

VENEZUELA: CROWDING OUT THE OPPOSITION

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For the past few years, Venezuela's President Hugo Chávez Frías has enjoyed a favorable political situation at home. Economic growth, fueled by rising oil prices, has been spectacular since 2003. Chávez and his allies have won four decisive electoral victories since 2004, the most recent being his sweeping 63 percent walk to a fresh six-year term in the December 2006 presidential race. And since 2005, the opposition has become increasingly tame, while street turmoil is on the decline and seldom results in violence. In addition, Chávez has achieved complete control of all check-and-balance institutions, including the unicameral National Assembly, which after the opposition boycott of the December 2005 elections now contains not a single opposition legislator. These political advantages would be the envy of any world leader. And yet, Chávez has been governing as if Venezuela faces some kind of emergency. He has been busily concentrating more authority, even receiving a grant from the National Assembly of "enabling powers" to rule by presidential decree for eighteen months starting in February 2007.

How did a movement that began in 1998 as a grassroots effort to bring democracy back to the masses turn into a drive to empower the executive branch at the expense of every other actor? The acceleration of authoritarianism in Venezuela cannot be explained by recourse to functional theories. These theories, which draw on Guillermo O'Donnell's famous explanation of the origins of bureaucratic authoritarianism in 1960s Latin America, posit that authoritarianism grows out of chronic governability crises which prompt actors—whether in office

or opposition—to seize and centralize power in order to cope with dire circumstances.¹ Prior to 2004, one could argue that Venezuela was suffering from a governability crisis—albeit one that was likely at least partly fabricated—and that this crisis might justify some of Chávez’s increasing concentration of powers. Since 2004, however, Chávez has had almost no reason to feel politically threatened or encumbered yet has notoriously leaped in the direction of authoritarianism.

A necessary condition for this leap has been what Nancy Bermeo would call “elite intentions”—that is, the ideologies of elected politicians as well as their “misreadings” of the preferences of larger constituencies.² But motive alone is not sufficient; means and opportunity are needed as well. In Chávez’s Venezuela, these have come in the form of economic resources at the state’s disposal *together with* weakened institutions of representation. In addition, it is crucial to underscore the president’s deliberate political strategies: his use of polarization, clientelism, offers of the opportunity to engage in corruption with impunity, and discrimination in favor of supporters when filling government-controlled jobs coupled with threats to see to it that foes are fired. A review of key moments in Venezuela’s transition toward authoritarianism will make it easier to see how state resources both tangible and intangible can interact with rising authoritarianism.

Venezuela’s New Political Regime

Chávez never tires of proclaiming a commitment to participatory rather than liberal democracy. He is right that Venezuela is moving away from liberal democracy, but he is not replacing it with more participation. Instead, Chávez is creating what many classical-liberal thinkers feared most: a quasi-tyranny of the majority. The Chávez regime has emerged as an example of how leaders can exploit both state resources and the public’s widespread desire for change to crowd out the opposition, and, by extension, democracy.

Between 1999 and 2003, the rise of authoritarianism in Venezuela followed a consistent pattern: The government would target institutions almost one at a time, attempting to strip each of power in turn. The opposition would protest, and the government would answer by becoming more hard-line and exclusionary.³ Starting in late 2003, this game took a turn as the government wheeled out a fresh tactic—heavy barrages of state spending aimed at rewarding loyalists and punishing dissidents. This new artillery, as we will show, left the opposition disarmed.

Chávez, a former army lieutenant-colonel who had spent time in jail for leading a 1992 coup attempt, began the process of regime change with the rewriting of the constitution shortly after he won his first presidential election in December 1998. He could have started by focusing on the flagging economy, but instead aimed to rewrite the rules govern-

ing relations among the branches of government in order to make the presidency stronger. In what is now becoming a trend in the region, Chávez began 1999 by appealing to voters' widespread antiparty feelings and convoking a National Constituent Assembly explicitly designed to kill the *partidocracia* (party dominance) that had characterized Venezuelan politics since the late 1960s. The weakening of the nonexecutive branches he sold as a means of "stabbing to death" the "moribund" traditional parties that were holding onto power within and through those branches.

