rhetoric which tends to alienate observers.

Chávez and his supporting parties should continue to pursue their ambitious goal of implementing participatory, not just representative, democracy which has successfully been put into place through communal councils and social programs. These represent a true bottom-up approach which, on the other hand, is contradicted by the hierarchical principles of the top-down approach of public administration and of Chávez' authoritarian and personalist governing style. This antagonism has not been resolved and makes it almost impossible for the government to accord to criticism from below slowing down the whole democratization process.

Another important achievement in the democratization process has been the objective of inclusion, implemented in parts of the new Constitution and the whole process involving it. Inclusion means that groups which were formerly almost completely excluded from political participation, such as women or indigenous population, are now included in politics. This has also been promoted with action programs in education, with micro-credits and land reforms. The result is a much more inclusive society living

up to the ideals (equality and justice) of the Constitution. The policy of inclusion needs expansion.

Chávez' efforts to improve the situation of the many poor in Venezuela seem genuine. The goals he pursues are honorable and Venezuela is on the right track for achieving some of them. The trend is undoubtedly positive: poverty has been reduced [Wilpert 2007a, page 146], education levels are much better (public school enrollment increased from 5.5 million in 1998 to 6.5 million in 2001), public health care is accessible for most people (health care expenditures increased from 1.3% GDP in 1998 to 1.61% in 2004, life expectancy increased from 72.4 years in 1998 to 73.2 years in 2005, infant mortality dropped from 21.4 deaths per 1,000 live births in 1998 to 17.7 in 2001) and political participation has been augmented. [Wilpert 2007a, page 121- 139]

But the means Chávez chooses to obtain his goals are often questionable. He came into office thanks to totally discredited existing democratic institutions and a decline of the whole political system (see chapter 3). While rhetorically demonizing politicians, parties and institutions in the "old system" won him both popularity and the election, to continue doing so in the present time is a double-edged sword threatening to harm its owner. Their confidence into the legitimate and responsible institutions, ministries and authorities has been severely damaged by corruption, but also by Chávez' rhetoric, calling into question democracy itself. The democratically legitimized institutions and ministries are bypassed and hardly have a say in the decision making process. This reduces the already very little trust citizens do have into political institutions.

All in all the Bolivarian Revolution in Venezuela has high aims and claims. Chávez has the support of most of the internal actors in Venezuela and of many external ones for his Bolivarian Revolution. The military, the parties within *PPT* and the new socialist party, most of the unions, civil society and several Latin American countries support his goals. Regaining control of oil revenues has given the state more freedom and independence from the control of private and capital interests. The Bolivarian Revolution has benefited from this freedom by starting a slow ongoing transformation away from capitalism. It has mostly limited itself to social democratic redistributive policies concerning food, housing, education and health care by increasing social spending without actually altering the system of capitalism radically. It has begun to break private ownership of means of production and replaced it by worker and state ownership and has implemented participatory forms of governance. Nevertheless, the capitalist market system is still in place and private ownership and self-management co-exist.

It remains to be seen whether this progress can be secured by institutionalizing and democratizing it and making it permanent through independence from the person Chávez.



## A. Chronology

- 1498** Christopher Columbus
- 1783** Simón Bolívar is born in Caracas.
- 1811** Venezuela is declares independence from Spain.
- 1819** Bolívar becomes president of Gran Columbia.
- 1823** The last troops loyal to Spain are defeated and expelled from Venezuela.
- 1829** Venezuela breaks away from Gran Columbia.
- 1830** Bolívar dies.
- 1847** José Antonio Páez and his allies rule Venezuela as dictators.
- 1854** Slavery abolished.
- 1888** Dictator Antonio Guzmán Blanco establishes a stable, though corrupt, government in Venezuela.
- 1914** Oil well drilled on the shore of Lake Maracaibo.
- 1935** Dictator Juan Vicente Gómez rules Venezuela with violence, but remains in power because of a strong economy
- 1948** Rómulo Gallegos, elected president by popular vote in 1947, takes office but is deposed by the military within the year.
  - 1952–1958 General Marcos Pérez Jiménez rules as dictator.
  - 1954 Hugo Rafael Chávez Frías is born in Sabaneta in the state of Barinas.
  - 1958 The Democratic Action party (*AD*) and the Committee for Political Organization and Independent Election (COPEI) sign the pact of Punto Fijo, agreeing to share political power.
  - 1960 Venezuela, Iraq, Iran, Kuwait, and Saudi Arabia form OPEC, the Organization of Petroleum Exporting Countries.
  - 1964 Rómulo Betancourt serves as first popularly elected president of Venezuela.
- 1975** Hugo Chávez graduates from the Venezuelan Academy of Military Sciences. The government nationalizes the oil industry.
- 1977** Hugo Chávez marries Nancy Colmenares.
- 1980** Hugo Chávez returns to the military academy as an instructor.

