

**CONSTITUTIONAL AND POLITICAL DEVELOPMENTS
IN VENEZUELA UNDER PRESIDENT HUGO CHÁVEZ**

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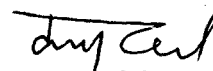
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DEDICATED
TO

MY PARENTS & TAU VIJAY PRAKASH JEE
***** ** *****

(WHO ARE ALWAYS A SOURCE OF
MY STRENGTH AND INSPIRATION)

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PREFACE

Venezuela seemed to offer a democratic model of governance for many years for rest of the Latin American countries. A stable two party system, a military under civilian control and a strong economy provided for long bases for social peace, political stability and the apparent consolidation of democracy. Beginning the late 1980s however, the proverbial stability had been shaken by economic decline and decay of key state and political institutions leading to growing public disaffection, violence and attempted military coups and extended military insurrection.

There are so many events, which can be illustrated as causes of political developments and constitutional changes in Venezuela in the 1980s and 1990s. There are three main events that stand out. First was Black Friday (18 February 1983) when the 'Bolivar,' the Venezuelan currency, collapsed, initiating a long period of hitherto unknown inflation and economic decline. The reason for this collapse was the economic decline in the countries, which were big buyers of Venezuelan oil, like Germany and United States. The financial crisis had indicated Venezuela's deep dependence on oil. Second the bloody and traumatic urban riots touched off on 27 February 1989 due to the implementation of Structural Adjustment Programme (SAP). People of Venezuela were fearful of the consequences of SAP, because the programme caused the hike in prices of basic necessities and other utilities. Third is the attempted military coup of February and November 1992. SAP had affected the military also. There was a reduction in the salary of soldiers. Their living conditions were bad. Therefore, military's disaffection led to the coup. These events had shown that there was a need for change in the political and economic system.

Venezuelan political system, ever since its establishment in 1958, was so strong and self-contained that its key institutions left little room for emerging social forces to find expression; that is to say, the legitimacy of these institutions was questioned. The two leading political parties, *viz* AD and COPEI had entered a power-sharing arrangement, alternating power between them and had monopolised all state including oil revenues between them. Competitive, yet hegemonic, the two had come to level an extent that they had left no scope and place even for civil society. Parties in Venezuelan politics have been very strong because of wide spread illiteracy and fragmented nature of society and the subject political culture. Also, the act of voting was very simple with each voter having only two choices, one vote for president and another for all other elected offices. The management and monitoring of elections was handled by the Supreme Electoral Council (CSE) which itself was organized on party lines.

Three tendencies indicated the problems with electoral politics: first, the low level of voters turnout; second, the effective numbers of parties to two; and the third, lack of ideological distinctions among parties. Amidst such a political situation, one positive development in the 1980s was the emergence of an active and a capable civil society which had done much to redefine the character of state power and the limits of state intervention. More generally, the evolution of grassroots groups like *Escuela de Vecinos de Venezuela* (EJV), or neighbourhood movements, *La Causa Radical* (LCR) or the radical cause, a leftist movement and *Federacion de Asociaciones de Comunidades Urbanas* (FACUR) or the Federation of Urban Community Associations, illustrated both the strength and the limitations of the civil society as a vehicle for transforming politics in Venezuela. The strengths included the capacity to mobilize opinion and place new issues on the national agenda. Notable successes had included campaigns to change electoral laws and to begin effective decentralization, with states and municipalities gaining new status

and taking on new responsibilities. Weaknesses were also evident. With the exception of La Causa Radical (LCR), few of the movements, generated from 'civil society' had consolidated in enduring political forms. For LCR itself the transition from insurgent movement to political party had been difficult and costly. Finding themselves all of a sudden in the surprising position of running state and local governments and occupying position of power in the congress, leaders of LCR encountered pressures to act like a political party. The leaders of LCR made electoral alliances, and close deals in ways that contradicted the participatory and egalitarian ethos of the movements. There had been notable failures at local government level; factions emerged; and the party, LCR, split in 1997.

The emergence of the civil society nevertheless forced the pace of political change in late 1980s and 1990s. In 1989, the Organic Law on Municipal Regulations was introduced to concretize the process of decentralization at the local level, which not only permitted the direct election of mayors and council members but also endorsed the importance of social organizations in local government. Now these organizations got right to information, consultation and referendum on significant issues affecting the community.

Direct election of state governors was another important innovation in the electoral system, which opened new space for political participation, narrowing the distance between voters and elected officials and reinforced the tendency to decentralise power. A new voting system was introduced under which voters either could vote for the entire list, proposed by the party or choose their preferred candidate by name from among all registered candidates even when their names appeared on lists of other party .

In 1990s some events in Venezuelan politics were unprecedented since 1958. In 1992, there were two attempted military coups, first in February the and second in November. These were the first incidents in three decades of

democratic rule. Further shocks were produced by the impeachment and removal from office of president Carlos Andres Perez, followed by the December 1993 election of former president Rafael Caldera, who abandoned the party (*Comite de Organizacion Politica Electoral Independiente*, COPEI) he himself had founded and ran an explicitly anti-party campaign to win a four way race for the presidency. In January 1994, Venezuela's second largest bank, Banco Latino collapsed precipitating an economic crisis. Each of these events undermined or removed a key pillar of the system: a depoliticized and controlled military (military coup of 1992); unquestioned executive dominance and party hegemony (the deposing of Perez and the election of Caldera); and economic strength (collapse of Banco Latino). Citing immediate necessity and coup rumors, president Caldera announced the suspension of some civil liberties and economic rights in order to help the government arrest those responsible for the banking collapse and speculation and inflation. In 1995 the government restored the civil liberties, suspended previous year. In late 1996, the government released Carlos Andres Perez from house arrest. Although the constitution barred Perez from running for the presidency, the former president organised a new party called the 'Movement for Openness and National Participation' in 1997.

Amidst these political and economic turmoils, Hugo Chavez was elected president of Venezuela in December 1998 and shortly after, he called for a referendum about a new constitution. Chavez had originally raised the issue of a new constituent assembly as a vehicle for radical political change at the time of the abortive military coup, he led in 1992. He again raised it in 1998 during the presidential campaign. Chavez had criticized the nation's constitution of 1961 for privileging the leading two political parties. Their representatives in Congress had powers ranging from the nomination of the judges to approval of military promotions. Chavez reserved his sharpest attacks on the two leading political parties, *Accion*

Democrática (AD) and *Comite de Organizacion Politica Electoral Independiente* (COPEI), which for decades had been at the centre of what he pejoratively called ‘party democracy’ or ‘partyarchy’ marked by clientelism, inefficiency and corruption.

Considerable debate in the constituent assembly centred on two basic propositions aimed at transforming the state. The first strengthened the executive branch and weakened the congress. The assembly created a unicameral congress, eliminated congressional input in military promotions, and empowered president to dissolve the congress under certain circumstances. In addition, it extended presidency from five to six years and allowed for immediate re-election. Chavez was reelected by popular vote for a six-year term in May 2000, where he won with 57 per cent of the votes. It also created the figure of a vice president, rejecting a proposal to balance presidential power with that of a prime minister. The second major proposition was ‘participatory’ democracy. The new constitution allows for different types of referenda, making possible the removal of elected officials, and provides for the participation of civil society in the nomination of judges at all levels, the National Electoral Council, the National Comptroller and the newly created ombudsman. Following the example of Colombia, which set aside two indigenous seats in the senate, three indigenous seats are reserved in Venezuela’s unicameral national assembly. The new Venezuelan constitution also reserved indigenous seats in state assemblies and municipal councils in districts with indigenous populations.

In addition to the new constitution, the Chavez government’s fiscal policies are designed to promote institutional transformations. The fundamental objective of the strategy is to overcome the extreme bureaucratic lethargy, clientelism and corruption that many attributed to the oil money over an extended period of time. The Chavez government has claimed that it has resisted the pressure from below to open the spigots of the abundant oil

revenue derived from sharp price increases in 1999 and 2000. For the first time, the government deposited a significant part of the revenue that exceeded annual estimates in a 'macroeconomic fund', created to deal with future exigencies. Chávez has followed a conservative fiscal policy partly to reduce inflation but also to pressure the state bureaucracy to eliminate waste.

On the whole, the government has reinterpreted its commitment to the role of state including ownership of economic resources. The president established '*Proyecto Bolívar 2000*' (Plan Bolívar 2000). The plan involves military participation in such diverse activities as highway construction, renovation of schools; hospitals and medical care for large numbers of people. The plan is designed to improve the quality of the life of the nation by bringing the armed forces and civilian volunteers together to help rebuild the country.

He has introduced with '*La Ley de Tierras*' a liberal land reform law. '*La Ley de Tierras*' sets a maximum legal size of farms, ranging from 100 to 5000 hectares according to respective productivity. It allows for the redistribution of certain lands to landless peasants who commit themselves to their cultivation. Any Venezuelan citizen who is either the head of a family or is between 18 and 25 years old may apply for a parcel of land and, after three years of cultivation, acquire a title to it that can be passed on to descendants but not sold. By redistributing land to smaller family farms, however, the government hopes not only to mitigate the huge social injustice of the present pattern of ownership but also to increase agricultural output, in the belief that modest-sized units generally more efficient than vast estates or ranches. With the long-term objective of making Venezuela self-sufficient in foodstuffs, it aims to double the share of agriculture in GDP to 12 percent by 2007

Chávez's independent foreign policy also represents a radical break with previous administrations. At the same time it thrusts

Venezuela into a leadership position among Latin American countries increasingly concerned with new forms of US intervention.

While to a certain extent the 'Bolivarian Revolution' is the kind of revolution where one set of leaders is replaced by a different set, it is also a kind of revolution in which some fundamental patterns of citizen participation have changed. First with the rural and urban land reform programme via land committees, more people than ever are participating in making their lives better. Second, there are the provision in the constitution for naming officials of the judiciary, the 'moral' branch, and the electoral branch (Venezuela's new constitution provides for five branches of government, instead of the usual three, that is, in addition to legislative, judiciary and executive, the constitution adds the 'moral' or 'citizen' branch which consists of Attorney General, Comptroller General, and human rights Ombudsman, and the electoral branch, which oversees elections). while it is true that the naming process has not worked too well so far, the problems that have existed are traceable to the intensity of the current political conflict (in case of the electoral power, which had to be named by the Supreme Court instead of the National Assembly, since no 2/3 majority could be reached there) or to the transition from the old to the new constitution. Third there are numerous other areas where the law on citizen participation, passed by the Chavez government, allows for increased citizen participation in the government, such as ordinary citizens introducing law proposals and referenda and organizing citizen assemblies whose decisions are binding for local government. Fourth in terms of including minorities, the Chavez government has been exemplary on a continental scale, providing numerous rights to marginalized groups of Venezuelan society, particularly to woman, indigenous people of Venezuela, and the poor, all of whom are treated in terms of affirmative action when it comes to land reform, education programme, or micro-credits, to name just few. Some of Venezuelan political analysts say that the 1992 coup was precisely a coup to restore democracy in

Venezuela, not to abolish it. They say that Chávez has generally respected the law, but is occasionally willing to 'bend' it to suit him, just as Venezuelan politicians have always done.

One may also argue that the Venezuelan government's commitment to social development goes beyond rhetoric and is intended to produce concrete results. Venezuelan economic troubles stretch back to the mid-1970s; however, since Chavez took office, the country's social development indicators have improved steadily, despite sharp decline in per capita income due to Venezuela's economic difficulties. The report from Venezuela's Ministry of Planning and Development makes clear that social spending has increased as a percentage of GDP, as has public spending on education. One example of the Chavez administration's investment in social development is the \$30.3 million World Bank loan that the government secured in June 2001. The loan project will expand the coverage of health services to 2.4 million poor people in the Caracas metropolitan district. Data from the United Nations Development Programme clearly shows that despite precipitous declines in Venezuela's per capita income, the country's performance in terms human development remains solid. All this indicates how well Venezuela has used the resources at hand.

But Chavez and his policies have been opposed by the so-called right wing businessmen and foreign investors. Chavez had to face an attempted coup in April 2002, in which US was doubted to be involved. The internal tensions and contradictions within Chavez's political party, the Fifth Republic Movement (MVR) has come to a head with the pronouncements of the three military commanders. President Chavez has concentrated his efforts on political reforms during his first year in office, and is now beginning to prioritize economic policy. He also needs to turn his attention to the consolidation and transformation of the MVR. Internal democracy and

ideological directions are two imperatives that Chavez and his MVR can no longer postpone.

. The present study is a modest attempt to understand and explain the constitutional and political developments in Venezuela under president Hugo Chávez Frías. The *caracazo*, urban riots of 1989, in Venezuela, marks the starting point of the present study. The *caracazo* occurred due to the implementation of the Structural Adjustment Programme (SAP) by Perez government in the country, which caused price hike of basic necessities and other utilities. Civil society as well as military opposed these neo-liberal policies because they affected the interests of most of the strata of the society. The study also attempts that how *caracazo* gave an opportunity to *Movimiento Bolivariano Revolucionario-200* (MBR-200), a conspiratorial group of military dissidents formed by Hugo Chávez in 1982, to get involved in country's politics. These military dissidents did twice attempt a coup in 1992 to overthrow the Perez government. Hugo Chávez was the leader of this unsuccessful military coup. All these military dissidents were arrested and put into jail. Then president Perez was removed through an impeachment in 1993 because he was found guilty of misusing the secret government fund. All these events showed the weaknesses of the democratic system of Venezuela established in 1958 by the pact of punto fijo and consolidated by the 1961 constitution. The election of Rafael Caldera, as president in 1993 for the second time, was also a sign of the demise of the domination of two parties namely *Acción Democrática* (AD) and *Comité de Organización Política Electoral Independiente* (COPEI) because this time he was elected from a newly formed party *Convergencia Nacional* (CN).

After being freed from jail, in 1994, Chávez and other *Bolivarianos* sought to convert their movement into a national political organization to fulfill their political ambitions. For this purpose they converted MBR-200 into *Movimiento Quinta República* (MVR), a political party, in 1997. Chávez

contested the 1998 election under the banner of the MVR and won the presidency. The victory of 1998 election gave an opportunity to Chávez and his allies to transform the existing political order with a new constitution. A constituent assembly of 131 members was formed in February 1999 through an election. This constituent assembly drafted a new constitution, which was approved in a national referendum held in December of the same year.

Chapter two of this dissertation titled 'Election of Hugo Chávez: the Rise of Fifth Republic Movement; Political Programme; Electoral Issues and Alliances' emphasizes the election of Hugo Chávez as president. It also emphasizes the conversion of MBR-200 into MVR. Chapter also tells about the popularity of Chávez and MVR that was increasing due to a populist political programme, he adopted during election campaign. He criticized AD and COPEI for country's political and economic mismanagement since they were dominating country's politics from the outset of the democratic regime. Chapter also deals with the electoral issues, which made some political parties to form *Polo Patriótico* a political alliance led by MVR.

Chapter three, titled 'Bolivarian Revolution: 1999 Constitution; Aims and Objectives; Political Economic and Social Provisions,' focuses on the transformations of the 1990s in Venezuela. The implementation of the 1999 constitution was really a revolutionary step in contemporary Venezuelan politics. The main objective of the new constitution was to establish a 'participatory' democracy in the country. For this purpose, constitution provides a series of political, economic and social provisions. Economic provisions, in the constitution are based on Chávez's populist-statist approach. The new constitution also contains some social provisions, which are distinct from the 1961 constitution.

Chapter four deals with the external relations of Venezuela under Chávez. His foreign policy stands out as bold as well as independent. Most important, Chávez has begun to assume a leadership position at the

continental level and to formulate proposals for the Third World in general. As far as relations with OPEC are concerned, Chávez has some differences with the organization, but wants to solve them with negotiations. He wants to use the organization against the neo-liberal politics advocated by the U.S. and IMF. Chávez claims that he has broken with past and does not follow the U.S.

Chapter five presents the conclusions and the summary of the present study. Based on the discussion in the first four chapters, it also attempts at highlighting the trends of constitutional and political changes. Today Chávez looks in trouble because he is facing a strong opposition from the inside as well as outside the country. But he claims that he has the masses behind him to answer the opponents.

The dissertation consists of some tables wherever are needed to provide statistical information about Venezuela's political scenario. In the end, it needs to state that the present study has its limitations. It could not cover the whole period of Hugo Chávez because he is still president of Venezuela. Besides, while political commentaries around, various academics analyses of Chavez presidency are only beginning of come out now. Therefore, the coup attempt of 11 April 2002 can be made as a stopping point of the present study. For all the mistakes and errors if any, in the present study, I am alone responsible.

CHAPTER 1

INTRODUCTION

Much of Venezuela's twentieth century history was characterized by political instability, dictatorial rule, and revolutionary turbulence. The first half of the twentieth century was marked by period of authoritarianism – including dictatorship from 1908 to 1935 of General Juan Vicente Gomez and from 1952 to 1958 of Colonel Marcos Perez Jimenez. In addition, the Venezuelan economy shifted, after the First World War, from a primarily agricultural orientation to an economy centered on petroleum production and export. With the discovery of commercially marketable petroleum in the 1920s, Venezuela shifted into an arrangement characterized principally by a variety of industrial or technological relationship with the North Atlantic market. The internalization of the North Atlantic controlling mechanism within the country, it is important to note, has as yet failed to consolidate.

The demise of the Jimenez's brutal dictatorship opened the way for a political regime that was founded on the reconciliation of competing interests. Since the overthrow of General Jimenez in 1958 and the military's withdrawal from direct involvement in national politics, Venezuela for four decades enjoyed an unbroken tradition of civilian democratic rule. *Accion Democratica* (AD) and *Comite de Organizacion Politica Electoral Independiente* (COPEI) were two political parties, which alternated the political power among themselves until 1998.

The Chapter deals with the background of the political developments in Venezuela. The first part deals with the political developments during the democratic system established by the Pact of Punto Fijo in 1958 and consolidated by the 1961 constitution. A separate section deals with the political developments since 1989. The chapter emphasizes on the reasons responsible for these political developments. One also needs to describe nature of the political crisis. It explains the economic crisis as the blow to the Punto Fijo regime that led to the political crisis in the 1990s

First, fair and open elections were held at the end of 1958, and reformist Romulo Betancourt of the AD won the election of president with almost 50 percent of the total vote. AD also gained control of congress. Populist, *Unión Republicana Democrática* (URD), COPEI and the *Partido Comunista de Venezuela* (PCV) also elected significant delegations. The three major parties AD, URD and COPEI, agreed to share power, and partisans of each received posts in the bureaucracy and leadership positions in the most important interest group organization (e.g., the labour confederations, the peasant federations, and professional associations such as the Engineering Guild). In addition, while the leaders of these three political parties agreed that they would not abandon their commitment to equality, they opted to give precedence to fostering acceptance of pluralistic rules for conflict management. This power-sharing agreement was called Pact of Punto Fijo because it took place at the Venezuelan city Punto Fijo.¹

This was an attempt by elites to prevent a repetition of the coup of 1948, which had ended the *trienio* and paved the way for the dictatorship of Jimenez. The pact was not only inclusionary but also exclusionary. Specifically, it excluded the PCV, then a considerable force in Venezuelan politics. This pact was so strong that it survived three military coup attempts, one against the Betancourt presidency (1958–1963) and two against the Carlos Andres Perez’s presidency (1989-1994).

It is true that free and fair elections were held in December 1958, but it was three years to the day after the ouster of the dictator that a new constitution was formally adopted. The constitution of 1961 was, with the exception of ill-fated document of 1947, the first to provide a framework for the regularized transfer of governmental powers by means of universal adult suffrage. In a sense, the 1961 Constitution constituted a departure from tradition, for earlier documents had

¹ David J. Myers, “The politics of Liberty, Justice and Distribution”, In Howard J, Wiarda and Harvey F. Kline, ed., *Latin American Politics and Development* (Boulder, 1985-1990), p.289-90

contained provisions to prevent popular suffrage from influencing the transfer process.²

Research scholars of twentieth century Latin American politics have been unable to escape the standard observation that strong executives have dominated governments. Even the events, which transformed Venezuela from a harsh dictatorship to a democratic laboratory, did little to alter, the notion that the executive should possess extensive powers. Thus, the 1961 constitution gave the “Executive Power” the right to declare a state of emergency and to declare the restriction or suspension of guarantees. It also granted to the executive the right to devise all regulations necessary for carrying out the laws. These were subject to referral neither to the congress, nor to the courts in the first instance.

The president was to be elected by secret ballot every five years and no incumbent was eligible for selection during the ten years following completion of his term. He was assisted by a council of ministers that used to serve at his pleasure unless ousted by a vote of censure by a majority in Chamber of Deputies. In addition to some 13 to 15 ministers, increased in 1976 by President Carlos Andres Perez, the president was aided by the *procurador general* (a kind of constitutionally mandated attorney general) and his national planning office, CORDIPLAN. CORDIPLAN was the office of coordination and planning set up in the presidency in 1958. This was designed to provide the president and the nation with long range national planning to set priorities and allocate resources so that national goals could be formulated and met, and with a mechanism through which, the work of bureaucratic organization could be coordinated.³

Democratic system, in Venezuela established by the pact of Punto Fijo and consolidated by the constitution of 1961 rested upon a material basis: the distribution of international oil rents through a system of clientelism. Juan Carlos

² 3 R.Lynn Kelley, “Venezuelan Constitutional Forms and Realities”, In John D. Martz and David J. Myers, ed., *Venezuela: The Democratic Experience* (New York, 1977), p.27.

³ William S. Stewart, “Public Administration”, n.2 p. 225-6.

Rey has captured the idea in the phrase “populist system of reconciliation”.⁴ The political system was crafted by the political leaders who had championed electoral democracy as the key to asserting sovereign control over oil and creating a non-oil economy. In addition, the democratic state established by the 1961 constitution had centralized resource management in order to consolidate political power and stabilized the system. Consequently, most government decisions had been made by national elites rather than by leaders at the state local level. Under the pact of Punto Fijo, power sharing, the great legitimizing myth of post-1958 democracy encouraged political parties to distribute bureaucratic positions without demanding performance in return. Only party loyalty was expected. It is true that this policy strengthened AD and COPEI, but it facilitated exploitation of state that remained weak and inefficient. For the bureaucracy to function, required an ever-increasing injection of resources. In the post-1982 environment, with diminished resources, constitution of the earlier operational style was not possible, and the bloated bureaucracy, crafted to distribute oil wealth coming from abroad, appeared incapable of the innovations, called for in times of scarcity.

The role of the political parties was being rethought in the 1980s in the light of the reductions in government income. Between 1958 and 1984, a large number of vertical access channels were created to link society’s interests and government, and political parties – above all the government party--oversaw the allocation of goods and services from government to the interests groups. Few horizontal communication channels developed among interests groups. Therefore, it was almost impossible for expression of interests to take place away from the vigilance of party and government leaders. Interest groups, perceiving themselves as having no choice, but to use the existing vertical channels, became captives of AD and COPEI. Private problem- solving initiative was stifled, which proved to be a mixed blessing for the political parties. They became so involved in the internal

⁴ Daniel Hellinger, “Political Overview: The Breakdown of Puntfijismo and the Rise of Chavismo”, In Steve Ellner and Daniel Hellinger, ed., *Venezuelan Politics in the Chavez Era, Class Polarization, and Conflict* (London, 2003), p. 27.

politics of particular groups that they neglected the task of interest aggregation. In such a situation party bureaucracies could not perform efficiently. In this way a situation occurred that led to political decay. On the other side, economic crisis of 1983 also contributed to the situation, which was not suiting the political system established by pact of Punto Fijo in 1958. All this called for the reform of the system, whether economic or political. How this situation led the way to constitutional and political crisis? The next part of the chapter attempts to explore the seasons and process of political and constitutional developments.

Political Developments Since 1989

All the findings in the first part of this chapter show, that Venezuela seemed to offer a democratic model for many years to rest of the countries of the region. A stable two party system, a military under civilian control and a strong economy provided for long bases of social peace, political stability and the apparent consolidation of democracy. Beginning the late 1980s, however, the proverbial stability had been shaken by economic decline and decay of key state and political institutions leading to growing public disaffection, violence and attempted military coups and extended military insurrection.