Chávez's first conquest was to ensure himself overwhelming control of the Constituent Assembly. He did this by manipulating a self-serving system for selecting delegates (elections were by plurality and took place within districts of varying sizes at the state level) through a clever nomination strategy that rationed candidates from his coalition across districts and coordinated the vote from his supporters using ad-hoc lists (known as "kino cardboards") which helped to identify official candidates with the adequate numbers for each district.

The new president's camp drew only 53 percent of the vote but wound up with 93 percent of the seats and a free hand to rewrite the basic law. The predictable result was the most heavily presidentialist constitution in contemporary Latin America.⁴ The presidential term went from five to six years, with the possibility of a single reelection. The president obtained complete discretion over military promotions with no need for legislative approval. The Senate was eliminated. The president gained the power to enact laws and to hold any kind of referendum without support from the legislature. Public financing for political parties was banned. The constitution did introduce the possibility of recalling mayors, governors, or the president, but only under highly stringent conditions.

By dramatically raising both the advantages of holding office and the costs of being in opposition, this constitution produced what scholars call a "high-stake power" political system.⁵ In such a case, incumbents' incentives to share power shrink, as does the opposition's room to accept the status quo. The opposition, feeling shut out and stripped of other means to affect policy, soon begins staging street protests in hopes of guarding what few bastions it still holds.

Chávez replaced the old party-based system with a new focus on the presidency. The old system had begun with the 1958 interparty agreement known as the Pact of Punto Fijo. By the 1970s, the system was well known worldwide as a paradigmatic example of how such deals can lead to democracy even in unlikely places. By the 1990s, however, Venezuela had become famous as a case study of how pacting parties can ossify until voters reject them in disgust. Chávez exploited this disgust to weaken legislative powers, after which it became easier for him to pack the high court and tighten control over the attorney-general, the comp-

troller-general, and the military. The executive branch also acquired control over the National Electoral Council (CNE), the body that governs electoral affairs. For the first time in Venezuela's democratic history, doubts began to arise concerning the fairness of electoral rule.⁶ With the executive rampart, the next step was to rearrange state-society relations.

The Politics of Polarize and Punish

In 2001, Chávez obtained from the legislature “enabling powers” to rule by decree in certain policy areas, mostly having to do with property rights in the hydrocarbon and agricultural sectors. When he threatened to seek the same sort of control over public education, broad sectors of society expressed shock at what seemed a gratuitous power grab. Then they responded with what amounted to a kind of allergic reaction in the body politic: Business and labor groups, civil society organizations, and political parties both old and new began to promote national protests, including a two-day civil stoppage in December 2001. By 2002, the country was gripped by the worst polarization that Latin America had seen since the heyday of the Sandinistas in 1980s Nicaragua.

For two years, the opposition seemed to have the upper hand. Between 2001 and 2003, the ruling coalition suffered defections in record numbers (from the cabinet, the legislature, and even the military). On 11 April 2002, in the midst of one of the most massive civil protests in Latin America's history, business leader Pedro Carmona and a military faction staged a coup that briefly removed Chávez from power. Carmona swiftly turned highly punitive against *chavistas*, dissolved the National Assembly, and dismissed the elected state governors. His support collapsed and Chávez returned in less than 48 hours from exile at an off-shore navy base. Although many in the opposition had abandoned Carmona almost immediately, the episode damaged the anti-Chávez cause by tarring it with the *golpista* (coupmaker) label.

With international mediation efforts failing and Chávez refusing to negotiate, the opposition chose as its new tack a two-month strike by workers and managers from the state oil company, PDVSA. As oil production dried up, Chávez fired almost 60 percent of PDVSA's staff and ordered the military to take over the hydrocarbon industry. The hard times that ensued—GDP shrank by 17.6 percent in 2003—hurt the president less than it hurt the strikers, and they blinked first.