## A. Chronology

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- 1982** Hugo Chávez and other military officers form the Bolivarian Revolutionary Movement 200 (MBR-200).
- 1988** In a crumbling economy, former president Carlos Andrés Pérez is reelected to office.
- 1989** President Pérez implements neoliberal financial reforms, which lead to the Caracazo, the Caracan street riots.
- 1992** Hugo Chávez fails in an attempted coup d'état of the Pérez government and is jailed.
- 1993** President Pérez is impeached for corruption. Rafael Caldera is elected president.
- 1994** President Caldera pardons Hugo Chávez and the other participants in the coup attempt. Chávez visits Cuba, divorces his wife, and organizes the revolutionary Fifth Republic Movement.
- 1997** Hugo Chávez marries Marisabel Rodríguez.
- 1998** Hugo Chávez is elected president of Venezuela by the largest majority of votes in the country's history.
- 1999** President Chávez launches Plan Bolívar 2000. Venezuela's new constitution is voted into effect. Landslides kill 15,000 to 20,000 people and leave 100,000 homeless.
- 2000** Hotly disputed elections create a new National Assembly and also reelect Hugo Chávez under the terms of the new constitution. Chávez visits Iraq and other OPEC members to strengthen OPEC's regulation of oil production and prices.
- 2001** Hugo Chávez enacts 49 decrees under the 2000 Enabling Act. Fedecámeras calls for general strike to oppose Chávez's policies.
- 2002** Attempted coup against Hugo Chávez fails. Chávez's wife, Marisabel Rodríguez, leaves him.
- 2002–2003** Business leaders and labor unions unite in two-month-long general strike, shutting down the oil industry and closing banks and schools.
- 2004** Recall referendum fails to unseat Hugo Chávez from Office.
- 2005** **July.** Chávez government passes laws regulating media; new Venezuelan television station, Telesur, begins broadcasting.  
**August.** U.S. Christian broadcaster Pat Robertson suggests that Chávez be assassinated to prevent Venezuela from becoming "a launching pad for communist infiltration and Muslim extremism."  
**August.** Chávez offers soldiers, aid workers, food, and discounted oil to U.S. to help recovery from Hurricane Katrina.

*A. Chronology*

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**November.** Chávez provides discounted heating oil to residents of Massachusetts.

**2006 July.** Hugo Chávez and the Iranian president pledge mutual support.

**September.** Chávez calls U.S. President George W. Bush "the devil" at a United Nations speech.

[Levin 2007, page 119-121]

## B. Glossary of Selected Terms

**Acción Democrática** The Social Democratic Party Action Party 14–21, 32, 45, 48, 49, 61, 68–70, 72–76, 93

**Agenda Alternativa Bolivariana** A program to stimulate a "humanist self-managing economy" and promote small and medium-sized firms embedded in Chávez' social policy 40

**ALBA** Spanish abbreviation for Bolivarian Alternative for the Americas (and the Caribbean), Chávez' proposal for a Latin American Community of Nations in order to boost Latin American economic and political development. 38–40, 44, 83, 87, 89, 95

**Alí Rodríguez** A former leftist guerilla fighter and oil industry expert for Chávez'. Was appointed as Minister for Energy and Mining in 1999. He was also elected secretary general of OPEC in 2001. 36

