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Short Term Strategies for Long Term Power: The Rise and Potential Fall of Hugo Chávez

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CLAREMONT McKENNA COLLEGE

**SHORT TERM STRATEGIES FOR LONG TERM POWER: THE RISE AND
POTENTIAL FALL OF HUGO CHÁVEZ**

SUBMITTED TO

PROFESSOR RODERIC CAMP

AND

DEAN GREGORY HESS

BY

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Chapter 1: Introduction

Venezuela has become an increasingly important country to a world dependent on oil. Due to its vast oil reserves, estimated to be the largest in the Western Hemisphere for light and heavy crude and the largest in the world for extra-heavy crude, the country has the opportunity to capitalize on its natural resource riches both to improve the standard of living of its people and to become a leader on the world stage. These are the stated goals of its elected President, Hugo Chávez, who has held power since 1998. However, there are significant signs that Chávez is not meeting those goals but rather is devoting his efforts to retaining personal power. This thesis will explore how Chávez came to power, and how he is changing established Venezuelan institutions in an effort to control this power and the prospects that these changes will enable him to control power in the future.

Under Chávez, “the Venezuelan state controls the wealth produced by its petroleum and other industries, and is the principal distributor of the surpluses generated in a highly regulated and subsidized economy.”¹ Because of a growing demand for oil during most of his tenure, Venezuela has enjoyed increased revenues that Chávez has been able to direct towards vast social programs which benefit the country’s lower classes, his source of support. However, many critics and observers question both the efficacy and the sustainability of these practices.

Although the military does not currently run Venezuela, the history of the country is rife with military control of the government. From Venezuela’s independence in 1821

¹ Manwaring, Max G. “Venezuela’s Hugo Chávez, Bolivarian Socialism, and Asymmetric Warfare.” Strategic Studies Institute, U.S. Army War College (October 2005): 4.

until a coup against the dictatorial president Marcos Pérez Jiménez and the following military junta, over twenty different constitutions were drafted and ignored, and the country witnessed more than fifty armed revolts.² As a result, unlike American ideas of democracy, Venezuelan democracy has evolved in a more totalitarian manner, derived from the Rousseauian model “wherein the individual surrenders his rights and personal interests to the state in return for the strict enforcement of social harmony and the General Will.”³

After these many years dominated by military strongmen, Venezuela finally moved towards becoming a stable participatory democracy with the 1958 Pact of Punto Fijo, which marked the beginning of a new political system. The pact created an alliance between business owners, the Church, the armed forces, and trade unions, but worked to distance the political regime from large parts of society.⁴ Although subject to criticism, this alliance led to stability for the country because it fostered consensus building and “cooperation between political part[ies]...”⁵ This system of a sharing of power among the major influence groups and their political parties remained in place until the election of Chávez. Thus, while the oldest generations of Venezuelans have some familiarity with military dominated government, most current citizens do not.

Hugo Chávez

² Ibid., 3.

³ Ibid.

⁴ Figueroa, Víctor M. “The Bolivarian Government of Hugo Chávez: Democratic Alternative for Latin America?” *Critical Sociology* Vol. 32, No. 1 (2006): 201.

⁵ DiJohn, Johnathan. “The Political Economy of Economic Liberalisation in Venezuela.” *Crisis States Working Papers Program* 46 (June 2004): 2.

Hugo Rafael Chávez Frías was born in July 1954 to a poor family in Sabaneta in the Venezuelan state of Barinas. The future leader was the second of six sons in a family that often found itself facing financial difficulties.⁶ At an early age, Chávez and one of his brothers were sent to live with his father's mother, causing Chávez to become very close to his grandmother. He often tells stories about his impoverished upbringing, fondly focusing on this grandmother's affection, love, and the lessons that he learned from her which helped shaped his character.⁷ However, the emotional impact of this positive love and affection from his grandmother is countered by Chávez's negative relationship with his mother. In fact, some observers suggest that because of that difficult relationship Chávez suffers from "a perpetual aggression that they believe stems from a deep-seated resentment regarding his early childhood experiences."⁸

One episode from his childhood that seems to have had a particular impact on Chávez was that on his first day of school he was not allowed into his classroom because he was not wearing shoes but rather was wearing old canvas slippers, all that his family could afford.⁹ It is not hard to imagine that this incident might have seriously impacted Chávez's development. As a prominent Venezuelan psychiatrist who became friendly with Chávez has noted, he "feels genuine scorn for oligarchic people" and "exhibits, an evident bipolarity, of an affinity for the humble and a rejection of the all powerful."¹⁰ This story, coupled with the view that "Hugo Chávez has harbored grand, enduring ambitions since he was a very young man," provides insight and possible explanations for

⁶ Marcano, Cristina, and Alberto Barrera Tyszka. *Hugo Chávez: The Definitive Biography of Venezuela's Controversial President*. Translated by Kristina Cordero. (New York: Random House, 2007), 8.

⁷ Ibid., 9.

⁸ Ibid.

⁹ Ibid., 12.

¹⁰ Ibid., 13.

the driving force behind his future political ambitions and his current drive to retain power.¹¹

As it did for many people in Venezuela's lower classes, the 1959 Cuban Revolution and its aftermath made a deep impression on Hugo Chávez. Fidel Castro's success and the help that he sent to Venezuelan rebel groups sparked several unsuccessful coup attempts in 1962, and although he was just a boy at the time, Chávez claims that these coup attempts encouraged him to become a leftist activist.¹² Chávez was part of a politically active family and he followed the exploits of both Castro and Che Guevara.¹³ Likewise, Chávez was aware of the leading rebels in Venezuela in the years following the Cuban coup attempts including Douglas Bravo. Bravo and the leaders of radical political groups, such as the Venezuelan Revolutionary Party (PRV), believed that it was essential for these groups to "work with nationalistic sectors within the armed forces in order to build a revolutionary military-civilian alliance," and these ideas influenced Chávez.¹⁴

In 1971 at the age of seventeen, Hugo Chávez entered in the Venezuelan Military Academy, a competitive and well respected school.¹⁵ Chávez was not alone being a cadet from the lower classes at the Academy because the Venezuelan Army had a tradition of being "made up of a strong working-and lower- class components, its barracks filled with men from humble backgrounds drawn by the real possibility of ascending to the highest

¹¹ Ibid., xv.

¹² Ibid., 44.

¹³ Post, Jerrold M. "El Fenomeno Chávez: Hugo Chávez of Venezuela, Modern Day Bolívar." USAF Counterproliferation Center, Counterproliferation Paper No. 39 (March 2007).2.

¹⁴ Lapper, Richard. "Venezuela and the Rise of Chávez: A Background Discussion Paper." *Council on Foreign Relations* November 22, 2005. Accessed on September 10, 2010. http://www.cfr.org/publication/9269/venezuela_and_the_rise_of_chavez.html. 1.

¹⁵ Ibid., 1; Post 3.

ranks.”¹⁶ Unlike the armies of many other South American nations, officers in the Venezuelan army often came from the lower middle class, resulting in officers more likely to be accepting of left-wing ideas.¹⁷ Thus, while at the Academy, Chávez formed connections with other, like-minded cadets.

Over the years, Chávez has given two reasons for attending the military school. The first is that the school had a good baseball team, and baseball was his first love.¹⁸ The other, more politically motivated claim is that because of the role of the military in the 1962 coup attempts, he felt that he could work within the military to reach his revolutionary goals.¹⁹ This reason is plausible because Chávez would have been aware of the successful coups that left-wing military officers had lead in neighboring countries like Panama and Honduras in the late 1960’s and early 1970’s.²⁰ Whichever reason is accurate (both may be correct), Chávez developed friendships with other young officers at the Academy which would help him through the next twenty-five years on his road to power.

While Chávez attended the Academy, Venezuela was led by left-of-center governments including that of Christian Democrat Rafael Caldera. For this reason, the school encouraged visits from military leaders of other South American countries that were working to pull away from American military influence.²¹ Chávez apparently was inspired by these left wing military officers and their successes and has said that he particularly was impressed with General Juan Velasco Alvarado who Chávez met while Alvarado was serving as Peru's President.²²

¹⁶ Marcano 30.

¹⁷ Lapper 1

¹⁸ Post 3

¹⁹ Marcano 28

²⁰ Lapper 1

²¹ Marcano 35

²² Ibid.

While in school, Chávez used his free time to travel home to Barinas and there he met with his friends, many of whom had become Communists, and with his brother, who was actively involved with radical left wing groups.²³ Thus, Chávez became more radicalized as he met other young officers and civilians with similar political views, and one commentator believes that it was during his time at the Academy that Chávez adopted his version of Bravo's idea of the power of a revolutionary alliance between civilian activists and military officers.²⁴

Following graduation, Chávez carefully built alliances with revolutionary and anti-government groups. However, he was very careful to hide subversive acts from his military commanders. "In the presence of military superiors, he would feign obedience and discipline" and even with most members of his family he tried to appear to be apolitical.²⁵ Chávez did share his true revolutionary character with his older brother, Adán, who at that time was a physics professor who still was active in a number of revolutionary groups. It was through his brother that Chávez was able to meet with Bravo, and as they met over the next few years, Chávez continued to adopt many of Bravo's revolutionary ideas.²⁶

These ties to his family and his home continue to be important to President Chávez. "Of all Venezuelan presidents, however, Chávez has most consistently invoked the spirit of the region from which he comes, frequently peppering his speeches with personal anecdotes, cultural references, and songs relating to the plains and its

²³ Marcano 37.

