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## *Conclusion: Hybrid Regimes and Populism in Venezuela and Beyond*

What insights about the political economy of development can we draw from observing over a decade of *chavismo* in Venezuela? In this concluding chapter we discuss lessons learned in three broad areas. First, we summarize what we learned about the nature and actual operations of hybrid regimes—regimes that are neither fully democratic nor fully autocratic. We discuss specifically how Chávez managed to remain electorally competitive while carrying out a process of gradual political closure. Second, we focus on the issue of populism—Latin America’s long-standing practice of deploying state resources to weaken institutions that mediate between the state and society, presumably in the interest of the common people. We discuss how Chávez’s version of populism both emulates and modernizes the traditional Latin American model of populism. And finally, we explore the question of how replicable the *chavista* regime is: What kinds of conditions could make other societies, within the region or elsewhere, vulnerable to developing a hybrid, populist regime similar to Chávez’s?

### **On Hybrid Regimes**

Hybrid regimes—somewhat less common in the twentieth century—have proliferated worldwide in the 2000s.<sup>1</sup> During the cold war, the world was split largely in two camps: full-fledged democracies, mostly in the North Atlantic and a few in Asia, and

autocracies, mostly in the East and the South. For a while in the 1990s, during the heyday of the so-called third wave of democracy, the balance seemed to shift in the direction of more democracies. But since early in the new century, the trend has been toward hybrid regimes. Many of these regimes—either former democracies, such as Venezuela, or former autocracies, such as Russia—have moved toward an “in-between” position, a “gray zone” in which rulers introduce autocratic practices without totally abolishing democratic institutions, particularly free elections. Using data from Freedom House, an organization that ranks countries’ political rights and civil liberties, Henry Hale finds that 32 percent of all countries in 2008 could be considered hybrid and that many of them have been stable and long-lasting, which challenges the notion that democratic transitions and consolidations are inevitable.<sup>2</sup>

Hybrid regimes are becoming not only more numerous but also more self-confident. In its 2010 report, Freedom House stated that “not free” and “partly free” regimes are not only expanding in number, but also becoming more influential in world politics, less susceptible to Western pressure, and more effective at keeping opposition at bay. According to Freedom House we are in the midst of a “freedom recession.”<sup>3</sup>

The Chávez regime is perhaps the most obvious and pronounced hybrid regime to emerge in Latin America, certainly since the Alberto Fujimori administration in Peru in the 1990s, or even earlier. The key feature of hybrid regimes, most scholars agree, is the use of legal and illegal mechanisms to erode checks and balances on the executive branch. Often by blunt admission of the rulers themselves, these regimes unabashedly reject the concept of “limited government.” They claim that problems inherited from previous administrations are so formidable that their task as rulers is to empower government to act boldly in favor of some overall interest, such as national security and income redistribution, rather than to negotiate with special-interest groups or to waste time seeking consensus.

One key puzzle about these regimes is how they manage to obtain electoral majorities despite an obvious display of nondemocratic practices, frequently in the context of lackluster policy outcomes. Chávez’s regime is a good example of this paradox. His movement has won all but one of all the elections held since he assumed power, yet many of his policy results are neither that impressive nor that different from previous administrations’. No doubt economics underlies his electoral success: the 2003–08 oil boom allowed the state to generate a formidable

consumption boom and engage in target spending, all of which granted it a hard-to-match co-optation tool. That a hybrid regime became consolidated in Venezuela in the midst of an oil boom is hardly a coincidence.

Nonetheless, we have shown that together with oil economics, a number of institutional factors and policy tools played an equally decisive role. Some of these factors and tools are commonly discussed in the literature on hybrid regimes elsewhere.<sup>4</sup> They include:

- Packing a number of state offices (tribunals, comptroller general, electoral bodies, key government bureaucracies) with avowed loyalists

- Badmouthing the opposition as disloyal, antidemocratic, oligarchic, antipatriotic, and so forth

- Excluding the opposition systematically from policy negotiations

- Undermining the autonomy of civil society by working exclusively with loyal groups (*Círculos Bolivarianos* at the outset, and later *consejos comunales*)

- Shrinking the size of privately owned media by revoking or not renewing operating licenses; denying them advertising revenue from state-owned enterprises and other agencies; delaying approval of foreign exchange; and acquiring small radio stations in rural areas

- Invoking the law and discretionary measures to penalize opponents and offering impunity to government officials and regime-friendly business interests

- Mobilizing pro-government voters in elections and using social policy as a vote-buying mechanism (busing state employees to polling stations; threatening to terminate employment of employees who vote for the opposition; handing out cash in exchange for votes)

- Bypassing the authority of subnational officials elected by the opposition, and limiting their share of state revenue

- Designing electoral rules that are deliberately disadvantageous to the opposition: gerrymandering, making the electoral system blatantly disproportional, and banning opposition candidates from participating in electoral processes—all clear violations of political rights

- Expanding the prerogatives of the military and liberating them from the scrutiny of civilian authorities other than the executive branch

Other, less openly acknowledged, tactics employed by the Chávez regime have not received sufficient attention in the literature on hybrid regimes, or are simply more specific to a small subset of hybrid political systems, in some cases unique to *chavismo*. One such tactic was to promote massive spending in conjunction with lawlessness.<sup>5</sup> Unusual for

these forms of government, Chávez went on a grand spending spree at home and abroad, with no controls or accountability. A lot of this aid went to the poor, especially from 2004 to 2008. This strategy produced a widespread sense of reaching out to the poor that previous administrations had never matched. The scale of social spending helped reduce poverty indicators and earned the government a favorable reputation abroad. The fact that there was a lot of waste and favoritism in managing these resources did not reduce the positive reception of the largesse.