**Andean Community of Nations** Or in Spanish: CAN - consisting of Venezuela, Colombia, Ecuador, Peru and Bolivia. 39

**Andes Pact** Pact signed by the Andean Community (Spanish: Comunidad Andina, CAN) is a trade bloc comprising the South American countries of Bolivia, Colombia, Ecuador and Peru. The trade bloc was called the Andean Pact until 1996 and came into existence with the signing of the Cartagena Agreement in 1969. Its headquarters are located in Lima, Peru. 78

**Antonio Negri** An Italian professor for philosophy in Padua and one of the leading left theorists of Italy since the 1960s. 30

**AUC** The United Self-Defense Forces of Colombia were formed in April 1997 as an umbrella paramilitary federation that sought to consolidate many local and regional paramilitary groups in Colombia, each intending to protect different local economic, social and political interests by fighting insurgents in their areas. 84

**Banco de la Mujer** Women's Development Bank - BDM founded in 2001 and is part of the Bolivarian Network of Social Organizations. It provides loans, educates members about the Bolivarian Revolution and attempts to increase economic productivity. 34

- Banco Popular** A people's bank. 34
- barrio** Urban slum neighborhood. 51
- Bolivarian Circles** Low organizational unit of the Bolivarian Movement consisting of local groups similar to cells in other organizations 30, 52
- CADAFE** Spanish: Compañía Anónima de Administración y Fomento Eléctrico, Venezuela state electricity company 41
- CAN-Mercosur** The union of CAN and Mercosur 39, 84, 95
- Capitanía General de Venezuela** Large subdivision of a viceroyalty headed by a military leader known as captain-general. 6
- Caracazo** Riot in Caracas in February 1989 as a reaction to President Pérez' economic shock treatment and the drastic rise of prices. The police and military were called out and death toll was somewhere between 300 and 3,000. 45, 72, 91, 94
- Carib** Largest Amerindian group in Eastern Venezuela at the time of the arrival of the Spaniards. The word cannibal comes to us from Christopher Columbus's description of the Carib Indians and their strange eating habits as they sometimes ate portions of the enemy. 4, 5
- Caudillismo** A system of governing headed by a caudillo 9, 13
- Caudillo** A military leader, especially significant to 19th century Venezuelan history 9–13
- Causa R** A socialist political party in Venezuela formed in 1971 by radicals who believed that the Communist Party of Venezuela and the MAS were too moderate. 29–33, 70–72, 75
- CEDICE** Center for the Dissemination of Economic Knowledge 82
- Citgo** A US refinery and gas station chain bought by PDVSA. 35, 80, 82
- Citizen Power** A new branch of government created with the new Constitution in 1999. 46, 50
- Committees in Defense of the Revolution** a network of committees across Cuba. The organizations are designed to put medical, educational or other campaigns into national effect, and to report "counter-revolutionary" activity. 80

- Compañía Guipuzcoana** Compañía de Caracas or Real Compañía Guipuzcoana de Caracas: trade society created in 1728 in San Sebastián, Guipúzcoa, Spain, in order to regulate Spanish commerce with colonial Venezuela. 5, 6
- Coordinadora Democrática** An oppositional organization grouping all of the major anti-Chávez parties and NGOs. 82
- COPEI** Comité de Organización Política Electoral Independiente, Committee for Independent Electoral Political Organization, the Christian Democratic Party 14–16, 18–21, 24, 27, 32, 45, 48, 49, 61, 68–72, 93
- Criollo** People of European descent born in the New World. 6, 7
- CTV** Confederation of Venezuelan Workers 15, 16, 36, 73–77, 82, 92, 93
- CVP** Venezuelan Petroleum Corporation 17, 18
- DAI** A private US company. 81, 82
- DIM** Military Intelligence Service 29
- El Dorado** mythical South American kingdom of gold and riches that fueled the greed of many conquistadores and was believed to be located in what is now Colombia's Bogotá meseta or in Venezuela's Guayana region near the Orinoco River, according to conflicting Amerindian tales. 5
- Electoral Power** A new branch of government created with the new Constitution in 1999. 46
- ELN** A Colombian guerilla called the National Liberation Army founded in 1964. 84
- FALN** Armed Forces of National Liberation, a Venezuelan guerilla formed in 1963. 18
- FARC** A Colombian guerilla called Revolutionary Armed Forces of Colombia – People's Army established in the 1960s. 84, 85, 87, 89
- FBT** Spanish: Fuerza Bolivariana de Trabajadores, The Bolivarian Workers' Force 75, 76
- FCV** Peasant Federation of Venezuela formed in 1936. 15
- FEDECAMARAS** The Venezuelan Federation of Chambers of Commerce. 36, 74, 75, 82