There are so many events, which can be explained as causes of political crisis and constitutional changes in Venezuelan in the 1980s and 1990s. There are at least three events that stand out. First was 'Black Friday' (28 February 1983) when the Bolivar, the Venezuelan currency, collapsed, initiating a long period of hitherto unknown inflation and economic decline. The reason for the collapse was the economic recession in the countries, which were big buyers of Venezuelan oil, such as Germany and United States. The other reason for the collapse of the Bolivar was flow of foreign capital from Venezuela to safer foreign countries. When president Luis Herrera (1979-1983), came to power, he encountered a country mired totally in debt, with a declining economy and marked exodus of

capital to safer, foreign countries-- a situation that at the end caused the most profound devaluation, in many years, of the national currency. Before the devaluation, one US\$ 1 cost Bolivar (BS) \$ 4.30; after the devaluation, it was thrice that amount. It was when occurred the 'Black Friday'.⁵ The financial crisis showed Venezuela's deep dependence on oil. Second, the bloody and traumatic urban riots touched off on 27 February 1989 due to the implementation of Structural Adjustment Programme (SAP). President Perez implemented a series of adjustment measurement designed to halt Venezuela's economic decline. People of Venezuela were fearful about the consequences of SAP because the programme caused hike in the prices of petrol, public transport, basic necessities and other utilities. The government introduced a curfew and suspended various constitutional rights in order to quell the disturbances, but it was estimated that 246 people were killed during the protests.⁶ Third, there occurred two attempted military coups in February and November 1992. These attempted military coups were the third blow to *Puntofijismo*. The *Bolivarionos* – the military officers related to MBR-200-- achieved their military objectives almost everywhere; but they failed to capture president's offices or to spark a civil uprising, as some leftist supporters had insisted, were necessary.⁷ The coup attempts failed for a number of reasons. First several units did not attain their objectives. Principal among them was Colonel Hugo Chávez's own failure to seize control of the national media in order to call for a general uprising. Second, the ring-leaders failed to neutralize president Perez and key opposition leaders. Third the senior military officer corps remained loyal to the regime and moved aggressively against the coup leaders. Finally, the rebels 'seriously misjudged the international environment and citizens attitudes. Above all, they could not get support from the civil society except of

⁵ Political factors Venezuela al glance, taken from www.miquincalla.com.

⁶ *Europe Yearbook*, 2003 (London, 2003), Vol. 2, p. 4554.

⁷ Hellinger, n. 4 p.31.

some leftists in the country. Chávez called on his compatriots, noting that they had lost the day but stated the matter as a temporary setback. Chávez and other coup leaders were imprisoned.⁸

But this failure of February 1992 coup did not deter another coup attempt in November 1992. Led by more senior officers, it too failed for similar reasons. This coup attempted by senior air force and navy officers, which was reported to have also been instigated by members of MBR-200. A videotaped statement by the imprisoned Col. Chávez, transmitted from a captured government-owned television station, urged Venezuelans to stage public demonstrations in support of the rebels.⁹ In final the military opposition to the regime fueled the fires of popular discontent with the regime's inability to cope with its mounting debts and inflation.

Meanwhile, in May 1996 former President Perez was found guilty by the Supreme Court of misuse of public funds, although he was acquitted of charges of embezzlement. He was sentenced to two years and four months under house arrest, of which he had already served two years.¹⁰

Popular discontent with government was reflected further in regional and municipal elections held on 6 December 1992, which resulted in significant gains for COPEI as well as revealing increasing support for the left-wing *Movimiento al Socialismo*-- (MAS) – Movement Toward Socialism and *La Causa Radical*-- (LCR) - The Radical Cause, whose candidate, Aristobulo Istariz, was elected mayor of Caracas.¹¹ In March 1993 the Supreme Court annulled the rulings of an extraordinary summary court martial, which had been established by presidential decree to try those implicated in the attempted coup of November 1992, on the

⁸ Ronald D. Sylvia and Constantine P. Danopoulos, "The Chavez Phenomenon: Political Change in Venezuela" *Third World Quarterly*, (Basingstoke), Vol. 24, No.1 (2003), pp. 63-76.

⁹ *Europa Yearbook*, 2003, vol. 2, p.4555.

¹⁰ *Ibid*, p.4555.

¹¹ *Ibid*, p.4555.

grounds that the court was unconstitutional. Those sentenced by the court were to be retried by an ordinary court martial.

Dissatisfied with the traditional political parties, Venezuelans, for the first time, embraced the possibility of a true opposition. The Perez government had started the political reform programme in 1989 with the introduction of 'Organic Law on Municipal Regulation' in 1989. The 1989 Organic Law not only permitted the direct election of mayors and council members but also introduced the importance of social organizations in local governments. But the law could not eradicate the clientelism spread in the Venezuelan political system.¹² The resulting decentralization of political and administrative power however, opened the way for new actors to emerge and enhanced the influence of personal factors in voting.¹³ The popular demonstrations against Perez government, meanwhile, continued due to the wide spread corruption in the system. A decline was noticeable in the participation of the voters in the general as well as in municipal elections. Abstention from the election is best understood in the context of living public attitudes towards democracy and its institutions. Venezuelan political system was so strong and self-contained that its key institution left little room for emerging social forces to find expression; that is to say, that legitimacy of these institutions was questioned. Parties in Venezuelan political system had been very strong because of wide spread illegitimacy and fragmented nature of society and subject political culture. Also, the act of voting was very simple with each voter having only two choice, one vote for president and another for all other elected offices. The management and monitoring of elections was handled by the Supreme Electoral Council (CSE), which itself was organized on party lines.¹⁴ Three tendencies indicated the problem with electoral politics: first, the low level of

¹² Maria Pilar Garcia-Guadilla, "Democracy Decentralization and clientelism", Carlos Perez trans *Latin American Perspectives* (Oaks), Vol. 29, No. 5, (September, 2002), pp. 90-109.

¹³ Hellinger, n. 4, p. 33.

¹⁴ Brian F. Crisp and Daniel H. Levien, "Democratizing the Democracy? Crisis and Reform in Venezuela", *Journal of Interamerican Studies and World Affairs*, (Miami) Vol. 40, No. 2, (1998, Summer), pp. 2761.

voters turnout; second, the effective numbers of parties to two; and the third, lack of ideological distinctions among parties.

Along with these problems, now some positive developments were taking place. For example, the direct election of state governors was another important innovations in the electoral system, which opened new space for political participations, narrowing the distance between voters and elected official and reinforced the tendency to decentralize power. A new voting system was introduced under which voters either could vote for the entire list, proposed by the party or choose their preferred candidate byname from among all registered candidates even when their names appeared on lists of other parties.

Amidst such a political situation, another positive development was the emergence of an active and a capable civil society, which had done much to redefine the character of state power and the limits of the state intervention. More generally, the evolution of grassroots groups like. *Escuela de vecinos de Venezuela--*-(EJV) or neighbourhood movements, *La Causa Radical* (LCR) or the Radical Cause, a leftist movement and *Federacion de Asociaciones de Comunidades Urbanas--* (FACUR) or the Federation of Urban Community Association, illustrated both the strength and the limitations of civil society as a vehicle for transforming politics in Venezuela. The strength included the capacity to mobilize opinion and place new issues on the national agenda. Notable successes had included campaigns to change electoral laws and to begin effective decentralization, with states and municipalities gaining new status and taking on new responsibilities. Weaknesses were also evident. With the exception of LCR, few of the movements, generated from civil society had consolidated in enduring political forms. For LCR itself the transition from insurgent movement to political party had been difficult and costly. Finding themselves all of a sudden in surprising position of running state and local governments and occupying position of power in the congress, leaders of LCR encountered pressures to act like a political party. Organizationally, it failed to reconcile the need for internal

discipline with the democratic, open relationship it sought with workers and other social forces. At the same time, it failed to expand debate about tactics and strategy beyond the ranks of its veteran leadership, whose personality differences deepened.¹⁵

The leaders of LCR made electoral alliances, and closed deals in ways that contradicted the participatory and egalitarian ethos of the movement. There had been notable failures at local government level; factions emerged; and the party split in 1997. Be that as it may, the emergence of the activist and capable civil society nevertheless, forced the pace of political change in late 1980s and 1990s.

On 5 December 1993, the presidential and legislative elections proceeded peacefully. Rafael Caldera Rodriguez, the candidate of newly formed party, the *Convergencia Nacional* (CN), was elected president (having previously held office in 1969-1974), winning 30.46 per cent of the votes cast. But the CN and its electoral ally, the MAS, secured only minority representation in the *Congreso Nacional* (National Congress).¹⁶

Caldera took office in February 1994 and installed a council of ministers, which included new portfolios for economic reform, youth affairs and higher education, and science and technology. He used his reputation, political sagacity, and the political capital obtained from his 1992 speech to reduce political tensions. He moved boldly to replace the high command of the military with loyalists. Then he freed Chávez and his co-conspirators and declared amnesty for exiled officers involved in the second coup attempt of November 1992. Caldera could not pay his attention to the political reforms because of economic crisis. A major banking crisis in his first months of office exhausted what little room he had for economic maneuver and placed him at the mercy of international financial forces. After two years of improvisation, Caldera embraced the idea of opening the oil sector to

¹⁵ Hellinger, n.4p.36

¹⁶ *Europa Yearbook*, 2003, vol. 2 p. 4555.

foreign capital and announced a programme of structural adjustment, 'Agenda Venezuela' which was implemented in April 1996.¹⁷ It led to the removal of the price and exchange controls imposed in 1994. The Bolivar (BS) floated freely before a system of exchange rate bands was introduced.

While committing itself to the orthodox 'Agenda Venezuela', the Caldera government rejected the Perez administration's policy of diversifying the economic base and reverted to the strategy of increasing oil revenues to boost the economy. Various subsidies and wage increase to the public sector were intended to lessen the blow, but they failed to halt the further deterioration in the quality of life of the citizens.

In this way Caldera managed with the situation. But his policies were not long lasting. His reputation gave *puntofijismo* only a temporary reprieve: the economic crisis and social polarization continued apace. It is true that Caldera's government eased, the visible tensions but most of the Venezuelans were seeking "radical changes" as opposed to "partial reforms" in the system, which continued to increase between 1995 and 1998 (See Table-1)

It is said that in June 1989, following the violent demonstrations, known as *Caracazo*, and the government of president Carlos Andres Perez had also decided to amend the 1961 constitution. These amendments were to improve democratic governability and increase consensus among different social actors, but the abortive coup of 1992 generated tensions that halted the reform process.¹⁸

President Caldera also started the process of constitutional reform in July 1994 when he created a special Senate commission for that purpose. It was a task that he considered to be of a national priority. Caldera's government wanted to promote participatory democracy through these constitutional reforms. Government wanted to reform the three branches of government and put in motion the scheme of decentralization. The Senate commission however, faced

¹⁷ Julia Buxton, "Economic Policy and the Rise of Hugo Chavez", n. 4 p. 120-1.

¹⁸ Maria Pilar Garcia, "Civil Society", n.4 p. 184.

considerable resistance from the main opposition parties, namely AD and COPEI. Furthermore the majority of the social organizations indicated that the constitutional reform effort had failed to point in the direction of ‘a national project’.¹⁹ The reform process was objected to by the social organizations because there was no formal or effective mechanism for consulting them or getting to know their proposals. As a corrective, Quermódmos Elegir recommended “a broad campaign of disseminating the constitution and its proposed reforms and converting congressmen into channels of communication which tied in their respective regions to the process”.²⁰

In this way, the constitutional or political reforms process could not satisfy the civil society of Venezuela. The political and economic crises could not find better solutions. At first glance, Venezuela’s crisis seemed like a classic case of a new order struggling to be born amid the remains of an old order unwilling to die. It is true that a group of new leaders emerged as a capable civil society, but rigid institutions and elites grimly hanging on power and privilege blocked their way. It was true that old party system was not strong, but parties remained strong enough to make fundamental change impossible.

Political and state institutions were facing the problem of governability. Concerns about governability are common in times of political crisis, and Venezuela was no exception. All too often discussions of governability are framed exclusively in terms of control and elite capability to manage change. But this makes it difficult to grasp the origins and directions of protests and reform movements. Seen in this way, they often appear as little more than a “disorder”.²¹

The nature of Venezuelan political crisis indicated that holding elections and providing for competitive politics with freedom of organization and expression were not enough to guarantee against popular discontent. The country’s

¹⁹ Ibid, p.185.

²⁰ Ibid, p.185.

²¹ Crisp and Levine, n.14 p.51.

particular pattern of institutional decay, rooted in fiscal problems and what might be called bureaucratic overkill had limited citizen access and constrained choice so greatly that connections with the system withered and legitimacy was undermined. The effort to construct new sources of governability and legitimacy could not be strengthened by the Perez and Caldera governments. That's why Venezuelan civil society remained dissatisfied with the *punto fijismo* and was seeking some more radical political changes.

On the other side, Chávez and his colleagues were planning to gain political power. But, this time they left the coup path. This time they wanted to get it through a political project. Toward this goal, the Colonel and his supporters took steps to transform a military group, known as *Movimiento Bolivariano Revalutionario* -- MBR -200, into a political movement.²² The MBR-200 was renamed *Movimiento Quinta Republica* (MVR) and began acting like a political party. As head of the Fifth Republic Movement (MVR) Chávez sought to broaden his appeal by forming alliances with smaller political parties of the left. It is said that continuing to discuss social justice, also met with businessmen and indicated his support for free trade.²³

Dissatisfied with the traditional political parties, Venezuelans 'embraced the possibility of a true opposition' and, as such, overlooked Chávez's "rather vague discourse, often characterized by inconsistencies".²⁴ Amidst such conditions Hugo Chávez emerged as leader with the objective to transform the political system of Venezuela, established by the pact of '*Punto Fijo*' in 1958. His main political banner throughout the election campaign was the convocation of a constituent assembly to revamp the nation's political institutions.

²² Steve Ellner, "The Radical Potential of *Chavismo* in Venezuela: The First year and a Half in Power", *Latin American Perspectives*, Vol. 28, no. 5 September 2001, pp. 5-32.

²³ Sylvia and Donopoulos, no. 9 p.66.

²⁴ *Ibid*, p.67.

Chávez became very popular very rapidly and soon eclipsed the candidacy of front-runner Irene Saez, endorsed by COPEI. The electoral results of December 1998 gave Chávez 56 per cent of vote while Salas Romer, who received eleventh-hour backing from AD and COPEI, polled only 39 per cent.²⁵

Upon taking office, Chávez immediately called for a national referendum for a new constitution. Held in 1999, the 'yes', vote was 88 per cent. More important to the Chávez agenda was the election of his supporters to 91 per cent of the constitutional convention seats. Finally the new constitution was adopted by a popular vote margin of 71 percent.²⁶ The new constitution allowed a president re-election, which the 1961 constitution had not. Another provision of the new constitution abolished the Senate, creating a unicameral National Assembly. Chávez again stood for election under the new constitution and won by 59.5 per cent of the vote. In the subsequent election, for the new National Assembly, parties favourable to Chávez won 60 per cent of the seats. In this way Chávez achieved his long awaited objective. With popular mandate and a strong coalition he started to govern.

Chávez's independent and audacious foreign policy also can be explained as part of the domestic political developments in Venezuela. His government pursued an independent and activist foreign policy that included calls for the revival of the Third World bloc.²⁷ There were two noteworthy aspects of the Chávez's foreign policy: a more active participation or leadership of OPEC; and secondly his hemispheric foreign policy initiatives and attempts to spread Chávez-styled 'Bolivariaism' throughout Latin America.

All these findings show that political developments in Venezuela in the 1990s began because of the political and economic crises in the country. President Perez had started the process of political reforms but the 1992 coup attempts had

²⁵ Ellner, n. 22 p.12.

²⁶ Sylvia and Danopoulos, n. 8 p.68.

²⁷ Ellner, n. 22 p.26.

halted the process, and Perez was eventually impeached. Then Caldera came to power, Caldera also attempted to start the 'process' but he had to face economic crisis, which halted the process. Then Chávez won the presidency. He aimed at radical changes which, it is said, are of a populist nature. For instance the article 71 of the new constitution can be explained as populist. The article says that if an elected government does not perform, it can be replaced by a popular referendum. All that is required to call such a referendum is the signature of 10 per cent of the eligible voters.²⁸ Thus president Chávez claims that 1999 constitution is a rulebook, which provides for the bases of 'populist regime' a dream of the liberator, Simon Bolivar. All the findings in this chapter show that political crisis in the country was the product of democracy itself because there were shortcomings in the system which were coming out in the 1990s. The emergence of an active civil society also played an important role in the political developments in the country.

²⁸ Sylvia and Danopoulos, no. 8 p.68.

TABLE-1²⁹

Percentage of Population Favouring Radical Changes, Partial Reforms,
or No More Changes, 1995-1998

	1995 3 rd qtr	1996 1 st qtr	1997 2 nd qtr	1998 1 st qtr	1998 3 rd qtr
Radical Changes	51%	55%	55%	60%	63%
Partial Reforms	26%	27%	25%	20%	27%
No more Changes	17%	13%	13%	13%	7%

Source: Consultores 21, 1998

²⁹ Hellinger, n. 4 p. 35

CHAPTER 2

1998 ELECTION OF HUGO CHÁVEZ

**RISE OF FIFTH REPUBLIC MOVEMENT (MVR);
POLITICAL PROGRAMME; ELECTORAL ISSUES AND
ALLIANCES**

To understand the context and significance of Chávez's 1998 election, a brief overview of Venezuela's turbulent history of the 1990s is required. The decade had begun with a radical reform effort, which sought to reverse the economic decline that Venezuela had suffered during the 1980s; this push for change also intended to ease or even break the stranglehold of oligarchical party cliques over the country's politics. As a relative outsider in the long predominant, *Accion Democratica* (AD) party, president Carlos Andres Perez (1989-1993) had enacted a neoliberal 'shock' programme designed to open up the economy to foreign competition and free it from state interventionism. At the same time, Perez had tried to weaken the well-entrenched elites of AD—which over the decades had turned from a social reformist mass movement into a patronage-obsessed machine party. For this purpose, the new president had pushed for the institution of direct elections for mayors and state governors, proposed internal party democratization, and supported a group of young reform-oriented cadres inside his party. These modest projects, however, were opposed outside, as well as inside the party. The absence of an acute, open crisis made many citizens reject Perez's tough stabilization plan, and unprecedented riots had erupted in 1989, shaking the stability of Venezuelan democracy. Politically weakened, the president's comprehensive market reform programme faced even stronger resistance, from his own party, which feared that a reduction of state interventionism would cost it precious patronage. AD's opposition was exacerbated even more by Perez's political reform efforts, which threatened the political standing of the established party apparatus and was seen as an indication of presidential hostility. The incumbent party oligarchy therefore interpreted the market reform effort as part of a comprehensive assault on its entrenched power and privileges. Increasingly abandoned by his own party, Perez experienced growing political isolation and eventually suffered impeachment on charges of

financial irregularities.¹ A military coup attempt led by Hugo Chávez in February 1992 and another military revolt in November 1992, prompted fundamental challenges to Venezuela democracy.

In sum, these troubles and travails had further de-legitimized the established regime in the eyes of many citizens. Therefore, the two predominant parties AD and COPEI, which had together garnered 93 per cent of the votes in the 1988 presidential elections, received less than 50 per cent in the 1993 contest. Ex-president and COPEI founder Rafael Caldera, who had left his party and ran as an independent, won as a charismatic leader who attracted many protest votes. Caldera ruled during his first two years in a somewhat populist, autocratic and erratic fashion.² In its economic policy, the new government marked distance from neo-liberalism. But a succession of ill-conceived stabilization programmes failed to bring lasting improvements, and inflation reached an alarming 8 per cent per month in early 1996. Caldera's new economic team also embraced structural market reforms, such as, privatization, de-regulation, and pension reforms, but due to limited presidential commitment and considerable societal opposition, their implementation proceeded haltingly. As a result, negative economic assessments became increasingly widespread during 1998, and both presidential popularity and economic policy approval plummeted. Fed up with the incapacity of the established regime to resolve the country's problems, more and more Venezuelans opted for a radical outsider, Hugo Chávez, who promised a profound political transformation. Former coup leader Chávez, who attacked the political class and its oligarchical regime, criticized neo-liberalism, and promised a drastic political house cleaning and promised a social revolution. Venezuela's deep crisis, which earlier governments had tried

¹ *Europa Year Book*, 2003,(London,2003) Vol. 2, p.4555.

² Kurt Weyland, "Economic Voting reconsidered: Crisis and Charisma in the election of Hugo Chavez", *Comparative Political Studies*, (London), Vol.36, no.7, September 2003, pp. 822-48.

in vain to resolve, made people's hopes high in a political outsider. May be, this was quite unrealistic; yet precisely the crisis had created the psychological need to believe in a saviour.

In rest of the chapter attempt has been made to explore the rise and importance of MVR; its political programme; and electoral issues and alliances. Towards the end the importance of the 1998 election and its contribution to the constitutional and political development has been described.

Rise of Fifth Republic Movement (MVR)

In the past, while many generals had been elected president in several Latin American countries, Chávez's electoral triumph was unique in that he was a middle level officer with radical ideas who had previously led a military coup attempt in 1992. At first glance, Chávez's rise to power is consistent with the trend towards the weakening of traditional political institutions in Latin America as noted by Guillermo O'Donnell.³ From the beginning of his political career, Chávez embraced an aggressively anti-party discourse. He questioned the hegemony of vertically based political parties, specially their domination of congress, the judicial system, the labour and peasant movements, and civil society in general. In addition, his anti-party discourse was translated into attacks on existing political institutions; while at the same time; calling for the direct citizen participation in the form of referenda, popular assemblies, and voluntary work in civilian military programme. According to some analysts Chávez's movement was for far-reaching political and socioeconomic, changes. Those sympathetic to his administration argue that the nation's new constitution point in the direction of radical participatory democracy. In contrast, his adversaries including

³ Steve Ellner, "The Radical Potential of Chavismo in Venezuela: The first Year and a Half in Power", *Latin American Perspective*, (Oaks), Vol.28, No.5 September 2001, pp.5-32

anticommunist ones use clichés to discredit his radicalism. He had been called ‘a leftist agitator.’⁴ The measures taken by Chávez and his followers in the constituent assembly had been characterized as “Jacobean”⁵. By way of substantiating claims that the president is a leftist at heart, political commentators have also drawn attention to his trips to Cuba shortly after his release from prison in 1994 and again in 1999, when he spoke in public with Fidel Castro.

Many of those who predict a sharp break with past under Chávez’s government call him a radical populist in the tradition of Juan Domingo Peron of Argentina and even Venezuela’s Romulo Bentacourt⁶ Chávez unlike Fujimori, Menen and other ‘neo-populist’ has succeeded in creating a movement that is identified with him and with the slogans, symbols and goals he has embraced from the beginning of his political career. But this populist movement is linked with a specific historical stage of development in Latin America. The movement however, reemerged in 1980s in Venezuela, when the military dissidents began to analyze socio-economic problems of the country.

Various juniors’ officers led by the Chávez had formed a conspiratorial group known as the *Movimiento Bolivariano Revolucionario-200* (Revolutionary Movement of Bolivar, MBR-200) as far back as 1982. As the economic crisis set in during the 1980s, culminating in the social disturbances for a week in February, 1989, and the neo-liberal policies of the second administration of Carlos Andres Perez 1989-1993), the military dissidents started to analyze socio-economic problems. During the ten years, prior to the coup, the MBR-200 officers held five clandestine congresses and

⁴ *The Washington Post*, 26July1999.

⁵ *The New York Times*, 21 August1999.

⁶ Steve Ellner, The “Contrasting Variants of the Populism of Hugo Chavez and Albert Fujimori”, *Journal of Latin American Studies*, (Cambridge), Vol. 35 (2003), pp.139-62.

organized a regional structure. But their growth was unsteady and they failed to achieve the clarity about the further democratic model.

From the outset, the MBR-200 committed itself to forging a “civilian military movement” with a keen sense of Venezuelan history, Chávez’s group, it seems found a parallel in the life of Ezequiel Zamora, a popular caudillo who had rallied civilian support for his army by promising agrarian reform during the federal war in the mid-nineteenth century.

