

Venezuela in the gray zone: From feckless pluralism to dominant power system

Venezuela en la zona gris: desde el pluralismo ineficaz hacia el sistema de poder dominante

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Abstract

This paper emphasizes the need to measure the varying qualities of democracy. It delineates subtypes of political regimes that occupy a “gray zone” between dictatorship and democracy, and examines the possibilities for political change in the “gray zone”. The authors address two sets of questions about political change: a) What causes a limitedly pluralist regime to unravel? b) How can we predict which direction political change will take in the wake of that unraveling? The options considered are: re-equilibration of the limitedly pluralist regime, evolution into a liberal democracy, movement toward another regime variant within the gray zone, and retrogression to authoritarianism? Demise of Venezuela’s Punto Fijo regime and the emergence of Hugo Chávez’s Fifth Republic are examined using this framework. Analysis suggests that mutually reinforcing crises in the issue areas of distribution and representation lead to political decay, and that unraveling occurs if the state’s regulative capability is weak. Transition to full democracy may take place if the ruling elites retain a quotient of legitimacy. If not, some alternative form of “gray zone” regime takes hold, its form dependent on the strength of the existing democratic political culture and on the availability of an individual possessing charismatic authority.

Key words:

Democracy; Legitimacy; Political regime; Political culture, Charismatic authority; Venezuela

Resumen

El presente texto resalta la necesidad de medir las diversas cualidades de la democracia. En este sentido, delinea los diferentes tipos de regímenes políticos que se encuentran en la denominada “zona gris” entre la dictadura y la democracia. Asimismo examina las posibilidades de cambio dentro de dicha zona gris. Los autores presentan dos preguntas acerca del cambio político: a) ¿Qué causas hacen que un régimen limitadamente pluralista cambie de curso? b) ¿Cómo podemos predecir la dirección del cambio político en virtud de esa modificación en su curso? Las opciones que se estudian son las siguientes: reequilibrio del régimen limitadamente pluralista, evolución hacia una democracia liberal, adaptación de otra variante dentro de la zona gris y retrogresión hacia el autoritarismo. En este marco, el artículo analiza la caída del régimen puntofijista y el surgimiento de la Quinta República de Hugo Chávez. El análisis sugiere que las crisis en las áreas de distribución y representación mutuamente generan el deterioro político y que el mencionado cambio de curso ocurre si la capacidad reguladora del Estado es débil. La transición hacia una democracia plena puede generarse sólo si las élites gobernantes mantienen un cierto grado de legitimidad. De lo contrario, alguna forma alternativa de la “zona gris” se impone, y su forma depende de la fuerza de la cultura política existente y la existencia de un individuo con autoridad y carisma.

Palabras clave:

Democracia; Régimen político legítimo; Cultura política; Autoridad carismática; Venezuela

INTRODUCTION

Early literature on democratic transition and consolidation focused on identifying the conditions and paths by which those transitions would “consolidate” into institutionalized liberal democracies. More recently, scholars have questioned the notion of consolidation and emphasized instead the need to measure the varying quality of democracy, and they have further attempted to delineate various subtypes of democratic regimes (Collier and Levitsky, 1997).

These efforts have led to questions about whether the political syndromes that lie in a “gray zone” between liberal (or consolidated) democracy and outright dictatorship (Carothers, 2002a) represent, in fact, incomplete democracies stuck in a persistent pattern of low-quality democratic life (Hartlyn, 2002); or whether we can indeed identify alternative types of hybrid regimes that may be stable themselves and that do not represent a movement along a continuum of democratization (Schedler, 2002, electoral authoritarianism; Levitsky and Way, 2002, competitive authoritarianism; O’Donnell, 1994 delegative democracies; Gil Yepes, 1978, limited pluralism; Zakaria, 1997, illiberal democracies; Diamond, 1999, twilight zone democracies; Remmer, 1984/85, exclusionary democracies).

Still lacking, however, is a theory of change from one of these political syndromes or regime subtypes to another. We examine the case of Venezuela to begin to elucidate such a theory, analyzing the unraveling of one variant of democratic regime—the Punto Fijo regime of 1958-1998, and the rise of another regime type in the Bolivarian Revolution of 1999-present. We refer to democratic regime as one type of political regime characterized by a particular set of rules and institutions governing access to power. These rules and institutions of a democratic political regime comprise Dahl’s notion of polyarchy (1989).¹

As Collier and Levitsky (1997) note, various regime subtypes, including diminished subtypes of democratic regimes, can exist. Similarly, O’Donnell (2002b) defines democracy more broadly than the formal regime, instead comprising the state (bureaucracies, rule of law, and collective identity) and social context in addition to the political regime (rules of accession to government). O’Donnell goes on to argue that a country may have a democratic political regime (with

¹ Robert Dahl (1971; 1989) argues that all polyarchies share seven characteristics: 1) elected officials; 2) free and fair elections; 3) inclusive suffrage; 4) the right to run for office; 5) freedom of expression; 6) alternative information sources; and 7) associational autonomy. Dahl (1989) further argues that these institutions are necessary for representative democracy on a large scale (the nation-state), but they may not be sufficient for all of the attributes of classical democracy, including full participation and the pursuit of the common good.

elections as the route to accession to power) without a fully democratic state (2002a). Thus, in this paper we are focusing on the concept of political regime rather than some potentially broader context of democracy.

Venezuela's second wave democracy, known popularly as Punto Fijo democracy, took root unexpectedly and lasted more than forty years.² It functioned essentially according to Dahl's rules of polyarchy; however, even in its best moments Venezuela's second wave polyarchy fell short of the ideal configuration described by Dahl and the examples of democratic regimes in Western Europe and the United States. The birth pangs of Venezuelan second wave democracy were sui generis. In October, 1945, an alliance between young military officers and the center-leftist Democratic Action (*Acción Democrática* –AD) political party removed a modernizing oligarchy that was resisting demands to make the transition to mass suffrage. After three years of revolutionary political transformation the military turned against AD and established a populist dictatorship. This regime was inherently unstable. Its New National Ideal doctrine lost credibility when the government of General Marcos Pérez Jiménez failed to build support for distributive authoritarianism. Instead, his dictatorship degenerated into an orgy of corruption, terror and morally questionable behavior. The rapid discrediting of Pérez Jiménez and his entourage gave a second opportunity to AD and other political parties that had joined in the underground to fight against the dictatorship.

The political regime established by AD and other political parties in 1958 lasted for four decades, an impressive achievement in a country that over its first century and a quarter of independence had experienced less than one year of elected government. This limitedly pluralistic polyarchy of the Punto Fijo era gave privileged access to two political parties –AD and the Christian Democrats (*Partido Socialcristiano* –Copei), their affiliated labor unions and the local entrepreneurs. The post 1958 political regime established social peace, presided over an unprecedented increase in the state's distributive capacity (due to increased petroleum revenue), and achieved widespread legitimacy.

From the beginning, however, some groups argued that participation in the political game remained too restrictive. They expressed dissatisfaction with the privileged access that Punto Fijo institutions gave to top party leaders, powerful

² The movement away from dictatorial rule and toward more liberal and democratic governance in Southern Europe, Latin America and post-communist Eastern Europe has, thanks to Samuel Huntington (1991), become known widely as the "Third Wave of Democracy". Huntington also discusses an earlier "Second Wave of Democracy" that began with the allied victory over the axis powers in 1945, but that retreated before a "reverse wave" of bureaucratic authoritarianism that swept away most second wave democracies. In Latin America second wave democracies survived in Colombia, Costa Rica and Venezuela.

union executives and entrepreneurs. Nevertheless, control of the State allowed this triumvirate to attenuate dissatisfaction by using petroleum revenue to provide benefits for all who would accept the status of clients. Beginning in 1983, however, revenue from petroleum began a long decline. Pressure increased for expanded access to policy making and for greater accountability from government and party leaders. These pressures became irresistible after the urban riots of February 28/29, 1989. President Carlos Andrés Pérez was forced to use the armed forces to restore order, and pacification resulted in the death of hundreds (McCoy and Smith, 1995:253-54).