²⁴ Post 3.

²⁵ Marcano 43.

²⁶ *Ibid.*, 46.

inhabitants.”²⁷ Rather than catering to Venezuela’s financial and cultural elite, Chávez has tried to maintain his image as a blunt, fearless man of the people.

Bolivarianism

Of all of the influences on Chávez, the greatest appears to be Simón Bolívar, a 19th century revolutionary who was born in Caracas, Venezuela and went on to lead the fight of independence against Spain. More than any other country in South America, Venezuela has kept alive the memory of Bolívar’s legendary exploits and its people are drawn to his ideals.²⁸ Whether to be politically expedient or from true admiration, Chávez has adopted Bolívar as his personal hero.

Bolívar defeated the Spanish and gained independence for Venezuela in 1811; over the next fifteen years he fought to gain independence for other South American countries. Like Bolívar, Chávez is a mestizo and spent his early years in poverty.²⁹ Perhaps, most importantly for Chávez, his idol “dreamed of a configuration of free Spanish American states.”³⁰ Chávez’s use of the Bolívar legend is not surprising and it strikes a responsive chord with many of his countrymen because Bolívar has been “an important reference point” for Venezuelan institutions, particularly the armed forces.³¹

More particularly, as defined by Chávez, the goals of Bolivarianism, which means “Bolivarian Revolution,” are to develop the potential of Venezuela and its neighbors by working to achieve “South American political-economic integration and *grandeza*

²⁷ Ibid., 7.

²⁸ Lapper 1.

²⁹ Post 1.

³⁰ McCaughan, Michael. *The Battle of Venezuela*. New York: Seven Stories Press, 2005. 44.

³¹ Lapper 2.

(magnificence), to reduce U.S. hegemony in the region, and to change the geopolitical map of the Western Hemisphere.”³² Various leaders in Venezuela as well as the rest of Latin America have claimed to be working towards this Bolivarian ideal, however, their methods and means to achieve them have been inconsistent and no one has aligned himself with Bolívar’s memory as strongly as Chávez.

Chávez’s Bolivarian program consists of three main goals. First is the “recovery and expansion of the state’s ability to intervene in the economic process.”³³ Second is the desire to improve the standard of living of the masses.³⁴ Third, is the radical transformation of the political system.³⁵ One reason this third part is important to Chávez’s political agenda is because of his belief that the poor, working classes have no representatives in the government with which to ally.³⁶

Some critics have argued that Chávez’s Bolivarianism is really just a form of neo-populism. These critics believe ‘Bolivarian Neopopulism’ is a more accurate description because Chávez’s current application of his Bolivarian program “lacks a well-defined basis in the organized working class and instead takes unorganized, state dependent popular or marginalized groups as its main referent.”³⁷ For example, Former President of Brazil Fernando Henrique Cardoso, who has a negative opinion of Chávez, does believe that Chávez is a revolutionary, but he doubts Chávez’s true understanding of the concept of Bolivarianism: “The problem is that he does not exactly know what it is. It exists only

³² Manwaring 2.

³³ Figueroa 200.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Hidalgo, Manuel. “Hugo Chávez’s ‘Petro-Socialism.’” *Journal of Democracy* Vol. 20, No. 2 (April 2009): 79.

as a slogan called *bolivarianismo*, which means nothing and serves only as a base to throw Venezuela's future out the window."³⁸

Structure of Thesis

This thesis examines the past, current, and future role of Hugo Chávez in Venezuelan politics. This introductory chapter briefly explaining the political history of Venezuela, Hugo Chávez's coming of age as a military officer, and Bolivarianism ideals is intended to provide the background information for this analysis of the impact of Chávez on Venezuela and whether he will be able to continue to control that country. Chapter Two focuses on Chávez's path to power with particular emphasis on his political and military connections as well as his popularity with the working classes. Chapter Three provides a critical look at how this President has managed to sustain power over the past decade. Looking towards the future, Chapter Four outlines the major threats facing the Chávez regime as it struggles to defeat its opposition and consolidate power. Finally, Chapter Five concludes with an overview of the thesis and an outlook for Chávez's future as a modern day caudillo. "It is increasingly apparent that President Chávez equates popular democracy to Venezuela with personal immobility in executive power," and it is important and timely to look at how this decision will impact his future as President of Venezuela.³⁹

³⁸ Manwaring 7

³⁹ Walser, Ray. "Hugo Chavez's Praetorian Guards." *The Heritage Foundation* November 12, 2010. Accessed on November 14, 2010. <http://blog.heritage.org/2010/11/12/hugo-chavezs-praetorian-guards/>. 1.

Chapter 2: Gaining Power

Venezuela's oil wealth produced revenues of three hundred billion dollars from 1958 to 1998.⁴⁰ This incredible revenue stream provided some level of prosperity for the country and "despite corruption and mismanagement" of numerous elected administrations gave "most citizens a minimal stake in the two-party system."⁴¹ However, by the late 1980's the economy collapsed as Venezuela's population increased and its oil revenues per capita eroded.⁴²

The worldwide decline in oil prices in the late 1980's led to increasing political and social tensions in Venezuela. To combat the decreasing oil revenues, the government of President Carlos Andrés Pérez "proposed cuts in subsidies on domestic petrol and diesel prices."⁴³ This decision, which hit the poor particularly hard, led to workers' strikes, which then resulted "in massive rioting and the deaths of several dozen people in Caracas in February 1989."⁴⁴ This massacre, which is known as the Caracazo, left a permanent stain on both the government and the country's powerful elites.

The Pérez government never recovered from its disastrous handling of the riots and the people's anger over seeing the country's military firing on civilian protestors. Fortunately for Chávez, the troops he was commanding at that time did not have to fire on the protestors and what happened both hardened his resolve to overthrow the government and made it more likely that radical change could succeed. In fact, at this

⁴⁰ McCaughan 63.

⁴¹ Ibid.

⁴² Ibid., 64.

⁴³ Lapper 2.

⁴⁴ Ibid..

time it became widely known that Chávez was plotting against the government and he was arrested and questioned about his activities but then released.⁴⁵

As Venezuela was heading towards the disastrous Caracazo incident and the breakdown of the Punto Fijo Pact, Chávez's desire to become a powerful figure in his country continued to build as he received assignments across the country after his graduation from the Military Academy. A seminal moment in Chávez's march to power occurred on July 24, 1983 when he and several of his friends created the Bolivarian Revolutionary Movement (Movimiento Bolivariano Revolucionario 200) or MBR-200.⁴⁶ With the founding of MBR-200, Chávez and his co-conspirators stepped up their efforts to build support in the armed services for an eventual coup. Thus, as successive governments failed to deal with corruption and lack of services, Chávez became steadily more prepared to take advantage of his opponents' weaknesses.

Following the 1989 massacre, Chávez was lucky with his military assignments and in 1991 he was promoted to the powerful and prestigious position of commander of a paratroop battalion.⁴⁷ This position gave Chávez a strong base in the military to launch a coup and put him close to civilian plotters who also wanted to oust President Pérez.⁴⁸ Chávez made it clear to the civilian allies, many of whom were members of a left wing radical group, La Causa Radical (LCR), that he needed street support when the coup started. Unfortunately for Chávez, when he and his military conspirators launched their coup on February 4, 1992, they did not get the civilian support they needed. The coup failed quickly and Chávez was arrested, but the government made the mistake of granting

⁴⁵ Marcano 56-57.

⁴⁶ McCaughan 62.

⁴⁷ Marcano 59.

⁴⁸ *Ibid.*, 62.

one of his demands.⁴⁹ That demand was that Chávez be allowed to make a one minute televised speech to the nation. Chávez told his stunned countrymen that the coup had failed and that he would end it to avoid bloodshed but that “new situations would present themselves.”⁵⁰ This performance made Chávez a folk hero in the country and even though Chávez was imprisoned for a short period, his influence on his former military colleagues continued to grow. Douglas Schoen and Michael Rowan, fierce critics of Chávez, have summarized the impact of his one minute performance:

With these words Chávez became a repository of hope for the poorest most indignant element of society that long dreamed of sweeping the corrupt white elites out of power and ending crony capitalism and government malfeasance. For the sixty percent of Venezuelans who had told the pollsters they favored a coup, Hugo was now a savior in waiting.⁵¹

Remarkably, over the next years neither the Pérez government nor its successors took action to eradicate Chávez or his influence, and Chávez later was presented with opportunities that allowed him to gain control.

The Rise of Chávez as a Politician

After the 1992 coup, the Pérez government did little to rebuild its popularity and, instead, continued to foster corruption. These actions and those of Pérez’s successors led to a “crisis of governance” because the state “was unable or unwilling to provide for the legitimate needs and desires of the Venezuelan people.”⁵² Meanwhile, Chávez was imprisoned for two years for his role in the coup. While in prison, Chávez worked to

⁴⁹ McCaughan 67.

⁵⁰ Marcano 74

⁵¹ Schoen, Douglas and Michael Rowan. *The Threat Closer to Home: Hugo Chávez and the War Against America*. (New York: Free Press, 2009), 39.

⁵² Manwaring 5.

critique of the current two party model in Venezuela and to further develop his political ideas and alliances.⁵³ Then in 1994 Chávez was released from prison when a new President, Rafael Caldera, decided to drop the charges against him.⁵⁴

After emerging from prison, Chávez was able to capitalize on the sentiments of the people, something the government had failed to do. In this moment of strong dissatisfaction and growing anger with the Caldera government, Chávez worked to build his already solid support among the lower classes by promising change.⁵⁵ His demand for change resonated in a country that seemed incapable of making progress.