The opposition then went to Plan C: a recall referendum. This first truly electoral challenge to Chávez faced a high hurdle, however, for the 1999 constitution demands that proponents of recalling a president must first collect valid signatures from a fifth of all registered voters and then must obtain not merely a majority but more votes for recall than the incumbent gained in the previous election. Although the Chávez

camp bombarded the opposition with an array of legal and administrative obstacles to valid-signature collection, the CNE finally ruled in March 2004 that the opposition had gathered more than enough, and that there would be a referendum. This was the administration's weakest moment, the closest it came to succumbing. Polls showed the opposition far ahead. Again, however, the government did not respond by softening its exclusionary policies. Instead, it met this new threat from below with that familiar standby of Latin American politics, vintage populism.

Before the April 2002 coup, Chávez had been relatively inattentive to social spending, and in fact had dismantled most of the social programs left behind by the previous administration. Social spending declined in real terms during the early Chávez years, and the only social programs that survived were mainly delegated to the military. But in late 2003, reaping an oil windfall and facing the prospect of a real electoral challenge, Chávez launched what on his weekly television show he liked to call "missions to save the people." The deluge of money that he poured out in 2004 (close to 4 percent of GDP) enabled him to turn his low 2003 approval ratings of around 45 percent into a 59 percent victory in the August 2004 recall referendum. Dismayed oppositionists claimed fraud, but international observers from the Organization of American States, the Carter Center, and the UN Development Programme found no merit in these charges.

Dumbfounded by the stunning reversal of fortune that Chávez had engineered in just four months, the opposition went into a postreferendum coma and barely contested the October 2004 elections for regional office. Chávez's partisans took over 21 of the 23 state governments and more than 90 percent of the municipalities. In addition, the administration packed the Supreme Court with a dozen new judges, each one an avowed friend of the president's "Bolivarian revolution."

In short, Venezuela switched from a situation of heightened power competition in 2003 to one of energy asymmetry in 2005: The regime grew bolder, and the opposition grew more hopeless. Exhausted and discouraged, opposition leaders greeted revelations that the government could use the automated voting system to trace voter identity with a decision to sit out the December 2005 National Assembly elections.

By early 2006, the opposition had virtually capitulated. Every one of its strategies had failed. Massive mobilizations, labor strikes, the recall, appeals to the international community, and electoral participation had produced nothing but waning power and fewer concessions from the government. The opposition ran out of options and gas at least in part because in Venezuela, as in any oil-exporting country in which the state dominates the petrochemical sector, the government controls the fuel both literally and figuratively, and can give it to friends while keeping it away from foes.

Unlike the recall vote two years earlier, the December 2006 presidential election featured no claims of fraud. The CNE approved a manual audit of the votes that both local and international observers regarded as confirming the official results. Chávez won at least 50 percent in every state, including Zulia, the home of opposition standard-bearer Manuel Rosales. The election featured both the highest level of turnout (just under 75 percent) and the widest margin of victory in Venezuelan history, adding one more to the string of consecutive elections since 1998 in which Chávez has broadened his margin among the voters. Chávez garnered a larger share of the vote in rural states, in four of the five oil states, and in urban centers such as the Capital District of Caracas. The one glimmer of hope for the opposition was the concentration of its vote in just two parties, *Un Nuevo Tiempo* and *Primero Justicia*. This could be a sign that opposition voters are rethinking their post-1992 tendency to turn away from parties—a trend that has weakened society’s capacity to hold authoritarianism in check.⁷

Social Spending and Rising Authoritarianism

Between 1989 and 1998, Venezuelan voters repeatedly turned against efforts by presidents to concentrate power.⁸ How did Chávez manage to prevent this electoral sentiment, so strong in the 1990s, from unseating him in the following decade?

To understand Chávez’s electoral fortunes since 2004, it helps to clarify the symbiotic relationship between clientelistic spending and declining check-and-balance institutions. When such institutions lose power amid a growing economy, the incumbent can raise spending while making it more discretionary. Opportunities for clientelism expand and with them the votes that the incumbent commands, while institutions of accountability suffer more erosion.