Another *chavista* tactic, present also in other hybrid regimes, is the uneven application of the law. Although the fiscal and social stimulus caused people's earnings to rise, the uneven application of the law caused citizens to be more at risk from general lawlessness, arbitrariness, and even politically motivated job discrimination. In addition, *chavismo* coexisted with a rapidly expanding crime epidemic. Venezuela's murder rate quadrupled under Chávez, going from 4,550 homicides in 1999 to 16,047 in 2009, and making Venezuela as unsafe as the Gaza Strip under Israeli offensives in 2009.<sup>6</sup> The murder rate in Caracas alone is 140 per 100,000 inhabitants, making it the second least safe city in the Americas, after Ciudad Juárez, Mexico. Furthermore, there is evidence of state complicity in this lawlessness: the police are heavily implicated, few arrests are ever made, and three in four arrested suspects are released.<sup>7</sup>

By 2010 the accumulation of formal and informal restrictions on doing business including the growing risk of expropriation, all traits of the *chavista* type of hybrid regime, reached world-record levels. The World Bank's *Ease of Doing Business Index*, which ranks countries according to how conducive the regulatory environment is for doing business, placed Venezuela at number 177 of 183 countries ranked, the lowest position for a Latin American country and for a middle-income country.<sup>8</sup> Where some hybrid regimes (Armenia, Georgia, Kuwait, Russia, Singapore, Turkey) in the 2000s sought political legitimacy by attempting to provide civil order and a business-friendly environment or both, *chavismo* appeared to expand electorally while law enforcement and the country's business environment deteriorated very rapidly.

In our view, the explanation for the rise of this type of hybrid regime in Venezuela, both the conventional features and the more idiosyncratic ones, is not entirely agency-based, that is, it is not exclusively the result of the intentions and actions of the ruler. Preexisting institutional conditions, not just presidential predisposition, favored the rise of these practices. Specifically, following two decades of economic and political

crises, Venezuela in 1999 was characterized by the extreme weakness of business groups, political parties, and state bureaucracies, in comparison with the relative strength of the oil sector and the military.<sup>9</sup> This institutional environment facilitated the rise of a president-led, oil-powered, military-based assault on business, parties, and state agencies.

Nevertheless, not all countries afflicted by uneven institutional robustness respond the way the Venezuelan ruler did in the 2000s. Some administrations, on either the left (the Labor Party in Brazil) or the right (ARENA in El Salvador) actually responded to comparable institutional weaknesses by bolstering institutional quality and liberal democracy. The rise of hybridity in Venezuela might not have been exclusively a product of Chávez, but neither was it an inevitable outcome of preexisting institutions and structures.

A second puzzling aspect about contemporary hybrid regimes is why they remain in the so-called gray zone. If these regimes are able to concentrate so much power in the executive branch, why don't they establish a full-fledged autocracy? Alternatively, if they are so successful electorally, why don't they stay democratic and refrain from imposing undue restrictions on the opposition? Chávez's Venezuela provides reinforcement for certain conventional answers to this question, but also offers reasons that are not altogether recognized in the literature.

The first conventional answer to the question is international pressure—the development since the 1980s of a powerful international norm condemning blatant forms of authoritarianism. Another source of pressure, more at the level of influence than norm, has been the growth of NGOs. Most countries have since the 1980s become populated by a gamut of NGOs, many of which draw on support from both international and powerful local actors. For states to extinguish these NGOs entirely, as conventional autocracies are prone to do, would nowadays be too costly in terms of both energy expended (there are lots of NGOs) and reputation (NGOs belong to international networks). Hybrid regimes harass NGOs, but do not extinguish them. Because NGOs survive, however battered, they offer societies mechanisms for resisting the worst excesses of state encroachment.

Yet the Chávez case shows that there is one more reason why states may prefer to remain in the gray zone: pursuing mixed practices can actually contribute to electoral victories. Mixed practices can prove to be more rewarding electorally than ordinary autocracy or outright political liberalization. Here's how: these practices polarize the political

environment, which, Chávez discovered, can at times be electorally rewarding. Specifically, it can pay for the state to move to the extreme of the prevailing ideological side; and in Venezuela, during the 1990s and early 2000s, a majority of the electorate leaned toward the left. By moving to the extreme side of this larger leftist bloc, Chávez induced the other bloc to radicalize, which in turn led many in the center and center-left to either stay out of politics (the so-called *ni-nis*, neither one nor the other) or to side with Chávez, because the opposition began to appear to be too far to the right.

Some might argue that the state's radicalization was simply a state response to a disloyal opposition. Certainly from 2002 to 2004 the opposition sought to undercut the government. But after 2005, there is evidence of significant change in the behavior of the opposition, away from radical postures and more accepting of formal channels of participation. One might call this a type of political learning. In contrast, Chávez's radicalism expanded rather than retreated after 2005, suggesting that the logic of state-based radicalism has not been merely reactive.<sup>10</sup>

Chávez also uncovered the benefit of committing irregularities either prior to or after an election, rather than on voting day. This peculiar timing in the conduct of cheating works for several reasons. First, the international community is not well equipped to monitor, let alone sanction, pre- or postelection irregularities. Second, such irregularities divide the opposition. One side of the opposition adopts the "exit" response (as famously explained by Albert Hirschman): abstaining or boycotting the elections. Another side decides to participate, negotiate with the regime, and even vote.<sup>11</sup> This split in the opposition is welcome news for incumbents. The split fragments the opposition, which reduces its chances of defeating the government, while the participating opposition ends up legitimizing the electoral process.

Nevertheless, dealing with the participating faction of the opposition is not necessarily a cakewalk for the government, for this group will surely make demands, and the government must respond. In Chávez's case, the participating opposition demanded more electoral transparency. The tactical response of the state was to make minimal concessions, such as agreeing to discontinue certain irregular practices in the upcoming round, while leaving many other demands unmet.<sup>12</sup> This type of partial reformism tends to produce another round of divisions within the opposition, thus enabling the government to play the same divide-the-opposition game at each election. In the end, the government keeps the opposition

from defecting entirely, which is necessary for maintaining a semblance of legitimacy vis-à-vis the international community, while ensuring the “improbability” (rather than “impossibility”) of an opposition victory.

Chávez used the same scheme to handle Venezuela’s media. A system of mixed press freedoms was put in place early on: the media were allowed to operate, but stiff regulations were imposed on content (Article 58 of the 1999 constitution; the 2004 Organic Law of Telecommunications; the Law of Social Responsibility; the 2005 reform of the penal code).<sup>13</sup> Moreover, the government halted the practice of placing advertisements in nonloyal media and openly excluded reporters from press conferences. These measures split the “four horses of the Apocalypse,” as Chávez once described the country’s largest TV stations. Two of them (Globovisión and Radio Caracas Televisión, RCTV) continued critical reporting, while the others (Televen and Venevisión) self-moderated politically charged programs.