In 1997 the MBR-200 reorganized into the Fifth Republic Movement (MVR) and restructured itself to be more accessible for civilian participation.⁵⁶ This new political party had no negative baggage and the “discrediting of the country’s dominant parties, increasing poverty, the weakening of the state’s capacity to govern, and in general, the effects of neoliberalism all converged to facilitate the triumph of Chávez as the ‘anti-candidate’ of the MVR.”⁵⁷ Driven by his pledge to clean up politics and reform the country’s constitution, Chávez won the December 1998 election with a significant majority, although voter turnout was only about thirty-five percent.⁵⁸

Throughout his campaign for office, Chávez did not forget his roots in the military. He constantly reminds his supporters and opposition that “Our movement was born in the barracks. That’s a factor we can never forget, it was born there, and its roots

⁵³ Lapper 2.

⁵⁴ Figueroa 202.

⁵⁵ Manwaring 5.

⁵⁶ Figueroa 202.

⁵⁷ *Ibid.*, 203.

⁵⁸ Lapper 2.

are there.”⁵⁹ For example, in the military exercises that he led, Chávez ordered his subordinates to begin the day with a quote selected from Bolívar, And this reverence towards Bolívar, almost bordering obsession, was a staple of his campaign.⁶⁰ Chávez never failed to link himself to Bolívar, often quoting him, and using this strong nationalist sentiment to gain the support of certain segments of Venezuelan society.⁶¹ Thus, Chávez ran as both a strong nationalist and as a figure of change, and this combination was very appealing.

Throughout the campaign, poorer Venezuelans viewed Chávez as “savior and champion in an impoverished and failing country,” while others, particularly the middle class, viewed him “as an altogether more sinister figure. They see him replacing democracy with autocracy and a mildly socialist economy with something close to Marxist-Leninist communism.”⁶² Chávez became popular with the masses because he was one of them, not a member of the privileged elite. His ability to maximize his popularity with the lower classes as well as to gather support from some other elements of society, including many of his military colleagues, led to his ascendancy.

However, when he was elected in 1998, Chávez also garnered at least some support from other elements of the Venezuelan population who were ready for a change and were “energized by his fiery anti-establishment rhetoric.”⁶³ As one observer has

⁵⁹ Krauze Enrique. “The extraordinary career of Venezuela’s radical president Hugo Chávez...” *News & Views about Venezuela*. May 1, 2009. 3.

⁶⁰ *Ibid.*,12.

⁶¹ *Ibid.*, 4.

⁶² Manwaring 6.

⁶³ Post 4, Marcano 17-18.

noted, Chávez and his MVR party “blew apart Venezuela’s corrupt two-party system and won the election with fifty-six percent of the vote.”⁶⁴

As he had been throughout his military career, Chávez also was lucky in regards to the 1998 election. Though Chávez’s campaign faltered towards the end of the race, the opposition already had lost too much ground through a series of mistakes to launch a successful counter-attack that could overcome Chávez’s advantages as the hero of the 1992 coup and as a new face on the political scene. Chávez’s campaign was centered on the belief that the country wanted more than “just a repudiation of the past;” it wanted a candidate who offered a hope for change, and his opponents could not match this message.⁶⁵ Nevertheless, although his opponents united against Chávez by the end of the campaign, even Chávez’s campaign chief believed the victory was based “in large part on the errors of his opponents.”⁶⁶

In retrospect it is clear that Hugo Chávez was remarkably well positioned to be the candidate who could take advantage of years of corruption and ineffective leadership of the parties who were part of the Punto Fijo Pact. He was from a lower class but his success at the military academy and throughout his military career enabled him to influence his contemporaries in the armed forces and younger officers as well. Chávez also exhibited a gift for wrapping himself in the Bolivarian tradition and of being a natural media performer. Most importantly, he recognized the weaknesses of his enemies and exploited these weaknesses.

⁶⁴ Kozloff, Nikolas. *Revolution!: South America and the Rise of the New Left* (New York: Palgrave Macmillan, 2008), 3.

⁶⁵ Marcano 17.

⁶⁶ *Ibid.*, 18.

Chapter 3: Sustaining Power and the Current Situation

Having been elected by a comfortable margin, Chávez faced the task of following through with his promises and implementing his Bolivarian ideals. After this resounding victory, he recognized that he would need to quickly consolidate his power before his opponents mobilized. In fact:

When Chávez assumed office in 1998, Venezuela's displaced political class viewed the arrival of this intruder as a temporary interruption to a long-term power-sharing arrangement. Once Chávez worked out the arithmetic, they believed he would be forced to tone down his rhetoric, cut a deal with the economic elite, and rely on his charisma to keep the disillusioned masses in line.⁶⁷

However, Chávez has not been a temporary intruder. Instead, he has managed to retain power for twelve years through a series of political tactics that have been designed to divide and conquer his adversaries and the use of legislative maneuvers that have made opposition to Chávez increasingly difficult. Chávez has focused power on himself and has created both domestic and international villains who he routinely challenges as a way to unify his base of power in the country. He also has punished those who oppose him in Venezuela's traditional power structure: business and financial institutions, the Catholic Church, the media, and unions.

Chávez has faced major threats to his rule but the most significant started in 2001 when political opposition began to mobilize in response to economic reforms passed that year. This mobilization came to a head in April 2002 when the opposition publicly opposed the government and led vast strikes and protest marches in Caracas that centered on Chávez's efforts to gain further control of the country's oil resources.

⁶⁷ McCaughan 16.

Although Chávez instructed the military to stop the opposition protests, the military initially refused.⁶⁸ Only after multiple deaths and the mobilization of Chávez supporters did a small number of loyal leaders in the military take control of the situation and reinstate Chávez as President.⁶⁹ Two important consequences arose from this coup. First, some leaders in the United States expressed relief that there may be a change in Venezuelan leadership when it was reported that Chávez had resigned.⁷⁰ These comments marked the beginning of further deterioration in United States- Venezuelan military relations. Second, and more important, Chávez thereafter steadily purged the military of his opponents and quickened his efforts to weaken his political opponents.⁷¹

The tactics that Chávez adopted have been described as a system of asymmetric conflict that involves the organized application of various techniques aimed at coercing and manipulating the population by altering political-psychological factors such as “perceptions, beliefs, expectations, legitimacy, and political will.”⁷² This section details the ways in which Hugo Chávez has manipulated oil revenues, attacked the opposition and the media, and used governmental processes to sustain his hold on the presidency.

The Importance of the Oil Industry to Chávez’s Power

In Venezuela the power to control the country starts with the power to control its oil reserves. One of the reasons that Hugo Chávez has been able to increase his power in the years following his election to the Presidency in 1998 was that he gained almost complete control of Venezuela’s greatest resource, its vast oil reserves and production

⁶⁸ Lapper 3.

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Manwaring 10

capabilities. Venezuela is now the eighth largest oil exporter in the world.⁷³ Just as now, for the past fifty years, the country has been reliant on revenues earned from the sale of oil to pay for governmental services and to improve the standard of living of its population. In fact, it is estimated that oil currently accounts for ninety percent of the value of Venezuela's exports and fifty percent of its budget revenues.⁷⁴

Once in office, Chávez moved quickly to use oil revenues to finance his vast social agenda. As noted, the use of these revenues to fund the government was not new but Chávez's programs were more wide-ranging and aggressive than the country had experienced. He initially created the Consolidated Social Fund (FUS) to "co-ordinate the distribution of resources to anti-poverty programs," and since then his government has continued to implement various welfare programs that are designed to pacify and build his political base.⁷⁵ Commentators agree that Chávez's supporters, at least for the first ten years of his rule, have seen tangible results whether it was by learning to read in one of the government's literacy programs, by receiving medical care at a new health clinic, or by having land redistributed to them.⁷⁶

Chávez has not been content to merely provide improved services to his core constituency; he also has developed programs to make them an even more significant force. In fact, through the implementation of "Bolivarian Circles" in December 2001, the regime now has more than 2,200,000 citizens who are receiving militia-like training so

⁷³ "Venezuela." *CIA World Factbook* November 9, 2010. Accessed on November 13, 2010. <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>.

⁷⁴ *Ibid.*

⁷⁵ Rodriguez, Francisco. "The Unfulfilled Promises of Hugo Chavez." *Foreign Affairs* (March/April 2008). 3.

⁷⁶ Post 17.

that they can “defend the Revolution” if necessary.⁷⁷ According to Dr. Rodrigo Chávez, an early coordinator of the circles, they are “the most basic form of participation in the democratic process” and the new group has an “express commitment to the defense of the revolution.”⁷⁸ Other Chávez supporters claim that the Bolivarian Circles, like other neighborhood and civic groups, also have a humanitarian purpose and serve mainly to help assure that the Chávez social programs are shared by all needy Venezuelans.⁷⁹ The Circles and other Chávez organized groups did pour into the streets during the 2002 coup and Chávez’s critics believe the real purpose of this group is to intimidate opponents and to be able to attack the middle class groups that oppose Chávez.⁸⁰ What is clear is that Chávez has melded this and other citizen groups that are the beneficiaries of his programs into an organized group that he controls apart from more formal institutions such as the military.⁸¹

The oil sector of the economy is controlled by a state owned oil company, *Petróleos de Venezuela S.A. (PDVSA)*. Venezuela first nationalized its oil fields in 1976, but for years afterwards the government worked closely with private companies, many of them American, to develop the oil fields and to allow private companies a greater stake in the business.⁸² Even in 2002 after Chávez had been in power for several years, although “officially owned by the government, PDVSA operated much like a private company and

⁷⁷ Chávez, Rodrigo, and Tom Burke. “Bolivarian Circles of Venezuela.” *Fight Back News* April 23, 2003. Accessed on October 10, 2010. <http://www.fightbacknews.org/2003-2-spring/Bolivarian.htm>. 1.