Clientelism is one approach to social spending. Other approaches include: 1) underfunding, 2) cronyism, and 3) spending that is meant to and actually does benefit the poor (what the World Bank calls “pro-poor spending”).⁹ Underfunding happens when governments fail to provide sufficient funds for social programs. Cronyism consists of social spending that in reality is mere camouflage for direct subsidies to elites, mostly “friends and family” of incumbents. Clientelism refers to spending that, unlike cronyism, is directed toward nonelites, but is nonetheless offered conditionally: The state expects some kind of political favor back from the grantee. Finally, pro-poor spending occurs when aid is offered on grounds of true need and without political conditions attached.

All democracies engage in all four types of spending, though proportions vary across countries, programs, and eras. The key question is which direction a newly elected administration takes when it changes

TABLE—FOUR TYPES OF SOCIAL SPENDING

	CONSTRAINED BY INSTITUTIONS	NOT CONSTRAINED BY INSTITUTIONS
High competition	Pro-poor spending	Clientelism
Low competition	Underfunding	Cronyism (friends and family)

the inherited proportions. We suggest that the answer depends on the degree of political competition and the strength of domestic check-and-balance institutions at the relevant time.

Political competition refers to the difference in political force between the incumbent and the opposition. Competition is relatively weak if the opposition musters few votes, has reduced access to state office, or has no immediate opportunity to challenge the government at the polls. Institutional accountability will be stronger when presidents face constraints from the legislative branch, whether structural (such as high levels of legislative authority over budgets) or circumstantial (such as when the opposition party or coalition controls a legislative chamber). An opposition that is competitive and in possession of robust accountability tools will be better able to oversee the administration, and contain the executive’s temptation to use social policy self-servingly. All this favors “pro-poor” spending over “vote-buying” spending.

Varying degrees of these two democratic conditions—competitiveness and accountability—will yield different results in terms of social spending (see Table). The worst situation for the poor is low political competition. Incumbents feel no pressure and thus have no incentive to seek more (or more reliable) votes through expanded spending. Social spending will remain sparse and, if institutions of accountability are weak, all too easily divertible toward cronyism. Heightened competition will drive incumbents toward the cultivation of wider voter support and thus promote spending, but with no guarantee that it will be aimed at helping the poor rather than at helping administration clients. The best safeguard against clientelism comes from the other key variable: checks on the arbitrariness of state officials.

In short, pro-poor spending is most likely to occur when both political competition and institutional constraints are strong. This proposition helps to explain social policy under Hugo Chávez. The first stage, from the approval of the new constitution in 1999 to the beginning of the recall campaign in 2004, represented the political shift from high to low accountability, leading to underfunding leavened by cronyism. The second stage saw rising political competition as the opposition began to focus on the recall referendum. Competition prompted the executive to spend, and declining accountability allowed it to spend opportunistically.

It is hard to estimate the totality of state spending under Chávez, but the best sign of its magnitude is that, despite the five-fold oil-price

increase over the last three years, the accumulated fiscal deficit reached 2.3 percent of GDP in 2006.¹⁰ The government has created special nontransparent funds, free of legislative oversight, that are believed to hold more than US\$15 billion from the recent oil windfall. In 2005, the National Assembly approved a modification of the Central Bank law to create one such fund by transferring \$6 billion from international reserves. Known as the Development Fund (FONDEN), it is controlled by the executive branch through the Ministry of Finance rather than the Central Bank (Venezuela's Central Bank, like most, was designed to be relatively insulated from direct executive-branch influence). There is no information on how or even whether this money has been used. In February 2006, the National Assembly approved another transfer of \$4 billion from the Central Bank, and the president announced that PDVSA would transfer \$100 million dollars a week into FONDEN throughout the year, adding another \$5.2 billion.