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When discussing about the rise of MVR one cannot avoid discussing the military coup of 1992 led by Chávez. There are two principal issues for discussion about the coup. The first concerns the military rebels, commitment to far-reaching reforms. Officers who opposed the coup said that the changes envisioned by Chávez’s group were confined to clean government and that only afterward and under leftist influence did the rebels begin to articulate broader objectives. Nevertheless, Chávez, as the professor of the course on historical influence of Simon Bolivar at the military college, had explored a broad range of problems and displayed sensitivity to social concerns. He and his fellow rebel officers were particularly repulsed by the role played by soldiers in gunning down hundreds, perhaps thousands of citizens during the riots of 1989. The documents issued by the rebels immediately after their imprisonment, which included a wide range of demands such as a cost of living clause of wages, tax reforms facilitating a redistribution of wealth, and renegotiation of the foreign debt, suggest that the diversification and deepening of their concerns were under way.



In the second place, some analysts have called the uprising a purely military affair that lacked an “apertura (opening) toward the people” and point out that the rebels planned on summoning civilian support in the streets only after having seized power⁷. Chávez and other officers attempted to refute this

⁷ Ellner, n.3 Pp 5-32

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version by pointing to the multiple challenges and the extreme caution they had to exercise in establishing new contacts. Chávez recalls that civilian groups linked to the MBR-200 organised several demonstrations to measure their mobilisation capacity for the purpose of refining the coup plan. Some leftist political leaders proposed that the military uprising coincide with a general strike that they had set for April or May but Chávez, fearing that his plans were about to be discovered, moved the date of the coup ahead. The importance that he attached to popular support was demonstrated by his decision on 4 February to lay down arms precisely when it became clear that anticipated civilian backing--(As well as the support of the air force)--was not forthcoming. Only in Valencia students, after looting several armouries, took over a police station and then patrol the streets to rally popular support.

The argument that the coup leaders failed to incorporate civilians into their movements overlooks the fact that the weak civilian response on 4 February was due more to the failure of power of the leftist than to any lack of efforts on the part of the military rebels.⁸ Among the civilians committed to coup were national leaders of the leftist parties such as Pablo Medina (president of the La Causa Radical), Roberto Hernandez (later president of communist party), and Eustoquio Contereras (youth secretary of the *Movimiento Electoral del Pueblo* [People's Electoral Movement- MEP]. Chávez never publicly denied his links with left⁹. This attitude contrasted with that of the top-ranking officers of a second uprising against president Perez on 27 November 1992, who were closely linked with Chávez's MBR-200. These latter officers had denied the connections with leftist and in so doing stressed their own participation in the counterinsurgency campaign of the 1960s.

⁸Civilian distrust of the military as an institution helps explain the reluctance of leftist to participate in the coup.

⁹ *The Washington Times*, 15 July 1999

Leading leftists have become part of Chávez's movement at every stage with the participation of leftist intellectuals and politicians in the cabinet and the leadership of his party at all levels. For example, Kleber Ramirez, a former guerrilla leader, formulated the basic proposals for the rebels, programme of government. He wrote that the historical structure of Venezuelan state, dating back to the beginning of the nineteenth century, was not efficacious and "exhausted" and thus had to be "refounded"¹⁰. He called for the strengthening of the national executive, elimination of the state legislatures, and reorganisation of the municipal governments, which would eventually be the cradle of the nation's new democracy. Another senior leftist, who had a major impact on Chávez's movement, was the former communist named Jore Rafael Nuzez Tenorio. He pointed out that the 27 February 1989 disturbances were a mass insurrection in the absence of a vanguard; while the 4 February 1992 coup was the work of "military vanguard" that took the left by surprise and lacked a popular base. Therefore, there was a need for a "synthesis" of military, leftist, vanguards and the popular movement. Tenorio abandoned the government of Rafael Caldera after it turned to neo-liberalism in 1995 and became the director of the ideological and political wing of Chávez's party until his death on the eve of the 1998 elections.

In this way may say that Chávez's movement attracted activists from the periphery of the small leftist organizations that emerged from the guerrilla struggle of the 1960s. Following the February 1992 coup, many leftists hailed Chávez for having dared to seize power, in contrast to left's lethargy and confinement to the electoral arena during the previous 20 years. Some of these leftists organized street actions in support of 27 November 1992 coup attempt.

¹⁰ Ellner, n.3 Pp 5-32

In sum, many of the left- oriented leaders played an important role in the rise of Chávez's Fifth Republic Movement. They also contributed in the transformation of the MBR-200 into MVR. Initially, the movement had to face some hurdles in its development because the officers, including Chávez, who were involved in the military coup, were put behind bar. But after being freed from jail in 1994, they sought to convert their movement into a national political organization.¹¹ For this purpose they went to the people and presented themselves as being different from the establishment parties.

When the MBR-200 became the MVR at its Valencia congress in April 1997 and abandoned electoral absenteeism, it drew disenchanted and marginalized members of the main establishment parties, AD and COPEI which had lost credibility and prestige.¹²

Venezuela's near two party system had begun to falter in the 1990s when small parties made inroads, particularly at the local level after Chávez's election in 1998. Both AD and COPEI and other pro-establishment parties began receding from the political scene. From its inception, the MVR was conceived of as an electoral front and not as a disciplined organization with ongoing societal links.¹³ The random nature of this growth explains the MVR's failure to consolidate organizationally around a coherent set of ideological principals. Furthermore, the MVR went nearly unrepresentative during Chávez's first presidency (1999-2000) in the cabinet and at the gubernatorial level. Convinced that MVR had succumbed to clientelistic practices and lacked revolutionary fervour at the time of radicalization of the government in 2001, Chávez announced his intentions to create parallel structures and thus reactivated the MBR-200. In 2002 Chávez promoted the formation of *circulos*

¹¹ M.Lopez Maya, "Hugo Chavez Frias: His movement and His Presidency", In Steve Ellner and Danial Hellinger, ed., *Venezuelan Politics in the Chavez Era: Class, Polarization, and conflict* (Boulder, 2003), p. 80.

¹² Ellner, n. 6 pp 139-62.

¹³ Maya, n.11 p.83.

Bolivarianos, although it was unclear whether they were designed to serve as MVR cells or autonomous community organisations.

In this way MVR as a party has been complex and institutionalized. MVR had internal currents with distinct programmatic orientations. Complex scenario in Venezuela included diverse organized currents within MVR and a greater mobilization capacity on the part of both pro- and anti-government blocs. At various times throughout its short existence, the MVR had moderated its position and toned down its rhetoric.

It is true that MVR as an organization was formed by Chávez to achieve his own political goals but the organization had other far-reaching objectives also. For example Chávez demonstrated that he was committed to establish a 'populist' type regime in the country. For this purpose, he projected himself as a leader determined to eliminate the neo-liberalism from national as well as international level.

In short, the emergence of MVR was the result of the deep political and economic turmoil, Venezuela had faced in the 1980s 1990s. Venezuelans were doubting the credibility of Venezuela's political institutions. The democracy had been threatened since the municipal and state election of 1989, when voter participation dropped below the 50 percent level for the first time in its democratic history. (See table -1) Even the traditional high turnout in presidential election dropped to more 60 percent in 1993. Among others country was lacking a bold, honest and aggressive leader. "President Chávez is the result of the negative experience that Venezuela had with trying unsuccessfully to bring about change." Said, Antonio Herrera, vice president of the Venezuelan American Chamber and Industry. ¹⁴

Political Programme

¹⁴ *The Washington Times*, 15 July 1999

From the very beginning of the formation of the MBR-200, it also spread and amplified its ideological positions. These positions laid out political strategies, and elaborated the framework of a long-term political programme, that it called the Simón Bolívar national project.¹⁵ Chávez's political programme was based on the policies, which were affiliated to anti-neoliberalism and anti-party discourse. In 1997, Chávez embraced the traditional model of state interventionism in the economy, including ownership of strategic sectors, partial control of financial operations, and production of basic commodities. By 1998, however, Chávez's electoral platform had left open a range of options for foreign capital and displayed much greater flexibility on its proposed moratorium on the foreign debt. His main banner throughout the electoral campaign was the convocation of a constituent assembly to revamp the nation's political institutions. Chávez's proposed transformation of the political system was, however no small task, particularly because it included eliminating the privileged status of both the AD and COPEI, and other establishment parties, which controlled the congress and most state assemblies and municipal governments; and had traditionally even dominated the supreme court, the judicial council, and the national electoral council. Nevertheless, Chávez proved to be a master tactician. On numerous occasions, through mobilizations, he pressured them into accepting new rules that facilitated radical structural change. He would then typically back off and offer a compromise arrangement. Some of Chávez's supporters feared that, in frequently changing his posture, he was vacillating or backing down, but the end results were always favorable to him in that potentially hostile institutions were neutralized and his main propositions were accepted.

Chávez does not have any fixed ideology. Therefore, his political programme was not based on any ideology but some ideas and common sense.

¹⁵ Maya, n 11 p. 80.

“The most important way to judge any leader is to look not as much as to what they say, as to what they do and have accomplished. More than any ideology, with Hugo Chávez we are getting an ideology of common sense. Chávez so far has taken very common sense actions and is heading in the right direction”, said Antonio Herrera, vice president of the Venezuelan American Chamber of Commerce and Industry (VACCI).¹⁶

Chávez had wanted to send his voice to every person of the Venezuela, so that he could become popular and win the presidency. So he formulated the political programme, which could fulfill his immediate political ambitions. He had tried to get power by military coup in 1992 but could not succeed. Therefore, he left the idea of a coup attempt and tried to get power by with civilian support and civil methods. The following Methods could be explained as his political programme.

(i) Hugo Chávez is a good orator. He used to deliver impressive speeches to influence masses during his election campaign in 1997. He frequently made public appearances in military fatigues and told his audience that he was dressed for battle. He used to say that his words were ammunition and his targets were those adversaries who act at the behest of the discredited political parties of the establishment. He told the people that the purposes of his government would be the protection and development of the individual, respect for the dignity of the individual, the democratic exercise of the will of the people, the building of a just and peace loving society, the furtherance of the prosperity and welfare of the people, and guaranteeing the fulfillment of the principles, rights and duties. He was of the view that sovereignty resides untransferable in the people, who would exercise it directly in the manner provided for in the new constitution, which will be framed by a constituent assembly.

¹⁶ *The Washington Times*, 15 July 1999.

His favorite social vocation was *todo el poder para el pueblo* i.e. ‘all power to the people’ constitutes the founding base of the political movement. In this way Hugo Chávez used his public speeches to influence the masses and became popular and won the presidency.

(ii) Chávez criticised the nation’s constitution of 1961 for privileging two political parties AD and COPEI. Their representatives in congress had powers ranging from the nomination of judges, to approval of military promotions. He reserved his sharpest attacks for AD and COPEI, which for decades had been at the centre of what he pejoratively called ‘party-democracy’, marked by clientelism, inefficiency and corruption.¹⁷ The post -1958 democratic regime was anchored by two dominant parties that were electorally stable, internally disciplined, and deeply embedded in civil society. AD and COPEI were hierarchically and bureaucratically structured parties, and their organizational tentacles penetrated every nook and cranny of Venezuelan society, generating powerful political loyalties and cohesive collective identities. When Hugo Chávez and his upstart MVR had swept to a series of electoral victories in local elections not only the party system but also the entire constitutional order of the post-1958 democratic regime had decomposed in Venezuela. In this way, Hugo Chávez played the main role in the demise of the two dominant political parties and erased the ‘partyarchy’ from the country.

(iii) Chávez had close relations with leftists from the very beginning when he started to analyse the socio-economic problems of the country. He never denied his links with the left. This leftist even supported his attempt of a military coup. Among the civilians committed to the coup were national leaders of leftist parties such as Pablo Medina (president LCR), Roberto Hernandez (later president of the communist party) and Eustoquio Contreras (youth secretary of the *Movimiento Electoral del Pueblo* [People’s Electoral

¹⁷ Kenneth M. Roberts, “Social Correlates of Party System Demise and Populist Resurgence in Venezuela” *Latin American Politics and Society*,(Miami), Vol. 45 No.3, (2003,Fall), pp : 35-57.

Movement-MEP]. Chávez never supported the anti-communist activities, and incorporated numerous leftists into his government and party leadership.

The party, *Movimiento al Socialismo* (Movement towards Socialism – MAS) was an important member of the pro-Chávez coalitions. MAS had stressed electoral politics over socio-economic transformation. MAS's endorsement of Chávez at its national congress in May 1998 contributed to the moderation of the Chávez's positions and image. Because of this relationship, Chávez was able to draw most of his electoral support from non-privileged sectors, particularly unorganized workers. Consequently, the middle class, which was fairly evenly divided at the outset of his presidency, became increasingly alienated during the following months.

(iv) Hugo Chávez always projected himself as a populist. During election campaign, he promised to establish a government that would represent a throw-back to the radical populism of the 1930s and 1940s in Latin America. He was of the view that a participatory democracy that, by promoting the participation of non-privileged sectors, may lead to important socio-economic transformations. His policy was to open up political institutions to non-privileged sectors, by promoting the formation of labour unions and then creating a neo-corporatist structure in which worker leaders would have regular input into decision-making. He wanted to broaden the participation under the slogan “participatory democracy”-- (a major goal of the constituent assembly). This incorporation assured that Chávez and MVR would retain the loyalty of large numbers of these sectors. Chávez was thus able to develop a social base, which provided him with active support.¹⁸ It was crucial for his political survival.

¹⁸ Ellner, n.. 6 p 139-162.

(v) The 1992 coup attempts were the result of dissatisfaction in the military. SAP was implemented in Venezuela in 1989 by the government of Carlos Andres Perez. SAP had affected the salary of the soldiers. Their living conditions were bad. Therefore, military's disaffection led to the coup. Looked at from a regional perspective, Venezuelan politics seemed like a film run in reverse: instead of a military withdrawing from government, armed forces came out of the barracks to popular acclaim.¹⁹ The government Rafael Caldera Rodriguez, (1993-1997) had understood the importance of the military. In office, his policy towards the military rebels was co-optive. Chávez and the coup leaders were released from jail, and a proportion of those purged after the 1992 coup attempts were re-integrated into the army. The coup leaders themselves took advantage of their freedom to enter democratic politics and one of those involved in the coup, Arias Cardenas, was in 1995, elected to the governorship of Zulia.

Being a former military officer, Chávez could not avoid the importance of military in the politics. He promoted military participation in politics by fulfilling the MBR-200's demand, formulated at the time of the 1992 coup, in favor of the military's right to vote. He supported the participation of military in politics because he was expecting the military support to fulfill his political agenda – a referendum to replace congress and rewrite the constitution. Consequently, Chávez, as president, enjoyed extensive support within the armed forces. He frequently spoke at military gatherings, appointed officers to important civilian positions, channeled massive funds into the public work programme. Plan Bolivar-2000 was also designed to expand military's role in

¹⁹ Brian F Crisp and Danial H. Levin, "Democratizing the Democracy? Crisis and Reform in Venezuela, *Journal of Interamerican Studies and World Affairs*, (Miami), Vol. 40, no..2, (1998, Summer), pp. 27-61.

the country. It involved military's participation in such diverse activities, as highway construction, renovations of schools and hospitals, and medical care for large numbers of the people.²⁰ Military has also been given right to vote (article 330 of the new constitution). Chávez was also able to threaten his adversaries with drastic action precisely because he was confident that the resultant political strife would not provoke a coup.

(vi) Among the most distinctive features of Chávez's leadership were his implacable hostility to the political establishment and an aversion to intermediary institutions that cannot hold a leader accountable to mass constituencies. As a politician Chávez embraced an aggressively anti-party discourse. Therefore, he proved to be a master of the 'politics of antipolitics'.²¹ As a former military coup leader, he was the consummate political outsider, a man of action who was untainted by the rampant corruption, political patronage, and collusive pact making that had bred disillusionment with post-1958 democratic regime. He denounced the hegemony of vertically based political parties, specifically their domination of congress, the judicial system, the labour and peasant movements, and civil society in general.²² Upon his election in December 1998, he followed through on his campaign promise to use a constituent assembly as a vehicle for overhauling the nation's systems. He proposed to replace it with one of direct popular participation in decision-making at the local level. Chávez attempted to broaden participation under the slogan 'participatory democracy'. Consequently, he developed a special relationship with the people, particularly with non-organised sectors of the

²⁰ Ellner, n.3p.18.

²¹ Roberts, n.17 pp. 35-57.

²² Ibid, p. 36.

population that were largely bypassed by the political organizations. Not only that, Venezuela's new constitution provides for five branches of government instead of usual three. That is, in addition to legislative, judiciary, and executive, the constitution adds the 'moral or citizen branch', which consists of attorney general, controller general, and human rights ombudsman; and the electoral branch, which oversees elections. In this way, Chávez showed his commitment to establish the participatory democracy in the country.

Electoral Issues

The former U.S. president Jimmy Carter, an election observer of 1998 election had described it as Venezuela's "peaceful revolution".²³ Held on 6 December 1998, presidential balloting brought Hugo Chávez to power. Venezuelans chose a new leader who promised to eradicate the "old corrupt political system" and in its place build a new system to meet the needs of the average Venezuelan.²⁴

Hugo Chávez and his adversaries had raised all types of issues during election campaign. These issues were concerned with political, social and economic change. Chávez made creating a constituent assembly a central issue. He criticise Venezuela's constitution of 1961 for privileging political parties. The members of these parties in congress had powers to nominate the judges. They could even interfere in the approval of military promotions. Chávez criticized AD and COPEI which for decades had been at the centre of 'party democracy' marked by clientelism, inefficiency and corruption. Hugo Chávez explained the constituent assembly as the only possible instrument to change the entire Venezuelan political and judicial system, which was

²³ Jennifer L. McCoy and Harold Trinkunas, "Venezuela's Peaceful Revolution", *Current History*,(Philadelphia) Vol.98, no.626 ,(10, March, 1999), pp. 122-126.

²⁴ Ibid, 22.

surrounded by corruption inefficiency and centralism.²⁵ One of the objectives of constituent assembly was to transform the representative democracy into the participatory democracy. A participatory democracy would recognize citizenship as a conflictive practice related to power, reflecting struggles about “who will define common problems and their solutions” is the type of democracy that decentralization aims at. His critique of Venezuela’s post-1958 democracy went beyond repudiation of discredited politicians. He proposed a completely new political model of direct citizen participation.²⁶

Decentralization was also a major issue during election campaign. Decentralization is “the process through which the central government transfers responsibilities and political powers to the state institution close to the population, granting them, administrative independence and political legitimacy so that, with popular participation, the production of goods and services can be improved.”²⁷ In this way, decentralization presupposed the transfer of powers, including power from the centralizing level of the national state to other institutions or level that, besides having administrative independence, have had legitimacy bestowed through democratic elections.

Another objective of decentralization was to optimizing efficiency so as not to reproduce practices of clientelism. In the long run, whether or not political and economic decentralization would have participatory democracy as its primary objective, it still would offer the possibility of new forms of relationship and negotiations between the state, the market, and civil society that have been characterized in the literature as client-patron relations,

²⁵ Celina Romero, “Pacific Revolution” *The World Today*, (London), Vol. 55, no.10 October, 1999, pp. 24-25.

²⁶ Maria Pilar Garcia- Guadill, “Democracy, Decentralization, and Clientelism, New Relationship and Old practices”, Carlos Perez, trans, *Latin American Perspectives*, Vol. 29, no.5. September 2002, pp. 90-109.

²⁷ *Ibid*, 93.

customer-supplier relations, consumer-producer relations and citizenship among others.²⁸

It is true that the 1989 Organic Law on Municipal Regulation had concretized the process of decentralization at the local level and the 1989 Organic Law on Voting and Political Participation not only permitted the direct elections of mayors and council members, but had also endorsed the importance of social organizations in the local government. Regulation No. 1 of the municipalities law, approved in 1990 with the direct participation of neighborhood associations, had established these organizations' right to information, consultation, and the referendum on significant issues affecting the community.²⁹

Although, their electoral districts elect the town members, they represent not just part of the municipal assembly. They tend, however, to establish close relationship with the residents of the district that elected them, considering themselves their representatives and responding their demands.

But these laws also could not bring out the features of real decentralization in the political system. Decentralization in Venezuela followed a market model, which had created distortion that had made the transition from a representative democracy to a participatory democracy – one of the state goals of the process, at least on a rhetorical level-- much more difficult. Another problem was that new clientelist political practices had emerged which hindered the development of new conception of citizenship and justice in the functioning of local government. Therefore, there was need to establish the real decentralization in the political system of the nation. Hugo Chávez attacked both AD and COPEI for the establishment of false

²⁸ Ibid 91.

²⁹ Ibid, 99.

decentralization and promised to establish real decentralization through the new constitution.

In short, Hugo Chávez blamed A.D. and COPEI for the every problem in the country whether they were political, judicial, social or economic. This was logical also because only these two had dominated the Venezuelan politics since 1958.

Economic issues were also raised during 1998 presidential elections. Venezuela suffered from financial crisis in the 1980s and 1990s. It is one of the few Latin American countries to have had, not one but two lost decades of the 1980s and 1990s. Never really able to recover from currency and debt crisis in the 1980s, Venezuela plunged further into economic chaos in the 1990s. (See table –2, Venezuela’s second lost decade). Inflation remained indomitable and among the highest in the region, economic growth continued to be volatile and oil dependent, growth per capita stagnated, unemployment rates surged, and public spending cutbacks took place. Real wages were almost 70 per cent below in 1998, compared to what they were in 1988. More than two-third of the population was living below poverty line. Indicators, on the table show that, for an average Venezuelan with 12 years of schooling, the probability of being poor was 18.5 per cent, up from 2.4 per cent only a decade ago. This economic plunge had been accompanied by a gradual and as of 1998, terminal collapse of the party system. The once invincible political parties were summarily defeated in a series of elections in 1998-1999.³⁰ The power vacuum had been filled by the most anti-establishment political figure to emerge in 1998, Hugo Chávez Frías.

In the 1998 presidential campaign Chávez’s MBR-200, in response to president Caldera’s pro-neo-liberal “Agenda Venezuela”, published the

³⁰ Elections to the National Constitutional Assembly (ANC) held on 25 July 1999 Polo Patriótico won 120 out of the 131 seats. Indeed AD and COPEI even refrained from running candidates in this election.

“Agenda Alternative Bolivariana”. Chávez, with Central University rector, Simon Munoz went to supreme court to challenge the legality of the opening of the oil industry to foreign capital³¹. It is true that subsequently he accepted selective privatization but always opposed neo-liberalism. Chávez promised that he would stop the trend of giving the health, education, and petroleum sectors to private hands. His intentions were to suspend the privatization of the health system and limit the profits of private firms that were administering the recently privatized system of pension funds.

More or less, Chávez refrained from fully embracing the neo-liberal policies, but he failed to present a clear alternative economic programme in the election campaign.³² It is clear that many citizens simply felt compelled to believe in Chávez’s charisma. Venezuela’s deep crisis, which earlier governments had tried in vain to resolve, made people’s hopes high in an outsider, who lacked administrative experience. Yet precisely this crisis created the psychological need to believe in a savior.

Hugo Chávez, elicited disproportional support from citizens who perceived recent losses but hoped for future improvements in the well being of the whole country. By contrast, people who individually enjoyed recent gains, despite the problems plaguing the nation, backed his main opponent Henrique Salas Romer. All this findings shows that people’s subjective economic assessments did indeed have an impact on the 1998 election and Venezuela’s ruined economy gave Chávez the victory, but other factors mattered as well.

The social issues the culminating point during the 1998 presidential election campaign. Chávez’s good will to make the Venezuelan society a safe anchor for all the stratas of the society, on one hand, and the forces from the civil society on the other, made the social issues to stand as the culminating point in the 1998 presidential election campaign. Venezuelan civil society

³¹ Ellner, n.3pp5-32

³² Weyland, n. 2pp822-848

embraced groups that are nationally organized as well as a host of regional and local association like EVV, FACUR and *Movimiento al Socialismo* (MAS.)³³

Hugo Chávez connected the social problems with economic problems. He defined broad goals for his “social revolution”. He was of the view that the country’s enormous oil wealth could be used to improve the country’s standard of living. He tried to make the people realize that the only way to solve Venezuela’s social problems was to strengthen its economy.³⁴ He when

claimed to establish a participatory democracy in the country, he could not forget the issue of the indigenous people, who were struggling for their rights.