⁷⁸ *Ibid.*

⁷⁹ Sanchez, Alvaro, “Bolivarian Circles: A Grass Roots Movement.” *Venezuela Analysis* September 30, 2003. Accessed on September 23, 2010. <http://venezuelanalysis.com/analysis/131>. 2.

⁸⁰ McCaughan 109.

⁸¹ Manwaring 11.

⁸² Kozloff *Revolution!* 19.

was without a doubt, the lifeblood” of Venezuela's economy.⁸³ Thus, because the oil industry was the “crown jewel” of the economy, whoever controlled PDVSA has a huge advantage in the fight to control Venezuela.⁸⁴ Just as it has done with other industries, the Chavist government has worked to further nationalize the oil industry, thereby bringing this major source of revenue more directly under its control.

Suppressing the Opposition

One of Chávez’s fiercest challenges has come from Venezuela’s independent media. Initially, some media leaders supported Chávez , perhaps with the idea that they could win him over and that his rhetoric “belonged to the hot air tradition of previous leaders” who soon “discarded populist pledges.”⁸⁵ During the first years that Chávez was in office, there were at least four strong independent news sources that catered to a country whose “preferred news source” is television media.⁸⁶ Chávez has claimed that a number of the stations and other media outlets owned by his opponents were instrumental in stirring up the protests that led to the aborted 2002 coup.⁸⁷ Since that time, Chávez has increasingly acted to undermine the control of his adversaries and to dominate the news and media information that is available to Venezuelans. Initially, he has been successful in lessening the number of oppositional voices and in intimidating the remaining media who seek to report fairly against his regime.

⁸³ Nelson, Brian. *The Silence and the Scorpion*. (New York: Nation Books, 2009), 5-6.

⁸⁴ *Ibid.*, 6.

⁸⁵ McCaughan 87.

⁸⁶ McNulty, Caitlin, and Liz Migoliorelli. “Media situation in Venezuela: facts and fiction.” August 24, 2009. Accessed on September 27, 2010. <http://www.reclaimthemediasituation-venezuela-fact-2>. 1.

⁸⁷ *Ibid.*

Chávez's attempts to defuse the opposition media intensified in May 2007 when the government refused to renew the license of RCTV, one of the country's largest and most influential television stations.⁸⁸ The pretext for that decision was that RCTV had not sought to renew its concession for the license.⁸⁹ Over the next several years this type of regulatory attack has increased, and laws have been passed which allow the government to revoke the licenses of radio and television stations.⁹⁰ His critics contend that Chávez's plans, which they believe are disguised as an effort to keep stations economically viable, will actually force "independent station owners to go off the air, thereby shifting dominance to Community Radio, the pro-government chain found by Chávez."⁹¹ Further, the laws have been used only against Chávez's media foes, not against the government controlled television station, Venezolana de Television, which airs almost entirely pro-government programming.⁹² Although there are still anti-Chávez television and radio stations, they are not as strong now as before the 2002 coup, and they are facing continued intense pressure to conform to the government's wishes.

Another example of Chávez's suppression of the opposition is his treatment of traditional labor groups both before and after a major Petróleos de Venezuela S.A. (PDVSA) strike beginning in late 2002. Following the failed coup earlier that year, skilled workers at PDVSA began the strike by refusing to continue the production of oil, thereby threatening the economic lifeline of the country. Although the refusal to work by

⁸⁸ Ibid. 4.

⁸⁹ "Venezuela: media under attack." *Index on Censorship*. August 4, 2010. Accessed on November 14, 2010. <http://indexoncensorship.org/2009/08/venezuela-media-under-attack/>. 1

⁹⁰ Ibid.

⁹¹ Kraul, Chris. "Hugo Chávez targets Venezuela media." *Los Angeles Times* 22 July 2009. Accessed on September 13, 2010. <http://articles.latimes.com/2009/jul/22/world/fg-venez-censor22>

⁹² Ibid.

these managers and technicians was highly detrimental, a number of unskilled workers kept working, and their efforts, combined with support from a number of foreign countries including Iran, China, and Brazil allowed the Venezuelan economy to survive.⁹³ When the government eventually regained control of the situation in March 2003, Chávez fired over eighteen thousand workers.⁹⁴ Yet again, Chávez maintained power and control by suppressing the opposition, this time by removing them from their jobs and replacing them with loyal supporters.

Another traditional source of power in Venezuela is its labor unions led by the Workers' Confederation of Venezuela (CTV). CTV, which was founded in 1936, has a long history of uniting the country's worker, especially in the petroleum industry.⁹⁵ However, during the 1990's, CTV moderated its demands and became less of an advocate for the working poor, leading to the unions to be associated with the unpopular governments then in power.⁹⁶ Although some CTV union leaders supported Chávez when he campaigned in 1998, many distrusted him and the feeling was mutual.

Chávez's relationship with CTV deteriorated steadily and the union was a leader in the strikes that led up to and followed the aborted 2002 coup. Chávez, who had declared war on CTV even before the coup, has intensified his efforts to defeat the traditional unions since then.⁹⁷ First, he has attempted to have his supporters elected to take control over existing unions by intervening in union elections to favor pro-Chávez

⁹³ Lapper 4.

⁹⁴ Ibid., 3.

⁹⁵ McCaughan 104.

⁹⁶ Ibid.

⁹⁷ Ibid., 104-105.

candidates.⁹⁸ Then in 2003 the government established its own labor union, Union Nacional de Trabajadores (UNT).⁹⁹ Indeed, Human Rights Watch has documented that the government has established unions for smaller organizations that support Chávez not CTV, and that more than seventy-five union leaders have been killed as the new unions fight with the old.¹⁰⁰ Chávez's efforts to destroy the old unions are consistent with his divide and conquer tactics, and have succeeded, at least until now, in making CTV concentrate on its survival rather than on ousting Chávez.

As with traditional labor unions, Chávez's relationship with the historically powerful Catholic Church has been extremely rocky. Almost ninety-six percent of all Venezuelans are members of the Church, as is Chávez. However, his problems with the church have grown, beginning with the championing of abortion rights in the new constitution that Chávez pushed through after his election.¹⁰¹ As is typical, Chávez has used over-the-top rhetoric to attack the established church, for example declaring that Cardinal Ignacio Velasco was "in hell" following his death.¹⁰² The church for its part has been critical of Chávez's socialist programs and the upturn in violence in the country. In particular, the Catholic leadership fears that Chávez will follow the Cuban model and confiscate church property and lessen its role in education.¹⁰³ Although in his twelve

⁹⁸ Forero, Juan. "Venezuelan union clashes are on the rise as Chávez fosters new unions at odds with older ones." *Washington Post* July 15, 2010. Accessed on September 23, 2010. <http://www.washingtonpost.com/we-dyn/content/article/2010>. 1.

⁹⁹ Uzcategui, Rafael. "Venezuelan Labor Between Chávez and the Golpistas." *Tierra y Libertad*. July 2009. 1.

¹⁰⁰ *Ibid.*

¹⁰¹ McCaughan 93.

¹⁰² Johnson, Bridget. "Chávez Ramps Up Conflict with Catholic Church." *World News Guide* July 19, 2010. Accessed on September 23, 2010. <http://worldnews.about.com/b/2010/07/19/chavez-ramps-up-conflict-with-catholic-church.htm>. 1.

¹⁰³ Toothaker, Christopher. "Chavez, Venezuelan Church Clash Over Freedoms." *ABC News* July 11, 2010. Accessed on October 18, 2010. <http://abcnews.go.com/International/wirestory?id=11140302&page=1>>. 1.

years in power Chávez has not gone that far and it is unclear if he intends to do so, he has resorted to his favored tactic of creating competitors for his opponent. Specifically, he has supported radical priests who are pushing liberation theology views at the expense of the more conservative Catholic Church Episcopal Conference.¹⁰⁴ Again, Chávez thus far has been relatively successful in his efforts to lessen the ability of the church to help his opponents, although the church was seen as helping opponents of Chávez's Partido Socialista Unido party in the recent September 2010 National Assembly elections in which the party lost its two-thirds supermajority.

Supporters in Power Positions

In addition to suppressing the opposition, another strategy Chávez has employed is putting his supporters and those close to him in positions of power. For example, one of his brothers is a top banker at Banco Sofitasa and another is now in charge of cooperation projects with Cuba.¹⁰⁵ Other brothers and relatives have used the Chávez name and wealth to win elections, and they currently hold various positions across the country.¹⁰⁶ Although politicians now ousted from power claim that the Chávez family has amassed wealth through illicit dealings, the Chavist-controlled court has cleared them of any wrongdoing, even as these family members use their patronage powers to reward loyal supporters.¹⁰⁷

¹⁰⁴ Janicke, Kiraz. "Chavez Clashes with Venezuelan Church Leaders over Constitutional Reform." *Venezuelan Analysis* 18 July 2007. Accessed on September 17, 2010. <http://venezuelanalysis.com/print/2504>. 1.