Evidence shows that Chávez has distributed resources according to different political criteria for different programs, but clientelism figures heavily in most of them.¹¹ While a program such as Misión Ribas was influenced by considerations of poverty relief, it has also been used to “buy votes” at the municipal level. Clientelism and poverty thus interact closely. Cash transfers distribute oil income to the very poor—and also cement support for Chávez. Other programs such as Barrio Adentro and Mercal spend according to political criteria as well as demographic considerations, namely, the size of the population. In these two “mission” programs, poverty variables have no influence in explaining the distribution of resources at the state and municipal levels. What matters are the degrees of administration loyalty that governors and mayors display, plus the sheer numbers of potential voters who live in a given area.

The combination of opportunistic social spending and declining accountability has had decisive political effects. On the one hand, it leads to favoritism and thus polarization.¹² On the other hand, it creates a state that is virtually impossible to defeat through voting, since that state can always heavily overmatch whatever resources the opposition can bring to bear.

In short, state spending is born from democratic pressures (heightened political competition), but beyond a certain threshold of irregularity, it begins to undermine democratic institutions, creating a playing field that is far from level. Spending has given the Venezuelan government an advantage in competing for votes: The opposition campaigns with words; the state, with words plus money.

Ambivalent Groups and Intangible State Resources

Clientelistic spending has not been Chávez's only tool. *Chavismo* also relies on two less tangible but equally powerful instruments. It

offers supporters de facto impunity to engage in corruption, and it practices job discrimination in their favor while using negative discrimination against those seen as government foes. These tools are reminiscent of the “inducements and constraints” typical of traditional Latin American corporatism.¹³ Yet there is a difference. In classic corporatism, organized labor was typically the object of inducements and constraints; under Chávez and other neopopulists,¹⁴ these tools are applied to groups that are not necessarily organized and that may even be amorphous. In Venezuela, these groups consist mainly of voters who are neither strongly for nor strongly against Chávez.

Locally, they are called the “ni-nis” (neither-nors). Since early on, pollsters have found substantial evidence of their salience. By July 2001, for instance, one reputable poll was beginning to classify some Venezuelan voters as “repented *chavistas*.”¹⁵ This category swelled from 14.7 percent in July 2001 to 32.8 percent in December. Some of these *chavistas* became mild opponents of the president, while others remained mild supporters. As late as 2006, as many as 30 percent of all those polled were professing themselves to be in either “slight agreement” or “slight disagreement” with government policies.¹⁶ Thus, even in contexts of polarization, swing groups are nontrivial and likely to grow in size. Consequently, even radical leftist governments will still need to learn how to deal with the ambivalent middle. Impunity from prosecution and job discrimination have been Chávez’s answers to the problem.

Impunity from prosecution differs from clientelism in that the benefits pass from one strong actor (in this case the state) to other strong actors (the military, perhaps, or business groups). Like clientelism, the offer of impunity is an appeal tailored to reach those who are not strongly aligned. Because strong actors can wield a veto, not merely over policy but even over the administration’s very survival, a government in a polarized setting must deploy significant resources to assuage them.¹⁷ Furthermore, in situations of radicalization it helps to have a mechanism for coopting military and perhaps also business elites, if only as a shield against coups. This might explain why in Venezuela there is no competitive bidding for most government contracts, and why few individuals close to the government have been jailed for corruption. Like clientelism, impunity has the effect of making beneficiaries intensely conservative—that is, it makes them dread the prospect of a change in government out of worry that such a change might end their privileges.

Job discrimination, both positive and negative, is Chávez’s other strategy for winning or at least overawing ambivalent groups. His administration says repeatedly that government jobs, contracts, and subsidies will go exclusively to supporters. To make its implied threats of negative job discrimination more pointed, the administration does all it can to publicize the notion that it knows people’s voting behavior. The

two best-known examples of this tactic are the *Súmate* and *Lista Tascón* cases. *Súmate* is a nonprofit organization that Chávez said had broken the law by receiving a \$31,150 grant for voter education from the U.S.-based National Endowment for Democracy.¹⁸ This modest sum mattered less to the government than did *Súmate*'s heavy involvement in collecting signatures to make the 2004 recall referendum possible. The *Lista Tascón* bears the name of its compiler, *chavista* legislator Luis Tascón, and includes voting data on citizens who signed the recall petition. The list was openly published on the Internet and was explicitly used to make citizens withdraw their signatures or else face being fired or denied access to public contracts and social benefits. The Chávez administration's intention is clearly to convey that loyalists can gain and dissenters lose a great deal, a dual signal meant to reach groups that are mostly untouched by ideology and polarization.