The familiar case of RCTV is another good illustration of this mixed approach. RCTV was an independent, privately owned station that often aired broadcasts that were critical of the government. In 2007 the government opted to shut down RCTV by refusing to renew its public broadcasting license. However, other less belligerent private TV stations were allowed to continue operating, a clear sign that the government was prepared to reward self-restraint and moderation in the media.<sup>14</sup> Again, the outcome was divisive. A survey by the Institute of the Press and Society (Instituto de Prensa y Sociedad) revealed the extent of the split: some reporters renewed their commitment to raise hard questions following the RCTV case, but as many as 30 percent said they would reconsider what to report.<sup>15</sup>

In sum, the Chávez case shows that mixed practices can prove more rewarding electorally for incumbents than strict democratic practices because they divide the opposition and are less offensive to local and international audiences than strict autocratic practices. Constantly shifting the rules of the game and vilifying dissent does more than “disorient the opponents”; it also engenders a clear pro-government effect.<sup>16</sup> One sector of the opposition exits—it is silenced or pushed to withdraw from politics. Another sector participates, but it is weakened by internal divisions and unfavorable rules of the game. And so, hybrid regimes discover that there is a payoff to maintaining a policy mix of concessions and freedoms in some areas and harsh restrictions and unpredictable practices in others. As long as the incumbents remain electorally competitive—that

is, capable of garnering enough votes—maintaining a mixed system can actually prevent the opposition from ever surpassing pro-government votes during elections.

### On Populism

*Chavismo* also offers lessons on the adaptation of populism to modern times. “Populism” is a term that is used conspicuously but often confusedly. What many people mean by populism is a certain type of economic policy, one that promises and often delivers economic and social benefits to the populace, even when it is not affordable. But this definition of populism as making unsustainable promises to the masses can well apply to any number of politicians in a democracy, and is therefore not helpful in making distinctions between populists and everyone else. A more analytically fruitful approach is to follow Kurt Weyland and think of populism as an eminently “political” rather than economic phenomenon.<sup>17</sup> According to this political conception, “populism” refers to the way the state, specifically the head of state, deals politically with societal actors, especially loyalists and opponents. To summarize various sources, classic populism can thus be defined as consisting of four interrelated elements:

- The systematic effort by the state leader to undermine the role of formal institutions that mediate between the state and society, the so-called leader-mass linkage, or hyperpersonalism in politics

- The tendency to use and abuse state resources (though this is not exclusive to populists)

- Building and maintaining an electoral support base that is multi-class, with a heavy bias toward mobilizing counter-elites

- Simultaneously introducing constraints on organized groups that are either autonomous vis-à-vis the state or in the opposition<sup>18</sup>

These are the core elements of populism. But most scholars who study populism agree that populism has evolved with the times, prompting many to speak of a classic version of populism, prevailing from the 1930s to the 1980s, and a more contemporary version, prevailing since the 1990s.<sup>19</sup> Table 6-1 shows our impression of how populism has varied over the years. Although the core elements have remained constant, the individual components and manifestations of some of the elements have no doubt changed.

What is peculiar about *chavismo* is that it combines elements of both the classic *and* the contemporary versions of populism. To see this, it helps to review each of the elements in table 6-1.



**TABLE 6-1. Political Definitions of Classic and Contemporary Populism**

<i>Features</i>	<i>Classic (mid-1930s to 1970s)</i>	<i>Contemporary (since 1990s)</i>
<b>Aims</b>	Personalism (undermining institutions that mediate between the leader and the masses)	Personalism (undermining institutions that mediate between the leader and the masses)
<b>Means</b>	Use and abuse of state resources Privileges for loyalists	Use and abuse of state resources Privileges for loyalists
<b>Support base</b>	<i>Counter-elites</i> Industrial workers Peasants  <i>Middle sectors</i> Urban groups Middle classes Professionals  <i>Elites</i> Armed forces Industrialists	<i>Counter-elites</i> Party orphans and defectors NGOs; social movements Informal workers The unemployed The very poor  <i>Middle sectors</i> Less important  <i>Elites for leftist populists</i> State contractors Financial speculators Radical intellectuals  <i>Elites for right-wing populists</i> Competitive, export-oriented business leaders Libertarian intellectuals, technocrats
<b>Political target</b>	The oligarchy Agro-exporting sector The Church Imperialism	Political parties Autonomous NGOs Media Subnational elected officials Globalization; the IMF; free trade

Source: Authors' compilation.

We begin with populism's chief aim, to undermine mechanisms that mediate between the leader and the people. Most writers on populism begin by making this point. They emphasize that a populist movement seeks first and foremost to expand the powers of the leader, or *caudillo*, while undermining the autonomy of institutions that mediate between the state and society.<sup>20</sup> This is another way of saying that populism is, at its core, an effort to undermine checks and balances on the main leader. The personalization of politics that is inherent in populism implies, almost by

definition, that there must be an equal process of deinstitutionalization of intermediary institutions. This deinstitutionalization translates into an erosion of checks and balances. And as we argued in chapter 1, *chavismo* is nothing if not an unambiguous example of precisely this erosion.

Populism consists of both aims and means, and here is where other components of the definition come in. One vital element is the use and abuse of state resources, which can be tangible economic assets (level of spending, or fiscal, monetary, or industrial policies), as well as intangible assets (for example, uneven application of the law, aggressive discourse against opponents, calls for some sort of privilege-free society). Few other elected Latin American governments since the 1980s have undertaken as heavy a use of state resources for electoral gain as has Chávez.<sup>21</sup> But to qualify as populism, the state must deploy resources selectively, favoring loyalists over opponents. As we argued, this blurring of the line separating state resources from the ruling party, so inherent in populism, has also been a hallmark of *chavismo*.

Most definitions of populism include a discussion of the support base of populism. Theoretically at least, populism seeks to become a multi-class and cross-sectoral coalition. *Chavismo* conformed to this, at first. There is no question that in 1998 *chavismo* was embraced by Venezuelans from all walks of life, almost without exception. Over time, however, *chavismo* lost support disproportionately from urban groups and the middle classes, while retaining support from some parts—not all parts—of essentially two opposite poles, elites and counter-elites. It could be argued that this transformation from a multiclass coalition to a bipolar coalition is common to many versions of populism, not just *chavismo*. Even in classic versions of populism, these two poles, elites and counter-elites, played a crucial role. The counter-elite was made up largely of newly emerging urban workers and peasants, whereas the elite group consisted of industrialists and, often, the military.