¹⁰⁵ Romero, Simon. "State Ruled by Crime and Chávez Family." *The New York Times* July 21, 2009. Accessed on September 19, 2010. <http://www.nytimes.com/2009/07/21/world/americas/21venez.html> . 1-2

¹⁰⁶ Ibid.

¹⁰⁷ Ibid. 2.

Developing an External Enemy: The United States

While Chávez has demonized his domestic political opponents, he also has created an external enemy, the United States, which he repeatedly denounces as the cause of Venezuela's problems. As mentioned, one of the consequences of the failed coup in 2002 was a marked deterioration in United States-Venezuelan relations. Although the official United States position condemned the coup, earlier American comments that appeared to support what was believed to be a change in Venezuelan leadership led Chávez to be able to claim that the United States was behind the coup plot.¹⁰⁸ Furthermore, Chávez felt that the Venezuelan opposition was emboldened by this United States opposition to Chávez.¹⁰⁹ Although the United States tried to dispel the rumors that it had actively supported the coup, these rumors have persisted, leading to further deterioration in relations between the two nations that Chávez has exploited to his advantage.

Chávez has skillfully depicted the United States as a tormentor who wants to interfere in Venezuela and dictate who runs the country. One method Chávez has used to spread his poisonous view of the United States is through the anti-American television station "Telesur."¹¹⁰ This station is broadcasted throughout Latin America and works to paint a negative vision of the United States, playing upon the already existing hostile attitude of many in the region.

Chávez also repeatedly paints the United States as a scapegoat during his Sunday television show titled "Alo Presidente."¹¹¹ During this show, which typically lasts a

¹⁰⁸ Lapper 3.

¹⁰⁹ Figueroa 205.

¹¹⁰ Lapper 5.

¹¹¹ Krauze 14.

minimum of five hours, Chávez's ministers sit dressed in the red of the Venezuelan Bolivarian Revolution while Chávez talks about his early life, his musings on world politics, the political direction of Venezuela, and whatever else he feels inspired to discuss.¹¹² A constant theme of the program is that the United States is responsible for the ills of Venezuela and that only Hugo Chávez can stand up to the Yankee menace.

Thus, Chávez consistently uses anti-American fervor to externalize Venezuela's internal problems. He constantly warns of potential United States aggression towards Venezuela. In February 2005, Chávez stated, "The only destabilizing factor here [in Venezuela] is [U.S. President George W.] Bush."¹¹³ Later, in March 2005, he asserted that the United States was planning to assassinate him and that only God could save Venezuela and the world from the United States threat.¹¹⁴ By whipping up anti-American sentiment, Chávez has been able to deflect a close analysis of his failures and create a perceived threat that unifies many of his countrymen.

Neutralizing the Foreign Media

Just as Chávez has recognized that control of Venezuela's domestic media is crucial to his ability to sustain power, so too has he tried to control how he is represented in the international press, particularly the United States media. Since taking office, Chávez has arranged for a flood of sympathetic American politicians and public figures to visit his country. Politically, those visitors have included Congressman John Conyers and fifteen other members of the Congressional Black Caucus as well as Dennis

¹¹² Ibid., 14.

¹¹³ Manwaring 1.

¹¹⁴ Ibid., 1.

Kucinich.¹¹⁵ Indeed, Kucinich even went on record as stating that Venezuela under Chávez is a “model democracy.”¹¹⁶ This is the same position taken by former President Jimmy Carter, a frequent visitor to Venezuela, who has praised Chávez on many occasions for creating “a pure brand of democracy.”¹¹⁷

Shrewdly recognizing the appeal of celebrities to average Americans, Chávez also has cultivated support from movie stars and other pop culture figures. As authors Douglas Schoen and Michael Rowan have reported:

Many Hollywood stars and others in the entertainment industry are known for their left-of-center views, and are not exactly notorious for any rigorous analysis underlying those views. Hence it is no surprise that the stars have flocked to Chávez’s side. But their sheer number is nonetheless impressive. Unlike intellectuals and even activists, big stars reach millions of people, and the media often hangs on their words without question.¹¹⁸

Hollywood personalities such as Danny Glover, Kevin Spacey, and Sean Penn all have been enlisted by Chávez as part of his efforts to mold American public opinion.¹¹⁹

Chávez’ appeal to left wing Americans is not limited to politicians or celebrities. Over the past decade of his presidency, numerous books written by Americans have appeared that praise Chávez and contrast him to President George W. Bush, whose eight year Presidency overlapped with a large portion of Chávez’s reign. One example of this a memoir written by a former Maryknoll Catholic missionary, Charles Hardy. In that book, *Cowboy in Caracas: A North American’s Memoir of Venezuela’s Democratic Revolution*, Hardy idolizes Chávez and what he has done for the common man in Venezuela. One

¹¹⁵ Schoen 140-141.

¹¹⁶ Ibid. 141.

¹¹⁷ Ibid. 142.

¹¹⁸ Ibid. 137.

¹¹⁹ Schoen 138; Applebaum, Anne. “The New Fellow-Travelers: Why actors and models love to hang out with Hugo Chávez.” *Slate*, November 5, 2007. Accessed October 8, 2010. <http://www.slate.com/id/2177484/>. 1

quote from Hardy's book about Chávez's election to the Presidency is indicative of the over-the-top praise that Chávez has cultivated from this type of opinion maker:

The elections were held on December 6, 1998, and when the results started to indicate that Chávez had clearly won, there was rejoicing in the street. The sky was full of fireworks. The air was full of music. The impossible had happened. If someone were to ask me if I had ever seen a miracle in my lifetime, I would surely respond that it was the election of Hugo Chávez as president of Venezuela.¹²⁰

Chávez's United States media strategy initially was successful in gaining the support or at least acceptance of many Americans, which achieved Chávez's goal of making it difficult for the George W. Bush Administration to engage in anti-Chávez efforts. Indeed, Chávez's apparent success with his media manipulation may be credited to the fact that its chief target was President Bush. By often painting Bush, rather than the United States, as the target of his populist rage, Chávez shrewdly played on the feelings of many liberals, particularly as Bush's popularity plummeted due to the war in Iraq. This permitted Chávez to paint Bush as a demon in Venezuela while at the same time making himself appear to be a reasonable person to those who were willing listen to him in the United States. However, as Anne Applebaum noted in an article for *Slate*, the Hollywood embrace of Chávez was likely more a reflection of Hollywood's desire to seem revolutionary:

Just as sympathetic foreigners whom Lenin called "useful idiots" once supported Russia abroad, their modern equivalents provide the Venezuelan president with legitimacy, attention, and good photographs. He, in turn, helps them overcome the frustration ... of living in an annoyingly unrevolutionary country where people have to change things by law... For all of his wealth, fame, media access and Hollywood power, Sean Penn cannot oust George W. Bush. But by showing up in the company of Chávez he can at least get a lot more attention for his opinions.¹²¹

¹²⁰ Hardy, Charles. *Cowboy in Caracas: A North American's Memoir of Venezuela's Democratic Revolution*. Willamantic, CT: Curbstone Press, 2007. 46.

¹²¹ Applebaum 1.

Now, George W. Bush is gone, and America's liberal elite seem less willing to join Chávez in castigating President Obama. Unfortunately, for many years this strategy was successful, perhaps because "the story of Chávez as a social revolutionary finally redressing the injustices created by centuries of oppression fits nicely into traditional stereotypes of the region, reinforcing the view that Latin American underdevelopment is due to the vices of the predatory governing classes."¹²² Thus, the days when Chávez could easily manipulate Hollywood stars and liberal Congressman may be over and the general mood of America is much less open to this sort of tactic.

Additionally, over the years that he has been in power, Chávez has attempted to favorably influence United States' opinion not just through the words of others, but also through direct, high profile actions. Specifically, he has used CITGO, the American branch of PDVSA which operates more than 14,000 retail gasoline stations in the United States, to distribute low cost heating oil to needy Americans. The program started in 2003 and has been conducted in conjunction with a non-profit group led by Joe Kennedy, the son of Robert Kennedy.¹²³ As described by Chávez on CITGO's web site, "We are all americanos, and together we share the Bolivarian mission of giving hope and a better life to the poorest and most vulnerable—whether they live in Venezuela or Vermont. Our oil revenues are bringing literacy, health care and job training to millions of Venezuelans and it is our wish to extend this prosperity throughout the hemisphere."¹²⁴

¹²² Rodriguez 1.

¹²³ Schoen 147

¹²⁴ "CITGO-Venezuela Heating Oil Program." *CITGO* 2007. Accessed on October 28, 2010. http://www.citgoheatingoil.com/program_overview.html

Chávez failed to note, as did Kennedy, that one reason for the rising oil prices at the time the program was adopted was Chávez's efforts to inflate the price of oil.¹²⁵

Further, while this program certainly benefits sectors of society in the United States, Chávez neglects the impact this program has on Venezuela. Although his missions had early successes they have proven to be unsustainable due to the decline in oil prices, and millions of Venezuela's citizens live in poverty. Additionally, because of this decline in worldwide oil prices worldwide, this American heating oil initiative had to be halted in 2009.¹²⁶ Although there are plans to restart the program in the future, in a phone conversation with a program employee on November 13, 2010, the employee stated that there is no predicted timeline of this restart. Thus, the current world economic crisis is working not just to increase Chávez's troubles within Venezuela but also to undermine his attempts to project and retain international power.