After eight years in power, the *chavista* coalition has changed enormously. In 1999, it offered a progressive ideology that promised to free Venezuela from the stranglehold of the old parties and repeated economic crises. This agenda favored change but not radicalism, and drew vast majorities. Since then, the agenda has turned radical, winning the loyalty of the extreme left but at the cost of polarization, with a large cluster of ambivalent groups in the middle, together with a substantial number of new and old elites. The lavish use of corruption, impunity, and job discrimination keeps these groups in Chávez's camp when it counts, and allows his government to increase its vote beyond what the extreme left can deliver by itself.

The Opposition's Dilemma

Dealing with an uneven playing field, however daunting, is not the worst challenge that the opposition faces in electoral contests where guarantees of fairness are flimsy at best. The opposition also needs to overcome its internal divisions and, more significantly, the tendency of its voters to abstain. In preparing for the 2006 presidential campaign, the opposition took significant steps to correct these problems, but still did not go far enough.

The first step was to seek internal unity. The race began with three reputable opposition candidates from varying ideological backgrounds. The first was Teodoro Petkoff, a 1960s guerrilla leader who had been planning minister under President Rafael Caldera in the 1990s and then became editor of the well-regarded daily newspaper *Tal Cual*. Petkoff was joined by Julio Borges of the new *Primero Justicia* party, which controlled a few municipal administrations, and Governor Manuel Rosales of Zulia, an oil-producing state in the west. For a while, it seemed that unity would prove impossible, and midyear arrived with no agreement as to how a unity candidate might be chosen. To everyone's

surprise, the candidates amicably agreed to let opinion polling identify the strongest candidate. By early August, that was clearly Rosales. His rivals endorsed him—another surprise that gave the opposition a boost.

The strong current of abstentionism posed a harder problem. Six months before the December voting, many in the opposition (aware of Chávez's advantages) were still undecided about whether they would even bother to cast their ballots. The conditions needed for a fair and transparent contest remained in doubt. The opposition claimed constitutional and electoral-code violations including: 1) a lack of independence in the CNE; 2) an electronic voting system open to manipulation; 3) a suspicious swelling in the ranks of likely pro-Chávez voters after the unscrutinized issuance of a record number of voter registrations;¹⁹ 4) a media tilt in favor of the president;²⁰ and 5) the administration's breaking of campaign-spending limits set by the CNE.

Over the course of 2006, the government addressed a few of these complaints. The CNE allowed the Center for Electoral Assistance and Promotion (CAPEL), a group affiliated with the Inter-American System of Human Rights, to audit the registration system. The CNE also allowed a group of Venezuelan universities to audit voter registration, but the three most prestigious schools²¹ disagreed with the CNE's proposed statistical methodology and declined to take part. Neither CAPEL nor the universities' study found evidence that registration was rigged, although they confirmed that the system did not guard against the casting of ballots by unregistered voters as fully as it might have.

As with voter registration, reforms regarding the actual voting system were partial. During the runup to the 2005 legislative elections, analysts had learned that officials could use polling-place fingerprint-identification machines together with the electronic voting machines themselves to find out how individuals had voted. The alarmed opposition asked for manual voting, but the CNE dismissed this request, arguing that the law required automated voting. At the last minute, the opposition withdrew from the race, leaving every seat in the National Assembly to be filled by pro-Chávez candidates. In preparation for the 2006 presidential elections, the OAS gave the CNE technical assistance to reduce the possibility of tracing voting records through fingerprints, but the opposition pressed for more changes. The government then agreed to remove the fingerprint machines from a minority of polling stations, none of which lay in the most heavily peopled precincts. The opposition claimed that by keeping fingerprint machines in these key spots, the government was trying to scare opposition voters away from the polls.