This bipolarity also exists in the contemporary version of populism that emerged in the 1990s, both Fujimori's right-wing variety and Chávez's left-wing variety. What changes somewhat is the composition of each pole. Counter-elite groups since the 1990s encompass new economic losers such as informal workers, the unemployed, slum dwellers, unskilled workers, underemployed rural dwellers (rather more than industrial workers). But it also includes a somewhat new group: political orphans, voters who came to feel unrepresented by existing political parties. Political orphans are manifestations of the "crisis of

representation,” which is how the literature has labeled the phenomenon that drives party de-alignment en masse.<sup>22</sup> In the 1990s political orphans became a huge group in many Latin American countries, with Venezuela standing as a prototypical case. Political orphans include constituents from all income categories. They often adopt an anti-establishment sentiment because they are politically disenfranchised and not necessarily or exclusively because they are economic losers. Throughout this book, we provided evidence that the *chavista* movement soon evolved into a coalition composed of mostly these two poles. Although the coalition became narrower over time, at the start it included members of all of these counter-elite groups, which explains why it came to power with such energy and in less than two years was able to produce such a drastic institutional change toward a hyperpresidential model.

We also provided evidence of the disproportionate power of elites within Chávez’s coalition. Whereas a right-wing populist would mobilize elites from the technocratic class, or as some have labeled them, the “knowledge actors,” as well as the export-oriented and competitive private sector, *chavismo* drew elite support from wealthy owners of firms and banks that made fortunes through special contracts or deals with the state.<sup>23</sup> In the literature of the 1970s, these elites would have been referred to as rent seekers; in Chávez’s Venezuela they came to be known as *boliburgueses*.<sup>24</sup> The other elite group that Chávez has courted overtly is the military, perhaps one of the most “classic” populist elements within Chávez’s support base. Reliance on the military has been central since the start of the administration and continues to expand. In 2008 as many as eight of twenty-four governorships and nine of approximately thirty cabinet positions were held by active or retired career officers.<sup>25</sup> The military has even been recruited to help implement fiscal policy: Chávez officially called on the military to keep an eye on businesses that raised prices following the 2010 mega-devaluation. Chávez’s approach to the military followed the traditional formula of purging and splurging. The government used the period of maximum discontent, 2001 to 2004, to discharge nonloyal officers. Others were offered juicy rewards such as quick promotions and large raises. Generals were also given large budgets to administer. In the process, Chávez reduced the autonomy of the military, eliminated civilian control, and sought to reorient the ideology of officers, even imposing the slogan “*Patria, socialismo o muerte*” (“Motherland, socialism, or death”). Chávez also exhorted the military against a new domestic enemy, “the oligarchs.”<sup>26</sup>

Thus, the Chávez case shows that in modern populism, multisectorialism is perhaps more an aspiration than an attained goal. If anything, *chavismo* shows that nowadays the support base of a populist movement in Latin America quickly morphs into a mostly bipolar rather than multisectoral coalition.

The Chávez case also shows that this bipolarity may be sufficient to sustain the government, especially during economic downturns. The elite pole supplies the government with capacity to resist potential assaults from other veto groups, and the counter-elite pole provides the votes to win elections and a justification to declare itself as the representative of the people—and by extension, to declare the opposition an enemy of the people. As long as two poles remain on board, populism can afford to lose the middle sectors and still retain power.

That modern populism requires and thus tries to cater to a bipolar coalition does not mean that each of the poles supports the populist incumbent overwhelmingly or without exceptions. In Venezuela, it did not take long for large sectors of both poles to turn against the government. The defecting elites, who were out in the streets protesting as early as 2002, have attracted more scholarly attention than the defecting poor, even though the incidence of the latter has been quite significant. For instance, support for *chavismo* among the lowest-income groups of the population dropped from 94 percent in 1999 to about 45 percent by the mid-2000s and has stayed in that vicinity since then. *Chavismo*, and populism in general, is a polarizing force—because it splits a nation internally between deserving groups and the rest—and this division is present within the same class that *chavismo* initially mobilized. So deep is the internal division within the poor in Venezuela that studies have shown that being poor is not necessarily a reliable predictor of whether a voter voted for Chávez in the 2000, 2004, and 2006 elections.<sup>27</sup>

In short, *chavismo* shows that populism does not need nor does it generate *overwhelming* support across *all* sectors. Rather, populism easily delivers *enough* support among counter-elites and elites to sustain electoral losses, especially stemming from defecting middle sectors. The support from these poles need not be all that massive for these gains to obtain.

Last, populism generally identifies domestic groups to attack politically, the so-called enemies of the people. Populist leaders hardly hesitate to deploy aggressive discourse and punitive policies toward them. In classic populism, typical targets were the oligarchs—for the most part, exporters of agricultural products, together with their “imperialist” allies

and in some cases the Catholic Church. Of course, Chávez's populism has targeted the oligarchs, and at times, the Church, conforming with classic populism, but he has also added new groups to his list: organized sectors of civil society such as political parties and NGOs advocating democracy, and, quite conspicuously, the media. This new cohort of targets is an aspect of *chavismo* that is more in tune with contemporary versions of populism.

Some scholars of populism hold that there are irrefutable differences between right-wing and left-wing populism, pointing to Alberto Fujimori in the 1990s and Hugo Chávez as exemplars. No doubt a difference between left- and right-wing populists exists, but it is less consequential than often argued. Our view is that the difference between left- and right-wing populism depends largely on the composition of the elites in the bipolar coalition. Also, there are clear distinctions in terms of discourse. The left-wing populist typically emphasizes the need to curtail market forces, lessen inequalities, distribute wealth, fight global capitalism, and perhaps even contain the United States. Right-wing populists are more concerned with disorder, insurgency, economic chaos, immigration, even immorality, and would more likely spend fiscal resources on infrastructure than wealth distribution.