Constitutional Changes, Reforms, and Referendums

The basis of the opposition's displeasure with Chávez is due to his massive changes in the role of the government and his implemented policies. When he came to power, Chávez initiated a series of referendums and elections on various pieces of legislation intended to radically change Venezuela and how it is governed. The first major change was the adoption of a new constitution in 1999. Indeed, within a day after his election, President Chávez decreed the calling of a referendum to elect delegates to an

¹²⁵ Padgett, Tim. "Venezuela's Oil Giveaway." *Time* February 7, 2006. Accessed on September 10, 2010. <http://www.time.com/time/nation/article/0,8599,1157172,00.html>. 1.

¹²⁶ Contreras, Russell. "Citgo suspends low-income heating oil assistance program." *USA Today* January 5, 2009. Accessed on October 28, 2010. http://www.usatoday.com/money/industries/energy/2009-01-05-citgo-heating-oil-program-suspended_N.htm. 1.

assembly to draft a new constitution.¹²⁷ His group of candidates prevailed in the vote in July 1999 and prepared the draft of the constitution that was soundly approved by the voters in December 1999. This new constitution gave extensive powers to the President and enabled Hugo Chávez to vigorously pursue his plan to implement a Bolivarian social revolution.

Though these reforms were advertised as making the government more transparent, the result according to critics has been a more opaque, less representative government.¹²⁸ For example, two representative, theoretically independent bodies, the judiciary and the central electoral council, were filled with Chávez's supporters and the size of the judiciary was even increased to make room for its new leftist members.¹²⁹ Additionally, the legislature has lost much of its control over government finances.¹³⁰ Also, the government "put limits on the advantages that had been previously offered to foreign capital by state enterprises" while "simultaneously demanding to private employers that it grant greater concessions to labor, particularly in terms of wages."¹³¹ The adoption of these reforms helped Chávez to achieve one of the main goals of his Bolivarian program: changing the political system to decrease the power of the elites.

Although a strong majority supported these reforms during the early years of the Chávez administration, these measures have provoked a growing opposition. Initially, demonstrations "against the government were growing in frequency, magnitude and aggressiveness during the course of 2001."¹³² This unrest eventually led to the failed coup

¹²⁷ McCaughan 88.

¹²⁸ Lapper 3.

¹²⁹ Ibid.

¹³⁰ Ibid.

¹³¹ Figueroa 204.

¹³² Ibid.

attempt on April 11, 2002. Two important opposition groups emerged during this short-lived attempt to oust Chávez. First, part of the military, up until this point one of Chávez's strongest support groups, joined the opposition.¹³³ Second, many in the middle class who previously had supported Chávez, gravitated towards the opposition, because they felt the government had consistently neglected their interests.¹³⁴

Following the coup of 2002 and the PDVSA strike in late 2002 and early 2003, there was increased political unrest across Venezuela. The Organization of American States (OAS), in particular Brazil, Chile, Mexico, Portugal, Spain, and the United States, urged Chávez to resolve the conflict and restore order through democratic means.¹³⁵ Bowing to political pressure, Chávez agreed to hold a recall referendum in 2004. Prior to agreeing to this referendum, he and his supporters did everything they could to win the support of the masses and to prevent a nationwide vote that could have ended his rule. One way they did this was by targeting the lower classes and their communities, historically his main support base, with vast new social programs designed to redistribute wealth and services.

Specifically, in late 2003 Chávez launched a series of social programs, known as "misiones," the Spanish word for "missions." These missions are financed by oil profits and include such ventures as importing Cuban doctors in exchange for giving Cuba a lower price on oil.¹³⁶ "Although many experts doubt their efficacy as sustainable

¹³³ Ibid., 205.

¹³⁴ Ibid.

¹³⁵ Lapper 4

¹³⁶ Romero, Simon. "Free Eye Care from Chávez, All the Better to See Him." *The New York Times* February 26, 2008. Accessed on October 19, 2008. http://www.nytimes.com/2008/02/26/world/americas/26porlamar.html?_r=1&pagewanted=all&oref=slogin. 1.

improvers of social indicators, Chávez's missions have "palliated the pains of poverty and proven prodigiously profitable in ideological and electoral terms."¹³⁷

Though some in the lower classes have benefitted from these programs, others see significant long-term flaws. For example, many Venezuelan doctors have immigrated to other countries because they cannot earn a decent salary in their home country due to the influx of Cuban doctors.¹³⁸ However, a large number of Chávez's supporters who have benefitted and continue to benefit from these programs have remained supportive of Chávez, because he has increased their standard of living.

In an effort to garner their support in the 2004 referendum, Chávez continued to increase spending on these programs throughout the year.¹³⁹ Additionally, just before the referendum, he gave voting rights to nearly a million Colombian immigrants in order to garner their support.¹⁴⁰ These efforts helped increase his base of support and the outcome of the 2004 recall referendum was a 59.25% to 40.74% win for Chávez. In fact, "Chávez won the referendum designed to oust him by a greater percentage than that which he obtained in 2000 when elected under the terms of the Bolivarian Constitution."¹⁴¹

More economic reforms implemented in 2005 worked to further strengthen Chávez's hold over Venezuela. Early that year, land deemed "unproductive" by the government was appropriated.¹⁴² In fact, even though the 1999 Constitution guarantees property rights, since Chávez has come to power about seven and one half million acres

¹³⁷ Hidalgo 81.

¹³⁸ Romero "Free Eye Care from Chávez, All the Better to See Him." 1.

¹³⁹ Lapper 4.

¹⁴⁰ Ibid.

¹⁴¹ Figueroa 207.

¹⁴² Lapper 4.

have been “rescued” by the government.¹⁴³ However, although popular with his supporters, the expropriation of these vast areas of agricultural land and the resulting chaos has led to the decrease in output of traditional crops- sugar, rice, fruit, vegetables- and the increase in imports.¹⁴⁴ For example, in 2009 imports of food and agricultural products totaled seven billion dollars, an increase from the one and a half billion in 1998.¹⁴⁵ It is true that some statistics indicate that this expropriation and redistribution has benefitted over 116,000 families; however, it is likely that these figures have been inflated.¹⁴⁶ Tellingly, a large part of Venezuela’s seven billion dollars of food and agricultural products in 2009 were purchased by the government. Due to corruption and incompetence within the government, of these imports “at least 130,000 ton of food was left to rot in containers.”¹⁴⁷

In addition to appropriating private land, Chávez has ordered and the Chavist courts have supported the appropriation of industrial companies, urban land, and public buildings, “citing everything from the national interest to cultural and historical significance.”¹⁴⁸ One example of an industry that was nationalized in this period is Sidor, an iron and steel complex, which years before had been changed from a public entity into a private company. Two years post re-nationalization, poor management and electricity rationing had led to a fifty percent decline in this business’ production.¹⁴⁹

Likewise, when oil contracts were renegotiated in 2005. third-parties were ushered out and the government began working solely with PDVSA, which came under

¹⁴³ Gunson, Phil. “Fighting for your rights takes its toll in Venezuela.” *The National*. 8 September 2010. 1.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Figueroa 207.

¹⁴⁷ Gunson 1.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid.

the direct control of the government.¹⁵⁰ Commentators believe this direct government control made the dealings of PDVSA even less transparent and further allowed Chávez to direct vast sums towards the missions that benefitted his supporters.¹⁵¹

Further, throughout his years in power, Chávez's government has increased its control over the banking sector. Following the implementation of interest rate caps in 2004, in 2005 the Chávez government placed government appointed directors on the boards of the country's banks.¹⁵² Again, this direct control over a key economic sector has provided opportunities for Chávez to reward his supporters and punish his enemies.

Though these wide-sweeping changes arguably attained some short-term success, at least for Venezuela's poorest citizens, they also have led to long term troubles.

Primarily, since Chávez gained power, the country has become much more dependent on oil revenues because much of the profits from the sale of oil are spent on politically motivated missions. While these programs may deliver some benefits, they are a large drain on not necessarily renewable resources. As Oscar García Mendoza, then president of the private bank Banco Venezolano de Credito, warned in 2008, "This country will be paralyzed because it is so dependent on petroleum."¹⁵³ Further, "seizures of rural estates [had the effect of] weakening agricultural output and nationalizations scare[d] away foreign investors."¹⁵⁴

¹⁵⁰ Lapper 4.

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ Romero, Simon, Michael Slackman, and Clifford J. Levy. "3 Oil-Rich Countries Face a Reckoning." *The New York Times* October 20, 2008. Accessed on October 28, 2010. http://www.nytimes.com/2008/10/21/world/21petro.html?_r=2&scp=1&sq=&st=nyt&oref=slogin&oref=slogin .1.

¹⁵⁴ Romero, Slackman, Levy 1.

This oil dependence and lack of other sources of capital have proved to be a challenge for Venezuela during the recent economic downturn and most likely will continue to plague the country at least in the near future. Another Venezuelan expert warns, “even a modest fall in the oil prices towards levels quite typical during the early part of the decade will increase Venezuela’s economic problems significantly.”¹⁵⁵ Additionally, to support social programs, which are crucial for Chávez to maintain power, the government must turn to in-country borrowing to finance its fiscal deficit. However, besides the oil sector, there is very little investment available to counterbalance the deteriorating infrastructure across the country.¹⁵⁶

The declining economic situation has already begun to erode Chávez’s power. For example, in a December 2007 vote on Chávez’s proposed constitutional changes, his proposed changes were rejected. In part this was due to the large scale mobilization of the opposition, but also, some Chavistas abstained from voting. The reasons for their abstention varied:

Some abstained because they did not wish to give the president a blank check, others because they wanted to express their dissatisfaction with the government’s inability to solve particular problems, and still others because they objected in general to “Bolivarian socialism.”¹⁵⁷

As will be discussed, some subsequent elections arguably have been more favorable for Chávez, but this 2007 loss marks an important moment: the first mainstream showing of dissension within Chávez’s core supporters.