These riots ushered in a decade of turmoil and decay that brought an end to the Punto Fijo regime. Its place was taken by a self-styled Bolivarian revolutionary regime led by Lt. Col. Hugo Chávez Frías, mastermind of the unsuccessful military coup on February 4, 1992 that attempted to overthrow President Carlos Andrés Pérez. Chávez reached the presidency of Venezuela on February 2, 1999, following his victory in the free and open elections of December 5, 1998. During his first year in office President Chávez convinced voters to call a constituent assembly to rewrite the 1961 constitution, to elect a Constituent Assembly dominated by his supporters, and to approve a new constitution that strengthened the presidency and weakened the powers of local and regional governments. The “Bolivarian” constitution of 1999 also established mechanisms that allowed the president to consult directly with the people by means of referendums on issues that he put to them, or that they themselves placed on the ballot. Less than eighteen months into his term, on July 30, 2000, President Chávez was elected to a new six-year term under the new constitution. These elections also gave the president’s supporters control of the National Assembly, most regional governorships and a large bloc of mayoralties. The 2000 elections left opponents of the Bolivarian Revolution dispirited, divided and ineffective.

POLITICAL CHANGE IN VENEZUELA

The Punto Fijo regime had operated in Carother’s gray zone between outright dictatorship and well established liberal democracy. Between 1973 and 1988 Venezuela’s Punto Fijo democracy was widely viewed as consolidated. After the urban riots of February 1989 cast doubt on that claim, the changes that Venezuelan political elites attempted suggested that the regime would grow more like the polyarchies of Western Europe and the United States. The new institutions and procedures that they introduced, however, had little impact on the accelerating pace of political decay. This surprising lack of response raises several important questions. Was there something in the structuring or functioning of the Punto Fijo

regime that made it impossible to halt the unraveling once political decay gained momentum? Why was it not possible for the regime to return to the equilibrium that had provided political stability between 1973 and 1988?

Once Punto Fijo democracy unraveled, and re-equilibrium was not feasible, there were two obvious paths along which political evolution could have proceeded. First, the regime could have made the “second transition” to the full institutional package of polyarchy. In 1989 most who supported political reform hoped and expected (mistakenly, as it turned out) that Venezuela would become a liberal democracy in the truest sense. A second alternative, one that initially attracted little attention, placed Venezuela on the path toward another political syndrome, one that also remained in the grey zone between dictatorship and liberal democracy. This is in essence what occurred. It is a turn that scholars working in democratization theory have not yet explored; and for this reason what follows is a good revelatory case study with important implications for theories of political change.³

Our case study builds on Carothers’ analysis of what he views as the two most common gray zone regimes: feckless pluralism and dominant power system. The former, the most common kind of political regime in contemporary Latin America, reflects situations in which polities departed authoritarian rule with diverse political parties already in place. In addition, feckless pluralism struggles with the legacy of persistently poor performance by political institutions and states (Carothers 2002a:11). Several variants of feckless pluralism exist, but the one that most closely resembles Venezuela under Punto Fijo is a regime in which deeply entrenched political parties alternate power between them. They operate as multi-class patronage networks and have great difficulty in renewing themselves. The founding generation tends to monopolize power until nature takes its course. As with other variants of feckless pluralism, in the one controlled by political parties the whole class of political elites, even though it may have started out plural and competitive, becomes isolated from the citizenry and self-contained. Over time, therefore, political life is rendered hollow and unproductive.

The other common political regime of the gray zone is dominant-power politics. The rules of the political game in dominant-power politics allow limited but nevertheless real political space, some political contestation by opposition groups, and at least most of the institutional forms of democracy (Carothers, 2002a:11). Yet, one political grouping (whether a movement, a party, an extended family, or a

³ Yin (1994:41) discusses how in a revelatory case the investigator examines a situation that previously has escaped scientific observation. Therefore, the revelatory case study is worth conducting because the descriptive information alone would be revelatory.

single leader) dominates the polity to such an extent that there appears to be little prospect of alternation of power in the foreseeable future. More so than in feckless pluralism, dominant-power regimes blur the lines between the state and the ruling political forces. The state's main assets –that is to say, the state as a source of money, jobs, public information and police power– are gradually put in the direct service of the ruling group. The judiciary in dominant power regimes is typically cowed, it is a critical component of the one-sided grip on power. Elections, while not outright fraudulent, are viewed by the ruling group as a procedure to put on a good-enough show to gain the approval of the international community while quietly tilting the electoral playing field far enough in its own favor to ensure victory (Carothers, 2002a: 12). Feckless pluralism, then, retains the institutions of polyarchy, but because of certain political patterns it underperforms. Dominant power politics indicates more of a hybrid regime.

The insights that we will use to answer the questions posed about the decay of Punto Fijo democracy, and its metamorphosis into the Fifth Republic, come from three time periods: a) between 1983 and 1989, when the political regime was largely functional despite concerns over its lack of responsiveness to public demands and its capability to manage the economy; b) from the urban riots of February 1989 until the beginning of the 1998 national election campaign, years of accelerating political decay and desperate attempts to find a new political equilibrium; and c) from Hugo Chávez's first successful presidential election campaign in 1998 through ongoing conflict with his opponents. These efforts intensified in March, 2003, following an unsuccessful general strike that lasted two full months (December 2002-February 2003). The failure of that strike, along with the unsuccessful coup against the president on April 11-14, 2002, weakened, at least temporarily, the organized opposition to the Bolivarian Revolution. These events opened the way for President Chávez to consolidate his control over the armed forces and carry on with institutionalizing the new political regime.

Many insights upon which this work relies to explain the demise of Venezuela's post-1958 stylepolyarchy and its metamorphosis into the Fifth Republic appear in an edited volume that treats the transformation in greater detail.⁴ This volume's thirteen chapters focus on three issues: weaknesses embedded in the consolidated Punto Fijo regime; the unraveling of political structures and processes between February 1983 and the presidential elections of December 1998; and policy making

⁴ McCoy, J.L. and D.J. Myers. Forthcoming. "The Unraveling of Representative Democracy in Venezuela". Individual chapters focus on the dynamics of consolidation, the urban poor, the military, entrepreneurs, civil society, intellectuals, political parties, the role of the United States government, institutional development, decentralization, political economy and public opinion.

after those elections. We will draw from these chapters and other sources as we examine the above issues.

Specifically, we begin by examining the weaknesses that led the Punto Fijo polyarchy to decay and the reasons why return to the old political equilibrium proved impossible. Next, attention focuses on the unsuccessful efforts to move Venezuela out of the gray zone and to institutionalize a fully functional polyarchy. Third, we analyze how and why the Punto Fijo regime changed into another gray zone regime, one that appears more of a hybrid. Finally, in our conclusion, we elaborate hypotheses based on our findings. We craft these propositions in hope that they can be used by others concerned with understanding regime transformation inside of the grey zone, where regimes are neither dictatorial nor fully democratic.