Despite these differences, judged in terms of impact on regime features, left-wing and right-wing populists have more in common than is immediately obvious. Politically, though not necessarily discursively, they are closer to each other than they each are to a left-wing or right-wing democrat, respectively. Their drive to concentrate power by way of a bipolar alliance of classes, sustained through the use and abuse of state resources, is a political project that is anathema to democrats on both the left and the right. In other words, in terms of impact on the political regime, Chávez is closer to right-wing populists such as Fujimori in Peru than he is to leftist democrats such as Tabaré Vázquez in Uruguay or Lula in Brazil. Right-wing and left-wing populists ultimately move regimes in the direction of hybridity, mobilizing majorities while courting some vital elites, and openly excluding their opponents from the policymaking process.

### **How Replicable Is Venezuela's Experience?**

Assaults on democracy in Latin America since the 1990s have transpired mainly by way of regimes that adopt some hybrid features, instead of a return to strict autocracy. In Venezuela as in many other hybrid cases,

the vehicle for this tack has been the blending of classic and contemporary strands of populism, as we just argued. It makes sense to end this book, therefore, by reflecting on conditions that are likely to foster the emergence of a radical, populist version of hybridity in other countries.

No doubt, some aspects of the Chávez experience are virtually impossible to replicate elsewhere. The most obvious is oil, or, rather, the state's monopoly over a single commodity that generates extraordinary dollar revenues for the state. That Venezuela is a petro-state means that any political project predicated on use and abuse of state resources will have abundant resources at its disposal.<sup>28</sup> A petro-state in boom times need not face conditionality from multilateral lenders nor fear a sudden freeze, as occurs when decentralized bond markets panic over a turn of events in emerging markets.<sup>29</sup> It follows that Venezuela, the only real petro-state in Latin America, under an oil boom is more susceptible to the consolidation of populism than its counterparts.<sup>30</sup> Most other countries in the region also draw revenue from exporting commodities—Bolivia more than any other, with its single, state-owned product, gas. Of the rest, Mexico is less and less dependent on oil, Chile's state-owned copper industry provides a declining share of export revenue, and Brazil's oil industry is neither that large in terms of total exports nor that dependent on the executive branch.

Militarism is another aspect that is almost as hard to replicate as the oil boom. In most of South America (except perhaps Peru and Colombia), there is a general culture of repudiation of military rule or military involvement in politics. Consequently, the possibility of a leftist civilian-military alliance such as that crafted by Chávez seems less likely in South America at least.

Despite these features unique to Venezuela, several of the political-economic conditions that fueled *chavismo* in Venezuela exist or might come to exist in other countries as well, making some variations of the Chávez regime conceivable. For us, the five most important conditions are inequality, instability, insecurity, intolerance, and a breakdown of the political party system.

### *Inequality*

If the rise and consolidation of populism depend on sustaining a bipolar coalition, then it makes sense to posit that societies suffering from gross inequality are more susceptible to populist appeals. In terms of income and assets, Latin America is one of the most economically unequal

regions in the world.<sup>31</sup> As long as Latin America remains a champion in the area of income inequality, it will continue to be vulnerable to populism. However, we feel strongly that this connection is not automatic and is often overstated.<sup>32</sup> Venezuela and many other Latin American societies have lived with high levels of inequality for decades while experiencing substantial regime and policy variations, making it hard to believe that inequality is the most important determinant of regime type.<sup>33</sup> Two of the most unequal countries in the region, Brazil and Chile, have had substantial democratic stability for almost two decades now. Although many scholars stress a strong connection between inequality and rising populism, we feel that this connection exists but it is not as powerful as other causes.

### *Instability*

The second condition that may lead to greater demand for populism is macroeconomic instability. Populism feeds on anti-establishment sentiments, and these can grow during times of economic disarray like those experienced by Venezuela over a span of more than two decades after 1982. Venezuela was one of the few Latin American countries to have had two, not one, lost decades, and this accumulation of losses explains the demand for *chavismo*, at least initially. Remarkably, most Latin American countries have moved away from chronic economic instability. During the latest economic crisis, between 2008 and 2009, all countries except Venezuela skirted severe macroeconomic instability, no doubt a historical record. The trend toward more stable macroeconomics has lessened the vulnerability toward hybrid, populist regimes in the region. But as long as Latin America remains dependent on commodity exports and volatile financial capital, its economies will be at risk of economic instability, and this makes their political systems still somewhat susceptible to populist movements.

### *Insecurity and Incapacity*

Populism also feeds on insecurity, which can take the form of economic insecurity or lack of personal safety due to crime or political violence. The introduction of market reforms in the 1990s, however moderate, has brought Latin Americans new economic opportunities, but also newer forms of economic insecurity, mostly stemming from erosion of job security. Advanced capitalist societies have institutions in place to help citizens cope with market-generated insecurities: they provide better

education and skills to help workers adjust to change, offer welfare and unemployment compensation, feature reliable courts that protect workers from job discrimination, and so forth. Some Latin American countries have made progress, but most fall short with insecurity-abating institutions.<sup>34</sup> This shortage is part of the syndrome of “state deficiencies,” or state incapacities, that Scott P. Mainwaring argues keeps citizens susceptible to economic insecurity. The key point is that economic insecurity coupled with state incapacity can boost demands for populism.<sup>35</sup>

Public insecurity is the other type of insecurity that can breed populism, though it tends to favor right-wing rather than left-wing forms of populism. When voters feel assailed by strangers, they become too eager to grant presidents blank checks to crack down on lawlessness. Public insecurity in Latin America is now mostly the result of crime, both random and organized. Almost every analyst agrees that the alarming spread of crime in the region is the most significant security threat faced by citizens and states and is showing no obvious signs of abating. This will continue to stimulate demand for populism, especially of the right-wing variety.

In Venezuela until the mid 2000s, economic insecurity probably trumped the issue of public insecurity across the bulk of the electorate, and this explains the electoral fortunes of Chávez’s brand of leftist populism until 2006. Now that priorities have reversed across the electorate, with public security becoming a higher priority, it is no surprise that *chavismo*—so far quite inattentive to the issue of public security—has lost electoral competitiveness. The appeal of a left-wing populism might have eased in Venezuela, but it is not clear that the appeal of a future right-wing form of populism has eased as well.