There were many indigenous organizations in the country, which were leading the indigenous movement during 1990s. Venezuela’s oldest and most institutionalized regional indigenous *Fedracion de Indigenas del Estado de Bolivar* (Bolivar Indigenous Federation – FIB) was founded in 1973. FIB was principally responsible for the creation in 1989, of a national indigenous organization, the *Concesjo Nacional India de Venezuela* (National Indian Council of Venezuela – CONIVE). Until the creation of CONIVE, Venezuelan indigenous were unable to “jump scales” and present themselves as a concrete and valid interlocutor in national politics.³⁵ There were other organization which were the part of indigenous movement in 1990s, like the *Organizacion Regional de Pueblos Indigenas de Amazonas* (Regional organization of Indigenous Peoples of Amazonas ORPIA) and *Organizacion Regional de los Pueblos Indigenas dp Zulia* (Regional organization of the Indigenous Peoples of Zulia – ORPIZ). The northwestern state of Zulia is home to the country’s largest indigenous group, the Wayuu. Venezuelan Indigenous organization also

³³ Ellner, n.3pp. 5-32.

³⁴Weyland, n. 2pp. 822-848.

³⁵ Crisp and Levine, n. 19p. pp. 27-61.

suffered from internal divisions. Factionalism, derived from ethnic identity and political party affiliation impeded the consolidation of a national movement until 1999.³⁶

Political parties, AD and COPEI, had dominated the indigenous politics, as they dominated rest of the Venezuelan politics. It is true that there was provision to promote the living conditions of the indigenous population and establish a regime of exception that required the protection of the indigenous communities and their progressive incorporation in the life of the nation.³⁷ But the law was never really implemented. Therefore, Venezuela had become the most regressive backward country in the region with respect to indigenous rights.

Hugo Chávez was aware about the condition of indigenous population. During the election campaign he promised to convocate a constituent assembly to construct a more participatory, honest democracy for the indigenous. On 10 March 2000, Chávez fulfilled the campaign promise by designating 3 seats for indigenous delegates in the 131 seat constituent assembly. Also, Venezuela's 1999 constitution reserves indigenous seats in state assemblies and municipal councils in districts with indigenous population – the only Latin American country to do so. Three indigenous seats are also reserved in Venezuela's unicameral national assembly.

Overall, social issues really stood at the culminating point in 1998 presidential election. Social organizations played important role to draw the attention of Venezuelan politicians towards these issues and indigenous organization succeeded in achieving their long awaited goals

Electoral Alliances

³⁶ *The Washington Times*, 15 July 1999.

³⁷ Donna Lee Van Cott, "Andean Indigenous Movements and Constitutional Transformation: Venezuela in Comparative politics", *Latin American Perspective*, Vol. 30, no. 1, January 2003, pp. 49-69.

The decade of the 1990s was full of political uncertainties, which carried over into 1998 elections and could be seen in the dramatic shifts in the public opinion polls during the first nine months of the election year.

Until 1993, democratic transfers of power had occurred exclusively between the two traditional parties. However, after two failed coup attempts against Carlos Andres Perez in 1992 and his removal from office in May 1993 on charges that he misused public funds early in his terms, the pattern of a strong two-party system began to disappear. In December 1993, the leftist parties supported the candidacy of former president Rafael Caldera. With the backing of these parties the *Convergencia Nacional* (CN), recently founded by Caldera, won the presidency.³⁸ Remarkable point was that his supporters did not include COPEI, the party he had founded. Therefore an uncertainty, in Venezuelan politics was seen during 1990s.

Alliances for 1998 presidential elections also suffered from uncertainty. CN had no plans to present a candidate in the 1998 elections; AD evidently believed that it stood a chance of victory in these elections. The key problem, which AD faced, was that the most respected AD leaders in the eyes of the electorate were not popular within the party apparatus. There was still the lingering fear that an AD supported president might allow some people in his own party to be goaled for corruption. In early March 1998, COPEI decided that it would support an independent candidate, Irene Saez, a former beauty queen, who was elected mayor of Chacao district in Caracas. But following her decision in March to accept the backing of COPEI, Saez's popularity began to decline. By April 1998 her ratings had dropped to 18 percent.³⁹ Henrique Sales Romer was an independent candidate who also stood for an antiparty programme. Romer received eleventh- hour backing from AD and COPEI.

³⁸ Ibid, p. 53.

³⁹ McCoy and Trinnunas, n. 23p.122

In July 1997, Chávez founded his own political party, *Movimiento V Republica* (MVR) and expressed his intention to contest the forthcoming presidential election. In June 1998, MAS and *Patria Para Todo* (Homeland for All – PPT) announced that they would support Chávez's presidential aspirations. Thus Polo Patriotico (Patriotic Pole), Chávez's electoral alliance, was founded during election campaign which was led by his MVR.

In the light of the MVR's success in the legislative election on 8 November 1998, prior to the presidential election, AD and COPEI withdrew their support from respective candidates (Luis Alfaro Ucero – who refused to withdraw from the contest and was promptly expelled by the AD; and Saez, who also refused to have her name removed from the ballots) and united in the support of Sales Romer at eleventh hour, hoping to forestall the loss of their long standing political predominance. However, Chávez who was the presidential candidate of Polo Patriotico and had styled himself as a radical left-wing populist with promise of social revolution and constitutional reform had engaged the popular imagination and was elected president on 6 December 1998, with 56 per cent of the votes cast, while Sales Romer received the support of some 39 percent of voters.⁴⁰ There were other candidate but their vote was insignificant.

In this way 1998 election of Hugo Chávez has an important place in Venezuela's political history. For the first time, a political outsider, differently pronounced, the leader of attempted military coup of 1992 was contesting for the president. It was for the first time that somebody dared to question the Venezuela's political system, established by 1961 constitution. Not only that Hugo Chávez promised to convocate a constituent assembly to revamp Venezuela's political structures by changing the old constitution. Since there was no constitutional provision for this, it was clear that he was using the

⁴⁰ *Europa Yearbook*, Vol. 2, (2003) p. 4555.

presidential election campaign not merely to win the presidency but to seek mandate to overthrow the entire constitutional order. Therefore, the rise of MVR contributed to constitutional transformation of the nation. Chávez demonstrated that he and *Chavistas*, activists of MVR and supporters of Chávez-- were committed to a “peaceful social revolution.”⁴¹ He formulated a political programme, which could make him popular and win presidency for him. He raised the kind of issues, which were not raised in previous elections, like convocation of constituent assembly. He defined the role of military in the nation’s politics; consequently he was able to get support from most of the stratas of the society. He embraced the dream of Simon Bolivar, under whom Venezuela achieved her independence on 24 July 1821 with Colombia, Panama, Peru, Bolivia and Ecuador, which formed the Republic of Gran Colombia. Venezuela separated from Gran Colombia in 1830.⁴² Hugo Chávez had spoken of the Boliverian Revolution during his election campaign. The real objective of Bolivarian Revolution is to establish participatory democracy and sovereignty. Democracy is the power against national bourgeoisies and sovereignty against imperialism.

Thus, 1998 election of Hugo Chávez can be described as the beginning of new constitutional and political developments in Venezuela. Chávez, after winning the presidency immediately announced his plans for the election of a constituent assembly to draft a new constitution, and requested congressional permission to employ the ‘enabling law’ to implement an extensive restructuring of public administration.

⁴¹ McCoy and Trinkunas, n. 23pp. 122-26.

⁴² David J. Myers, “Venezuela: The Politics of Liberty, Justice, and Distribution”, In H. Wiarda and H. F. Kline, ed., *Latin American Politics and Development* (Boulder, 1985-90), p. 290.

TABLE 1, Voters Turnout (1973-1993)⁴³

Type of election	Year	Turnout (%)
General	1973	97
General	1978	88
Municipal	1979	77
General	1983	88
Municipal	1984	59
General	1988	82
Municipal and state	1989	45
Municipal and state	1992	40
General	1993	60

Source: Consejo Supremo Electoral, Elecciones,
Caracas: various years

⁴³ Friedrich J. Welsch and Jose Vicente Carrsquero, "Democratic Deconsolidation in Venezuela? Performance and Normative Legitimacy", *International Social Science Journal*, (Oxford) Vol. 164 (1995-96), pp615-26.

TABLE 2,
Venezuela's second "Lost decade" -the 1990s⁴⁴

Economic Indicator	1988	1998
GDP per capita (US\$)/a	3,190	3,221
Inflation Rate (annual %)/a	29.5	35.5
Unemployment Rate (%)/a	7.9	11.2
Real Wages (1994 Bolivars)/c	2,900	1,100
Consumption Per Capita (Bolivares) /d	18,000	13,500
Non-Financial public sector balance (% of GDP)/a	-8.5	-4.5
Population below poverty lines (%)/c.	46	68
Probability of being poor with 12 years of schooling /c	2.4	18.5

Source:

/a Inter-American Development Bank

/b ECLAC

/c Congreso de la Republica

/d Ccordiplan

⁴⁴ www. Trinicenter.com (Venezuela in the 1980s,the 1990s and beyond)-DRCLAS News Fall 1999)

CHAPTER 3

BOLIVARIAN REVOLUTION

**1999 Constitution; Aims and
Objectives; Political, Economic and Social Provisions**

The present chapter attempts to analyze the situation and the conditions in which the 'Bolivarian Revolution' emerged and developed. The chapter will also explore the reasons of why the two mass based political parties, AD and COPEI lost their credibility in the eyes of the emerging civil society. Then chapter will focus on the making of 1999 constitution. The chapter will also attempt to describe the aims and objectives put in the constitution; and why and how these objectives were put in the constitution. In the end the chapter will explain major political, economic and social provisions in the constitution.

In the beginning of 1980s, the situation had become severe when, deterioration in previously favourable external factors, including a sustained decline in oil prices and a hike in international borrowings costs, undermined much of the labour force and flowed into the informal sector, where wages on average were 30 per cent below those in the formal sector.¹ This was not a good indication for politicians who were dominating Venezuelan politics. Policies implemented to check the economic deteriorations had a catastrophic effect on living standards and demonstrated the inequalities implicit in the system of rent distribution. As such, these policies created the socio economic conditions that bloomed into class polarization, increasing the receptiveness of the lower classes to the populist rhetoric of Chávez a decade later. Economic immiseration and social polarization were accompanied by important changes in the class structure of Venezuela society. There were two basic trends that predominated in Venezuela in that era. First was; a shift of labour from agriculture and industry towards the services; and second was a shift from formal to informal modes of employment. The portion of work force, engaged in the agricultural activities, declined from 16.1 to 10.0 percent, while the industrial labour force declined from 28.4 to 24.3 percent. On the other side, the highly diversified sector- i.e.

¹ Kenneth Reborbs, "Social Polarization and the Populist Resurgence in Venezuela", in Steve Ellner and Danial Hellinger ed., *Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict* (Boulder, 2003), p.60.

service sector, increased from 55.5 to 65.5 percent of the total work force. Given the limited absorptive capacity of Venezuela's industries and fiscally strapped public sector, much of the surplus labour force flowed into the informal sector where the wages on average were 30 percent below those in formal sector.²

All these changes, in the class structure and labour market, led to a growing fragmentation and diversification of civil society. Even CTV became less representative among workers. A powerful opposition movement emerged in the southern industrial state of Bolivar with political ties to a rising party. *La Causa Radical* –The Radical Cause (L.C.R.).³ This leftist unionism was very critical of the neoliberal programme implemented by the Perez government in 1989. Following his inauguration in February 1989, Perez implemented the economic policies, based on adjustments programme, to check Venezuela's economic decline. These measures, which included increases in the prices of petrol, public transport and basic necessities, provoked rioting through out the country in late February. Both Caracas and most of the main and secondary cities of the country witnessed barricades, road closures, the burning of vehicles, the stoning of shops, shooting and widespread looting. The revolt lasted five days in Caracas, slightly less in the rest of the country. The cost in material and human losses was very high; the deaths, numbering almost four hundred, were largely of poor residents in the capital.⁴ This revolt of the February 1989 is called as *Caracazo*.

The revolt of February 1989 has given rise to a number of interpretations. All these interpretations try to answer the questions, for instance, why did it last so long? Why did it attain such levels of violence?

² Ibid, p.60.

³ Ibid, p.61

⁴ Magarita L. Maya, "The Venezuelan *Caracazo* of 1989: Popular Protest and Institutional Weakness", *Journal of Latin American Studies*, (Cambridge). Vol. 35 (2003), pp. 117-37.

Why was it centered on targets such shops rather than aimed at political objectives? Why did it occur under a democratic regime? These questions deserve a reply that may contribute not only to a better understanding of this revolt in particular, but also of similar protests in the past or even those occurring in the future.

Indeed, many analysts initially describe the 1989 ‘*Caracazo*’ like “Venezuelan exceptionalism”.⁵ Previously, these analysts were of the view that Venezuelan is radically different from its Latin American neighbours either because of its stable democracy, controlled military or because of its status as an oil producer.

The economists with direct experience of policymaking were highly critical of the way in which Venezuelan institutions worked. They tended to blame institutional flaws for the inability of policymakers to deal with the effects of lower oil prices after 1986.⁶ Others were far more positive about the party system. They argued that political parties and the system built around them had contributed mightily to the creation and survival of democracy in Venezuela.⁷

Writers, like Brian F. Crisp and Danial H. Levine say that the political “crisis” of Venezuela in the late 1980s and in the early 1990s was a crisis in democracy itself, in at least two senses. The crisis arose within a functioning democratic system. Moreover, demands for effective democracy and greater democratization at all levels of political and social life had become a central feature of debate and a goal of reform initiatives. Both analysts argue that decay and crisis and the emergence of new alternatives were not the simple

⁵ Ellner, “Introduction: The search for explanations”, n. 1 p.10.

⁶ Populism and the Defeat of Representative Democracy in Venezuela, taken from www-personal.umich.edu.

⁷ M. Kornblith and D. H. Levine, “Venezuelan: The Life and Times of the party system”, In S. Mainwaring and T.R. Scully ed., *Building Democratic Institution: Party system in Latin American* (California, 1995), p. 69.

result of the “exhaustion of the model” underlying the system but rather as the product of democracy itself.⁸

Venezuelan political system was so strong and self-contained that its key institutions left little room for emerging social forces to find expression; it was too rigid to respond to crisis with anything other than tools that no longer fit the job. The system was running with ungovernability. The legitimacy of the system was questioned. In this way one can say that the crisis was the result of the drastically weakened legitimacy and operative capacity of the political class and its central institutions. One can take the example of the electoral system existing in Venezuela. It is well known that Venezuela had been termed as a “partyarchy” because the major mass-based political parties effectively penetrated and controlled organised social life, monopolizing resources and channeling political action. The statement can be produced that groups and parties developed together; parties were present at the creation of modern Venezuela. These very parties also provided an indispensable network of identity and communications in a fragmented and mostly illiterate society. Other thing was that the party presence could be seen at every type of contest from election trade unions, professional association, or student groups to elections of beauty queens. The presence extended party influence and captured new recruits. Therefore parties were strengthening themselves by various techniques.

A closer look at how party competition had been organized over time on the national level, underscores several factors that together contributed to decay. For most of the democratic period, electoral choice was highly constrained. The act of voting was simple, with each voter having only two choices: one vote for president and another for all other elected offices. This second vote (the “small card”) was cast for a closed party list. National

⁸ Brian F. Crisp and Danial H. Levine, “Democratizing the Democracy? Crisis and Reform in Venezuela”, *Journal of Interamerican Studies and World Affairs*, (Miami), Vol. 40, no.2, (1998, summer), pp. 27-61.

leadership drew up the list and set the order of candidate in it. Consequently this system was reinforcing the power of national party leaders and structures. The management and monitoring of elections was handled by the Supreme Electoral Council (CSE), which itself was organised on party lines.⁹ Three tendencies indicated the problems with electoral politics. First the low level of voters turnout, second, the effective numbers of parties to two; and the third lack of ideological distinctions among parties. Abstention in national elections was seen in 1978 elections for the first time and it continued to 1993 elections¹⁰. We can understand better, this abstention in the context of evolving public attitudes toward democracy and its institution. It is well known that AD and COPEI had dominated Venezuela's politics since 1958 to 1993. Together the two had dominated electoral politics, taking a growing share of the total vote at all levels (see-table-1). Their joint control of national politics was broken in the 1993 elections when AD was discredited and COPEI founder and former president Rafael Caldera split and defeated his own old party, winning a second term in a four-way race. Although two-party dominance itself was not a problem, in Venezuela it became widely perceived that AD and COPEI maintained control because of their historical penetration of other groups and their ability to manipulate the electoral system rather than their ability to reflect popular concerns.

These parties did not have so much of ideological difference therefore; the choice of the voters, regarding the candidate, did not matter. Consequently voters displayed their frustration with two traditionally dominant parties and the greatest confidence went to neighbourhood associations, the armed forces, and the church in that order.¹¹

⁹ Ibid, p. 33.

¹⁰ See table No. 1 of chapter 2

¹¹ Crisp and Levine, n. 8 p.34.

Crisis and decay in the party system were exacerbated by a rigid state structure. It is true that Venezuela was a large state because it had a hold on most of the revenues. State was the major source of employment, consumption, production and credit. But it is not necessarily true that a large state is a powerful and autonomous state. This was the case with Venezuela. This type of state structure gave powerful interest groups access to policy making and public funds. A limited number of interest groups monopolized access to public institutions and maintained their dominance despite deep changes in Venezuelan society and the international political economy.¹² It was easy for the interest groups to influence the executive because the president was more powerful than the congress. Party discipline was so strong that legislators could not change their positions on the policies; they were not in the favour. This position of the legislators, kept them away from the civil society.

Economically defined groups representing capital, labour and middle class professionals became the central player in the democratic politics of resource allocation. Domestic capitalists and organised labour were most commonly recognised as coherent, legitimate actors, and they were usually represented by FEDECAMARAS and CTV, respectively. FEDECAMARAS was dominated by four key interests: industry, trade, cattle raising, and agriculture. It was composed of more than 200 individual groups.¹³ Because these key interests had different and sometimes conflicting priorities, the single-interests or intermediate chambers are as important a centre of political demands as FEDECAMARAS. CTV also gave importance to workers. According to the census of 1988, the number of the members of the CTV was 2.5 million while peasants made up less than 5 percent of total population. Result was that workers had become more important than peasants as

¹² Ibid, p.36.

¹³ David J. Myers, "Venezuela: The Politics of Liberty, Justice, and Distribution: In Howard J. Wiarda and Harvey F.Kline, ed. *Latin American Politics and Development* (Boulder, 1985-90), p. 303.

organized interests.¹⁴ And groups representing other cleavages in society were virtually ignored in the policy making process. Gender, radical, religious, ethnic, cultural and geographic distinctions, for example, were not grounds for effective participation. Such an elitist; the law; closed and rigid system obviously could not have lasted for very long.

. Venezuelan society changed dramatically during the democratic period as long-term social processes of urbanization, mass education, and economic and geographical mobility accelerated. These social transformations meant that established groups became less representative of their constituencies, and new groups sometimes arose to challenge them. These groups were LCR, EVV and FACUR. LCR grew out of divisions in the communist party that also gave birth to the Movimiento AI Socialismo (MAS). LCR rejected the MAS decision to adapt to the political system by organizing on the AD model and competing in elections and organizations on the same terms as all parties. The activities of FEDECAMARAS, the umbrella agency for business groups, and CTV, who claimed to speak for working class, were made suspect by the same internal diversification. Corruption scandals and regular capitulation to party elite also put greater distance between the ranks and file and leadership.

Challenges to the old system not only took the form of alternative parties, business groups and unions, they were also embodied in the mobilization of entirely new kinds of groups. Small groups were being formed to counter the effects of an impersonal and bureaucratized world. These groups of Venezuelan people build circles of intimacy, where meaningful relations could be maintained on a basis of mutual equality and guarantees of rights. One can take the example of neighbourhood movement or EVV, which was started by urban middle-class citizens to resist unplanned city growth and to

¹⁴ Ibid, p. 304.

defend their neighborhoods. The movement had various goals, ranging from neighbourhood preservation to local political actions; but since the beginning, municipal reforms and related electoral reforms had been central to its agenda. The neighbourhood movement, called *Vecions*, began in the early 1970s with the establishment of neighbourhood associations in a series of middle class areas of Caracas.¹⁵ FACUR was founded in 1971 as a coordinating body of these associations. This movement consolidated itself on a national level, with important support from business and from national and international NGOs.

The term civil society came into wide use in Venezuela only in the last 1980s. Earlier, the expression of social life or civil society was coming out through party-controlled networks.¹⁶ The evolution of the grassroots groups in Venezuela illustrated both the strength and the limitations of civil society as a vehicle for transforming politics in Venezuela. They had capacity to mobilize opinion and place new issues on the national agenda. They did campaign to change electoral laws and to begin effective decentralization, with states and municipalities gaining new status and taking on new responsibilities. Weaknesses were also evident. With the exception of LCR, few of the movements, generated from civil society had consolidated in enduring, as political party formation had been difficult and costly. Finding themselves all of a sudden in the surprising position of running state and local governments and occupying position of power in the congress, leaders of LCR encountered pressures to act like a political party. The leaders of LCR made electoral alliances and closed deals in ways that contradicted the participatory and egalitarian ethos of the movement. There had been notable failures at local government level; factions emerged; and the LCR split in 1997.¹⁷

¹⁵ Ibid, p.42.

¹⁶ Crisp and Levine, n.8 p.40.

¹⁷ Ibid, p.43.

The emergence of the civil society, nevertheless forced the pace of political change in late 1980s and 1990s. It is true that when societies change more rapidly than political institution, old ways of doing politics are outpaced and often out flanked.¹⁸ This was the case with Venezuela too. All these findings produce that severe weaknesses and perversions in the democratic system, along with the prolonged economic contraction were responsible for the emergence of an active civil society which started to question the governability and legitimacy of the political and economic institutions existing in Venezuela in that time. A new order was willing to born but the old order was unwilling to die. The result was the ‘*Caracazo*’ of 1989. It was suppressed but left the question mark on the old order. Institutional reform process, started by the Perez government (1989-1993) could not do better. And parties remained strong enough to make fundamental change impossible. Because there was no change in the nature of rigid institutions, elites grimly hang on to power and privileges.

Some of the military officers were very critical of the behaviour of military during the ‘*Caracazo*’. They felt that their actions were against poor and defenseless civilian population. Some of the ‘*Bolivarianos*’, military officers belonging to MBR-200, having exercised control of troops at the time of ‘*Caracazo*’ felt shame, indignation, and a sense of having defended the wrong side. So they started to contact with civilian groups, particularly with, Party of the Venezuelan Revolution – (PRV) and *La Causa Radical* –LCR.¹⁹

The ties between the military and the civilians encouraged both to overthrow the established government and to change the system. The coup attempts of 1992, first on 4 February and second on 27 November, somehow, were the result of these ties. But these attempts failed due to difference

¹⁸ Ibid, p. 39.

¹⁹ M. Lopez Maya “Hugo Chávez Frias: His Movement and His presidency”, n. 1 p.77

between the members of the military and civilians. Chávez, the coup leader, surrendered and asked to speak on television to his companions- in-arms to ask that they do the same in order to avoid the massacre. Chávez's appearance of less than one minute gave a face to the insurrection and captured the collective imagination of broad sectors.²⁰ The government of Perez survived but it was left mortally wounded. Chávez and other coup participants were put behind bars.

In spite of being in jail, *Bolivarianos* were having contacts with different social and political sectors. The MBR-200 was getting support of civilians from all ideological backgrounds. The rebel officers were also developing their thoughts by reading literature and planning about their next actions. The MBR-200 had relations with the civilians including with Luis Miquitena Jose Vicente Rangel, Jose Rafael Nunez Tenorio, Jorge Glordani and Pedro Duno, among many others.²¹

The *Bolivarianos* were freed from jail in March 1994 by the government of Rafael Caldera. Now *Bolivarianos* wanted to have a huge base for their movement. For this purpose, they visited throughout the country and told that their policies were progressive and different from the established parties like AD and COPEI. They also told about their ideological position, they had been developing since the very beginning of MBR-200.