POLITICAL UNRAVELING AND THE IRRETRIEVABLE LOSS OF EARLIER EQUILIBRIUM

The political equilibrium achieved under the Punto Fijo regime during the 1960's, a decade when military intervention and popular unrest rocked the rest of Latin America, is attributed by most scholars to two basic explanations: oil wealth (Pérez Alfonso, 1976; Karl, 1999); and statecraft (Levine, 1973; Martz, 1966; Kornblith and Maingon, 1984; Crisp, 2000). A variant of the latter focus advanced the concept of "tutelary pluralism" to highlight similarities between the cooperation of post-1958 political and economic elites to normalize democracy and the historic political culture of cooperative elite domination (Oropeza, 1983). In the early 1970's, after a period of uncertainty marked by challenges from both right-wing and left wing insurgencies, Venezuela's Punto Fijo regime normalized into a polyarchy dominated by two political parties: AD and Copei. Control by the national leaders of AD and Copei limited the avenues of political recruitment and access to agenda-setting in the policy process. The Punto Fijo regime, a feckless polyarchy, lasted for four decades. Most work purporting to explain this regime's longevity, as well as the causes for its decay, emphasize the same two perspectives as those that examined its normalization.

Recent scholarship suggests that no single approach satisfactorily explains the Punto Fijo experience.⁵ It rejects as incomplete the "Venezuelan exceptionalism" hypothesis (Levine, 1994) with its assumption that dependence on income from a primary commodity such as oil produces unique dynamics that determine the range

⁵ This is the thrust of findings in a project coordinated by Steve Ellner and Daniel Hellinger volume (2003), as well as in the authors' unraveling of democracy work.

of choice for institution building and statecraft. On the other hand it would be impossible to deny the importance of vicissitudes in the international petroleum market as a factor influencing the normalization of the Punto Fijo polyarchy, its persistence and unraveling. At least as important, however, were the choices made about how to utilize oil wealth and manage conflict. These choices responded to cultural predispositions and political learning from Venezuela's own history, especially the play of forces and events during the failed *Trienio* experiment (1945-48) with its unilateral attempt of radical change controlled by a single political party. After the fall of the Pérez Jiménez dictatorship (1948-8) learning from the previous fifteen years led newly empowered political party leaders to emphasize distribution over redistribution, and cooperation over confrontation. The mediating orientations of Venezuelan political culture also favored the creation of political institutions to channel policy-making along styles of conflict management that would normalize a limited polyarchy –one in which political and economic elites operated in a tutelary style.

Oil-fueled distributive politics during the 1960's increased the power of the political parties that commanded clientilistic networks of organized interests, most obviously AD and Copei. Their rivals –the Democratic Republican Union (*Unión Republicana Democrática –URD*), the Popular Democratic (*Frente Democrático Popular –FDP*) and the National Democratic Front (*Frente Nacional Democrático –FND*) lacked clientilistic networks and quickly atrophied. Conditions that favored distributive policies also allowed party elites to co-opt numerous groups that between 1958 and 1973 were hostile or ambivalent toward the emerging feckless polyarchy. The hostile camp included the cronies of the ousted dictator, militant leftists, landed elites and the urban poor. Those who walked the line between opposition and support in the early 1960's included the military, the church, the United States government, and segments of the business community.

Regulatory policies in Venezuela have always run up against the cultural orientation expressed by the phrase “I obey but I don't comply” (*Obedezco pero no cumplo*). General Pérez Jiménez experienced great difficulties in obtaining compliance with his decrees in the areas of land expropriation, policing and import controls. As his hold on power weakened he experienced ever more difficulty when it came to implementing policy. The dictator's successors inherited a weakened regulative capability. During the eleven month transitional government and over the first half of the Betancourt government lawlessness predominated in the slums of Venezuela's large cities. Order was restored more by means of buying off dissident groups than by tasking the police to enforce the law. This pattern was repeated in many other issue areas, and as a result Punto Fijo democrats made little progress in

strengthening the state's regulative capability, a deficiency that plagued the Punto Fijo regime throughout its existence (Myers, 1994).

Those who crafted Venezuela's feckless polyarchy in the early 1960's remembered that redistributive experiments during the *Trienio* destabilized the fledgling democratic experiment. They agreed to keep off the public agenda issues that demanded redistributive policy making until citizens came to view democratic rules and procedures as the only acceptable way to make and implement national political decisions. Correspondingly, Punto Fijo governments framed their policies on taxes, the private property, education and commerce in ways that could be dealt with by distributive politics. This choice outraged the militant left and sparked an insurgency that lasted for almost a decade. The insurgents were eventually defeated and marginalized, a component of the political normalization that enabled the Punto Fijo regime to last until 1998.

The institutional and policy choices made by Venezuelan elites after the fall of Pérez Jiménez, and during the decade that Punto Fijo became the accepted political regime, embedded four vulnerabilities that led it to unravel in the 1990's (McCoy, "Conclusion", forthcoming). The first vulnerability derives from reluctance by those who designed the regime to lessen the dependence of its institutions on income from petroleum. Party elites, labor leaders and businessmen calculated that cooperation to parcel out the anticipated high level of State income would dampen the rivalries that had divided them and enable the new regime to co-opt groups with the potential to destabilize the process of allocating resources. Therefore, the designers of Punto Fijo created political institutions that consumed high levels of economic resources in order to function effectively.

Second, the political regime's founders decided to neglect the State's deteriorated regulative capability, a vulnerability that impeded government's ability to allocate basic services when State income declined and hard choices had to be made. Failure to strengthen regulative capability also complicated attempts to control corruption. In other words, limited regulative capability intensified reliance on distributive politics. Third, Punto Fijo's supposedly temporary power-sharing arrangements became institutionalized in ways that ensconced the Caracas-based leaders of AD and Copei in positions that were all but impregnable. From their perches these party oligarchs blocked the ascension of young leaders to power and conspired to keep party organizations in the interior dependent on them (Molina, 1998). The final embedded weakness of Punto Fijo derived from the very pacts that enabled party leaders, businessmen and unionized labor to control the political regime while normalization was taking place. Subsequently, as the polity stabilized and the economy modernized, other groups gained influence. The vulnerability of

Venezuela's limited democracy then increased because its political institutions remained exclusionary. The most important marginalized groups included the urban poor, intellectuals, and middle class civil society (Canache, Hillman, and Salamanca, forthcoming).

Our explanation for the unraveling of Venezuela's feckless polyarchy highlights interaction between the distributive and representative crises that gained momentum after 1983.⁶ The former surfaced when falling oil prices, corruption and declines in the capacity of the public bureaucracy to administer the State sharpened popular perceptions of poorly performing political and economic institutions. These perceptions, in turn, intensified long-standing dissatisfaction with representative procedures that remained just as Caracas-centered as they had been when the Punto Fijo regime took shape. At that time, however, AD and Copei governments were fighting off challenges from the authoritarian right and the militant left. In the late 1980's, after more than a decade of petroleum-driven modernization and relative political stability, newly important interests in the regions wanted modifications in the political rules of the game. They wanted more say in how state income from petroleum was spent and greater autonomy from the central government and party establishments.

Demands to participate intensified at a time when State income from petroleum was declining and party elites in Caracas were making decisions on how to divide shrinking resources among their clientele. Whereas in 1970, 25 per cent of all households subsisted on incomes below the poverty line, in 1990 the proportion living below the poverty line had risen to 34 per cent, and by the end of the Punto Fijo period it would increase to 42 per cent (ECLA, 1997). Indeed, after forty years of Punto Fijo governments Venezuela's Gross Domestic Product, per person, was only 80 percent of what it had been in 1950 (*Economist*, 2003:28). In this stressed environment, the failure of the regime's earlier governments to build up the state's regulative capability undermined efforts to enforce reductions and reallocations in distributive policy (McCoy, 1987). In other words, the inability of the national elites to modify the patterns of resource allocation that were set in place during the 1960s and 1970s gave rise to the perception that in times of stress the political regime was paralyzed and when it did act it only accommodated the needs of a few privileged groups. Political support unraveled when distributive capability was stressed.