¹⁵⁵ Lapper 5.

¹⁵⁶ Ibid.

¹⁵⁷ Hidalgo 79.

As oil prices surged upward from 2004 to 2008, even allowing for a government overstatement of figures, the Venezuelan economy grew at a high rate.¹⁵⁸ There was a marked decrease in unemployment and poverty and an increase in salaries. This economic picture favored Chávez and he took credit for the good economy. However, in 2008 these positive gains began to be offset by the international economic crisis, but by the time of the November 2008 elections, the effects of the downward economy spiral had not yet begun to affect the Venezuelan population.¹⁵⁹ In those elections, Chavist candidates won 53 % of the regional elections, though some popular opposition candidates were ruled ineligible for election by the comptroller of the Republic, a Chavist loyalist.¹⁶⁰

After maintaining a majority in the 2008 regional elections, the next important referendum vote for the government took place on February 15, 2009. A fifty-five percent majority followed Chávez's lead and voted to eliminate term limits for elected offices, thereby clearing Chávez to run for reelection in 2012.¹⁶¹ This outcome marked a huge backwards step for democracy in Venezuela. To many people, this result clearly raised the question of whether Venezuela truly is democratic or whether it is on the road to totalitarianism. In fact, due to the increasingly authoritarian state in Venezuela, *Freedom House* no longer includes this country as one of the world's electoral democracies.¹⁶²

However, these fears have been somewhat dampened by the results of the recent elections of National Assembly members that were held in September 2010. In that

¹⁵⁸ Ibid. 80.

¹⁵⁹ Ibid. 80-81.

¹⁶⁰ Ibid. 78, 85.

¹⁶¹ Ibid. 78.

¹⁶² Ibid. 78.

election, Chávez's PSU won ninety-four of the one hundred sixty-five seats on the Assembly, though this was less than the "two-thirds supermajority that would give them untrammelled parliamentary control."¹⁶³ To combat this ability of the opposition, Democratic Unity, to stall Chávez-inspired legislation, Chávez apparently plans to transfer greater power to the local governments controlled by PSU.¹⁶⁴

Thus, after twelve years, Hugo Chávez remains in power in Venezuela. He and his political party have used their increased control over PDVSA and other economic sectors to generate revenues that then support social programs that benefit Chávez's core supporters, the lower classes. However, the nationalization of these key industries has made them less efficient and has prevented them from modernizing because they are being stripped of their revenues so that Chávez can support his political agenda. Chávez also has succeeded in weakening key opposition groups and reducing the power of traditional Venezuelan groups such as labor unions, and the Catholic Church. He has managed to keep his supporters focused on external enemies rather than internal problems, but the current world economic slump has created conditions that may lead to problems in the future.

At least on the surface, "Chávez has been savvy in taking advantage of frequent elections to give his regime a plebiscitary character."¹⁶⁵ However, there is low accountability and transparency in the government. Some observers believe the Venezuelan state has become an "electoral authoritarian" regime, outwardly satisfying electoral requirements of inclusion, pluralism, and competitiveness, but wrought with

¹⁶³ "Venezuela's Elections and Devolving State Power." *Stratfor* September 27, 2010. Accessed on September 27, 2010. <http://www.stratfor.com>.

¹⁶⁴ *Ibid.*

¹⁶⁵ Hidalgo 79.

systematic governmental manipulation.¹⁶⁶ Additionally, there is evidence of election bribes by high-level employees and state officials.¹⁶⁷ In a state that controls everything, it is questionable whether the people will still continue to have a voice in the affairs of the government.

¹⁶⁶ Ibid. 82.

¹⁶⁷ Ibid. 83.

Chapter 4: Rising Threats

Because Chávez has been using his political power to support the lower classes, their economic interests are now being at least partially realized.¹⁶⁸ As one author argues, “an inclusive democracy is clearly taking place in the country.”¹⁶⁹ While it is certainly true that the government is more inclusive with regards to the masses, it is important to question whether or not this democracy is more exclusive to the middle and upper classes who still have the ability to assert their power if forced to do so. Indeed, rather than working to promote full participation, Chávez has worked to keep his largest group of supporters satisfied in order to encourage their political participation while attempting to marginalize his opponents.

As one author notes, “the struggle over the distribution of economic surplus, in this case, the rents produced by petroleum, has become plainly revealed as a fundamental part of the struggle for this new democracy.”¹⁷⁰ Although the pre-Chavist governments leaned too far towards an oligarchical upper class structure, it is arguable that the Chavist government leans too far towards the popular masses to be considered an inclusive democracy. However, this power model was built on surpluses in oil profits, and with the drastic decrease in these funds, the Chavist government’s ability to rely on this traditional source of power may be limited, and Chávez’s ability to find new sources to maintain his power may also be limited.

¹⁶⁸ Ibid. 207.

¹⁶⁹ Ibid.

¹⁷⁰ Ibid.

Catholic Church

As noted, the predominant religion in Venezuela is Roman Catholicism, and for hundreds of years, the Catholic Church has been one of the most powerful institutions in the country. For that reason, it is not surprising that its leadership has clashed with Hugo Chávez as he has tried to consolidate and increase his power. The friction between the government and the church has steadily increased over the last several years as Chávez's efforts to increase his power and develop revenue sources to fund his social programs have become bolder. The clashes center around concerns that just as Chávez has nationalized businesses and financial institutions, so too will the government confiscate church property in order to raise funds.¹⁷¹ Additionally, many conservative leaders of the church believe that Chávez's totalitarian model for socialism is at odds with both the country's traditional values and the teachings of the church.¹⁷²

In the early years of his rule, Chávez seemed to be more careful when disagreeing with the Catholic hierarchy. Instead, he relied on the Church and did not overtly try to cross Church officials. However, now that the hostilities are increasing, it is possible that the Church, which has multitudes of devoted followers throughout the country, may prove a significant opponent to Chávez as he tries to maintain power.

Unions

¹⁷¹ Kozloff, Nikolas. "Hugo Chavez's Holy War." *Venezuela Analysis* April 1, 2007. Accessed on September 23, 2010. <http://venezuelanalysis.com/analysis/2312>. 5.

¹⁷² Johnson 1.

Although CTV does not currently wield the same level of power it did before Chávez's election, it is still a powerful force within the country and millions of workers still support it. The efforts of Chávez to marginalize CTV have made its leaders fierce opponents. Just like the Catholic Church leaders, the heads of traditional unions may be able to galvanize opposition to Chávez in this period of economic difficult.

Military

As in other South American countries, the military establishment is a traditional source of power in Venezuela. As noted, the Venezuelan military has always had a cadre of officers with backgrounds like that of Chávez, and his experience in the military as well as his connection with like minded officers has helped Chávez build and retain his position. However, not all of Venezuela's top military leaders have supported Chávez since his election to the presidency in 1998. As seen, a number of generals were involved in the abortive 2002 coup. Since that failed attempt to drive Chávez from power, he has attempted to cleanse the military of leaders who might challenge him.¹⁷³ He has culled "hundreds of officers deemed to be disloyal" while simultaneously promoting those who support him.¹⁷⁴ Nevertheless, further changes within the military may cause further discontent with Chávez's leadership.

Specifically, in addition to building a core leadership group that supports his retention of power, Chávez also has made significant changes in the role of the military in

¹⁷³ Otis, John. "Chavez Changes Role of Venezuelan Forces: Leader creating armed militias under his control." *The Houston Chronicle* December 6, 2008. Accessed on September 10. <http://www.chron.com/disp/story.mpl/headline/world/6150191.html>. 1.

¹⁷⁴ Romero "Venezuela's Military Ties with Cuba Stir Concerns" 1.

order to make it an ally, rather than a foe, in the event of a battle for power. One significant change has been the diversion of the military from its traditional defense functions to work in social projects organized by the government as part of Chávez's Plan Bolívar 200.¹⁷⁵ According to commentators friendly to Chávez, the military was the sole institution in Venezuela which could help implement this perceived social progress, and the "Venezuelan armed forces, especially the junior officers, took on " tasks such as building schools and infrastructure building projects "with enthusiasm."¹⁷⁶ As part of this structural shift, the army's name has been changed to the Bolivarian Armed Forces and its soldiers must shout the slogan "Homeland, socialism or death!"¹⁷⁷ Ultimately, whether this enthusiasm is real is unclear.

By involving the military in these social projects, Chávez has pushed to the sidelines the traditional heads of such projects, the governors of the states in which the projects occur.¹⁷⁸ Instead of looking to their governor as the leader and driver of social progress in the region, the masses are now looking at the military. Since state power is now beginning to revolve around the civil-military elite, governmental power is becoming centralized in the hands of Chávez's supporters.¹⁷⁹ This policy of reducing the power of regional authorities in the end may haunt Chávez because it could foster a belief that the central government is overlooking the needs of its distinct regions.

¹⁷⁵ Harnecker, Marta. "The Venezuelan Military: Making an Anomaly." *Monthly Review* (September 2003): 1.