### *Intolerance*

Populism is typically aggressive and dismissive toward the opposition, and for this reason it has a higher chance of emerging when a general climate of intolerance prevails. Populist rulers often cultivate and foster a climate of intolerance, and Chávez was no exception. But often that climate is already present, at least incipiently, and this makes the job of the populist easier. According to public opinion surveys carried out by Americas Barometer, levels of political intolerance in Latin America are astonishingly high.<sup>36</sup> Responses in 2006 and 2007 surveys revealed that in all countries there is a substantial majority who hold intolerant political attitudes toward opponents, including resistance to granting them the right to protest, to appear on TV, and even to run for office. Analysis of



these survey data shows that the strongest predictor of whether a person will harbor intolerant attitudes is whether he or she supports the incumbent—those who support the incumbent are more intolerant of his or her opponents.<sup>37</sup> Latin Americans may hold democracy in high esteem, but many individuals nonetheless show intolerance toward opponents when their favorite politicians hold office. This climate of intolerance can serve as a breeding ground for populist leaders, all of whom treat opponents intolerantly, which strikes a chord with large sectors of voters when intolerance is widespread.

### ***Political Parties***

In explaining the rise of populism, the health of political parties possibly matters more than social conditions. The four preconditions for the development of a hybrid regime just discussed—inequality, instability, insecurity and incapacity, and intolerance—can be viewed as permissive, that is, as factors that allow or even encourage populism. Political parties, by contrast, can be considered barriers to populism, institutional factors that can help prevent the rise of populism. The strength of a political party system can help frustrate the political ambitions of populist leaders. Weak parties in the opposition are, quite simply, less able to resist the institutional encroachments of populist states, as happened in Venezuela between 1998 and 2000, which came to experience one of the region's most profound cases of party system decay.

Signs of party weakness include voter de-alignment, electoral volatility, sudden party system fragmentation, lack of clear messages, giving too much power to the party's top leadership, and too-long tenure of leaders. A weak or collapsing major party, whether in power or in the opposition, offers populist leaders more room to rise to the top and dominate.

In pondering these enabling or constraining conditions, it would seem that there is little or no chance for replicating perfectly the type of regime that Venezuela developed in the 2000s. Most countries in the region do not suffer from the constellation of maladies that afflicted Venezuela by the 1990s and permitted the rise of a hybrid and populist. Nevertheless, it would be a mistake to believe that regime change in Venezuela was an outcome of idiosyncratic factors. More to the point, regime change was not the result exclusively of dependence on energy commodities in boom years, which is the one condition that separates Venezuela from most of its regional peers except Trinidad and Tobago and, to some extent, Ecuador and Bolivia. Oil did not create the Chávez regime. Instead, regime

change was the result of demands made on the state by dissatisfied citizens and of policies that were possible as a result of preexisting institutional features and state-based manipulations.

It would also be a mistake to conclude that the region as a whole is completely safe from at least some versions of *chavismo*. It might be hard to find another case where all of the structural, demand-side, and institutional supply-side conditions coincide as they did in Venezuela in the 1990s and 2000s, but it would not be difficult to find cases in which at least a few of these conditions prevail. Until the five preconditions that make Latin America politically vulnerable are overcome, we cannot be certain that Venezuela's outcome as examined in this book will remain a strictly Venezuelan phenomenon.

### **On Political Change: Two Views**

Chávez has succeeded in consolidating a fairly closed political regime in Venezuela, and his supporters have become more radical and entrenched. To what extent might Venezuela be able to escape *chavismo* in the future? We offer first a pessimistic response, followed by a more optimistic outlook.

#### ***The Pessimistic View***

To be sure, regime collapse is not imminent, in part because of Chávez's social inclusion strategy and iron-clad institutional control. As with other populist phenomena in the region, especially Peronism in Argentina, the social roots of *chavismo* are deep-seated; its legacy will be more far-reaching than its opponents tend to assume.

Furthermore, Chávez is taking no chances. In 2009 he successfully introduced a constitutional amendment to allow for indefinite reelection, making Venezuela the only formally democratic Latin American country today to eliminate term limits entirely. Perhaps more than other moves by the regime, this institutional change could very well be a decisive game changer because it lessens, like few other measures, the probability of alternation in office.

The end of term limits erodes alternation in office through two mechanisms. First, it discourages the emergence of challenges to *chavismo* from within the ruling party. Knowledge that Chávez will always compete for the presidency pretty much guarantees that most *chavistas* will focus not on challenging him but on competing for lower-level political office, and

this increases “verticalism,” or top-down discipline, within his movement. Factions within the movement will continue to arise, but these are unlikely to bill themselves as alternatives to Chávez, since the notion of Chávez not running for office is out of the question. Instead, they will compete for positions within the movement by presenting themselves as “Chávez’s most favorite or loyal” faction. The end of term limits will thus make internal factions more likely to court than to challenge Chávez’s authority.

Second, the end of term limits allows the president to acquire institutional advantages that can be used to neutralize political rivals outside the ruling party as well. To see this, we must briefly review the debate about the merits and perils of reelection.

Reelection is a controversial issue in Latin America. Although constitutions have been changed to permit at least one successive reelection (Argentina, Bolivia, Brazil, Colombia, Ecuador), none has been changed to permit indefinite reelection. Paradoxically, the notion of term limits was invented in Latin America in the nineteenth century precisely as a mechanism to prevent presidents from overextending their stay in office. Some countries such as Mexico went as far as to abolish all forms of reelection. In the 1990s many presidents tried to relax term limits, and some succeeded in doing so, but only to the point of allowing one reelection. Indefinite reelection was never granted. Attempts by Carlos Menem in Argentina (1989–99) and Álvaro Uribe in Colombia (2002–10) to obtain permission to seek a third term were rejected by the courts, public opinion, or sectors within the ruling parties. In Peru, the attempt by Fujimori to get a third term did succeed, but the battle destabilized the country, ultimately prompting Fujimori to resign from office shortly after election to his third term.