State income from petroleum, the main source of the Punto Fijo regime's distributive capability, declined precipitously during the final eighteen months of

⁶ Distributive crisis refers not only to declining state income, but also to administrative and managerial capacity.

President Jaime Lusinchi's administration (1984-89). Lusinchi borrowed extensively and drew down foreign reserves in order to maintain the illusion of prosperity that he believed necessary for his political party (AD) to win the presidential election of December 1988. The second government of Carlos Andrés Pérez (1989-93) encountered an economic crisis of such dimensions in its first month in office that it became the first of the Punto Fijo era to turn away from import substitute industrialization (ISI) as a strategy for stimulating economic growth. President Pérez turned to neo-liberal policies and restored free market conditions, most of which had been suspended since the 1960's. His "Great Turnabout" temporarily increased the influence of industrialists and large merchants. Neo-liberalism stimulated macro-economic growth. However, much of the newly created wealth remained in the hands of a small group of entrepreneurs and international traders. The military coup of February 4, 1992 by junior officers was in large measure directed against the government's neo-liberal economic policies. Not only was President Pérez forced to abandon these policies, but his successor (Rafael Caldera) launched an attack on the banks that had funded and profited from them. This attack so weakened and demoralized Venezuela's business community that at the end of the Punto Fijo era it was defensive and demoralized, incapable of providing the economic growth that might have saved the political regime (Ortiz, forthcoming).

The urban poor and the lower middle class were especially vulnerable to the volatile oil economy and the state's declining capability to distribution resources. Poverty rates soared after the bloody urban riots of 1989. Whereas in 1988 12 per cent of the population lived on less than US \$1 per day, eleven years later, 23 per cent subsisted on that meager amount. During the same period, estimates of the proportion living below the national poverty line doubled; from 31 per cent to 67 per cent.⁷ Studies of the 1989 riots found that most participants were slum dwellers, and that the urban poor sustained almost all of the casualties when the army restored order (Damarys Canache). This event proved to be the opening wedge to the political mobilization of the urban poor, a process that intensified during the 1990's. In the process slum dwellers withdrew their support from AD and Copei, as did many in the middle sectors who were experiencing downward socio-economic mobility.

Slum dwellers and sectors of the impoverished middle class felt abandoned and isolated from AD and Copei. Neither had provided institutionalized channels through which slum dwellers could make demands on a regular basis. Their

⁷ Different organizations use different measures of poverty rates, making comparability across time difficult. The measures of numbers living on less than \$1/day came from the UNDP *Human Development Report 1999* for the 1989 measure and from the World Bank website for the 2000 figures. National poverty rates are quoted in the UNDP *Human Development Report 1999* for the 1989 measures, and in the CIA website for 1997 figures. Neither of these sources defines the national poverty line.

collective interests (despite government programs that provided periodic subsidies) were not well-represented by the two dominant political parties for several reasons: 1) citizens with low incomes tended to participate less in politics; 2) during the early years of Punto Fijo democracy the urban poor bet on the wrong horse (parties other than AD and Copei) and governments assigned a low priority to assisting them; 3) after AD and Copei gained dominance, slum dwellers failed to act as a swing group; instead, they divided their vote almost equally between AD and Copei (Canache). Therefore, when the capacity of AD and Copei to allocate material goods (their main vehicle of contact with the urban poor) declined in the 1990's, slum dwellers abandoned the two dominant political parties. They supported new political movements, such as the Radical Cause (La Causa R), and they voted for presidential candidates who promised to end the stranglehold of AD and Copei. Indeed, their approval of former President Caldera's qualified support for Lt. Col. Hugo Chávez's unsuccessful coup of February 4, 1992 resurrected the aging leader's political career and enabled him to assemble a populist coalition that won the presidential elections of December 1993 (Gil, forthcoming).

President Caldera preserved his popularity during the first half of his term by reversing his predecessor's neo-liberal policies and by punishing the banks that had had financed them. He also proclaimed his commitment to social justice and state centered development. However, state revenue from petroleum was never sufficient to support such an agenda, and then it declined. At the midpoint of his presidential term Caldera was forced to adopt policies that were indistinguishable from his predecessor's neo-liberalism. To make matters worse, the President failed in his effort to forge a new, broad-based Christian Democratic political party. This failure meant that the government was in minority in the congress and controlled few of the regional or municipal governments. In order to exercise, control Caldera allied with AD, and together they recentralized power. Discontent with this arrangement mounted, and Venezuelans began to view Punto Fijo democracy as not worth salvaging. Thus, as the 1990's drew to a close the public opinion firm Datanalisis found that most Venezuelans did not want the kind of democracy that they were experiencing, even though they continued to view democracy in the abstract as the most desirable form of government (Gil, forthcoming).

The Punto Fijo regime thus exhibited the characteristics of feckless pluralism as described by Carothers (2002a:10-11):

- *Political freedoms, regular elections, and alternation of power exist, but political participation is limited primarily to voting and political elites are perceived as corrupt, self-interested and ineffective: Voter turn-out rates were quite high until the early 1990's, but little participation beyond the vote existed. The*

marginalized classes eventually turned to protest and riot as an alternative to express their grievances when political representation did not appear effective. Polls indicated that perceptions of corruption, incompetence, and self-interest on the part of political elites increased over time during Punto Fijo.

- *Deeply entrenched political parties alternate power between them:* AD and Copei controlled the presidency from 1959-1993.
- *The dominant political parties operate as multi-class patronage networks and have great difficulty in renewing themselves:* Both Copei and AD were dominated by Caracas-based party hierarchies and used the patronage of oil politics to maintain multi-class support bases. The resistance to new generational leadership was evidenced in the subtle undermining of political reforms to decentralize control to regions and municipalities and their associated political leadership, and the reluctance of founding leaders to give up control.
- *The political class becomes cut off from the citizenry:* emerging neighborhood associations and middle sector civil society groups struggled to avoid cooptation by the political parties. The political class failed to incorporate growing sectors of urban poor, newly organized and downwardly mobile middle classes, and intellectuals.
- *The state remains persistently weak, economic policy is poorly conceived and executed, social and political reforms are tenuous:* The deterioration in public safety, health and education, and the inability to combat unemployment and the downward slide toward poverty, were all reflected in public opinion polls rating the performance of the state as poor.

FRUSTRATION OF THE TRANSITION TO FULL DEMOCRACY

The new generation of Venezuelans that came of age in the 1970s, when Punto Fijo democracy reigned supreme, had only dim memories of dictatorship and General Marcos Pérez Jiménez. Their political concerns centered on completing the transition to a fully institutionalized polyarchy, what democratic theorists have called the “second transition” (Linz, 1990). The first effort at setting Punto Fijo’s feckless pluralism on the course to the second transition came in 1978, in the form of municipal reforms. These changes were intended to increase the professionalism, autonomy and overall capability of local government. While AD and Copei accepted municipal council elections separate from national elections, and creation of the office of city manager (a non-partisan post intended to administer local services in

accord with technical criteria), the national party leaders used their control over elected municipal officials to render the reforms meaningless in terms of increased autonomy. Reactions against this violation of the spirit of the 1978 municipal reforms set in motion demands for greater participation throughout the political system.

Decline in GDP *per-capita* after 1983, as discussed earlier, reduced the resources that AD and Copei had available to service their clientelistic networks. At the same time demands for participation increased from civil society groups linked to the middle sectors, from regional political elites, and from municipal interests. During the 1987 presidential primaries in AD, and during the 1988 general election campaign, Carlos Andrés Pérez promised that if elected he would implement many recommendations for decentralization made by the recently named Commission for the Reform of the State (Copre). President Jaime Lusinchi created Copre at the beginning of his government, but when Copre began issuing its recommendations, the president concluded that implementing them would weaken his capability to govern. Most high-ranking leaders of AD and Copei also opposed the reforms. On February 2, 1989, when Carlos Andrés Pérez began his second presidency, few in the political establishment believed that the new government would expend the political capital necessary in order for the Copre reforms to become law (de la Cruz, forthcoming).