The question of state funding—which was flowing solely to Chávez—lay foremost in the opposition's mind. In response, the CNE agreed to ban public officials from using official acts for electoral purposes and to limit the daily amount of televised advertising that each candidate

could broadcast. When it came to enforcement, however, the CNE was a no-show. In November 2006, for example, PDVSA president Rafael Ramírez was caught on videotape telling employees to vote for Chávez because the state-owned company was “red, very red” (*roja, rojita*), a reference to the colors of the ruling party. Far from firing or even reproving Ramírez, Chávez congratulated him and urged other ministers and officers to repeat the message. International observers in 2006 criticized the excessive state spending that was helping Chávez just as they had in 2005, but in neither case were these complaints of much avail.

The failure to restrain the unaccountable, politically minded spending machine that Chávez had set up in 2003 meant that the conditions for fair competition were worse in 2006 than they had been during the December 2005 National Assembly elections or the August 2004 recall balloting. Even media access, once an opposition strong point, had been reversed in the incumbent’s favor by a wave of cash. The government invested more than \$40 million in upgrading the state-owned television station and the government news agency, established three more television stations, acquired more than 145 local radio stations and 75 community newspapers, and created dozens of administration-friendly websites.

The prospect of a merely partial reform of the electoral system faced the opposition with a dilemma. Going along would mean that many opposition voters would remain dissatisfied, fearful, and inclined to abstain. Yet rejecting the reforms as insufficient would lay the opposition open to charges of recalcitrance and disloyalty and possibly damage its international reputation. The opposition leadership took a gamble in favor of going along. But this hurt them with the absentionist anti-Chávez forces even as it arguably helped to bolster the opposition’s appeal in the eyes of the ambivalent. The wisdom of this gamble will likely remain a topic of debate within opposition ranks for years to come. Nor, in all likelihood, will this be the last time that the opposition must make a hard strategic choice with uncertain results.

“Nothing Can Stop the Revolution”

Chávez celebrated his 2006 victory by proclaiming that “Nothing can stop the revolution!” He may well be right. All that the opposition can do for now is watch him try to build what he calls “the socialism of the twenty-first century.” His plan seems to have five parts. The first is full use of his 2007 enabling law to change more than sixty pieces of legislation without legislative approval. The second is the creation of a “presidential committee” that will put to referenda such proposals as allowing the unlimited reelection of incumbents and attaching even stricter conditions to recall votes. The third is a redrawing of the administrative and political map to curb the influence of governors and may-

ors. The fourth is a renewed effort to expand the role of the president's "Bolivarian" ideology in the hiring and training of public-school teachers. Finally, Chávez wants to found a yet-to-be-specified set of "communal assemblies" that will compete with existing local authorities. Chávez's new vice-president Jorge Rodríguez, who was the CNE's president during its least transparent period, calls this new phase of the regime—apparently without irony—a "dictatorship of true democracy."

At the same time, Chávez has announced plans to nationalize the telecommunications and electricity sectors as well as to boost the state's involvement in agro-industry and banking. The telecommunications policy will assert government control over CANTV, the firm that controls the transmission of data from the automated voting system. Once this happens, citizen confidence in ballot secrecy will plummet further and abstentionism by oppositionists will rise. Moreover, by denouncing the local private media company RCTV as *golpista* and refusing to renew its broadcast licenses, the Chávez government has made itself the first popularly elected administration in Latin America since the 1980s blatantly to curtail press freedom. The RCTV affair shows how open is the partisan political bias that now infects the government's handling of economic affairs.