They told about their political strategies. They gave details of their long-term political programme that they called the Simon Bolivar national project.²² The MBR-200 was committed to a fundamental change; therefore it was looking for ways to change the political system of Venezuela. The *Bolivarianos* could not do it by the way they followed in 1992 i.e. coup. So

²⁰ Ibid, p.78.

²¹ Ibid, p.80.

²² Ibid, p.80.

they adopted a civilian method and decided to compete in the elections of 1998. For this purpose MBR-200, created an electoral structure that it called the *Movimiento Quinta Republica*, (Fifth Republic Movement –MVR). The party took the name of “Fifth Republic” because Venezuela legally prohibits using the name of Bolivar to register as a political organisation with the National Electoral Commission (CNE). However, the name pointed to the “refounding” of the Venezuelan republic, taking into consideration that, what they called the “Fourth Republic” had begun with Venezuela’s separation from Gran Colombia in 1830 had endured since then.²³

Chávez’s candidacy for the 1998 elections was announced in April 1997. It is well known that from the very beginning of his political career Chávez embraced an aggressive discourse. Chávez and his MVR also developed a discourse of anti-liberalism and a break with past.²⁴ During his election campaign, for the president, Chávez’s most valuable weapon was his incorporation of the term *el Pueblo* (“The people”) into his political discourse and relating it to the audiences he addressed. He told the people that all power of the state came from the people. State is the subject while the people are the sovereign. Therefore sovereignty resides untransferable in the people, who exercise it directly or indirectly, as there are provisions in different countries. Chávez was of the view that the achievements of the nineteenth century, particularly independence and federal war could become possible because of the people. He depicted the *el Pueblo* as brave, noble, beautiful and valiant--the main actor of the history.²⁵

Chávez’s MVR and its political alliance *Polo Patriotico* won the congressional, legislative and municipal elections with landslide. The victory

²³ Ibid, 83.

²⁴ Steve Ellner, “The Radical Potential of Chavismo: The First Year and Half in Power”, *Latin American Perspectives*, (London), Vol. 28, No.5, September 2001, pp. 5-32.

²⁵ Maya, n.19, p.84.

of this alliance opened up a new political spectrum for the society. Chávez captured the vote of the poor and lower middle sectors of the country by a wide margin while his opponents attracted the sectors for which the neo-liberal policies were beneficial.

1999 Constitution

Chávez was inaugurated as president on 2 February 1999 and a new council of ministers was installed. It is well known that Chávez's main banner throughout the election campaign was the convocation of a constituent assembly to change the country's political system. If one look at Chávez's political intentions since he involved himself in the Venezuelan politics, it can be said that before Chávez became president it was not all that clear which way he intended to take the country. He seemed to be promising different things, depending on his audience. He could not produce a clear socio-economic programme. He could not declare anything about his ideology. However, on the issue he was clear from the beginning, and that was his intention, to write a new constitution for Venezuela. Following the 1989 '*Caracazo*' riots, MBR -200 had begun a discussion of how it should go about completely reforming Venezuelan society. By the time movement was ready to launch the 1992 coup, Chávez had decided to focus on the convocation of a constituent assembly. Once he was asked about his plan of constituent assembly, he said,

“We discussed how to break with the past, how to overcome this type of democracy that only responds to the interests of the oligarchical sectors; how to get rid of the corruption. We had always rejected the idea of a traditional military coup, of a military dictatorship, or of a military governing junta. We were very aware of what happened in Colombia, in the years of 1990-1991, when there was a constitutional assembly of course- it was very limited

because in the end it was subordinated to the existing powers. It was u... existing powers that designed Colombia's constitutional assembly and got it going and, therefore, it could not transform the situation because it was a prisoner of the existing powers".²⁶

Following the 1998 election triumph, the first thing Chávez did as newly elected president, was to schedule a referendum on whether or not Venezuelans want a constituent assembly. The 1961 constitution did not provide for any mechanism for calling a constitutional assembly. Therefore Chávez requested congressional permission to employ the 'Enabling Law', which has been granted to the president, to implement an extensive restructuring of public administration and a comprehensive economic recovery programme.²⁷

The referendum took place in April 1999 and Chávez received congressional endorsement of his proposed use of 'Enabling law'. Elections to the National Constituent Assembly (ANC) took place on 25 July 1999 and resulted in an outright victory for '*Polo Patriotico*'. *Polo Patriotico* obtained 125 or 95 percent deputies, and only 6 seats went to the opposition.²⁸ All the 131 members of the constitution assembly were elected directly, *via* a simple majority.

The members of the constituent assembly immediately began with their work. A debate broke out, between the opposition and the assembly's majority on whether or not the assembly had the right to take over normal functions. The opposition accused the government of establishing a *de facto* dictatorship. There were also complaints about the increasing military presence in the government, as former military officers held positions in the council of

²⁶ Hugo Chavez interviewed by Martha Hamecker, taken from: [www. Venezuelanalysis.com-History](http://www.Venezuelanalysis.com-History) of Constitutional Reform.

²⁷ *The Washington Times*, 15 July 1999.

²⁸ *Maya*, n. 19 p.85.

ministers and 19 of them had been elected to the ANC. Chávez and his supporters argued that since the assembly was the highest legislative representative of the sovereign, or the people, the assembly should take precedence over the legislature. They justified the control of the legislature, executive and judiciary as necessary in order to eradicate corruption and implement social reforms.²⁹

By November, document was ready and was signed by the ANC on 19 November 1999. The new constitution was submitted to the national vote on 15 December and was approved by 71.21 per cent of the popular vote. There are 350 articles in the new constitution.³⁰ The new constitution changed the country's name from Republic of Venezuela to Bolivarian Republic of Venezuela. This change was promulgated on 30 December 1999. This was the change that Chávez insisted upon, even after his own supporters in the constituent assembly rejected it, mainly because it would imply too much of an expense to change all of the government's letterheads, and official seals etc. Finally, however, Chávez convinced the assembly and the name change was included. The new name is supposed to signal that Venezuela is just one of the countries that its founder, Simon Bolivar, liberated and that it could, in the future, belong to a federation of "Bolivarian Republics".³¹ Given the great importance that 'Simon Bolivar' plays in Chávez's political belief system it should come as no surprise that he would insist on this change.

Main Features of the 1999 Constitution

Chávez and his supporters had dominated the constituent assembly; therefore they could put some provisions which were favourable to their

²⁹ *Europa Yearbook*, 2003, (London, 2000), Vol.2, p.4556.

³⁰ *Ibid*, p.4556.

³¹ The other countries that Simon Bolivar liberated are Colombia, Ecuador, Peru, and Bolivia. In theory, however, any country that subscribed to the principles or goals of Simon Bolivar, which included the unification of all of Latin America could consider itself a "Bolivarian Republic".

political and other interests. Their main objective was to change the entire constitutional order established by the 1961 constitution of the Venezuela. Chávez blamed 1961 constitution for privileging the two political parties and the elite society. So after implementation of the new constitution Chávez and his supporters claimed that they had given a rulebook that is committed to establish a participatory, democratic decentralized, responsible to the people, pluralistic, based on term limits for elected officials and with revocable mandates.³² For 'large evils, large solutions' was undoubtedly the motto of those who drafted the political chapters of the 1999 constitution. Thus, new constitution has various aims and objectives that can be described as follows-

(i) **Main Features**

(a) Articles 5 of the new constitution states, “sovereignty resides untransferable in the people, who exercise it directly in the manner provided for in this constitution and in the law, and indirectly, by suffrage, through the organs exercising public power. The organs of the state emanate from and are subject to the sovereignty of the people”. But in practice the people does not use this power. There are some organs through which people use their sovereignty. The organs exercising people’s power in Venezuela are the executive, legislatures and electoral. A new organ, namely the Citizen Power, consisting of the Attorney General, the Controller General and Ombudsman also included. Article 236 of the constitution gives power to president to designate these bodies. Therefore the organ named Citizen Power cannot work independently. Moreover there is no such thing as ‘Citizen Power’, when president appoints those who by definition are meant to be checking upon him and his actions. It is rather difficult also to comprehend the premise of separation of powers and respect for the rule of the law in such a case. It is also true that when the legislative and executive powers are united in the same

³² Angel E. Alvarez, “State Reform Before and After Chávez’s Election”, In Steve Ellner and Daniel Hellinger, ed., *Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict*, p. 151.

person, or in the same body of some magistrates there can be no liberty; therefore, one may say that Venezuelans hold the sovereignty in theory, not in practice. Whatsoever, one cannot avoid the importance of the organs like legislature, judiciary, executive and electoral. People use their power through these organs. Article 350 of the new constitution states, “The people of Venezuela, true to their republican tradition and their struggle for independence, peace and freedom, shall disown any regime, legislation or authority that violates democratic values, principles and guarantees or encroaches upon human rights”. This article shows the importance and the power of the people. In this way one may say that Venezuela’s new constitution is committed to establish the sovereignty of the people.

(b) “Venezuela constitutes itself in a democratic and social state of law and justice”.³³ This stands in contrast to many other country’s constitutions, which simply say that their state is a state of law.³⁴ In other words, the Venezuelan constitution highlights the possible difference between law and justice, implying that justice is just as important as the law, which might not always bring about, justice. On the basis of article 2, Venezuelan state promotes the well-being of Venezuelans, creating the necessary conditions for their social and political development, and striving for equality of opportunity so that all citizens may freely develop their personality, determine their destiny, enjoy human rights and search for their happiness.

But some contradiction can be observed in article 2. It looks that this conception of state of justice, which contrasts with the state of law, could lead to situation in which a vaguely defined notion of justice prevails over the law,

³³ Article-2 of the 1999 constitution.

³⁴ For example the German Constitution refers to the German State as a “Rechtsstaat”, a “State of Law”.

thus opening the possibility of a supposedly benevolent dictatorship. However, given that article 2 is the only time that the contrast between law and justice is drawn, it does not look anywhere else in the constitution where such an interpretation could be produced. In this way one can say that Venezuela's new constitution has brought concept of "State of Law and Justice" in Latin America.

(c) Chávez always claims to be committed to a regime in which every citizen could have share. He had always been against the 1961 constitution for giving privilege to two political parties, and the elites of the country. He wanted to eradicate the democracy established by the 1961 constitution that he calls 'party-democracy or 'partyarchy'. The constitution of 1961 went a long way in promoting this model. The old constitution defined the Venezuela government as "democratic, representative, and responsible to the people and guaranteeing the rotation of elected public officials".³⁵ This representative character of government was reinforced by Article 4 of 1961 constitution that confined the direct exercise of popular sovereignty mainly to suffrage. Subsequently the people's sovereignty was exercised at the intermediate level, where party was playing an important role of intermediary. The result was that parties became a powerful entity in the country's politics. It is well known that AD and COPI enjoyed an absolute majority in congress. Congress used to select supreme court Judges, the Attorney General, and the National Comptroller which were generally the product of high-level agreement between the major parties. These parties could negotiate over the allocation of these public functionaries. In this way, political system established by the 1961 constitution minimized the competition among elites and minimized popular participation even more.³⁶ But Chávez and his supporters, *Chavistas*, claimed

³⁵ Article 3 of 1961 constitution.

³⁶ Alvarez, no. 32p.151.

that 1999 constitution has the objective to establish a 'participatory democracy'. For example, the preamble of the 1999 constitution states that one of the constitution's goals is to establish a participatory democracy achieved through elected representatives, popular votes by referendum, and popular mobilization. It points to the constitution itself as being a product of this new participation. It is true also because social organization were invited to participate through multitude of venues such as forums, workshops, and committees. They were also encouraged to draft their own proposals for consideration by the constituent assembly. In this way, the new constitution was supposed to establish a 'participatory' democracy. One of the articles of the constitution states, "Everyone has the duty to fulfill his or her social responsibilities through participation in the political, civic and community life of the country with the goal of promoting and protecting human rights as the foundation of democratic co-existence and social peace."³⁷ In this way, the new constitution compels the public to see themselves as not so much the governed masses, but as active builders of their own nation.

Critics describe the 1999 constitution as the document of *Chavistas* to overcome political party hegemony. "Bolivarian constitution even failed to make mention of political parties anywhere in the text. Instead, the document used the vague expression 'associations with political ends', a phrase that lacks a tradition in Venezuelan politics and is without any theoretical basis in political science or public law".³⁸

Nevertheless, one may draw the conclusion that Venezuela's new constitution is an "advanced" constitution, with extensive human rights and social welfare guarantees, but that in practice this meant quite little for the well-being and political opportunities for the citizen. Ultimately, what makes

³⁷ Article, 132 of the 1999 constitution.

³⁸ Alvarez, no.32 p.152.

the difference between a constitution that is actually implemented and one that is merely a formality on paper is the country's political culture. If the institutions, citizens, political leaders and state officials generally abide by the letter and spirit of the constitution, as part of the population's world view and political culture, the constitution will be very significant because the infraction of the law will be caught and prosecuted. However, if there is a political culture, in which the law is regularly subverted and interpreted in ways that violate its spirit, then the constitution will be mostly meaningless.

Providing a wide range of social services is very much related to human rights. Venezuela's new constitution seems to do much in this regard when it states, "the essential purposes of the state are the protection and development of the individual and respect for the dignity of the individual, the democratic exercise of the will of the people, the building of a just and peace loving and welfare of the people and the guaranteeing of the fulfillment of the principles, rights and duties established in the constitution".³⁹

Before Chávez came to power Venezuela was formally bound by human rights standards, but in practice often violated them. Torture, censorship and violations of the right to assembly were quite common.

Those who suffered from these human rights violations were to a very large extent the same people who swept into power with the election of Chávez as president. Many of these individuals thus participated in the making of the new constitution. As a result, they gave human rights a central place in the constitution. However, the human rights that the constitution mentions go far beyond what most constitutions incorporate. Not only civil rights, such as the freedom of expression, assembly, and political participation are included, but also social human rights, such as the right to employment, housing, and

³⁹ Article- 3 of the 1999 constitution.

health care. Venezuela's new constitution considers 'health' an important social right as it is related to right to life. This right may open health care to many Venezuelans who previously did not have access to it.

A further innovation of the new constitution is the inclusion of international treaties as having equal standing with the constitution, meaning that they must be enforced in the same way.

(d) It is true that Venezuelan democracy survived two coup attempts in 1992; nevertheless, these coup attempts definitely changed the character of Venezuelan democracy because it made it harder to reform the state. From then on, anticipated reactions from the military significantly shaped the political process and constrained policymaking. Former president and independent presidential candidate Rafael Caldera made a speech in the immediate aftermath of the February 1992 coup, publicly declaring his support for some of aims (though not the methods) of the coup leaders and promising them an amnesty if he is elected.⁴⁰ Therefore, military was strengthening itself and it paved the way for its entry in the politics.

Military was not satisfied with its position during Caldera's government. Caldera's treatment of the military was pragmatic and managerial rather than reforming. There was no real attempt to reprofesionalize the army. Upon taking office in February 1994 Caldera sacked the entire military establishment, and promoted his son-in-law Rojas Perez to key position. When he was asked why he did this, he replied, "so that I can sleep at night"⁴¹

As being a retired military officer Chávez, as president, could not avoid military's role in the Venezuelan politics. He has tried to establish a civil military balance in nation's politics. For this purpose he and his supporters have given special place to military in the politics and

⁴⁰ www-personal.umich.edu (Civil-Military Relations between February 1992 and December 1998.)

⁴¹ www-personal-umich/edu (Populism and Defeat of Representative Democracy in Venezuela)

administration through the various provisions in the new constitution of 1999. One of the articles of the constitution specifically assigns the military oversight over virtually all issues regarding weapons: “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 use of other weapons, munitions and explosives.”⁴² The article makes the military more responsible than other government officials, such as those in foreign relations or the custom office, since these duties involve broader issues of trade and foreign affairs. The 1961 constitution did not consider military a political institution. Rather, it was apolitical and obedient, when it said, “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”.⁴³ But 1999 constitution does not say that military should be apolitical. The new constitution states that the military should be “without political militancy”, and that “[its] fundamental pillars are discipline, obedience and subordination”.⁴⁴ Article 330 of the new constitution grants military an active-duty “right to vote”. This is a privilege that was not enjoyed by military, previously. The 1999 constitution also “eliminates parliamentary control over promotions, leaving them in the hands of the military institution itself, with the exception of promotion to general (or admiral)”, which the president himself oversees. This both helps concentrate presidential power and further limits broader political oversights of the armed forces.⁴⁵ Now fact is that military has come to take part

⁴² Articles 324 of the 1999 constitution.

⁴³ Article 132 of the 1961 constitution.

⁴⁴ Article 328 of the 1999 constitution.

⁴⁵Deborah L. Norden, *Democracy in Uniform: Chavez and the Venezuelan Armed Forces*, n.1 p., 100.

in the nation's politics. Some of the military officers have come into politics by winning the elections; some of them have come through appointments. For example, in 1998, retired lieutenant colonel Yoel Acosta Chirinos, a participant in Chávez's 4 February 1992 coup attempt, was elected MVR deputy from the state of Falcon and Chávez appointed his classmate from state military academy, who had remained in the military, General Arevalo Mendez Romero, as his private secretary.⁴⁶ Thus, the role of the military has progressively shifted towards less defense-oriented functions. The new government has also expanded the military's presence in police work particularly that of the National Guard.

But the new role of military has not become popular in Venezuela because military leaders also got involved in the corruption. Accusations of extensive fraud pervaded in the aftermath of Plan Bolivar-2000. Millions of US dollars were reportedly paid either to non-existence companies or to business that actually provided no services.⁴⁷

In short, it can be said that Chávez's government has become a government, which seems very near to military government because of so many military officers in the administrative posts. Chávez has tried to act just on the border between democracy and authoritarianism finding mostly constitutional means to destroy the constitution itself, along with the party dominant democracy it had sustained.

But we cannot say that Chávez's government is a dictatorship. Nevertheless, it is "the strongest modern military regime, in which the military institution is directly involved in governing rather than traditional dictatorships."⁴⁸ Therefore, 1999 constitution has given a proper place to

⁴⁶ Ibid, p. 102.

⁴⁷ *New York Times*, 13 April 1999, p. A15.

⁴⁸ Norden, n.45p. 110.

military in the administration that really establishes the civil-military balance in the country's politics.

(e) Of all of Venezuela's public institutions, its judicial system has historically perhaps had one of the worst reputations. It is true that article 203 of the 1961 constitution sought to guarantee the judiciary's independence from the legislative and executive branch, but in practice this provision was not followed. Venezuela was a federal state, but 1961 constitution contained no provision for state courts to adjudicate state law. There were no non-federal police forces of any importance. As a result, all of Venezuela's major legal offices – arresting, prosecuting, and judging- were staffed by 'federal' government officials.⁴⁹ In many ways the judiciary symbolized all that had gone wrong with Venezuela's political system. The roots of the crisis in the judiciary intertwined several areas: political interference, corruption, institutional neglect and failure to provide access to justice for the vast part of the Venezuelan population.

When Chávez was elected president, the new government launched on a major reform programme, completely overhauling the country's judicial system, along with the new constitution. From the legal perspective, the judicial system was changed such as the new constitution made the judiciary more independent from the other branches of government. That is to say, the entire judicial system would be under the control of the Supreme Tribunal of Justice.

In terms of overcoming the existing mostly corrupt structures and judges, Chávez, under the principal guidance of one of his main advisors, Luis Miquilena; created a Judicial Restructuring Commission, which was to review all of the country's judgeships and replace judges whenever necessary.⁵⁰

⁴⁹ Myers, no.13p. 306.

⁵⁰ 'Chavez and Judicial System in Venezuela' taken from [www. Venezuelanalysis.com](http://www.Venezuelanalysis.com)

The selection of judges seems to be fair. The 1999 constitution called for the creation of a Judicial Nominations Committee to review judgeship candidates by taking into account “the opinion of the community” and then presenting a preliminary list to the Citizen Power (Attorney General, Controller General and human rights Ombudsman) for further consideration. A second selection is then to be presented to the National Assembly, which has the final say. The new constitution has established 12-year term for Supreme Court judges, which is greater than that of the National Assembly (five years) and of the president of the republic (six years) along with the elimination of reelection, and has reinforced the courts autonomy.⁵¹ In this way, given the widespread unhappiness with the old judicial system, Chávez’s moves to reform the judiciary, were welcomed by the vast majority of the population.

But the system established by the 1999 constitution for designating judges and other top officials failed to get off a good start. To replace those who were removed, the Restructuring Commission, to a large extent, placed provisional judges, because it did not have time to fully review the new appointments. This of course, has led to the very credible charge that the new judges will be ever more obliged to their political benefactors, Chávez and Miquilena, than judges were ever before, because the provisional judges can be removed almost at the will of president. In 2000 a legislative committee of the constituent assembly known as the *congresillo*, composed of members and sympathizers of Chávez’s MVR, chose Supreme Court justices who were pro-government and even who, in many cases, lacked the academic credentials and experience formally required by the constitution.⁵² In this way one can say that there was difference between the provisions, and practices regarding the judicial system, which can lead to its failure.

⁵¹ Alvarez, n.32p.152.

⁵² Ibid, p.152.

(f) There are no less than 111 articles, in the new constitutions, spelling out civic rights that address topics such as culture and education, indigenous rights, adequate housing, and distribution, worker safety, protection of family and children, and priority of environment. Political participation is addressed in article 71 of the new constitution. Constitution describes the popular referendum mechanism that affords the public a direct voice in legislation and the power to recall any publicly elected figure.⁵³ There is provision that citizens even can initiate constitutional amendments. The initiative may emanate from 15 percent of the citizens registered with the Civil and Electoral Registry, from 39 percent of the members of the National Assembly or from the President of the Republic sitting with the Cabinet of Ministers.⁵⁴

The new constitution guarantees the right to information, which is “timely true and impartial”.⁵⁵ This right was one of the more controversial articles while the constitution was being discussed in the constituent assembly. Member of the opposition read this article as providing the state with the possibility of censor information that is not considered true or without censorship, in accordance with the principles of this constitution.

Venezuela’s new constitution incorporates most of the symbolic and programmatic rights of indigenous people such as guaranteeing political representation at all levels of the government.⁵⁶ The constitution also prohibits the registration of patents related to indigenous genetic resources or intellectual property associated with indigenous knowledge.⁵⁷ Three indigenous seats are

⁵³ Article-74 of 1999 constitution.

⁵⁴ Article 341 of 1999 Constitution.

⁵⁵ Article 58 of 1999 constitution.

⁵⁶ Article 125 of the 1999 constitution.

⁵⁷ Article 124 of the 1999 constitution.

reserved in Venezuela's unicameral National Assembly. This new constitution also reserves indigenous seats in state assemblies and municipal councils in the districts with indigenous population. Venezuela's new constitution is the only Latin American constitution to do so.⁵⁸

Environmental rights are another area where the constitution establishes progressive standards. For example, it commits the state to protect the environment, biological diversity, genetic resources, ecological processes, and national parks. Also, it prohibits the patenting of the genes of living beings. Highly unusual for a constitution is the inclusion of the obligation to issue environmental and socio-cultural impact reports for any type of activities that could cause environmental damage.⁵⁹

(g) The constitution's usefulness and relevancy depends upon the political culture, a country has. If there is a political culture in which law is regularly subverted and interpreted in ways that violate its spirit, then the constitution will be mostly meaningless. Therefore a 'participant political culture' is required to bring about the development at every stage.

Venezuela's 1999 constitution tries to develop a participant political culture, which had become a parochial one during 'partyarchy' established by 1961 constitution. Despite the problems with Venezuela's political culture and the implications this has for the effectiveness of the constitution, the 1999 constitution was not in vain. Importantly, new constitution not only lays out the rights of the citizenry, but also the duties of the state and the public in attaining and maintaining the ideals of the nation. There are some articles elaborating the duties of all citizens. These articles formally establish the intent of the Fifth Republic administration to enlist the general public in the pursuit of national goals.

⁵⁸ Donna Lee Van Cott, "Andean Indigenous Movement and Constitutional Transformation: Venezuela in Comparative Perspective", *Latin American Perspectives*, Vol. 30, No. 1, January 2003, pp. 49-69.