The urban riots of February 27/29, 1989 occurred before the new government had a firm grip on the reigns of power. The violence that rocked ten cities shocked party elites, especially because it signaled that support for Punto Fijo democracy was more precarious than they had imagined. The apprehension that followed these riots enabled President Pérez to convince the leaders of AD and Copei to support many of the Copre reforms that they had long opposed. These included: 1) the direct election of governors; 2) creation of the office of directly elected mayor; 3) expansion of the tax powers of sub-national governments; and 4) changes in electoral rules that decreased the number of legislative officials to be elected through proportional representation on slates controlled by national party elites, while adding single member districts, in a new mixed system (Shugart, 1992).

These became law in 1989, although some were phased in over several years. Supporters of the Copre recommendations anticipated that these reforms would make elected officials more responsive to their constituents, redress the balance between national and regional (as well as local) governments to the advantage of the latter, and open new career paths for would-be politicians (González de Pacheco, 2001). Some of their hopes were realized in the regional and municipal elections of December 1989. For example, Andrés Velázquez of the radical Causa R and Carlos Tablante (MAS) broke the stranglehold of AD and Copei on the regional

governorships; and Claudio Fermín, a youthful AD leader with little backing from the national leadership, won the prestigious office of Caracas mayor. Four years later, in the 1993 presidential elections, three of the four major candidates had exercised executive power as elected governors or mayors. One, a radical leftist, was governor of the industrial region of Bolívar; and two others, the presidential candidates of AD and Copei, captured their party's nomination in the face of opposition from established national leaders. Finally, support from the regional party organizations of the newly ascendant MAS played an important role in the victory of former President Rafael Caldera.

The decentralization reforms led to political errors by the national leaders of AD and Copei that, in combination with stress related to the state's declining distributive capability, undermined Venezuela's feckless polyarchy. No political miscalculation did more damage to the Punto Fijo regime than President Caldera's effort to seize control of Copei. When he failed to gain the party nomination in 1993, he formed a new party and went on to win a tight presidential race. Caldera thus deprived Copei of the patronage that the party had enjoyed since the early 1960's, calculating that when faced with the prospect of marginalization from power, the party's middle-level leaders would join with him in creating a new Christian Democratic political party. However, most middle level Copei leaders remembered that for almost three decades following the overthrow of General Pérez Jiménez, Caldera had ruled Copei with an iron hand. Indeed, many of the leaders to whom the octogenarian president appealed in the mid 1990's had joined with Eduardo Fernández in the late 1980's to end his control over Copei. They sided with Fernández because they wanted to build a more responsive and decentralized political party. Not surprisingly, the middle level leaders of Copei rejected Caldera's overtures. In return, the president fatally weakened Copei by drying up the sources of its patronage.

Caldera's growing unpopularity and lack of physical vigor prevented him from building up his own political party (National Convergence). Therefore, the Christian Democratic ideological tradition, one of the two fundamental poles of Punto Fijo democracy, ceased to exist as a viable alternative to AD. Voters dissatisfied with the long dominant AD political party had to look elsewhere, and the alternatives that they found were not supportive of the democratic institutions that had evolved over the preceding forty years.

The political leadership of AD made two mistakes in the 1990's that destroyed the party's ability to link civil society with government. First, they undermined the intent of the 1989 reforms despite having passed them through the congress. In 1991, when President Carlos Andrés Pérez's neo-liberal policies began to erode

his popularity, Caracas based centralizers led by the Secretary General, Luis Alfaro Uceró, used the opportunity to oust Pérez's supporters from positions of influence in the party. Once he gained the upper hand inside of the national party organization, Alfaro Uceró began to restore control by Caracas over the regional party organizations. Control by the centralizers was complete after the 1993 presidential election, when Mayor Claudio Fermín of Caracas, the choice of the reformers, finished a distant second to Rafael Caldera. Alfaro and his cabal used this authority to install their loyalists in the regions and the municipalities. In addition, they tightened the circle of relevant actors in the policy making process so as to exclude new groups that had formed in civil society and the urban poor. These excluded elements, in turn, took advantage of the 1989 reforms to organize new political parties and elect an increasing number of governors and mayors.

The second mistake of AD that compromised its ability to provide new direction for post-1958 democracy was the decision in late 1995 to ally with President Rafael Caldera's government in return for patronage. Between 1996 and 1998 Caldera intensified his struggle against Copei, and AD's acquiescence in Copei's demise helped to open up political space for popular movements whose leaders were intent on changing or destroying the Punto Fijo regime (Martz, 1998). Also, after late 1995 Caldera was forced to pursue a neo-liberal economic agenda. Antagonism toward neo-liberalism, as we have seen, had given significant legitimacy to the coup attempt of February 4, 1992 led by Lt. Col. Hugo Chávez Frías. AD party leaders had subsequently forced President Pérez to modify his neo-liberalism, and when his change of direction appeared half-hearted and incomplete AD joined with Copei to impeach the president on charges that under other circumstances would have been ignored or evoked only mild censure. Thus, by switching in 1995 to support a government that was pursuing policies that AD leaders had recently opposed, in exchange for patronage aimed at keeping the party's inner circle in power, the long-dominant pivotal political party of the political regime appeared self-serving and unresponsive.

The reforms of 1989 also promised to broaden the accountability of the national congress, but this effort also became the victim of events and cultural orientations favoring centralization. Between 1958 and 1993 the national congress was subservient to the national executive and the hierarchies of the governing party or coalition (Coppedge, 1994, Crisp and Johnson, forthcoming). Strict party discipline over elected officials was maintained by means of closed list proportional representation formulas and concurrent elections with the president. In fact, contrary to the expectation in the political science literature, proportional representation in Venezuela reinforced a two-party system, rather than a multi-party system (McCoy, 1993). The shift to a mixed system in 1993 congressional elections did little to

change the situation, for the new single-member, districts (called *uninominal* in Venezuela) were also recruited through a centralized candidate selection process. The reformers who favored implementing the reforms in ways that provided greater autonomy for regional party organizations, as discussed above, lost influence inside of AD and Copei. The Caracas-based party hierarchies manipulated the reforms in ways that allowed them to retain control of the candidate selection process (Kulischek and Canache, 1998). The result was an ineffective congress dominated by the parties, a weak and excluded civil society, and decision making dominated by a powerful president who occasionally consulted labor and business. Legislative policy process was barely distinguishable from the discredited system that in 1989 Punto Fijo reformers had promised to change.

In summary, efforts to make the transition to a full polyarchy occupied the attention of some political party and interest group leaders during the 1990's. This "second transition" never occurred, however, because those who hoped to deepen democracy lost control of AD, while Copei ceased to exist as a viable alternative. In addition, groups favoring the second transition were overwhelmed by the masses of the urban poor who had been denied what they considered their rightful share of allocated resources during the times of plenty. Hunger became a problem for them in the 1990's as the political regime's distributive capability declined. At the same time, many in the lower middle class experienced downward economic mobility as income from petroleum declined dramatically when viewed from a *per capita* perspective. The hungry and economically frustrated viewed those occupied in making the transition to a more responsive polyarchy as little different from those who hoped to perpetuate the four-decade old feckless pluralism regime.