From a strictly electoral standpoint, ending term limits does not imply ending democracy. A number of analysts agree that if politicians compete electorally on relatively equitable terms, the issue ends up being settled by citizens.<sup>38</sup> Reelection could even serve as a mechanism to improve accountability. The argument is that presidents seeking reelection are more accountable to the electorate than lame-duck presidents who are not running and who therefore need not worry about courting voters.<sup>39</sup> Patricio Navia has even argued that the problem is not unlimited reelection but excessive presidential power; efforts are needed to curb presidents’ hold on power by strengthening the independence of other centers of power and curtailing executive abuse of prerogatives.<sup>40</sup>

However, we feel that the longer a president remains in power, the greater the risk of erosion of separation of powers, the independence of the judicial branch, the neutrality of the electoral authorities, and even the autonomy of civil groups and business firms that interact with the state. In other words, time is causally linked to increases in presidential powers: the longer the president stays in office, the more appointments and contracts he or she makes, and this makes societal and business groups more willing to comply with the preferences of the executive branch.<sup>41</sup>

The debate about term limits could be evaluated empirically. The evidence suggests that a lack of term limits lessens the probability of alternating power. Statistical studies of developing democracies, chiefly in Africa, where unlimited presidential terms are fairly common, show a high rate of probability that sitting presidents will continue to be reelected.<sup>42</sup> Statistical estimates for Latin America are scarcer, but it seems that the upshot is similar: incumbents are rarely defeated. A historical data series that dates from the mid-nineteenth century notes that only two sitting presidents failed to win reelection: Hipólito Mejía, in the Dominican Republic in 2004, and Daniel Ortega, in Nicaragua in 1990.<sup>43</sup>

A number of factors make presidential continuation probable in the absence of term limits. Essentially, incumbents can deploy an arsenal of tools to remain competitive, or at least, to lessen the competitiveness of their rivals: state resources to indulge in widespread clientelism; agenda-setting powers in the legislature; appointments in the judicial branch and the entire state bureaucracy; information technologies and means of physical coercion to threaten both voters and activists, especially within the ruling party.<sup>44</sup> In other words, time allows presidents to augment their institutional powers, even if they lose some electoral competitiveness, as tends to occur with governments that stay in office too long. These institutional powers can be used to undermine rivals inside and outside their parties. If even countries with strong institutional checks and balances suffer the problem of the “incumbent’s advantage,” in countries with weaker mechanisms of accountability such advantage becomes too formidable.

In short, theory and empirical evidence suggest that in countries with weak institutions of accountability, alternation of power is not easily achieved solely by means of electoral competition. It also requires some exogenous factor: either a devastating economic crisis, a major blunder by the authorities, or strict term limits. An election may be the best mechanism to select candidates to lead the country, but further elections alone do not ensure that others can compete equitably and eventually replace

an incumbent. To be sure, the electoral process must be designed so as to offer safeguards for the opposition. This involves providing adequate information, open debate, identification of the country's key issues, equitable access to resources, and a level playing field with respect to political competition. And yet this long list of safeguards might not be sufficient to ensure alternation in power. Time is simply on the side of incumbents, especially if checks and balances are weak or declining. Longevity in office allows incumbents to accumulate more and more institutional powers, even if they lose some electoral power. Because eliminating term limits empowers presidents excessively and lessens the chance of leadership renewal within the ruling party, it seriously undermines the probability of ending a president's term. For this reason, we feel that abolishing term limits in 2009 was one of the most decisive, pro-incumbent turning points in the history of *chavismo* in Venezuela.

#### *The Somewhat Optimistic View*

Despite the barriers to political change in place, change is not out of the question. Two factors will inevitably exert pressures for possible change. One is economic and the other is strictly political. A brutal recession caused by the triple blow of a decline in world oil demand, misguided macro- and microeconomic policies, and mismanagement of *Petróleos de Venezuela, S.A.*, has weakened the underpinnings of the system Chávez has built. As of this writing, Venezuela was in the midst of a major economic crisis. Afflicted by a potent combination of stagflation, indebtedness, declining exports, and scarcity of consumer and capital goods, Venezuela could very well be suffering one of the worst economic crises in the world. Combined with ineffective handling of key issues of interest to citizens such as personal insecurity, electricity shortages, and unemployment, these maladies have taken a serious toll on the government's approval ratings. These woes could very well generate the kind of discontent that could decidedly affect Chávez's longevity in office. They have already produced the highest surge in the ranks of the opposition since 2003, allowing it to win the popular vote in the legislative elections of September 2010 with 52 percent of the votes (6.1 million voters), up from 45 percent (or 5.1 million votes) in the 2009 referendum.

Yet, Chávez could still respond to declining political competitiveness by attempting even greater domination of the citizenry through social and political means, thus preventing the regime's downfall (see discussion in chapter 4). In other words, if an economic downturn makes a

hybrid regime less competitive, the regime may feel tempted to become more autocratic.

It is conceivable that international pressure against the regime might resurface if Chávez turns politically more restrictive, and the oil income shortfall continues to the point of endangering his social-power diplomacy. A combination of economic downturn and heightened international criticism could lead to domestic political conflict.

This brings our analysis to a vital question: what factors stand to wear down and erode the institutional control Chávez now commands? Two political factors could contribute to erosion: increasing chasms between moderates and radicals within *chavismo*, and the endurance of a unified opposition that continues to win the battle against the tendency to abstain, especially on the part of the *ni-nis*. It is unlikely for a hybrid regime to move toward a more democratic system in the absence of internal moderate forces willing to open up the system. If the movement to open the system is left to radical *chavistas*, the government is likely to remain opposed to political opening. Now that the opposition has regained strength, it is conceivable that moderates within *chavismo*—interested in a rapprochement with the opposition so as to avoid unnecessary tension—might resurface as well, reproducing the felicitous interaction of moderate incumbents and moderate opponents that some political scientists have famously argued is a precondition for regime liberalization.<sup>45</sup>

The debate between moderates and radicals within *chavismo* has been described as one between the “*chavismo* without Chávez” forces and the “there’s no *chavismo* without Chávez” forces. The current loci of this confrontation are the armed forces and, to a lesser extent, state governors—and perhaps in the future the legislature, now that, following the September 2010 elections, it will have opposition representation again. In the armed forces, the presence of Cuban technicians holding influential positions has created uneasiness, especially in the higher ranks. It is difficult to gauge how deep-seated these concerns may be, but there is some tangible evidence of profound divisions between Venezuelan and Cuban personnel. Retired *chavista* generals have made declarations of their distrust of Cuban technicians, and there are rumors that the resignation of the country’s vice president, also a general of considerable influence, was related in some way to the Cuban influence.

With respect to state governors, exacerbated centralism and delays in processing revenue owed to the states have generated discontent even

among regional *chavista* governors, not just opposition governors. The governor of the state of Lara, considered one of the country's most influential, decided to withdraw from the PSUV and support another revolutionary organization in 2010.