⁵⁹ Environmental Rights in Venezuela, taken from www.Venezuelanalysis.com

The Venezuelan constitution states, “Everyone has the duty to fulfill his or her social responsibilities through participation in the political, civic and community life of the country with the goal of promoting and protecting human rights as the foundation of democratic coexistence and social peace”.⁶⁰ It further says that government cannot do forcible recruitment into the armed forces. But constitution also recognized everyone’s duty to perform civilian or military service as may be necessary for the defense, preservation and development of the country.⁶¹ Article 341 also contributes in this regard, when it gives power to the citizens to initiate any constitutional amendment with respective numbers. The new constitution says that the state’s obligation to the general welfare of society does not preclude the obligation of private individuals to participate according to their abilities.⁶² The duties, mentioned in articles 133, describe participation much beyond the electoral process. They compel the public to see themselves as not so much to the governed masses, but as active builders of their own society.

In this way, the 1999 constitution has many provisions through it seeks to build a ‘participant political culture’. It is evident by the high participation in social movements and other forums of political expression that the public does feel, that they have a say in the direction of the country in a way that they never had before.

In short, the new constitution provides for a political environment that strengthens the democratic norms in the country. It provides for broad citizen participation, making Venezuela a “participatory democracy” rather than merely a representative one. Finally, the inclusion of special protection for those traditionally marginalized, such as women and the indigenous population

⁶⁰ Article 132 of the 1999 constitution.

⁶¹ Article 133 of the 1999 constitution.

⁶² Article 135 of the 1999 constitution.

and of the environment makes Venezuela's constitution one of the most responsive to the needs of the less powerful.

(ii) Political, Economic and Social Provisions

Political, economic and social provisions, in the new constitution, were the result of long debate in the constituent assembly. Chávez and *Chavistas* wanted to replace Venezuela's representative and party democracy established by the 1961 constitution with a new political system defined as "social, just, participatory and protagonistic".⁶³ Considerable debate in the constituent assembly centered on two basic propositions aimed at transforming the state. The first strengthened the executive branch and weakened congress. The assembly created a unicameral congress and eliminated congressional input in military promotions and empowered president to dissolve congress under certain circumstances.⁶⁴ The second major provision is of participatory democracy. The new constitution allows for different types of referenda, making possible the removal of elected officials and provides for the participation of civil society in the nomination of judges at all levels, the National Electoral Commission, the Comptroller General and the newly created Ombudsman.⁶⁵

(a) Political provisions, in the 1999 constitution, have been given more attention than others. president, legislature, electoral power, citizen power, political parties, and sometimes military can be included in the political provisions in Venezuela's new constitution.

⁶³ Alvarez, n. 32p.147.

⁶⁴ Ellner, no. 24 p. 18.

⁶⁵ Alvarez, n.32 p.152.

President: Perhaps one of the most controversial topics in the new constitution was the office of the presidency. Chávez insisted on increasing the presidential term from five to six years and to allow for immediate reelection. Previously the president was not allowed to run for immediate reelection, but could eventually run again. This is what enabled both Rafael Caldera and Carlos Andres Perez to serve twice as president, each during different decades in Venezuela's history.⁶⁶ Unlike previous political system, the president is more powerful than any other institutions. Earlier parties were strong and presidency was weak.

Under the new constitution president can initiate to amend the constitution. (Article 341). There is provision of 'Enabling Law' granted to president. According to this law president can implement an extensive restructuring of public administration and a comprehensive economic recovery programme.⁶⁷ The Enabling Law that the president has been granted allows him to rewrite legislation that has lost validity. Other point is this Enabling Law offers the president an opportunity to change the law so that it is easier to fire civil servants. "What is interesting is that this is the first time in which we have an Enabling law where the president asks for powers to reduce the size of the central government bureaucracy. Usually they are put in place to increase the government's role", said Luis Henrique Ball, president of the Venezuelan confederation of industrialists.⁶⁸ President, as head of the executive has the duty to appoint the components of the Citizen Power, i.e. the Attorney General, the Comptroller General and Ombudsman.⁶⁹ The new constitution has centralized presidential power even more than the already somewhat

⁶⁶ Rafael Caldera was president during 1969-1974; and 1994-1999; Carlos Andres Perez during 1974-1979 and 1989-1993.

⁶⁷ *Europe Yearbook*, 2003, Vol. 2. 4556, (Article 203, 206).

⁶⁸ *The Washington Times*, 15 July 1999.

⁶⁹ Articles 236 of the 1999 constitution.

presidentialist constitution of 1961. The increased presidential powers include the ability to dissolve the national assembly declare state of emergency, freely name ministers and their area of responsibility. Constituent assembly's actions were called by the critics *Jacobin* for concentrating powers in the presidency.⁷⁰

Thus, the new constitution empowered the presidency, not only through the substantial powers it confers on him, but also through the provisional powers he could request from the national assembly to allow him to legislate by decree on all matters for up to a year. And Chávez as president is using those powers. Chávez has announced the possibility of decreeing a state of emergency for socioeconomic reasons, which would have increased his powers even further.⁷¹

Legislature: The biggest change with respect to the legislature is that it has changed from a bicameral, to a unicameral one. The argument behind this change was that this is indeed a legislature that would be more responsive to the country's needs by being able to pass laws more quickly. Critics, however, argues that change favours the centralization of the government because the Senate, which had an equal number of representatives from each state, eliminated.⁷² In practice, the new unicameral National Assembly has not been faster in approving laws than the old legislature. As a matter of fact, the legislature has in the past few years fallen far behind its legislative schedule. The reason for this however, can be the opposition stalling tactics that prevent the conclusion of debates on laws.

Citizen Power: This is a newly created political provision in the 1999 constitution. Citizen power consists of Attorney General, Controller General, and human rights Ombudsman. This power assures than the other four powers

⁷⁰ *The New York Times*, 21 August 1999.

⁷¹ Alvarez, n.32p. 158.

⁷² *Ibid*, p.156.

comply with constitutionally determined functions. Attorney General is a functionary that works like a defender of the rights the of people. Comptroller General works like an auditor general who watches for corruption and the proper administration of public finances, and Ombudsman watches the human right department. Specifically, the constitution states that this power should “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....”⁷³

Electoral power: As for the fifth state power, the Electoral, is constituted by the National Electoral Council which regulates and watches over proper electoral procedures. It is principally in charge of state elections, but can also guard over the election of organizations of civil society such as the unions, either at the request of the organization or of the Supreme Tribunal of Justice. But Electoral Power works under the guidance of Supreme Tribunal of Justice. May 2000, three days before voting was scheduled to take place, when the Supreme Tribunal of Justice suspended the elections, citing technical faults with the electronic voting system.⁷⁴

Political Parties: The 1961 constitution of Venezuela privileged political parties and elites of the country. These parties dominated the Venezuelan congress for a longtime. Such was the condition that even an important political reform could not be drawn without the will of parties. As a result, prominent establishment figures lost their faith in congress and swung over to the radical position in favour of constituent assembly with unlimited powers, Venezuelan political system was a “partyarchy”⁷⁵

⁷³ Article 274 of the 1999 constitution.

⁷⁴ *Europa Yearbook*, 2003, Vol. 2 P 4556.

⁷⁵ Elner, no. 24 p. 17.

Chávez was against this 'partyarchy'. Consequently, he stressed on a powerful executive and a weakened congress. In the new constitution, state financing of political parties has been eliminated; previously, the state provided generous financing to the two main political parties AD and COPEI. However, with their complete loss of credibility and the corruption associated with state financing, the constitutional assembly decided to eliminate state funding for parties altogether. Now parties can not dominate the congress and administration, because the new constitution has reduced party influence even in the naming public officials to the judicial branch, Citizen Power and Electoral Power.⁷⁶

Military: The 1999 constitution of Venezuela has expanded the military's duties and political rights. Chávez more substantially expanded the military's political presence by actively bringing military personnel-- primarily retired--into government.⁷⁷

These rights and duties of the military can be explained as political provision in 1999 constitution. Now military has right to vote, a privilege not enjoyed by it previously.⁷⁸ Thus, military's expanded role in politics can be explained as political provision.

Regarding the political provision in 1999 constitution of Venezuela, one can say that Venezuelan constitution provides for democratic norms. These provisions can do better for the development in the country. One can take the example of Citizen Power and Electoral power; these powers are the basis of political freedom in the country. Venezuelan military has been civilized. Legislature of Venezuela is unicameral which works faster than a bicameral one.

⁷⁶ Alvarez, n. 32p. 152.

⁷⁷ Norden, n. 45p 100.

⁷⁸ Article 330 of the 1999 constitution.

But there are some severe criticisms of these provisions. For example that term of presidency has been extended from five to six years while there was no need for this. In practice, the new unicameral National Assembly has not been faster in approving laws than the old one. The neutrality of citizen and electoral power is also questionable because the president finally appoints the officials of these powers. These criticisms of political provisions might be true but one cannot deny the fact that these provisions are more democratic than the provisions, established by the 1961 constitution.

(b) Economic Provisions are also traceable in the 1999 constitution. It is well known that Chávez is against “savage neoliberalism”.⁷⁹ But Chávez and his political allies could not produce a clear economic programme. His economic manifesto was more complex. Domestic or foreign investors were initially concerned about his emphasis on traditionally “leftist” epithets such as national sovereignty and economic justice. It had become clear during the campaign that his government was going to follow a social and liberal economic path.⁸⁰ For Chávez and *Chavistas* political reform was a prerequisite for economic reforms. Therefore, the state’s role in the economic sphere has been mentioned in the constitution.

Section VI of the new constitution is called “The Socio-Economic System” and outlines that the state is responsible for promoting national industry, agriculture, and various other smaller branches, such as fishing, cooperatives, tourism, small businesses crafts, etc. For Kelly, one observer, the 1999 constitution was “both democratic and consistent with good economic policy”.⁸¹ Article 92 of the new constitution is about the plans to reform the labour laws that marked the return of the retroactive system of

⁷⁹ Julia Buxton, “Economic Policy and the Rise of Hugo Chávez” n.1 p.123.

⁸⁰ Ibid, p.124.

⁸¹ Ibid, p.127.

severance payments abolished by Caldera in 1997. Article 303 of the new constitution rules out the privatization of the state oil company, *Petroleos de Venezuela, Sociedad Anonima* (PDVSA), especially the sale of its stock. Similarly, the constitution envisages a sustained role for the state in the economy, which runs against the neoliberal mainstream while reflecting Chávez's view that the market cannot be self-regulating.⁸²

Other economic provisions, in the 1999 constitutions are related to working class. Relating to employment rights the constitution states: "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".⁸³ In relation to economic rights, the state is obligated to promote and protect economic democracy, such as cooperatives.⁸⁴ The new constitution has granted far-reaching social security and labour benefits, including the reduction of working week to 44 hours, which was strongly opposed by business leaders.

But these economic provisions also have been criticized. These findings reflect that beyond the state's obligation to promote various aspects of the economy, the type of socio-economic system or even its general characteristics are not spelled out, despite the section's title. Other point that, many, if not most of these rights or state duties, are impossible for the state to completely fulfill in the near future because of limited resources of the Venezuelan states.

The articles contained in the new constitution, drafted by an assembly composed overwhelmingly of members of the MVR, reflected Chávez's

⁸² Article 303, 305, 306 and 307 of the 1999 constitution.

⁸³ Article 91 of the 1999 constitution.

⁸⁴ Article 118 of the 1999 constitution.

ideological emphasis on a middle course between capitalism and the 'failed communism'.⁸⁵

(c) As it is said earlier that social organizations were invited to participate, in the making of new constitution through a multitude of venues such as forums, workshops, and committees. They were also encouraged to draft their own proposals for consideration by the Assembly. These social organizations succeeded in persuading the Assembly to include a high percentage of their proposals in the constitutional text. More than 50 percent of the 624 proposals, brought to the table by civil society, were included in the 1999 constitution.⁸⁶ In this way some of these proposals became Social Provisions in the new constitution of Venezuela. The new constitution enshrines many more rights besides the usual human rights. Among these are motherhood, for example is protected from the point of conception on, meaning that pre-natal care is guaranteed (though, making abortion somewhat more difficult) Also family planning is to be provided by the state.⁸⁷

Women's Rights are also included the social provisions of the new constitution. In terms of woman's rights, the constitution incorporates some of the most progressive principles on this issue. For example, constitution states, "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

⁸⁵ Buxton, n. 79 p.128.

⁸⁶ Maria Pilar Garcia-Guadilla, "Civil Society: Institutionalization, Fragmentation, Autonomy" n. 1p.186.

⁸⁷ 'Social, Educational, Cultural and Economic Rights in the 1999 constitution of Venezuela' taken from – www.Venezuelanalysis.com.

recognition, enjoyment or exercise, on equal terms, of the rights and liberties of every individual”.⁸⁸

Another important woman’s right that the new constitution includes, is the right of women homemakers to receive social security benefits on account of the work they perform in the home. It specifically states, “The State guarantees the equality and equitable treatment of men and women in the exercise of right to work. The state recognises 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”.⁸⁹

There is special provision for indigenous population, in the 1999 constitution, of Venezuela. The new constitution recognises their special status by dint of including a separate chapter namely, “Rights of Indigenous People”. The new constitution has made several interesting innovations. Article, 125 of the new constitution guarantees their political representation at all levels and article 124 prohibits the registration of patents, related to indigenous genetic resources or intellectual property associated with indigenous knowledge. And constitution recognises, for the first time in Venezuela’s history, the indigenous population’s right to exist, to its language, cultures, and to its territories. Also unusual for a Latin American state is that the state is committed not only to protect, but also to promote indigenous culture and language, which among other things, means the funding of bilingual education for the indigenous population.⁹⁰

On the basis of the preceding discussion, one may say that the 1999 constitution was the product of political and economic crisis that occurred in the early 1980s and 1990s. Financial crisis of 1983, liberal policies

⁸⁸ Article 21 of the 1999 constitution.

⁸⁹ Article 88 of the 1999 constitution.

⁹⁰ Van Cott, no.58 p. 64.

of Perez government, corruption in every sphere of the administration, dissatisfied the every strata of the society. Party system and the stronghold of parties over the system had left no place for the active and capable civil society, which had emerged by that time, to participate in the nation's politics. Even, the otherwise disciplined military was seeking an active place in the nation's politics. Eventually, 1992 coup attempts took place. Both the dominating parties AD and COPEI had lost their credibility. Caldera's government had to face the banking crisis that broke just before Caldera took office in February 1994. The crisis was the product of inadequate regulations and corruption. The country's financial services had required stabilization, but to get this government had to spend 12 per cent of 1994 GDP on intervention. This crisis made many investors go from Venezuela. By the end of 1994, official unemployment had risen to 8.5 per cent and according to a congressional report published that year, 79 per cent of families were poor, with one in every three families was living in conditions of critical poverty.⁹¹ Caldera's government could not explain or define its economic policy; consequently there was erosion of the legitimacy of Venezuela's political institutions.

Amidst, such a political and economic turmoil, Hugo Chávez, a former coup leader came with some revolutionary ideas that were called 'Bolivarian Revolution'. A drastic change took place in political and economic system with the implementation of the new constitution. It is well known that Chávez has been against the 'savage neoliberalism. He gave new political expression to the class antagonism that had been present since the 1989.

Strident nationalism and opposition to US hegemony, an ideologically ill-defined faith in state interventionism and redistributive economic measures, and a commitment to the social and political mobilization of subaltern sectors

⁹¹ Buxton, n.79 p.121.

characterize Chávez's programme.⁹² The new constitution contributes to the development of an active and capable civil society when it talks about the 'participatory democracy'. The 1999 constitution believes in the sovereignty of the people. The new constitution aims to establish a more autonomous judicial order. The new constitution considered the military's importance in the administrative areas, which is good step towards the social and political peace. There are provisions for the protection of human, political, social and economic rights. In this way the 1999 constitution can be explained as an 'advanced' constitution.

But, as it is said earlier that the usefulness and the relevancy of the constitution depends upon the fact that how honesty the constitution has been implemented. The Venezuelan constitution, also suffered with this problem. One of the more common serious charges leveled against the 1999 constitution is that it strengthens the military's role in Venezuelan society. Perhaps more important in this respect, rather than having the legislature approve of military promotions, the task has now been placed solely and directly with the president, thereby tightening the presidents' control over the military. Critics, however, argue that the new constitution places the military more directly at the service of the president and of his political programme.⁹³ The 1999 constitution of Venezuela strengthens the position of the president, through the substantial powers he can request from National Assembly to allow him to legislate by decree on all matters for up to a year.⁹⁴

In this way we see the difference between the theory and practice of the 1999 constitution. It is very democratic, and protagonist on paper while could be a dictator's rulebook in the practice. Venezuela's new political class and its

⁹² Robert, n.1p. 67.

⁹³ Harold A. Trinkunas, "The Crisis in Venezuelan Civil Military Relations: From Punto Fijo to the Fifth Republic", *Latin American Research Review*, (Pittsburgh) Vo. 37, (2002), pp 41-76.

⁹⁴ Alvarez, n. 32 p. 159.

followers see these changes as revolutionary process. The “Bolivarian Revolution”, however was not at all completely original, nor was the process of change linear. Indeed after three years in power, it faced risks, for instance the attempted coup of April 2002 against Chávez.⁹⁵ Nevertheless, “Bolivarian Revolution” brought drastic constitutional and political development in Venezuela under president Chávez. The formation and the implementation of 1999 constitution were great steps on the path of the political and constitutional development. With these developments Venezuela can have a dream of progressive democracy. But for this purpose, internal democracy and ideological directions have to be clear. These are two imperatives that Chávez and *Chavistas* can no longer postpone.

⁹⁵ Danial Hellinger, “Political Overview” n.1, p.52.

Table-1. National Election Results For AD and COPEI⁹⁶
1958-1993 (Percent)

	<u>Presidential</u>		<u>Legislative</u>	
	Share of Total vote	Diflerence	Share of Total vote	Diference
	(AD+COPEI)	(AD-COPEI)	(AD+COPEI)	(AD- COPEI)
1958	64.4	34.0	64.7	34.2
1963	53.6	13.2	53.5	11.9
1968	57.3	(0.9)	50.0	1.5
1973	85.4	12.0	74.7	14.2
1978	89.9	(-3.3)	79.4	(-0.12)
1993	91.5	27.3	78.6	21.2
1988	92.9	12.7	78.4	12.4
1993	46.3	8.9	46.0	0.6

⁹⁶ Crisp and Levine, n.8p35

CHAPTER 4

BOLIVARIAN REVOLUTION AND EXTERNAL RELATIONS

**RELATIONS WITH THE UNITED STATES; LATIN
AMERICA AND OPEC**

This Chapter will discuss about the background of Venezuelan foreign policy in the first part. Then this chapter will discuss about the break with past regarding Venezuela's foreign policy. That is to say how did Hugo Chávez changed foreign policy track of Venezuela? The Chapter will also describe the relations with United States, Latin America and OPEC under president Hugo Chávez. Overall chapter will discuss about the aims and objectives of Venezuela's foreign policy under president Hugo Chávez.

International environment determines the foreign policy of a country. Venezuelan foreign policy is no exception. The domestic factor that plays very important role in the making of Venezuela's foreign policy is its geographical location Venezuela stands, at a strategic location in the Americas, apart from but part of both Caribbean and Andean regions and intimately linked by both natural and cultural history to Meso-America as well as South-America. Venezuela has the largest oil reserves in the Western hemisphere. The oil is found in the Maracaibo Basin.¹ This basin exists between the steeply rising coastal mountains and the Caribbean Sea.

It is true that Mexico, Argentina, Colombia, Brazil, Peru, Bolivia and Chile produce significant quantities but Venezuela is the giant oil producer of Latin America. Therefore, huge oil reserves, in Venezuela attract the international community.² In other words are can say that Venezuela's geographical conditions have shaped contemporary Venezuela's national and international politics.

Foreign policy making and implementation, like defense affairs, are constitutionally mandated presidential responsibilities which revolve about the ministry of foreign relations. A cadre of foreign policy experts developed

¹ David J. Myers, "Venezuela: The Politics of Liberty, Justice, and distribution", In, Wiarda Howard J. and Kline Harvey F. ed., *Latin American Politics and Development* (Boulder, 1985-90), p. 288.

² Harold Blackmore and C.T. Smith, "Introduction", In Harold Blackmore and C.T. Smith, ed., *Latin America: Geographical Perspectives* (London, 1971), p. 8.

Venezuelan foreign policy after 1958. First two president after 1958, Ramulo Bentancourt and Raul Leoni gave the position of foreign minister to prominent independents as a way to build support within the professional community, and in 1969 Rafael Caldera appointed his close collaborator, Aristides Calvani, to the post of foreign minister. Both the parties AD and COPEI each considered the importance of foreign policy experts.³ Party cadres were often co-opted into the foreign service, which managed the ministry of foreign affairs and *Instituto de Comercio Exterior* (Foreign Trade institute - I.C.E). The institute was established to oversee and stimulate the exports other than petroleum. It was given more importance under Carlos Andres Perez, during his first presidency (1974-1979). He had stressed the importance of I.C.E. in his plans to reduce the state's dependence on petroleum income.

Venezuela had always had close relations with North Atlantic countries. Traditionally, Venezuelan raw materials were exchanged for manufactured goods from Western Europe and the United States, but beginning in the 1960s, Venezuela has used petroleum revenue to purchase industrial machinery and technology from North Atlantic countries.⁴

Betancourt developed a doctrine, regarding the foreign policy of Venezuela, which was called "**Betancourt Doctrine**" This doctrine urged non-recognition of *de facto* regimes and their expulsion from the Organization of American State (OAS). He said in his inaugural address, "Regimes, which do not respect human rights, which violate the liberties of their citizens and tyrannize them with political police, ought to be subjected to a rigorous *cordon sanitario* and eradicated by the collective peaceful action of Inter-American judicial community".⁵ More or less Bantancourt's foreign policy was

³ Myers, n. 1 p. 315.

⁴ Ibid, p. 316.

⁵ Charles D. Ameringer, "The Foreign Policy of Venezuelan Democracy", In John D. Martz and David J. Myers ed., *Venezuela: The Democratic Experience* (New York, 1977), p. 337.

developed on the basis of his personal relations with foreigner leaders. In reasserting the policy, Betancourt kept faith with those who had given him aid and shelter during the ten years of his exile, but he also hoped that wide acceptance of the policy would deter would-be *golpistas*, within Venezuela. His doctrine was objected to by most of the Latin American States. Yet during his administration, he adhered to it scrupulously. He suspended diplomatic relations with Argentina, Ecuador, El Salvador, the Dominican Republic, Honduras, and Peru when military coups occurred in those countries and under different circumstances, broke relations with Cuba, Nicaragua and Paraguay. Because he acted alone, the policy created problems for him, but he could not abandon it.⁶

Raul Leoni was the second president, of Venezuela in the democratic regime. He was also from the same party, AD. He was elected on December 1963. President Leoni supported the doctrine of his predecessor Bentancourt, and generally adhered to it during his tenure but, with no strong emotional tie to the policy, he applied it less rigidly. The main feature of Leoni's foreign policy was Venezuela's compatible relations with Cuba. Leoni vigorously pushed Venezuela's complaint against Cuba for intervention in its internal affairs (The Paraguanana affair)⁷. It is true that Venezuelan Cuban relations remained stained under the Leoni government, but Leoni's relation with the United States were not as cordial as those of Betancourt. Leoni wanted to continue the same friendly and normal relations with the United States, consistent with the defense of dignity and the national interests but the assassination of U.S. president Kennedy changed the situation. President Lyndon Johnson and his key advisor on Latin American affairs, Thomas C.

⁶ Ibid, p.337.

⁷Ibid, p.337.

Mann, preferred to exert diplomatic and economic pressure upon governments of force, while maintaining relations with them.⁸

Venezuela is the founding member of Organization of Petroleum Exporting Countries. (OPEC) This was the reason that Venezuela abandoned strict regionalism, signifying the decline of the inter-American system through its actions in OPEC and its search for new market and trade relations. Venezuela's relations with the oil producing countries of the West Asia remained cordial and virtually institutionalized. Leoni was able to endorse the goals of Bentancourt, that is, defense of oil prices and regulation of production under the banner of OPEC.