During the 1998 presidential election campaign, the last of the Punto Fijo era, voters overwhelmingly supported candidates vowing to change the system, with 96 per cent of the vote. Henrique Salas Römer was the candidate favored by those seeking to make the "second transition" to full polyarchy through more gradual reforms. In contrast, Hugo Chávez Frías represented a sharp break with the past. A majority of the electorate was furious with AD and Copei, Punto Fijo democracy and all who had collaborated with the existing political regime. The government that most Venezuelans wanted was one that would punish the kinds of people that had dominated politics since 1958 (Márquez, 2003). Those who argued for transition to a more open and responsive version of the existing feckless pluralism were politicians that at one time or another had cast their lot with AD or Copei. This association made them suspect. In other words, long-term economic decline and perceptions that established elites had exploited those who did not belong to the clientelistic networks of the political parties discredited the democrats who might have effected the transition to an open and more representative polyarchy.

TOWARD THE DOMINANT POWER SYSTEM OF THE FIFTH REPUBLIC

Venezuela's move toward a dominant power system came in two phases. The first began in December 1997, when public opinion polls revealed overwhelming rejection of the likely AD and Copei presidential candidates. It continued until December 6, 1998, when Lt. Col. Hugo Chávez Frías was elected president. The second stage took shape as President-elect Chávez assembled his government and continues as of this writing (May 2003). In the second stage, Venezuela's forty-year feckless pluralism veered toward a dominant power system and away from attempts to make the transition to a fully institutionalized polyarchy. Opponents of President Chávez's efforts to institutionalize the 1999 Constitution made a short-lived effort in April 2002 to establish a new regime by force, which Venezuelans overwhelmingly rejected. This episode ended by strengthening those seeking to consolidate the dominant power system. On the other hand, large numbers of Venezuelans have rejected the political regime that President Chávez is seeking to normalize and view his adherence to this course as having canceled out his electoral mandate. Consequently, political instability persists and it has proven difficult thus far to find rules of the political game around which a consensus, or a new equilibrium, can develop.

Phase 1. Momentum toward a dominant power system increased after 1995, boosted by the failure of efforts by President Rafael Caldera and AD Secretary General Luis Alfaro Uceró to reinvigorate the Punto Fijo regime. Neither Caldera nor Alfaro, as we have seen, wanted the deteriorating feckless pluralist regime to become more responsive, thus impeding the path toward fully institutionalized polyarchy. Their recalcitrance in the wake of overwhelming evidence that Venezuelans wanted something different opened the way to power for Hugo Chávez Frías. The one-time Lt. Col. began preparing for the 1998 presidential elections in 1994, even before President Caldera pardoned him and released him from prison before his conviction (thus preserving his political rights.) Under the tutelage of Luis Miquilena and José Vicente Rangel, leftist politicians whom AD and Copei had marginalized in the 1960's, Chávez built the MVR (Penfold Becerra, 2001: 43-45). The MVR's appeal rested on the charisma of Hugo Chávez Frías, which derived in large part from his skill in voicing the outrage felt by the urban poor at the desperate quality of their life. This same outrage led sectors of the impoverished middle class into the Chávez camp. These groups, a majority of the electorate, wanted a viable alternative to the traditionally dominant political parties.

The victory of former President Rafael Caldera in the December 1993 elections, where he ran as an independent, demonstrated that the hold of the traditional parties

on power could be broken and accelerated the erosion of support for AD and Copei as the 1998 presidential elections approached. After the popularity of Irene Sáez (the former beauty queen who had been elected mayor of eastern Caracas) faded, voters turned to the other anti-establishment presidential candidates, Hugo Chávez and Henrique Salas Römer, promising profound change. The one-time coup leader appeared able and willing to topple the discredited political regime. Chavez' success confirms the finding by Przeworski (1986) that regimes change not when they lose legitimacy, but when a viable, preferable alternative becomes available.

Research into voting decisions in 1998 suggests that Venezuelans wanted a government that was more open to citizen demands, more equitable in how it distributed petroleum wealth, and less corrupt (González de Pacheco, 2000). They viewed thievery by AD and Copei as the reason why, after hundreds of billions of dollars in petroleum revenue had passed through the hands of Punto Fijo politicians, *per capita* income and living standards in the 1990's were lower than they had been in the early 1950's (*Economist*, 2003). Other factors contributed to voter alienation, especially perceptions of cronyism. In the 1960's, when Venezuelans had rallied around AD and Copei, the two political parties seemed to be vehicles through which citizens could participate in the new democracy that replaced General Pérez Jiménez's dictatorship. In 1998 most Venezuelans viewed AD and Copei as closed and self-serving. Nevertheless, Venezuelans wanted to retain some form of democracy, suggesting that their political culture had become democratic.

Phase 2. The period between December 1998 and May of 2003 was a time when democratic orientations were often in conflict with President Hugo Chávez's efforts to normalize the new political regime. Once in power Chávez began a systematic effort to dismantle the institutional structures and organized interests of the Punto Fijo regime. Fulfilling his campaign promise, he held a referendum on April 1, 1999 to approve the election of a constituent assembly to write a new constitution. The electoral formula selected to choose members in July, while approved by all of the parties, disadvantaged the disorganized opposition and advantaged the governing coalition, which won control of 94 per cent of the seats. As the constituent assembly took power in 1999, its leaders, with Chávez's backing, displaced the congress elected in 1998 and assumed legislative powers in addition to the writing of a constitution. The constituent assembly also intervened in the court system, examining and disbaring a number of judges deemed to be corrupt, and they threatened to unseat the elected governors, mayors and state assemblies. When the latter threat evoked a great outcry from local opponents and the international community, the government backed away from carrying it out.

The constitution both reassured and alarmed people (Kelly, 2000). In many respects, it was not as radical as some had predicted. Nevertheless, it brought far-reaching changes. The 1999 constitution maintained and even deepened centralized presidential control over the country, along with a statist approach, while reducing civilian control over the military. In contrast to the 1961 constitution, its Bolivarian counterpart allowed for the immediate reelection of the president and expanded the presidential term from five to six years; this raised the possibility that Hugo Chávez Frías could remain in office for 13 years. The 1999 constitution also changed the legislative power from a bicameral Congress to a unicameral National Assembly and created a new appointed vice president. It maintained the federal structure with elected governors and mayors, but created a new Federal Council to manage the distribution of national resources to the regions and municipalities, while further restricting revenue-raising authority to those entities.

The Bolivarian constitution modified the role of the military and created new public powers. Members of the armed forces gained the right to vote, Congressional oversight of military promotions was removed, and perhaps most significantly, the armed forces no longer was required to remain apolitical (Trinkunas, forthcoming). In addition, the 1999 constitution created two new branches of government –an electoral power and a citizen’s power to control corruption; and provided for more direct democracy through the creation of popular *referenda* with the power to revoke legislation and recall elected officials. All of these provisions had implications for the political developments and growing tensions that marked the following three years.

The issue of citizen participation has remained controversial since President Chávez’s inauguration, despite provisions in the 1999 constitution that seemed to make the state more responsive to a broader range of interests. In practice, President Chávez and his inner circle have controlled participation in the Fifth Republic to an even greater extent than did governments during the preceding feckless pluralism. The Bolivarians and their allies controlled the National Assembly, the Supreme Court supported most efforts that would strengthen the government, and state governors belonging to the MVR behaved more like prefects named by the central authorities than elected officials. They also organized groups of supporters in the slums (Bolivarian Circles), ostensibly for the purpose of articulating the interests of the urban poor to the government. The opposition accused the government of using the Bolivarian Circles to mobilize support and intimidate the opposition.

President Chávez demonized the opposition political parties and their supporters, accusing them of corruption, cronyism, and oppression of the poor. When the opposition attempted to defend itself the government mounted campaigns to take

control of the institutions on which their influence rested: labor unions, small business organizations, universities, the mass media and the state petroleum company. Initial efforts by the Bolivarians were amateurish and unsuccessful. A second round of attempts followed in the wake of the unsuccessful coup of April 11-14, 2002, and this well-coordinated campaign made progress in undermining opponents of the Bolivarian Revolution. Opposition efforts to remain effective, as well as to force President Chávez from office, led to the general strike that paralyzed the country between December 2002 and February 2003.