The future prospects for moderate *chavistas* hinge on the capacity of the opposition to stay united. There is no question that one of their most amazing political feats for the 2008 and 2010 elections was to offer a large menu of "unified candidacies," meaning designating no more than one candidate for any one open seat. For the 2010 election, Chávez thought he could disunite the opposition leadership and discourage opposition voters by changing the electoral law in his favor. The new Organic Law of Electoral Processes (or LOPE, by its Spanish acronym) changed the electoral system to give more "nominal," that is majority based, seats to districts that are heavily *chavista* and produced pro-government gerrymandering in districts that voted for the opposition in 2008 and 2009. This law was designed to ensure that the opposition wins far fewer seats in Congress than their actual share of the vote. Yet, Chávez's move backfired: the law ended up encouraging opposition leaders to unite even more, and opposition voters to vote in record numbers. In April 2010, building on lessons from the 2006 presidential elections and the 2008 midterm elections for governors and mayors, the opposition formed the Democratic Unity Table (Mesa de la Unidad Democrática, MUD) to run for the September 2010 elections. This Mesa coordinated the right number of candidacies per contested seat.

If this trend toward a unified (that is, one able to coordinate strategies) and non-abstaining opposition continues, moderate *chavistas* may begin to play out, in a credible way, the balance between radicals in office and the opposition. Although the government (through the 2009 electoral law) ensured that the opposition, despite winning the popular vote in 2010, obtained less than 40 percent of Congress, it nonetheless proved unable this time around to stop the rebirth of pluralism within an important branch of government. This was perhaps the first victory in favor of pluralism since Chávez came to office. The task of the opposition from this point on is to avoid balkanization, which is always a risk given the heterogeneity of the opposition and the myriad tactics employed by Chávez to split the opposition. If it avoids balkanization, the opposition might strengthen moderate *chavistas*, and this could pave the way for a more substantive opening of the political system.

## Reflections

Mythologists, humanists, paleontologists, and cryptozoologists who study dragons agree that despite some variations, dragons share common characteristics that distinguish them from other species, real or imagined. Dragons are creatures of formidable size that often display supernatural powers. They have reptile-like (and thus tough) skins. They spew fire at their enemies. They often have bird or bat wings, or can at least slither like serpents. And they protect certain treasures while destroying others, even feasting on the most precious products in the land, sometimes the country's most beautiful virgins.

For us, the Chávez regime fits this image almost to a T. Chávez's ability to return triumphant from the dead (after 1992 and again after 2002–03), not to mention to transform one of Latin America's most consolidated democracies into a politically tough regime and still win elections, conveys certain supernatural powers that other more ordinary political leaders and movements lack. His belligerence toward enemies, both at home and in Washington, burns like fire. His ability to change policy direction so quickly and to cover so much ground politically, often packing the agenda to the point where not even his ministers can keep track, suggests that this dragon must also have wings that allow him to move fast and high. His obsession with targeted spending to protect his bipolar constituency suggests that this dragon, too, cares about treasures. And his approach to the oil sector, destroyed by his appetite for more and more resources to spend, reveals that this creature feasts voraciously on the best meals in the land.

But not all dragons share these frightening aspects. In Chinese mythology, for instance, dragons symbolize auspicious powers and can even be signs of good luck. Chinese dragons don't typically disgorge fire; they are actually afraid of fire. Instead, they spew water and mist, thus creating much needed rain, which earns them a reputation as purveyors of good things. The Chávez regime, we also argued, encompasses some of these more benign elements. Certainly, this is how the *chavistas* see it. For them *chavismo* is the essence or at least the symbol of dreams coming true, whether it is getting an education, a much needed job, a state contract, a special favor, or a personal sense of empowerment.

In many ways, the Chávez regime is neither one dragon nor the other, but a combination of both. It is a hybrid regime that has adapted very Latin American traditions—aggressive populism, nationalist anti-Americanism,



statist economic policies, militarism, and an impatience with inequality—to modern times. This allowed the regime to conduct nothing less than a political revolution at home, at least by Venezuelan standards, where historically, political extremism was the exception rather than the norm. While the regime's approach to economics, in contrast to politics, has been more akin to recycling than inventing, even exacerbating mistakes made by previous administrations, Chávez has nonetheless managed to maintain a bipolar coalition that has proved hard to defeat electorally and is unmatched by any president in the history of elections in Venezuela since 1958.

A perfectly benign or a perfectly malevolent dragon would not have been capable of such a feat. The formidable barriers facing this dragon, stemming from those who defended the status quo and others who hoped for a better future, required a not-so-gentle dragon. And the opportunities available, in terms of institutional and economic resources, were just too abundant for this dragon to be exclusively monstrous. Chávez consolidated power by combining both popular support and popular betrayal, together with a good dose of cheating. It is a hybrid regime, with unquestionable Latin-tropical roots.

For the opposition—which as of this writing is just as numerous as the *chavistas*—there is no question that this dragon has only one face. Since 1999 the opposition has been searching for ways to defeat or at least tame the monster, but only recently have optimal conditions come to the fore, namely the rise of economic and governance chaos (a change in exogenous conditions) and the opposition's own realization of the need for electoral unity, a less extreme rhetoric, and a concerted campaign against abstentionism (a change in endogenous conditions).

Scholars who study dragons are also baffled by an additional mystery: Why have so many cultures that had little or no contact with each other come to develop the notion of dragons?<sup>46</sup> Dragons have been recorded in Greek mythology, in European Christianity, in Viking legends, in Inuit art, in China's folklore, in the Middle East, in India, and in pre-Columbian America. Different versions of this strange creature occur in various cultures.

Likewise, we feel that the *chavismo* phenomenon—or a version of it—can also arise in other cultures. Obviously, exact replicas are unlikely, but we identified conditions under which citizens elsewhere may come to yearn to see a dragon on their horizon—instability (in economics), insecurity (in the workplace and in the streets), incapacity (of state

bureaucracies), intolerance (by followers), and party decay. Once those dragons appear, we have argued in this book, the landscape changes dramatically. The dragon becomes the sole, domineering figure in the land. If you happen to be part of the treasures that the dragon protects, you cheer. If, on the other hand, you become the target of their fires or appetite, you are likely to curse forever the moment you wished for a dragon to come true.