- FIM** Institutional Military Front 65
- FIV** Venezuelan Investment Fund. 19
- FLN** A Venezuelan guerilla called the National Liberation Front established in the 1960s  
18
- FND** National Democratic Front, a center-right Venezuelan party in the 1960s. 18
- FTAA** The Free Trade Area of the Americas 38, 39, 79, 81, 87
- IMF** The International Monetary Fund 23
- Jesús Urdaneta Hernández** An officer of the army and friend of Chávez met during  
the time he organized the Liberation Army of the Venezuelan People in his youth.  
28
- JPM** Patriotic Military Front 65
- Junta** Literally a group and politically refers to the group of individuals who head the  
government. 6, 7, 15, 16, 24
- la Sagrada** An omnipresent secret police force during Gómez' dictatorship in Venezuela.  
12
- Llanero** Rancher or cowboy from the Venezuelan llanos 7, 8, 10
- Llanos** Vast tropical grasslands or savannahs of the Orinoco basin and the Guiana high-  
lands, north of the equatorial forest of the Amazon basin 27
- Maisanta** A legendary figure, General Pedro Pérez Delgado who rebelled against the  
dictatorship of Gómez in 1914. 27
- MAS** The Movement for Socialism, a social-democratic political party in Venezuela. It  
was founded in 1971 by a faction of the Communist Party of Venezuela that op-  
posed the Communist Party's use of armed tactics. 31–33, 70, 71
- MBR-200** A revolutionary movement started by a group of junior military officers,  
including Hugo Chávez. 25, 28, 30–32, 34, 63, 65
- MEP** The People's Electoral Movement, a left-wing political party in Venezuela. It  
supported president Hugo Chávez. 18, 71

- Mercosur** A free-trade zone among Brazil, Argentina, Uruguay and Paraguay founded in 1995. Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela have associate member status. 38, 39, 78, 84–86, 89
- MIR** Movement of the Revolutionary Left, a split-off from the party Acción Democrática. 17–19
- MVR** The Fifth Republic Movement, a left-wing political party in Venezuela which was founded by Hugo Chávez, the current President of Venezuela. 31, 32, 34, 71, 75, 76
- National Directorate** Part of the organizational structure of the MBR-200. 31
- National Electoral Council** The National Electoral Council (Spanish: Consejo Nacional Electoral), or CNE, is the institution in charge of all electoral processes that take place in Venezuela. 50
- NED** A US non-profit organization that was founded in 1983, to promote democracy by providing cash grants funded primarily through an annual allocation from the U.S. Congress. 81, 82
- ORVE** Movement for Venezuelan Organization with a nationalistic multiclass agenda founded in 1937 14
- OTI** Offices of Transition Initiatives 81, 82
- Pardo** People of mixed heritage descendent from European and African ancestry. 5–7
- Partidocracia** A de facto form of government where the will of one or more political parties in power dominates political life, not the will of individual politicians. 49, 64
- Patriotic Front** A left-wing group set up by Luís Miquilena after the Caracazo. 23
- PCV** Partido Comunista de Venezuela, the Communist Party of Venezuela. A working class party founded in 1931. 14, 17–19, 71
- PDN** Partido Democrático Nacional, the Nacional Democratic Party. The result of the fusion of various leftist groups committed to the installation of an authentic democratic regime in 1937. 14