The politics of distribution practiced by the Bolivarians in power has taken on a redistributive hue. On one hand, cooperation between President Chávez and the rest of OPEC facilitated healthy increases in the international price of petroleum, and this provided the government with more income than its two immediate predecessors. President Chávez used this income to reward his supporters in the military, centralize control from the national capital, and strengthen clientelistic institutions (Bolivarian Circles) among slum dwellers in the big cities. On the other hand, the national executive withheld funds from public institutions that were in opposition hands. Where political parties other than the MVR controlled the office of mayor or governor, regional military commanders, rather than elected officials (as prescribed by law), received funds to perform public services. In addition, following the failure of the general strike of December 2002-February 2003, the government instituted foreign exchange controls and began implementing them in ways that undermined the autonomy and capabilities of its opponents.

As of May 2003 the Bolivarian Revolution (or the Fifth Republic) was thus beginning to take on characteristics of a dominant power system, as described by Carothers (2002a:11-12):

- a) *Despite limited, but real political space, some political contestation, and most of the basic institutional forms of democracy, one political grouping dominates the system such that there appears little prospect of alternation of power in the foreseeable future:* the domination by Chávez' political movement –the MBR-2000 and later the MVR– of the Constituent Assembly and the subsequent intervention in the judicial and electoral powers by that constituent assembly were early indications of movement toward a dominant power system.
- b) *Blurring of the line between state and party, as the state's main assets are gradually put in the service of the ruling party:* Without independent checks and balances, as the governing party gained influence and leverage over all of the political institutions, the line began to blur between party and state. The perceived lack of independence of the main institutions of accountability (in

the new Citizen's Power), such as the naming of the former vice-president as the Fiscal General, furthered that impression.

- c) *Dubious, though not outright fraudulent elections, with a playing field tilted enough to favor the government's victory, while still gaining international approval:* the politicization of the 2000 election process in Venezuela approaches this characterization (Neuman and McCoy, 2001).
- d) *Opposition political parties are ineffective and discredited, leaving NGOs and independent media to challenge the government:* This was certainly the case in Venezuela as the opposition parties virtually disappeared in the first two to three years of the Fifth Republic, leaving NGOs, labor, business, and media to fill the political vacuum of opposition.
- e) *State is weak and poorly performing as bureaucracy decays under the stagnancy of de facto one-party rule and large-scale corruption:* The Fifth Republic inherited a weak state from its feckless predecessor. However, rather than strengthen the institutions of government –and tackle causes and opportunities for corruption, and bureaucratic ineptness– the Bolivarians' implementation of the 1999 constitution has, if anything, increased these deficiencies.

To summarize, the transition toward a dominant power system occurred because most Venezuelans were outraged over what had happened to them personally, and to Venezuela, since the infamous “Black Friday” of February 1983. Most studies of public opinion during and after the 1998 presidential election campaign confirm that there was a pervasive desire to punish those responsible, which now included not only the leaders of AD and Copei but all who were perceived to have benefited from the corrupt state institutions as they had evolved under the 1961 constitution.⁸ A large number of Venezuelans, as suggested in our discussion of the unsuccessful effort to make the second democratic transition, hoped to build on the decentralization reforms of 1989 and the early 1990's. However, an even larger number held that the Punto Fijo system was beyond salvation, and that the only hope lay in making a new beginning. To the economically impoverished, anything short of radical change promised that those whose policies had created the crisis would remain in positions of power and influence, and this was unacceptable. The alternative of Hugo Chávez appeared preferable, especially because he attached the label of a “different democracy” to the changes he promised to implement. Few who supported him had any idea what Chavez's “different democracy” would

⁸ This attitude appeared in work by Datanálisis, AKSA polls conducted by Alfredo Keller, and the academic polling of RedPol.

entail. That it was “democratic” and “different” seemed to be sufficient. It was the new president’s choice to implement a dominant power system to carry out his vision of change, and in the final analysis he was able to make great strides toward this transformation because a majority of Venezuelans came under the spell of his charisma and accepted his personal authority.

CONCLUSIONS

We have asked two sets of questions about political change: once a feckless pluralist regime appears to be established, what causes its deterioration or disequilibrium? Then, can we predict which direction political change will take –re-equilibration of the feckless pluralist regime, movement toward a fuller liberal democracy, movement toward another regime variant within the gray zone, or even movement back to some form of authoritarianism? There is no determinative path for such political change. Our goal is to begin to elucidate the conditions under which we can explain and predict the timing and direction of political change, specifically erosion of one political regime and emergence of another within the gray zone.

What, then, does the fate of Venezuela’s Punto Fijo regime tell us about regime change within a feckless polyarchy? First, we learn that several kinds of polyarchies exist, and that each may have its own unique embedded vulnerabilities. In the case of Venezuela’s feckless pluralism, crises in the areas of distribution and representation led the regime to unravel. These crises developed because of the structural, institutional and cultural characteristics embedded in the regime by its founders. The founders assumed that revenue from foreign petroleum sales would continue at high levels into the indefinite future. Therefore, they relied inordinately on the state’s distributive capability in order to maintain stability and legitimacy. This choice made the regime heavily dependent on the global petroleum market, so when the price of oil fell and remained low, stress intensified on one of the regime’s points of vulnerability.

The other side of the elite’s dependence on petroleum revenue was its neglect of the state’s regulative and redistributive capabilities. The neglect of regulative capability related to fears that attempting to implement it would meet with destabilizing resistance. This had happened in 1957, when General Pérez Jiménez attempted to force slum dwellers into high-rise apartment buildings, and it happened in 1989 when President Carlos Andrés Pérez’s efforts to increase the price of gasoline led to rioting in ten cities. Redistributive policies of the *Trienio* had been blamed for bringing in the decade of military dictatorship, and were thus never

seriously attempted in the Punto Fijo era. Therefore, once distributive capability declined, the other capabilities of the state (including extractive capabilities) were so atrophied that the public sector functioned badly, and in some cases hardly at all. The resulting distributive crisis contributed to the erosion of the Punto Fijo regime.

Venezuela's elite-dominated tutelary political culture led the founders of post-1958 democracy to structure representative institutions so they could be controlled by a small group of leaders. For most of the Punto Fijo era, recruitment to the national executive, congress and regional governments was controlled by Caracas-based leaders of AD and Copei, and their economic allies. The preference for centralism and conflict management through elite consensus arrived at behind closed doors was all-consuming. However, as modernization led to more structural and demographic differentiation, new groups demanded influence in the making of public policy. Resistance to their demands gave rise to a crisis of representation, the second causal factor in the regime's deterioration.

The second government of Carlos Andrés Pérez made a systematic effort to deal with the crises of representation, and distribution, and displayed some potential to move toward a fuller democratic regime. Reforms in 1989 led to the popular election of regional governors and mayors. Other reforms gave regional and local party organizations more weight in selecting members of congress, the regional legislatures and municipal councils. Many national leaders of AD and Copei, and the subsequent administration of Rafael Caldera, however, strove instead to re-equilibrate the feckless pluralism of Punto Fijo, thus derailing the reforms. With the embedded vulnerabilities and the new structural conditions preventing a return to the status quo, and with political leaders unwilling to move toward a fully institutionalized polyarchy that would limit their control, Venezuela was faced with other regime alternatives.