Leoni seemed to interpret the signs of his times accurately, without opportunism. It can be said that he could not leave the Bentancourt doctrine, but he gradually withdrew from the democratic alliance with which his predecessor had been so closely identified in the Caribbean in the post-World War II years. He understood that the survival of Venezuelan democracy was as much an economic question as a political one that, in that context, he needed to question the nature of Venezuela's relationship with the industrialized nations, particularly the U.S.

In 1969 Rafael Caldera was elected Venezuela's president. This time country had a president from a different party namely, COPEI, so a new foreign policy might be expected. Because COPEI had been the part of the governing coalition, therefore, it refrained from criticizing Venezuelan foreign policy, but after March 1964 COPEI expressed disapproval. Caldera attacked the 'Betancourt Doctrine' in particular. He felt that it had isolated Venezuela and that it was restrictive and divisive and he replaced the doctrine with what he called "pluralistic solidarity". "We must look for what unites us", he proclaimed. Through unity, Caldera believed, the nations of Latin America could achieve "international social justice". "Just as the union of the weak

⁸ Ibid, p. 345.

contributed to the achievement of social justice domestically, so also is our union [of Latin American states] a factor which can hasten the recognition of international social justice as a fundamental principle among nations”.⁹

Caldera improved relations with Cuba, but the relations with United States declined. Despite bad relations, Caldera believed that it was necessary to have a successful working relationship with the United States. Caldera looked to the Caribbean and Central America, as revealed in his foreign ministers remark: “Venezuela is a Caribbean nation”. Venezuela invested heavily in the Caribbean Development Bank and agreed to finance half the cost of an oil refinery in Costa Rica, with a trans-isthmian pipeline, a possibility.¹⁰ Under Perez, fourth president of Venezuela, (1974-1979), Venezuela had become a Third World spokesman, leading the struggle for “just” prices of nonrenewable natural resources on the basis that petroleum had “subsidized” twentieth century capitalism long enough.¹¹

The foreign policy of Venezuela under two presidents, after Perez, Luis Herrera (1979-1984) and Jaime Lusinchi (1984-1989) was not different. But president Luis Herrera objected the support to Britain by U.S. over Argentina in the Falkland Island dispute in 1982. This dispute created unprecedented strains in Venezuelan-U.S. relations, and elements long hostile to “Yankee imperialism” portrayed president Reagan’s support for Great Britain as a vindication of their position that Washington was basically anti-Latin and anti-Southern. But the validity of these allegations, however, proved irrelevant because Venezuela was, economically, dependent on the North Atlantic

⁹ Ibid, p. 348.

¹⁰ Ibid, p. 353.

¹¹ Ibid, p.355.

countries. Therefore, the relations between both the countries returned to normal within 18 months.¹²

As far the relations with Latin American countries, these relations were rocky because Bentancourt's doctrine isolated Venezuela from many of its neighbours during the first decade of democracy. And when Carlos Andres Perez returned to presidency for the second time there was increasing talk of the earlier policies. No presidency could solve the problem with Colombia, over maritime boundaries in the Gulf of Venezuela, and Guyana over ownership of Essequibo border region. Nevertheless, in this era, foreign policy had focused increasingly on the Caribbean Basin. Relations with the basin countries were viewed as important but relations with petroleum producers were considered even more important, considerably more important than intensifying ties with countries in Africa and Asia.

Venezuelan foreign policy, more or less, was same under the governments of both the parties whether it was of AD or COPEI. The leaders of both the parties, however, were not blindly hostile toward Washington. They viewed Venezuela's complex relationship with its powerful northern neighbours as filled with contradiction: admiration underlain by antagonism and dependence in the face of efforts to control national destiny. If Venezuelan leaders were to appear to be surrogates for Washington, their domestic legitimacy would be undermined. Therefore, AD and COPEI leaders downplayed cooperation with the U.S. in public and presented Washington with important opportunities to work closely with Venezuela during 1990s.

But when Chávez came to power he claimed that he would follow an independent foreign policy. Simon Bolivar is Chávez's ideal in the politics whether it is national or international. Simon Bolivar had wanted to create a continental union of Latin American countries. Chávez, much as Simon Bolivar before him, perceives the United States as a threat to unified and free

¹² Myers, n.1p.316.

Latin America.¹³ Chávez always claims that he wants to break with the past, where Venezuela had to suffer under the ‘partyarchy’. His independent foreign policy also represents a radical break with previous administrations. His foreign policy initiatives have thrust Venezuela into a leadership position among Latin American nations, increasingly concerned with new forms of U.S. domination. Chávez opposes U.S. desire to refashion the Latin American military into an instrument of Hemispheric defense of U.S. hegemony under the guise of defending democracy. Furthermore his government has also opposed US-sponsored resolutions in international bodies; for example, voted in UN against censorship of China, Cuba and Iran for human rights violations. Furthermore, Chávez’s rhetoric in favour of a ‘multi-polar’ world implied rejection of U.S. hegemony including Washington’s proposals for a Hemispheric union of free trading countries. Chávez has started to play an important role in OPEC. Chávez’s aim is to strengthen the oil price. He has visited Iraq, Iran and Libya on several occasions. In brief, the following points can be stated as Chávez’s priorities in the international arena: -

- respect for human rights;
- the right of all people to self determination;
- nonintervention in the internal affairs of other nations;
- peaceful settlement of disputes between nations, including border disputes;
- the right of all people to peace and security; and
- support for democracy.

¹³ Danial Hellinger, “Political Overview: The Breakdown of *Puntofijismo* and the Rise of Chavismo”, In Steve Ellner and Daniel Hellinger ed., *Venezuelan Politics in the Chavez Era: Class Polarization, and Conflict* (Boulder, 2003), p.46.

Relations with United States

The rise to power of Hugo Chávez in Venezuela has led to an outpouring of misleading labels in the US media. Because of Chávez's intimacy with Fidel Castro, US media has called Chávez a "leftist agitator".¹⁴ Chávez's measures, in the constituent assembly were characterised as 'Jacobin'.¹⁵ In such a situation, good relations between both the countries cannot be expected. Therefore, Chávez does not cooperate with US drug war in Colombia. Hugo Chávez has challenged US by maintaining friendly relations with Colombian guerrillas.¹⁶ There are so many reasons for these differences. In this regard so many points can be traced; Chávez's intimacy with Cuba's president; Chávez's radical role in the OPEC; description of US as anti-Latin America and anti southern countries. Hugo Chávez has also supported Iraq against US attack on Iraq. On the other hand, US also opposes Chávez's policies and intentions everywhere. US displayed a critical and at times hostile attitude toward Chávez from the moment he launched his presidential candidacy for the 1998 elections. State Department had denied his request for a visa to visit Washington.¹⁷ Washington also viewed the 11 April 2002 coup attempt against Chávez government with favour.

It is true that Chávez abandoned the statist economic model and has accepted some privatization but he is opposed to US foreign policy and neoliberalism in several areas. Chávez's discourse in favour of a 'multipolar world' and in opposition to the neoliberal based 'Washington Consensus' has coincided with the groundswell of anti-globalization sentiment at the international level. Chávez's foreign policy would have undoubtedly had less

¹⁴ *Washington Times*, 26 July 1999.

¹⁵ *The New York Times*, 21 August 1999.

¹⁶ Hellinger, n.13 p. 46.

¹⁷ Steve Ellner, "The Contrasting Variants of the Populism of Hugo Chavez and Albert Fujimori", *Journal of Latin American Studies* (Cambridge), Vol. 35 (2003), pp. 139-162.

appeal ten years earlier at a time when worldwide acceptance of neoliberalism had reached its peak, as did US supremacy with the unexpected collapse of the Soviet bloc.¹⁸

Chávez and his foreign minister Jose Vicente Rangel have opposed the US line on a wide range of specific issues. The following positions, upheld by Caracas, are among the most important differences:

- (i) acceptance of Cuba's reentry into the Organization of American States (OAS) with out any condition;
- (ii) insistence that the United States abandon its programme of unilateral certification of Latin American nations on the basis of their efforts to combat the drugs;
- (iii) the granting of asylum of Colombian guerrillas;
- (iv) acceptance of negotiations in Venezuela between representatives of Colombia's civil society and the guerrilla movement and maintenance of contacts with the latter for the purpose of reducing kidnapping on the Venezuelan side of the border;
- (v) advocacy of North-South dialogue on the issue of the private debt, and
- (vi) rejection of the U.S. request to permit reconnaissance flight sponsored by the Drug Enforcement agency over Venezuelan territory.¹⁹

All these positions show that Chávez's outspoken foreign policy represents a challenge to the US State Department. Venezuela's role as a protagonist was demonstrated at the 29th General Assembly of the OAS held in Guatemala in June 1999. At the meeting, foreign minister Jose Vicente Rangel pointed to possible corruption among narcotics officials in the US; at the same time he called for elimination of Washington's annual certification of Latin American nations according to their record in combating the drug trade. Rangel

¹⁸ Ibid, p.156.

¹⁹ Steve Ellner, "The Radical Potential of Chavismo in Venezuela: The First Year and the Half in Power" *Latin American Perspectives*, (London), Vol. 28, No.5, September 2001, pp. 5-32.

posed the question “how does a country which figures as the principal market for narcotics get off certifying the efforts of other nations in this area?”²⁰

At the OAS general assembly, Rangel led the resistance to a resolution sponsored by U.S. undersecretary of state Thomas Ricketts which would have created mechanisms to impede the slippage of democratically elected governments toward dictatorship. In an interview, Rangel told, “The US motion was vague and rested on hypothetical situations. If it had prospered, it would have served as a pretext for intervention”.²¹

In an interview, Rangel pointed to the turnabout in the attitude of the U.S. embassy in Caracas, which during the presidential campaign had denied Chávez a visa due to his 'conspiratorial past'. “The State Department has shown great caution toward Chávez because of what I call the “Cuba syndrome”: fear that U.S. inflexibility will push Chávez to the extreme left, as it did Castro”. Rangel does not deny the possibility that Chávez’s independent foreign policy could put a damper on investments from abroad, but notes, “with the end of the Cold War, foreign investors have paid less attention to the ideologies and geopolitics. They consider Chávez’s commitment to revamp the notoriously corrupt and inefficient judicial system far more significant than any abstract formulation”.²²

It is true that Venezuela does not have any history of good relation with US, but another side of their relation cannot be ignored. It is true that their political relations are problematic but their economic relations should be considered. Venezuela exports 90 percent of its oil production and US is the largest customer accounting for 60 percent of the total exports.²³ In this

²⁰ President Hugo Chavez of Venezuela, taken from www.neravt.com/left/contributer/ELLner2.htm

²¹ Ibid.

²² Ibid.

²³ Guide for Business with Venezuela (Caracas) January 2003, p.11.

situation Chávez can create a bargaining hammer for hemispheric trade talks which, up to now, have been mostly a one-way lecture from the US Major US interests, in Venezuela, include promotion of US exports and protection of US investment, continuation of the economic reform programme, preservation of Venezuela's constitutional democracy, closer counter narcotics cooperation, and continued access to a leading source of petroleum. US-Venezuelan commercial ties are close. The U.S. is Venezuela's most important trading partner, representing about half of both imports and exports. In turn, Venezuela is the United States' third largest export market in Latin America, purchasing U.S. machinery, transportation equipment, agricultural commodities, and auto parts. Venezuela's opening of its petroleum sector to foreign investment in 1996 created extensive trade and investment opportunities for U.S. companies. As a result, Venezuela is one of the top four suppliers of foreign oil to the United States. US is committed to promoting the interests of U.S. companies in overseas market.²⁴ One thing more, Venezuela is a minor source country for opium poppy and coca but a major transit country for cocaine and heroin. Approximately 23,000 U.S. citizens, living in Venezuela, are registered with the embassy.. An estimated 12,000 U.S. tourists visit Venezuela annually. About 500 U.S. companies are represented in the country.²⁵ Neither

can neglect the importance of each other. Both of them fulfill some of the interests of each other. But differences between the two countries have deepened in the Chávez era.

It is true that Hugo Chávez was quick to condemn the 11 September 2001 attack on World Trade Centre. He said that his government was co-operating with US, sharing intelligence and scrutinizing structuring bank

²⁴ Background Note: Venezuela- Profile taken from, www.Veneuelanalysis.com.

²⁵ Ibid.

accounts.²⁶ In less than one year in office, Chávez has diverged from the US on a wide range of issues. What he said in China on the last day of his visit in October 1999, was more than just empty rhetoric: “We have begun to put into practice an autonomous foreign policy independent of any centre of power, and in this we resemble China.” Chávez went on to tell the Chinese that his end vision was nothing less than a “multi-polar world”.²⁷

When Hugo Chávez talks about multi-polar-world it means that he does not accept the unipolarity in the world that US claims to lead. US also does not like Venezuela’s role in OPEC. US does not like the national ownership of Venezuela’s PDVSA, the state oil corporation. This is the reason that Washington always supports the Venezuelan elites who are against Chávez.

Chávez condemned the US attack on Iraq. Venezuela’s president condemned the U S as a “terrorist state” for toughening sanctions against Cuba. Hugo Chávez vowed that his government would increase its trade and cooperation with Cuba. The US policy toward Cuba includes an increase in support to internal opponents of Castro “that is called state terrorism, inciting people to kill president Castro, to overthrow him inciting violence”, said Chávez.²⁸ Since he was elected in 1998, Chávez has angered the US by forging a close relationship with Cuba - the target of a long running US trade embargo. The other reason for conflict between both the countries is that Washington has been channeling hundreds of thousands of dollars to fund the political opponents of Venezuelan president, including to those who briefly tried to overthrow the democratically elected leader in a coup attempts two years ago. Venezuelan president Chávez told the United States on 5 March 2004 to “get its hands off Venezuela” as he accused Washington of backing a wave of

²⁶ Venezuela’s foreign policy, taken from www.economist.com.

²⁷ President Hugo Chavez of Venezuela, taken from www.neravt.com/left/contributer/ElIner2.htm

²⁸ Venezuelan President Condemns U S ‘terror’ taken from, www.trinicenter.com.

opposition protests seeking a recall vote against him. Chávez, who sent troops onto the streets to control a week of protests in which at least eight people were killed appealed to the international community to condemn what he said was the second U.S. attempt in two years to topple him.²⁹

Certainly Venezuela's relations with US are not normal. There is scarcity of confidence building measures. It is true that both of them have very much importance for each other, but there are lots of differences on so many issues. US cannot tolerate Venezuela's intimacy with Cuba. US do not like Venezuela's proposals in the OPEC, which strengthen the oil prices. On the other hand Chávez cannot accept the unipolarity headed by US. He is a supporter of multipolar system at continental as well as international level. Hugo Chávez condemns the U.S's interference in the domestic affairs not only of Venezuela but also of any country of Latin America. Hugo Chávez is critic of neoliberal policies that United States is pursuing in the region

But Venezuela's economic dependence on U.S. cannot be ignored. As it is said earlier that U.S. is the largest customer accounting for 60 percent of the total exports of Venezuela. The main destination of exports is the U.S., which absorbs 60 percent of Venezuelan export. 42 percent of Venezuelan imports come from the U.S.³⁰

Relations with Latin America

As it is said earlier Venezuela's relations with other Latin American countries have been rocky. The 'Betancourt Doctrine' had kept Venezuela away from many of Latin American countries during the first decade of democracy. There were lots of differences with its neighbours regarding territorial division and leadership of the continent. Brazil had been Venezuela's competitor in this regard. Growing Brazilian power, during first decade of

²⁹ (Embassy of the Bolivarian Republic of Venezuela U.S. News) taken from www.Trinicenter.com .

³⁰ Guide for Business with Venezuela (Caracas January 2003, P.11.

democracy of Venezuela and especially efforts to integrate the Amazon Basin into Brazil's effective national territory, had intensified Venezuelan apprehensions.

Democratic era foreign policy had focused increasingly on the Caribbean basin. Relations with the basin countries were viewed as less important than relations with other petroleum producers but considerably more important than intensifying ties with countries in Africa and Asia. This type of relation, with Caribbean basin neighbours, was not unrelated to the broad strategy of strengthening ties with other Southern countries. Both sought additional leverage in bargaining with the industrial North, especially the US.

As it is said earlier, Chávez much as Simon Bolivar before him perceives the United States as a threat to a unified, free Latin America. Therefore, Venezuelan president wants the Latin American solidarity against US

Hemispheric cooperation and integration are two pillars of his foreign policy. Venezuela has worked closely with its neighbours following the 1997 Summit of the Americas in many areas-particularly energy integration; and supported the OAS decision to adopt an anti-corruption convention. Venezuela also participates in the U N 'friends' groups for Haiti. Venezuela is pursuing efforts to join the MERCOSUR trade bloc to expand the hemisphere's trade integration prospects. The Venezuela's government advocates on and to Cuba's isolation and a "Multi-polar" world based on ties among Third World countries.³¹

It is well known that Venezuela has longstanding border disputes with Colombia and Guyana but seeks to resolve them peacefully. Bilateral Commissions have been established by Venezuela and Colombia to address a range of pending issues, including the resolutions of the maritime boundary in

³¹ Venezuela's foreign relations taken from www.venezuelanalysis.com.

the Gulf of Venezuela. Relations with Guyana are complicated by Venezuela's claim to roughly three-quarters of Guyana's territory. Since 1987, the two countries have held exchanges on the boundary under the "good offices" of the United Nations.

Chávez's support for Latin American Integration, which ignored U.S. plans to extend the North American Free Trade Agreement (NAFTA), went beyond economic agreements and included even military coordination, Chávez, more than any other Latin American president, was suspicious of the creation of a hemispheric free-trade zone without providing Latin American nations sufficient time to prepare for the international competition inherent in the proposition. In spite of ideological differences some of Chávez suggestions were well received among his Latin American colleagues, with whom he maintained extremely cordial relations. Not surprisingly, this was the case with his criticism of the U.S. drug certification programme and opposition to U.S. efforts in the OAS to create mechanism of preventive intervention whenever democracy was in jeopardy. Nevertheless, Chávez's meeting with leftist leaders such as Brazil's "Lula" and Mexico's Cuauhtemoc Cardenas on trips abroad and his recognition of the belligerent status of the Colombian guerrillas undoubtedly impeded his efforts to create a solid Latin American bloc.³²

Economic aspect of Venezuela's foreign policy under president Hugo Chávez is very much related to MERCOSUR. From the outset of his presidency he made Venezuelan entry into this economic union a priority. "I have already talked about this before: now more than ever Venezuela aims to be part of the Mercosur", said Chávez during his weekly speech named *Alo Presidente*. President Chávez also stated that he shares Brazil and Argentine's will to restructure Mercosur and went further when he announced that Venezuela is ready to help in such objectives. "We have to give Mercosure a

³² Ellner, n.19 pp.21-22.

political dimension, not only economical, to make it the framework of South America's political union", expressed Chávez.³³

A potential union between Venezuela and Mercosure could be of geopolitical interest. Venezuela is the world's fifth largest oil-producer; at the same time, Brazil is the world's largest offshore oil producer and both countries hold state-owned crude monopolies. Therefore, the oil production, pumping, exportation and reserves are controlled by the state.

It is well known that Chávez has deep sympathy towards the Cuban president Fidel Castro. With little fan-fare, Venezuela has become Cuba's biggest financial supporter since the Soviet Union pulled the plug on its subsidies more than a decade ago. In October 2000 he and Castro, signed a so called Integral Cooperation Accord that gives Cuba preferential terms for buying up to 53,000 barrels a day of crude and refined products-- a third of Cuba's estimated daily energy consumption.³⁴

Among other things, Cuba has 90 days to pay for the shipments, compared with no more than 30 days for other clients of the state-owned PDVSA. Unlike other PDVSA clients, Cuba is not required to obtain bank guarantees from a world-class bank. Instead, Cuba's National Bank provides a letter of credits. "If Chávez loses in Venezuela it would be total devastation to the Cuban economy", said Jorge Salazar Carrillo, a Cuban expert at Miami's Florida International University.³⁵

There is ideological and affinity between the two countries. Both the presidents are the big critics of neoliberalism led by US. Hugo Chávez admires the president Fidel Castro for his socialistic politics. That's why Venezuelan

³³ Chavez wants to join Mercosure, taken from www.pravda.RU: Top Stories

³⁴ As Cuba's oil debt to Venezuela tops \$752 Million, President Hugo Chavez, a confidant of Fidel Castro's becomes Cuba's biggest financial supporter taken from (The Wall Street Journal) www.venezuelanalysis.com.

³⁵ Ibid

elites do not like Chávez and blames him for turning Venezuela into a new Cuba.

Chávez has accused Colombian right-wing para-militaries for plotting to join Venezuelan dissidents in a bid to overthrow Chávez. Chávez announced his government would establish “people’s militias” to counter what he called foreign interference. He also said he would boost the strength of Venezuela’s armed forces as part of a new “anti-imperialist” phase for his government. The president’s announcement came a week after authorities arrested 88 people described as Colombian para-militaries holed up on property belonging to a key opposition figure. Earlier, thousands of Chávez supporters draped in national colours had marched through the streets of Caracas to protest the alleged coup plot. Vice President Jose Vicente Rangel claimed the U.S. and Colombians were involved in the conspiracy.³⁶

Hugo Chávez does not recognize Haiti’s new government. Chávez announced on 16 March 2004 that his government will not recognize Haiti’s new government, which according to him is illegitimate because it is the product of a coup d’etat. According to Aristide, the ousted president of Haiti, he was forced by U.S. military personnel to board a U.S. airplane, which took him out of the country. The Venezuelan president has said that Aristide had called him shortly before he was flown out of Haiti, but that the conversation was mysteriously cut out; evidently he was 'kidnapped.'³⁷

Relations with Guyana are complicated under Chávez' because of territorial dispute. Both are trying to resolve the dispute with the help of the “good offices” of the United Nations.

The new relationship, between Venezuela and Argentina has opened a path that may lead to a new map of South American geopolitics. It does not

³⁶ <http://www.commondreams.org/headlines> (Protest Colombian Paramilitary).

³⁷ Haiti’s new “illegitimate” government, taken from, www.venezuelanalysis.com.

matter whether it is a conscious effort, what really matters is that the process has begun and is showing some positive results.

The South American trade block Mercosur has remained paralyzed during the last few years by economic crisis in its member countries. The eventual incorporation of Venezuela, and the need to act as a block against the US in the context of the Free Trade Agreement of the Americas (FTAA), may help turn things around.

The coordinates of this new geopolitical map drawn by Venezuela and Argentina include cooperation in gas-oil, jet fuel, oil and satellite engineering, agricultural products, medicines, co-investments and accessories for PDVSA.

But the borders of this new map are not likely to be drawn just by trade invoicing, as several market operators are expecting to happen. The dynamics will depend on the legitimacy that they can achieve in both the countries. On the other hand, depends on the degree of integration achieved by Mercosur. In either case, the last word has not been spoken yet. What is well noticed right now is a radical transformation that goes against the market-oriented policies.

The possible transformation of the sub-regional map has been challenged by two recent events. The energy crisis in Argentine in January 2004, threatens to destroy productive and service infrastructure. In Venezuela it was an accidental event. The most efficient and damaging sabotage campaign of the oil industry, has given way to renationalization of PDVSA. These developments happened between December 2002 and January 2003. Venezuela lost about 7 billion dollars in direct related operations in its March-April 2003 invoicing. But PDVSA had recovered, thanks to popular mobilization and has been put back into the service of the government, is social programmes and its new international relations.³⁸ This exceptional combination, which was not sought by Venezuela nor foreseen by Argentina,

³⁸ Venezuela and Argentina can change Mercosur taken from www.venezuelanalysis.com

explains the unexpected relationship between the two countries. It is a new dynamic that can lead to a probable long-term development, and which could alter the map of sub regional relations in all respects.