- PDVSA** Petróleos de Venezuela S.A. Venezuelan organization that is responsible for the planning, coordination, and supervision of the national oil industry. Created in January 1976 19, 33, 35–37, 41, 64, 75, 83, 86
- Pedro Carmona** A former Venezuelan trade organization leader who was briefly declared President of Venezuela during an abortive 2002 military coup against Hugo Chávez. 37, 65
- Petroamerica** Consists of Petrosur, Petrocaribe and Petroandina and together form a continent-wide energy integration of Latin America. 38
- Petroandina** A regional oil alliance. 38
- Petrocaribe** A Caribbean oil alliance with Venezuela to purchase oil on conditions of preferential payment. 38
- Petrosur** A politic and commercial company promoted by the Bolivarian Republic of Venezuela, with the support of other governments of the region and directed to establish cooperation and integration mechanisms under the basis of complementarity and it is called to use, fairly and democratically, the energy resources for the socio-economic improvement of the region. 38
- Plan Bolívar 2000** A plan devised and implemented by the military under Chávez' command for combating poverty after his election in 1998. 33, 61
- Polo Patriótico** Chávez' governing coalition in 1998. 32, 34, 71
- PPT** Fatherland for All, a left-wing political party in Venezuela founded in 1997 by members of The Radical Cause party who supported Hugo Chávez. It is led by José Albornoz. 32, 33, 71, 75
- PRP** Republican Progressive Party, a clandestine reorganization of the Venezuelan Communist Party since communist groups were banned from political discourse. 14
- PRV** Venezuelan Revolutionary Party founded in Mexico in 1926. 14
- PSUV** A left wing political party in Venezuela initiated by Venezuelan president Hugo Chávez after he won the Venezuelan presidential election of 2006 in order to merge all parties which support the Bolivarian Revolution. 71, 72, 77, 88
- Punto Fijo** A pre-electoral agreement between representatives of Venezuela's three main political parties in the 1950s. 17

**Real Hacienda** Venezuela's first fiscal system established by the Germany in the 1520s. 5

**School of the Americas** A United States Department of Defense facility at Fort Benning near Columbus, Georgia. 82

**Simón Bolívar** Known as "the Liberator" (1783-1830) a Venezuelan military leader and liberator of South America. 27–29, 31, 60

**Súmate** An oppositional NGO whose name translates to "Join-up". 82

**Telesur** A pan-Latin American television network based in Caracas, Venezuela. It began broadcasting on a limited schedule on July 24, 2005, and began full-time broadcasts on October 31, 2005. 54

**Teodoro Petkoff** Born in Zulia State, January 3, 1932 is a Venezuelan politician, ex-guerrilla, journalist and economist. One of the most prominent politicians on the left in Venezuela, Petkoff began as a communist but gravitated towards liberalism in the 1990s. He has been a prominent critic of President Hugo Chávez, and was a candidate to run against him in the December 2006 presidential elections, but dropped out of the race in August to support Manuel Rosales. 53, 58, 71

**UNASUR** The Union of South American Nations is a supranational and intergovernmental union that will unite two existing customs unions – Mercosur and the Andean Community – as part of a continuing process of South American integration. It is modelled on the European Union. 40

**UNT** National Workers Union, a federation of labor unions in Venezuela that was founded in 2003. This union was created by supporters of Venezuelan president Hugo Chávez to challenge the Workers' Confederation of Venezuela (CTV), an anti-Chávez union federation that has strong ties with the centrist Democratic Action (AD). 72, 74, 76, 77, 93

**UPM** An organization of junior officers in the military 15

**URD** A center-right political party in Venezuela. 15–19, 69

**USAID** The United States federal government organization responsible for most non-military foreign aid. 81, 82

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## **Erklärung**

Hiermit versichere ich, dass ich diese Arbeit selbstständig verfasst und keine anderen als die angegebenen Hilfsmittel und Quellen benutzt habe.

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Unterschrift