The Fifth Republic has not changed these basic traits of post-1958 Venezuelan politics: it maintains a highly centralized decision-making structure, even while a new set of privileged actors have emerged. It is now the elites who dominated between 1958 and 1998 that are excluded. The Bolivarian regime continues to rely on the distribution of oil rents and has failed to restore the regulative, extractive, and administrative capacities of the state. Dependence on oil continues. Indeed, the two month general strike in December 2002 and January 2003 destroyed much of the commerce and industry that had been set in place during the Punto Fijo years toward the goal of reducing the country's dependence on oil.

What *has* changed? Most importantly, President Chávez has sharpened class conflict and downplayed opportunities for cooperation. The government's line that

truth and justice are on the side of the Bolivarian Revolution, and that all who oppose it are enemies, recalls the unilateralism and rhetoric of the Trienio (1945-48). Dogmatism has replaced the pragmatism and consensus-building and compromise that prevailed during the 1960's, when representative democracy gained wide acceptance. Attempts to tear down and discredit the representative democratic institutions of the Punto Fijo regime have impeded the creation of legitimate replacements. The tactic used by the new ruling elite to replace existing institutions unilaterally with ones intended to establish a direct relationship between leader and citizens, state and society has fueled confrontation. Confrontation has intensified as these newly imposed institutions have been used to effect social change.

Political order in Venezuela hung by a slender thread as President Hugo Chávez passed the midpoint of his fifth year in office. Two mutually antagonistic groupings, the Bolivarians and their opponents came to view each other as illegitimate. This mind set fostered a political climate in which the Bolivarians and their opponents became unwilling to coexist, and instead wanted to annihilate the other, even at the price of destroying the country. The resulting crisis of governability increased the potential for complete regime collapse and civil war or anarchy.

EMERGING PROPOSITIONS

Our revelatory case study of political change in the gray zone between dictatorship and liberal democracy suggests a series of propositions about five variables and their interaction that will determine how an unraveled feckless polyarchy will evolve. These variables are:

- 1) Ability of the political regime to accommodate demands for participation;
- 2) The level of legitimacy enjoyed by the political and economic elites;
- 3) The distributive and extractive capability of the political regime, and especially the fate of efforts to lessen dependence on petroleum revenue;
- 4) The overall state of the economy; and
- 5) Citizen orientation toward democracy as a form of government.

These five variables determine four possible directions of political regime change: restoring the status quo; transition to full polyarchy; transition within the gray zone to a dominant power system; transition to dictatorship.

Proposition #1: Restoring the statu quo of feckless pluralism. The variable mix that could lead to the return to an earlier state of equilibrium by unraveling feckless pluralism begins with restoration of a limited capability to accommodate demands for participation. Demands for participation beyond that of a small elite group are dealt with by clientelistic mechanisms that perpetuate dependency, based on preservation of a significant capability to distribute resources. Indeed, chances of recovery are best if the elite can return the government's distributive capability to levels approximating those that initially facilitated institutionalization of the political regime. The elites of the unraveling regime, if they are to direct the course of political development, must retain significant legitimacy in spite of the events that led the regime to unravel. In addition, for the feckless pluralist system to heal itself, the overall state of the economy must not be in crisis, even though it may lack the robustness it displayed before the regime unraveled. Finally, most citizens must remain positively disposed toward democracy.

The analysis that we presented confirms that the above conditions never materialized once the Punto Fijo regime decayed. AD and Copei failed to accommodate the increased demands for participation, the loss of legitimacy sustained by the elite was overwhelming, the distributive capacity (including bureaucratic and administrative capacity) of the state eroded, the economy entered into an economic crisis and the crisis persisted through the 1998 presidential election. The only condition maintained was a positive orientation toward democracy. In other words, given the crises of representation and distribution, the latter being partially but not totally the consequence of economic contraction, the achievement of an equilibrium that could have restored the Punto Fijo regime was next to impossible.

Proposition #2: Transition to full polyarchy. The variable mix leading to transformation from an unraveled feckless pluralism to a fully institutionalized polyarchy (the so-called "second transition") begins with the creation of a deepened capability to accommodate demands for participation. Ongoing demands for participation now extend beyond the political and economic elite to include middle sector groups in civil society and articulations by the urban poor. The odds of making the transition to a deepened democracy increase in tandem with the elite's success in restoring the regime's distributive capability and/or deepening its regulative, extractive and redistributive capabilities. The elites of the unraveled democracy, if they are to direct the course of political development, must retain significant legitimacy in spite of the events that led the regime to unravel. In addition, for feckless pluralism to make the "second transition", the overall state of the economy must not remain in crisis for a prolonged period, even though it may lack the robustness it displayed before the regime unraveled. Finally, most citizens must remain positively disposed toward democracy.

Our analysis confirms that only some of the variables that might have facilitated the transition to a full package polyarchy were present in Venezuela's decaying feckless pluralism. Most citizens supported democracy as a system of government, but they rejected the traditional political parties, viewing them as having restricted participation to a few favored groups. The political and economic elites were divided over whether to make the transition to a deepened democracy through decentralization and greater accountability. Even those who favored reform forfeited their legitimacy in the eyes of a majority of Venezuelans because at one time or another they had cooperated with the two dominant political parties. Indeed, from the perspective of many citizens there was little difference between the two elite factions. Rage toward both intensified because the state-directed economy, in which both factions were embedded, was mired in a crisis that sent the living standard of three-quarters of the population below the poverty line. In other words, while some reformers made progress in addressing the crisis of representation, other leaders simultaneously attempted to curb those reforms, and economic contraction and deterioration of the state's capability to distribute discredited everyone who had been associated with policy making during the Punto Fijo era.

Proposition #3: Transition within the gray zone to a dominant power system. The variable mix facilitating transition from an unraveled feckless pluralism to a dominant power system requires a strong dose of charisma. Charismatic authority allows the charismatic leader to deal with the crises of representation and distribution in ways that are distinct from those chosen by elites seeking to make the transition to a full polyarchy. Demands for participation can be channeled through the charismatic leader who employs his authority to redress wrongs that caused feckless pluralism to unravel and who mobilizes previously excluded sectors.

In the case of Venezuela's transition toward a dominant power system this has involved highlighting the frustrations of the urban poor. As in all movements toward normalization, the political authorities making the transition must have some capability to distribute resources. Hugo Chávez used his charismatic personality and electoral mandate to flail the Punto Fijo establishment, thus satisfying the deep-seated desire of most Venezuelans to punish those who had benefited during the course of post-1958 democracy. He also benefited from an increase in petroleum revenue as the pace of the transition accelerated, and he used those resources to assist the urban poor and buy off the military. Nevertheless, neither distributive, regulative, or extractive capacity improved, and the economy suffered severe crisis in 2002-2003 in response to strategies of both the opposition and the government.

Against the government strategies the Punto Fijo elites and new opponents made headway only in spurts in regaining their legitimacy, which suffered further

blows when the April 2002 coup put in place a leader who turned out to be more dictatorial than most Venezuelans could accept. Their subsequent strategy of civil disobedience, the previously discussed general strike of December 2002-February 2003, failed to dislodge the president and instead led to a dramatic economic downturn. Nevertheless, most Venezuelans remained supportive of democracy, and this attitude acted as an important restraint on the policies adopted by both the government and its organized opposition as they sought to consolidate or dismantle, respectively, the Fifth Republic. Favorable orientations toward democratic values, along with international condemnation of undemocratic behavior, have played important roles in preventing the fourth option of a dictatorial regime from emerging.

In conclusion, the case of Venezuela suggests the existence of several basic types of gray zone political regimes. It also reveals that once a political regime enters the gray zone it is unlikely to return to traditional dictatorship. On the other hand, students of political change should not be surprised if the unraveling of one kind of gray zone polyarchy leads not to the full polyarchic package found in Western Europe and the United States but to another form of limited democracy or hybrid regime.

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