Relations with OPEC

It is well known that Venezuela is the founding member of Organization of Petroleum Exporting countries (OPEC). President Bentancourt was interested in defending Venezuela against “abrupt decreases” in the price of crude oil.³⁹ Because of his concern over this matter, Betancourt sought an agreement with the oil producing states of Middle East for the maintenance of a stable and just international price for petroleum. This initiative led to the formation of OPEC in Baghdad in September 1960.⁴⁰ For over a decade, in fact, OPEC was not an important aspect of Venezuela’s foreign policy. Venezuela was not in favour of increasing the oil prices in 1970s during oil crisis because it was apprehensive over the general unhealthy international economic situation.⁴¹

In the early 1980s OPEC created a quota system, after worldwide demand began to flag. This was an attempt to maintain high prices. The quota system limited the production of crude oil that decreased the fiscal revenue of the country. The quota system was not working well in the 1990s and there were controversies about the definition of crude oil and, even Venezuela’s withdrawal from OPEC was demanded.⁴²

The Chávez government had to confront this situation. The cuts in production are causing very substantial and disproportionate losses in fiscal

³⁹ Ameringer, n. 5p.343.

⁴⁰ Ibid, p.343.

⁴¹ Ibid, p.356.

⁴² Bernard Mommer, “Subversive Oil”, In Steve Ellner and Danial Hellinger, ed., *Venezuelan Politics in the Chavez Era: Class, Polarization and Conflict* (Boulder, 2003) P.136.

revenues. Leaving OPEC is not an option. Venezuela has to confront the situation by playing a key role in OPEC.

Chávez reversed the policy of spurning OPEC quotas and began to defend oil prices. Together with Mexico and Saudi Arabia, Venezuela has successfully promoted a new understanding of quotas between OPEC members and other exporting countries. Venezuela has also promoted and hosted in September 2000 the second summit meeting of OPEC head of state.⁴³ Venezuela reasserted its leadership within the organization during its year as OPEC president, hosting the organization's second leadership conference in 40 years, as well as having its former minister of energy, Alvaro Silva Calderon, appointed as Secretary General.

The second summit of heads of state of governments of the member countries of OPEC was a most visible success of Chávez's foreign policy. The summit took place in Caracas in September 2000. Points 12,13, and 14 of the Declaration of Caracas reaffirmed OPEC's commitment to leadership of the entire underdeveloped world, sought substantial reduction of the developing countries debt, and called for the equitable treatment of oil in the world energy market" in negotiations over environmental, fiscal, and energy problems.⁴⁴

The audacious and independent foreign policy of Chávez has, like everything else, spread confrontation in the country. The contrasting vision of the 'modern' middle class and the masses that support Chávez are reflected in the rhetoric surrounding OPEC. But the "modernized" oil executives pose the most articulate and powerful resistance within Venezuelan civil society to the Third World outlook championed by Chávez. When Chávez came to power in February 1999, there was a huge collapse in the oil prices. In such a situation Chávez government played a crucial role in the recovery. While on the other side the previous government of Caldera had thought to leave the

⁴³ Ibid, p.140.

⁴⁴ Hellinger, n.13 p.46.

organization. Chávez government wants to play a key role in the OPEC. Chávez government often uses the organization to bargain with the North Atlantic countries. Chávez government has begun to play a key role in OPEC.

But when Venezuela government thinks of making a Latin American OPEC, it seems that Chávez wants to abandon the OPEC. Venezuela also does not like the quota system of OPEC because it limits the production of Venezuela's oil that causes the reduction in the revenues of the government. This was the reason that Andres Perez government wanted to come out of the organization.⁴⁵ But Chávez government has the capacity to manage with the organization. But Venezuela has to consider the Venezuelan middle class and masses that are related to PDVSA.

The findings in this Chapter show that foreign policy of Venezuela was owed to the democratic process therefore; democratic ideology influenced the policy in the era after 1959. But sometimes foreign policy was influenced by personal rather than institutional factors.⁴⁶ For example, Bentancourt's doctrine was influenced by his personal relations. In reasserting the policy, he kept faith with those who had given him shelter during ten years of his exile. Foreign policy under the previous governments was more or less on the same track whether it was the government of COPEI or AD. But the foreign policy under president Chávez significantly broke from the pro-U.S. outlook of previous governments. From the very beginning of his political career he has been against the 'neo-imperialism' and neo-liberalism led by the U.S. His independent foreign policy represents break with past because Chávez has challenged the U.S. Hugo Chávez, after 11 September had visited Iraq, Iran and Libya against the will of the U.S. Chávez supported China, Cuba and Iran on the issue of human right violation. Relations with countries like Iraq and Libya are explained on pragmatic grounds of the need to coordinate oil policy.

⁴⁵ Mommer, n. 42 p.136.

⁴⁶ Ameriger, n.5 p.336.

However, his strategy on oil also corresponded to a broader geopolitical agenda.

Venezuela's foreign policy towards Latin America also is different from the previous governments. As it is said earlier, Hemispheric cooperation and integration are two pillars of Chávez's foreign policy. Venezuela wants to join Mercosure to expand the regional trade integration prospects.

But Venezuela has longstanding confrontations with its neighbouring countries. But Hugo Chávez wants to resolve the conflict through with bilateral talks. He wants to take help from the "good offices" of the United Nation. Chávez has an intimacy with Cuba. He is providing oil for Cuba on low prices. He visits Cuba frequently. Hugo Chávez is the big supporter of the idea of Latin American OPEC. All this shows that Chávez want Latin American solidarity and 'multipolar world' in which every nation's sovereignty would be respected.

Hugo Chávez does not like the quota system of OPEC, because it causes the fall in the revenues of the country. But Hugo Chávez has started to play a key role in the organization. For example, the second summit of Heads of states and governments of the member countries of OPEC, that took place in Caracas in September 2000. In this conference Venezuela played a leading role, as has been mentioned earlier.

Venezuela's foreign policy under president Chávez thus has broken with past because the democratic governments that emerged in Latin America in the 1990s failed to question US hegemony and generally accepted neoliberal formulas. In the context of these conservative postures, Chávez's foreign policy stands out as bold and independent. Most important, Chávez has begun to assume a leadership position at the continental level and to formulate proposals for the Third World in general. Hugo Chávez always defends the model of a "multipolar world" as a corrective to single power hegemony.

In this way, one can say that Chávez's government has pursued an independent, and activist foreign policy that includes calls for the revival of the *Tercemundismo* – the Third World. Chávez's adoption of independent foreign policy is a great political development in Venezuela, which has given Venezuela a different identity as a sovereign state at the international level.

CHAPTER 5

SUMMARY AND CONCLUSIONS

Importance and Summary of the Chapters

The present study makes a modest attempt to analyse the nature of political crisis in Venezuela in 1990s and the reasons responsible for political and constitutional changes in Venezuela. Basically the concern of this dissertation is to describe and analyse the directions of the Venezuelan politics under president Hugo Chávez. This research work covers the political and constitutional developments that took place during 1989 - 2002. In this period, Venezuelan politics has undergone radical change, replacing the system established by pact of *Punto Fijo*- in 1958.

The first chapter describes the reasons responsible for the political crisis which emerged in Venezuela in the late 1980s and the 1990s. The chapter tries to answer the question like; why after decades of political stability and social peace, beginning in 1989 Venezuela's democratic order was shaken? Why there was a widespread unrest and citizen disaffection? Why and how the key parties and state institution declined? Why there were attempted military coups in 1992 and why there were impeachment trial and removal of the president Perez in 1993. Venezuela's political crisis was a crisis in democracy, in at least two senses. The crisis arose within a functioning democratic system. Venezuelan civil society was demanding for more effective democracy and greater democratization at all levels of political and social life. These demands became a central feature of debate and goal of reform initiatives. the crisis and the emergence of new alternatives are best understood not as the simple result of the exhaustion of the model underlying the system but rather as the product of democracy itself. The political crisis emerged in Venezuela due to the weak political institutions and the lack of governability and legitimacy of political leaders of Venezuela. The first chapter has also traced the economic that contributed to political changes in Venezuela. These were financial crisis of 1983 and the banking crisis of 1994. It is true that steps were taken to meet these crises, but they could not produce positive and long-

standing results. “Agenda Venezuela” was implemented in 1996 by Caldera’s government to tackle the problem of the banking crisis. The agenda led to the removal of the price and exchange controls imposed in 1994. The Bolivar, Venezuelan currency, floated freely before a system of exchange-rate bands was introduced. Its value fell to 290 to the dollar, while the lifting of price controls led to a further surge in the inflation, which reached a record 103.2 percent in 1996. Consumption collapsed and poverty levels maintained their upward trend. By the end of 1996, generalized poverty afflicted 86 per cent population of the country of this total, 65 per cent lived in extreme poverty. This 'Agenda' was backed by a U.S. \$ 1.4 billion standby loan from the IMF in 1995. The Agenda boosted foreign direct investment. The inflow of foreign funds coincided with a hike in oil prices. Buoyed by the boom in the economy, the government opted not to accept the second tranche of the IMF loan and reverted to expansionary efforts. Opening of the economy served only to increase the profits of multinational companies at the expense of national interests. It is true that foreign investment and higher oil prices allowed for GDP growth of 5.9 per cent in 1997, but the government failed to arrest the growth of poverty and deterioration of the public infrastructure.

All these findings show the failure of Perez and Caldera governments in the political and economic arena. All these economic and political problems also led to the emergence of a leader in Chávez.

The second chapter '1998 Election of Hugo Chávez Rise of Fifth Republic Movement (MVR); Political programme; Electoral Issues and Alliances', contributes in understanding the transformation of Venezuelan politics. In the first part of the chapter, a brief overview of Venezuela’s turbulent history of 1990s has been described. The chapter explains the journey of MBR-200 from a conspiratorial group to MVR, -- political party. Hugo Chávez and other junior officers had established the MBR-200 in 1982 as a conspiratorial group. These military dissidents started to analyse the

socioeconomic problems and committed it to forging a 'civilian military movement'. These military officers had a critical attitude towards the military and government's measures adapted to suppress the 1989 *caracazo*. The chapter considers the 1992 military coup attempts as one of the important steps towards the rise of MVR. Chávez's connection with the leftists of the country contributed in the development of MVR as a political party. The connection with the leftist of the country was necessary for Chávez's movement. In this way his movement attracted activists from the periphery of the small leftist organizations that had emerged from the guerrilla struggle in the 1960s.¹ In this way we find that leftists of the nation played an important role in the rise of Chávez's Fifth Republic Movement. The chapter also tells, how the two party system of Venezuela began to decline and how the rise of MVR was the big blow to the two party system. The MVR claimed that it was committed to eliminate the neo-liberalism from national as well international level. As far the political programme of Hugo Chávez., the ideological position of MBR-200 had laid out political strategies, and elaborated the framework of a long-term political programme that it called the 'Simon Bolivar' national project. The political programme was based on anti neo-liberalism and anti-party discourse. Some methods have been explained as his political programme but as the whole Hugo Chávez did not have any well-determined political agenda. He could not present a socio-economic agenda before the Venezuelans. But he put some principles and slogans in his political programme, such as commitment to participatory democracy.

Chávez's promise of a constituent assembly became the central issues in the 1998 election. This issue was based on the criticism of 1961 constitution, by Hugo Chávez and his allies, which privileged the two political parties. Hugo Chávez explained the constituent assembly as the only possible instrument to

¹ Steve Ellner, "The Radical Potential of Chavismo in Venezuela: The First year and a Half in Power", *Latin American Perspectives* (London), Vol.28, no. 5, September 2001, pp. 5-32.

change the entire Venezuelan political and judicial system, which was surrounded by corruption inefficiency and centralism. Apart from that Hugo Chávez stood for a decentralized political system.

Regarding economic issues, Chávez criticized the neo-liberal policies of previous governments. In the 1998 presidential campaign, Chávez's MBR-200, in response to president Caldera's pro-neoliberal 'Agenda Venezuela' published an 'Agenda Alternative Bolivariana'. Chávez challenged, before the Supreme Court, the legality of the opening of the oil industry to foreign capital. It is true that subsequently he accepted selective privatization, but always remained opposed to neo-liberalism. Chávez and his allies could not produce a clear economic agenda.

Social issues were also raised during election campaign of 1998. Hugo Chávez connected the social problems with economic problems. He was of the view that country's enormous oil wealth could be used to improve country's standard of living. He tried to make the people realize that the only way to solve Venezuela's social problems was to strengthen its economy. He raised the problem of the rights of the indigenous people. On 10 March 2000, Chávez fulfilled the campaign promise by designating 3 seats for indigenous delegates in the 131-seat constituent assembly. Social issues really stood at the culminating point in 1998 presidential election campaign and social organizations played important role for establishing a participatory democracy.

This chapter also tells about the electoral alliances, formed before 1998 election. The strong alliance of *Polo Patriotico* won the election with landslide majority.

The 1998 election of Hugo Chávez opened the way for political and constitutional changes in Venezuela. The making of new constitution was the big achievement of Chávez's Bolivarian Revolution.

Chapter three, 'Bolivarian Revolution: 1999 constitution; Aims and Objectives; Political Economic and Social Provisions' emphasizes

the formation of 1999 constitution, its aims and objectives and political, economic and social provisions.

Chávez took office on 2 February 1999 as president. Following the 1999 election triumph, the first thing president Chávez did was to schedule a referendum on whether or not Venezuelans want a constituent assembly. He issued 'Enabling law' for this purpose and the elections to the national constituent assembly took place on 25 July 1999. *Polo Patrotico* obtained 125 or 95 percent deputies, and only 6 seats went to the opposition. The new constitution changed the country's name from "Republic of Venezuela" to "Bolivarian Republic of Venezuela". The chapter also explains the aims and objectives of the new constitution. Chávez and his supporters had dominated the constitutional assembly that drafted the 1999 constitution of Venezuela; therefore, they put some provisions, which were favourable to their political interests. The main objective of the 1999 constitution was to overthrow the entire order established by pact of *puntofijo* and consolidated by the 1961 constitution. 'For large evils, large solutions', this was undoubtedly the motto of those who drafted the 1999 constitution of Venezuela. The conclusion has identified eight main objectives related to sovereignty of the people, law and justice, participatory democracy, human rights, civil-military relations, autonomous judicial system, civil rights and a participant political culture. When reading the provisions of the constitution, one finds that Chávez and *Chavistas* had wanted to replace Venezuela's representative and party democracy established in 1958 with a new political system defined as 'social, just, participatory and protagonistic'.

Section VI of the new constitution is called "The Socio-Economic System" and outlines that the state is responsible for promoting national industry, agriculture and various other smaller economic branches, such as fishing, cooperatives, tourism, small business, crafts etc. In principle, the constitution is both "democratic and consistent with good economic polity".

The constitution also emphasizes the role of the state and economic rights of the working class. But reflecting beyond the state's obligation to promote various aspects of the economy, the type of socio-economic system or even its general characteristics are not spelled out. As it is well known, that social organizations were invited to participate in making of new constitution through a multitude of venues such as forums, workshops and committees. These social organizations succeeded in persuading the assembly to include a high percentage of their proposals in the constitutional text. More than 50 per cent of the 624 proposals, brought to the table by civil society, were included in the 1999 constitution. Women's rights and indigenous people's rights are also included in the social provisions. The 1999 constitution has a wide range of social services that is necessary for a welfare state.

Foreign policy has undergone change under president Hugo Chávez. The first president under democratic regime, Betancourt had developed a doctrine regarding the foreign policy of Venezuela, which was called "Betancourt Doctrine". This doctrine urged non-recognition of *de facto* regimes and their expulsion from the OAS. Betancourt did not want to have any relations with the countries, which violate the liberties of their citizens, do not respect human rights, and tyrannize them with political repression. But Venezuelan foreign policy since 1958 more or less remained same under the governments of both the parties whether it was of AD or COPEI. The leaders of both the parties however were not hostile towards Washington but they could not make an independent foreign policy. They always remained under the pressure of United States, as the economy was closely tied to US.

But when Chávez came to power he claimed that he would follow an independent foreign policy. He made a break with past. He has tried to thrust Venezuela into a leadership position among Latin American nations increasingly concerned with new forms of US intervention. Chapter five deals with Venezuela's relations with United States, Latin America and OPEC

separately. Chávez opposes US foreign policy and neo-liberalism in general. Chávez's discourse in favour of a 'multipolar world' and in opposition to the neoliberalism based 'Washington Consensus' has coincided with the groundswell of anti-globalization sentiment at the regional level. Chávez's outspoken foreign policy represents a challenge to US. When Chávez talks about the 'multipolar world' it means that he does not accept the "unipolarity" in the world that U.S. claims to lead. Venezuela's relations with US are not normal. But it is also true that Venezuela cannot ignore the importance of US.

As far as Venezuela's relations with Latin America are concerned, they have been rocky from the very times of *Punto Fijo* regime. The 'Betancourt Doctrine' kept Venezuela away from many of Latin American countries during the first decade of democracy. But the democratic era foreign policy had focused increasingly on the Caribbean basin. It is true that relations with these countries were viewed as less important than relations with other petroleum producers but considerably more important than intensifying ties with countries in Africa and Asia. Chávez, much as Simon Bolivar before him perceives the U.S. as a threat to a unified and free Latin America. Therefore, Venezuelan president wants the Latin American solidarity against US. Regional cooperation and integration are the pillars of President Chávez's foreign policy. An economic aspect of Venezuela's foreign policy under president Hugo Chávez is very much related to Mercosur. From the outset of his presidency he made Venezuelan entry into this economic union, a priority. Hugo Chávez is of the view that a potential union between Venezuela and Mercosur could be of geopolitical importance for the region. Chávez's friendship with Cuban president Fidel Castro is because of ideological similarity between both the two countries. Both the presidents are the big critics of neoliberalism led by U.S.

Chávez has accused Colombian right-wing paramilitary forces for plotting to join Venezuelan dissidents in a bid to overthrow him. Relations

with Guyana are complicated under president Chávez's regime because of territorial dispute. Hugo Chávez does not recognize Haiti's new government. He describes this illegitimate because it is product of a coup *d'état*.

But the new relationship between the Chávez government and Argentina's government has opened a path that may lead to a new map of South American geopolitics. It does not matter whether it is a conscious intention by the state or not, what really matters is that the process has begun and is showing some positive results. This exceptional combination, which was not sought by Chávez nor foreseen by Kirchner, explains the unexpected relationship between Venezuela and Argentina. It is a new dynamic that can lead to a probable long-term development and which could alter the map of sub-regional relations in all respects.

Chávez supports the idea of a Latin American OPEC, which will make the region bargain with US for Hemispheric free trade talks which, up to now, have been mostly a one way lecture from the US.

Venezuela's relations, with OPEC are also changing matter of concern of this Chapter. Being a founding member of the OPEC Venezuela plays a key role in the activities of the organization. The second summit of heads of state of governments of the member countries of OPEC was a most visible success of Chávez's foreign policy because points 12,13 and 14 of the resultant "Declaration of Caracas" reaffirmed OPEC's commitment to leadership of the entire underdeveloped world. In this way, Venezuela in this meeting showed that it has the capacity to lead the Third World against the neoliberal agenda.

In sum, Venezuela's foreign policy under president Chávez has, in many respect, really broken with past. Hugo Chávez always defends the idea of a "multipolar world" as a corrective to single power hegemony. His independent foreign policy is a great political development in Venezuela, which has given Venezuela a true identity as a sovereign state at the international level.

Hugo Chávez came to power with a strong electoral mandate. At the core of his support were nation's poor who demanded wealth redistribution. It is said that he elicited disproportional support from citizens who perceived recent losses but hoped for future improvements in the well being of the whole country. Their faith in Chávez as saviour was reinforced rather than dampened by middle and upper class opposition to the regime. From the beginning, however, the regime recognized that whatever reforms were undertaken would have to be achieved within parameters acceptable to the international financial community and the nation's wealthier classes. In short, a Cuban style-revolution was out of question.

Future prospect of constitutional changes, in Venezuela, can be explained only after recognizing the supporters as well as opponents of the regime established. President Chávez reached power with the backing of several parties and independents ranging from the moderates to radical left. In a sense, "Bolivarian Revolution" was not at all completely original, nor was the process of change linear. Indeed after three years in power, it faces risks. Chávez was criticized for the measures taken by his followers in the constituent assembly. The doctrine of "judicial transience" was not acceptable to many of the Venezuelans. The system of temporary judges failed to get off a good start. This of course had led to the very credible charge that the new judges will be ever more obliged to their political benefactors, like Chávez, than judges were ever before, because the provisional judges can be removed almost at the will of president.

The new constitution also strengthened the position of the president, not only through the substantial powers it conferred on him, but through the provisional powers he could request from the national assembly to allow him to legislate by decree on all matters for up to a year. The president made use of this prerogative in order to approve decrees with legal standing in areas as diverse as finance and banking, landownership, and social security.

Subsequently, Chávez announced the possibility of decreeing a state of emergency for socio-economic reasons, which would have increased his powers even further. This empowerment of president was not acceptable to the opposition. According to his opponents Chávez is a “tyrant” and his government a “dictatorship”

Most of the observers agree that it is the oil industry, and political control within which the industry is allowed to operate, that is the heart of the conflict. Oil production is dominated by PDVSA--on paper, a state-owned company. Private-sector anxiety over the ‘statist’ elements of the constitution also relates to Article 303, which has ruled out privatization of PDVSA, specifically the sale of its stock. While positing a seemingly heterodox approach to address the country’s development needs, the constitution also embraces elements of orthodoxy. Chávez economic policies have caused the capital flight from the country. The capital flight intensified after the business-led general strikes. Capital flight has led to a constant devaluation of local currency and since Venezuela imports about 80 percent of its goods, this means that the imported goods have become more and more expensive. In other words, inflation has become a serious problem. Because of all this type of problems, Hugo Chávez had face a coup on 11 April 2002 in which international forces like US and Colombia were doubted to be involved. Thus, it can be said that Chávez’s opponents are emerging at national as well as international arena.

The 1999 constitution, inspired by an innovative, participatory conception of democracy, includes some “civic powers” (civic powers have been described in chapter three of this dissertation), which show the commitment of Chávez and his supporters, to a more participatory democracy. That would allow citizens more initiative in formulating government policy and more constitutional mechanisms for checking the abuses of office holders.

Therefore, this position of the constitution makes the prospects for political and constitutional development.

The 1999 constitution prescribes the political role of military. It is mentioned in Chapter three that 1999 constitution allows military to participate in the politics and administration of the country. This provision is intended to check any coup or other conspiracy against Chávez government. For example, it was military that in less than 36 hours after a group of right wing businessmen and some army officer had assumed control, made the coup against Chávez in April 2002, unsuccessful.

Other point, in this regard, is that Chávez's opposition is divided between confrontationalists and reconciliationists. The good news for Chávez is that he can practically dismiss the confrontationalists because they are for the most part in the legislature, where they are fragmented into about ten political parties. The real opposition to Chávez is the main federation of business sector 'FEDECAMARAS', most of the mass media, and the Church. This extra parliamentary opposition has, since the failed coup of April 2002, shown the signs of its willingness to engage Chávez in dialogue and reconciliation. What seriously bothers the extra-parliamentary opposition, i.e. business sector, are the recently passed laws which deal with land reform, banking, oil revenue, and micro finance, among many other things. Land reform law is supposed to redistribute idle plots of the lands to the landless. Legislators in Chávez coalition have said that they are willing to revise these laws, so as to allow input from the opposition. In this way opposition may reconsider the political and economic changes.

It is true that Chávez has lot of opponents in today's time but he has a mass base that supports him. Chávez had won the presidency with landslide majority, and he enjoys this support today also. Among the reasons for the popular support for Hugo Chávez is the idea of change. The old system was too elitist, close, and stagnant. Hugo Chávez appeared to have a messianic

appeal to the masses. In some ways Chávez's many promises of welfare for a greater majority as well as his dream for an increasing international role for Venezuela, have captured the imagination of poor and marginalized Venezuelans.

Future prospects of constitutional changes in Venezuela depend on the popularity, legitimacy and effectiveness of Chávez government. The government remains very popular and a legitimate government because the opposition could not so far produce a 'recall referendum' against Chávez, for which it trying for a long time. It is true that Chávez is capable for fighting with the domestic opponents but it is difficult to fight with outside opponents like US. US view him as a 'leftist agitator' in the Hemisphere. One can take the example of Bolivia where U.S. was able to overthrow the revolution without having to overthrow the government. US can do this in Venezuela also. The 'Bolivarian Revolution' needs at the moment both internal democracy and ideological directions; two imperatives that Chávez and his MVR can no longer postpone.

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E-mail communication with Gregory Wilpert Policy analyst (CEPR)

E-mail communication with Todd Tucker- Policy analyst (CEPR)



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