Chávez's twenty-first-century socialism looks much like Latin America's mid-twentieth-century "hard corporatism" without the physical coercion.²² In Venezuela today, the opposition has ever fewer means and even incentives to incur the cost of trying to stop authoritarian leaps. The problem goes beyond mere internal divisions within the opposition, crippling as those might be. The core problem is that the opposition finds itself on the short end of a sharp asymmetry in political resources vis-à-vis the state. Private donations are the opposition's only recourse, but the state's offers of impunity and threats or promises of contract discrimination threaten to close these off too as business elites become coopted by the new order.

One often hears that the *unlimited* spending of money on election campaigns hurts democracy. Yet *uneven* campaign financing may be still worse. In Venezuela, this unevenness has come about not simply because the state under Chávez has raked in more oil money, but also because institutional constraints have been wearing away under a deliberate assault. This erosion of constraints generated the 2002–2004 governability crisis, rather than the other way around. Chávez turned back this critical challenge to his rule with policies of polarization, selective impunity, and job discrimination, in the process building a dominant coalition of radicalized ideologues and plentiful economic winners. Clearly some of these winners are low-income Venezuelans. But others are members of old-fashioned elites and do not look all that different from such winners of the Punto Fijo era as military officers, government employees, and state contractors. As of now, this coalition

is majoritarian, but it is hardly being mobilized for democratic gains. The story of Venezuela since Chávez's rise to power shows how, when democratic institutions are defective, social spending may all too readily be bent not toward correcting, but rather toward entrenching and even exacerbating these defects.

NOTES

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6. Miriam Kornblith, "Elections versus Democracy," *Journal of Democracy* 16 (January 2005): 124–37.

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8. Jennifer L. McCoy, "From Representative to Participatory Democracy? Regime Transformation in Venezuela," in Jennifer L. McCoy and David J. Myers, eds., *The Unraveling of Representative Democracy in Venezuela* (Baltimore: Johns Hopkins University Press, 2004).

9. See *Making Services Work for Poor People* (Washington, D.C.: World Bank, 2004).

10. Francisco Rodríguez, "Why Chávez Wins," www.foreignpolicy.com/story/cms.php?story_id=3685.

11. Michael Penfold, "Clientelism and Social Funds: Empirical Evidence from Chávez's Misiones Programs," *Latin American Politics and Society* (forthcoming).

12. See Youssef Cohen, *Radicals, Reformers, and Reactionaries: The Prisoner's Dilemma and the Collapse of Democracy in Latin America* (Chicago: University of Chicago Press, 1994).

13. Ruth Berins Collier and David Collier, "Inducements Versus Constraints: Disaggregating 'Corporatism,'" *American Political Science Review* 73 (December 1979): 967–86.

14. Kurt Weyland, "Neopopulism and Neoliberalism in Latin America: How Much Affinity?" *Third World Quarterly* 24 (December 2003): 1095–1115.

15. José Antonio Gil Yepes, "Public Opinion, Political Socialization, and Regime Stabilization," in McCoy and Myers, eds., *The Unraveling of Representative Democracy in Venezuela*.

16. These figures are from a survey taken in January and February 2006 by the independent Venezuelan polling firm Consultores 21, www.consultores21.com.

17. See Bruce Bueno de Mesquita et al., *The Logic of Political Survival* (Cambridge: MIT Press, 2003).

18. On similar trends elsewhere, see Thomas Carothers, "The Backlash Against Democracy Promotion," *Foreign Affairs* 85 (March–April 2006): 55–68.

19. The opposition wondered about the hard-to-explain 11.7 percent increase in registered voters that was noted during the brief time between April and October 2004.

20. By September 2006, Chávez was using three times the airtime allowed by CNE regulations, and this count leaves aside his famous *Aló Presidente* Sunday television show, which would add another several hours per week. See the report of Ciudadanía Activa, "Abuso Presidencial en los Medios de Comunicación del Estado," Caracas, 2006.

21. These were the Universidad Simón Bolívar, the Universidad Central de Venezuela, and the Universidad Católica Andrés Bello.

22. Alfred Stepan, "State Power in the Southern Cone of Latin America," in Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (New York: Cambridge University Press, 1985).