¹⁷⁶ *Ibid.* 2.

¹⁷⁷ Romero, Simon. "Venezuela's Military Ties with Cuba Stir Concerns." *New York Times* June 6, 2010. Accessed on September 29, 2010. <http://www.nytimes.com/2010/06/15/world/americas/15venez.html>. 2..

¹⁷⁸ Hidalgo 87.

¹⁷⁹ *Ibid.*

Further, Chávez has built up a separate, civilian defense force, based on a Cuban model. This force, intended to help repel foreign invaders, is likely also intended to bring thousands of lightly armed and minimally trained civilians into the streets in the event that Chávez is challenged. The militia allows Chávez gives him a level of basic control in the cities, but also gives him a counter-balance if “unhappy generals” seek to depose him.¹⁸⁰ This vast and nontraditional military organization is a huge change from previous military practice, and it could become an irritant to military leaders should Chávez’s popularity weaken and the military have to choose a side to support in a power struggle.

Chávez also has implemented changes to Venezuela’s basic military doctrine that may prove to be unpopular with many military officers. In keeping with Chávez’s violent anti-American crusade, Venezuela adopted a new doctrine in 2005 that focuses not on the defense of Venezuela from its neighbors or guerilla groups, but rather on the United States as its main enemy.¹⁸¹ One of the conditions of this new focus is that the armed forces must be prepared to wage an asymmetric conflict against the United States.¹⁸² This has led to the use of Cuban advisors for the military and defense ties with traditional American foes such as China and Russia.¹⁸³ These new alliances are so foreign to Venezuela’s historical model that they too may lessen Chávez’s support in the military over time.

Recently, there has been evidence that Chávez is concerned about his grip on the military and is taking steps to bolster his position with it. Specifically, Chávez promoted General Henry Rangel Silva to be the General-in-Chief of the Armed Forces. General

¹⁸⁰ Otis 1.

¹⁸¹ Post 24-25.

¹⁸² Ibid.

¹⁸³ Romero “Venezuela’s military Ties with Cuba Stir Concerns” 1.

Silva, a Chávez loyalist and political force, may well have risen to this position more because of his friendship and support of Chávez than because of his military abilities.¹⁸⁴

In fact, Silva has proclaimed that if Chávez were to lose an election, the result would be unpalatable and might not be accepted by the military.¹⁸⁵

Currently, there is speculation that Chávez's increased support for his loyalists in the military also stems from a fear that these friends might be involved in the corruption scandal of captured drug king Walid Makled. It is believed that Makled, who is now in Colombian custody, may testify that he had dealings with Silva and other high ranking pro-Chávez officials.¹⁸⁶ By promoting these officials, Chávez hopes to gain their support and silence. Although Colombia recently agreed to extradite Makled to Venezuela in 2011, the prospects that Chávez and his cronies could be implicated in drug dealings threatens to destabilize his hold on the military.

Fluctuations in Oil Prices

Although in the past Hugo Chávez has been able to use oil revenues to fund social programs, thereby helping the poor in the country, his main source of support, the source of those revenues is being increasingly challenged. First, the steep decline in world oil prices over the past several years has lessened the revenue stream considerably. Although it is true that world prices move in cycles, the current decline comes at a crucial time for Chávez. Both his countrymen and foreigners are beginning to question the changes he has made in Venezuela, and if the social programs dry up without a constant stream of new

¹⁸⁴ Walser 1.

¹⁸⁵ Ibid.

¹⁸⁶ "Chávez Shores Up His Military Support." *Stratfor* November 11, 2010. Accessed on November 11, 2010 <http://www.startfor.com>. 1.

revenue, it is unlikely his presidency will be looked upon as favorably, even by his core supporters.

A second and perhaps more important long term problem is the decrease in investment in the improvements of oil under Hugo Chávez. Because of the pressure on PDVSA to devote its resources to keeping Chávez's missions operating, its investment in technology and production improvements has decreased. Unsurprisingly, this diminished investment is likely to "further inhibit production capacity and reduce the efficiency of operations."¹⁸⁷ Further, PDVSA still has not recovered from the politically motivated firings of over 18,000 workers following the failed 2002 coup. Instead, these trained workers have been replaced largely by Chávez's political supporters intent on meeting government objectives.¹⁸⁸ The problems of PDVSA are a ticking time bomb for Chávez, and it is an open question as to whether he can defuse them.

Crime Rate

Another rising challenge facing Venezuela which threatens the continued support of the current government is the drastic increase in violent crimes. Since Chávez came to power in 1999, there have been approximately 118,541 homicides, with 43,792 of those occurring since 2007.¹⁸⁹ Though the government has stopped officially releasing this data, the Venezuelan Violence Observatory group has been tracking the statistics based on police files.¹⁹⁰ According to experts, there are various reasons for this surge; however, a main reason, unsurprisingly, is the depressed economy. Although public spending is

¹⁸⁷ Hults, David. *Petroleos de Venezuela, S.A.: The Right – Hand Man of the Government.* *Program on Energy and Sustainable Development* (November 2007): 51.

¹⁸⁸ *Ibid.* 14.

¹⁸⁹ Romero "State Ruled by Crime and Chávez Family" 2.

¹⁹⁰ *Ibid.*

largely based on social services such as the missions, the Venezuelan economy has continued to shrink and the inflation rate has grown to over thirty percent per year.¹⁹¹

Another fear for the country is the impact Chávez's governmental referendums and reforms have had on the increase in crime. As discussed earlier, referendums have led to the loss of an independent judicial system. Many experienced state employees who have disagreed with Chávez have had to leave their jobs, and sometimes even the country, out of fear of retribution.¹⁹² An example of Chávez's affinity for ousting his opponents, no matter how qualified, occurred last December, when he "jailed Judge Maria Lourdes Afiuni after she conditionally freed a businessman who had been imprisoned without trial for nearly three years in violation of Venezuela's own laws and international human rights principles."¹⁹³ Further:

Six months ago, the Organization of American States' Inter-American Commission on Human Rights issued a report that found that basic principles of democracy and human rights are violated regularly in Venezuela. Since then, things have only gotten worse: The murder rate is soaring. Two bloggers were arrested for tweets they posted, with threats of further Internet censorship. A presidential decree has created a Center for Situation Studies of the Nation with broad censorship powers.¹⁹⁴

Likewise, the increase of censorship has begun to cause the public to question the government's ability to deal with the crime problems. The failure of the government to control crime over time could lead to a loss of confidence in Chávez, thereby impacting his ability to retain power. Earlier this year, a leading independent newspaper, *El Nacional*, published a front-page photograph showing "a dozen homicide victims strewn

¹⁹¹ Ibid.

¹⁹² Ibid.

¹⁹³ Raben, Robert. "Love Affair with Leftists." *Washington Times*. September 13, 2010. Accessed on September 23, 2010. <http://www.washingtontimes.com/news/2010/sep/13/love-affair-with-leftists/>. 1.

¹⁹⁴ Ibid. 2.

about the city's largest morgue."¹⁹⁵ This gory picture chronicles one of the many examples of the violence is tearing apart the country. Almost as bad as the impact of the photograph was the government's handling of the situation. Rather than making a government announcement vowing to actively work to decrease the crime rate, the Chavist-controlled court ordered *El Nacional* to stop printing images of violence, leading many to fear that the government is focusing on the messenger rather than on the root cause of the issue.¹⁹⁶

One area particularly fraught with crime is Chávez's hometown of Barinas, an area that has historically been a hotbed of support for the President. In this state, the kidnapping rate is 7.2 per 100,000 inhabitants, much higher than the nationwide average of two abductions per 100,000.¹⁹⁷ With only a fraction of kidnappings resulting in prison sentences, there is little deterrence for committing this crime, particularly as poverty and economic polarization is on the rise.¹⁹⁸ One Barinas business man, who was abducted in 2008, remarks, "Our ruling dynasty is effectively telling us we are expendable... The only other plausible theory is that they are too inebriated by power to notice the emergency at their feet."¹⁹⁹ The failure to address the high crime and kidnapping rates is causing Chávez to lose support in his hometown, the very place that was once a bastion of support, and it is symptomatic of the unraveling of the government's ability to deliver the basic services that the electorate expects.

A Need for Change

¹⁹⁵ Romero "State Ruled by Crime and Chávez Family." 1.

¹⁹⁶ Ibid. 1.

¹⁹⁷ Ibid.

¹⁹⁸ Ibid. 1-2.

¹⁹⁹ Ibid. 2-3.

Finally, it is plausible that Chávez might lose power because his countrymen are tired of the same leadership and want change. A recent example of this phenomenon occurred in the 2008 and 2010 elections in the United States, when Americans demonstrated that a powerful political force can be generated by voters' desire to change the status quo. Conversely, Chávez's idol Fidel Castro has managed to remain in power for fifty years. However, Cuba truly is a totalitarian state in which elections are meaningless and their result is predetermined. Although the voting record in Venezuela may not be free of corruption, elections do still matter.

Some interesting evidence of a potential desire for change emerged in the February 15, 2009, referendum. Positively for Chávez, "his charisma and ability to mobilize the chavista grassroots- along with the economic and social policies that he has pursued in recent years- continue to win him widespread support."²⁰⁰ However, it has been alleged that this affirmative election outcome was aided by two factors: election fraud and a failure on the part of the opposition to mobilize.²⁰¹ As long as Chávez is in power, there is likely to be governmental interference in the elections in order to sustain his power. However, what is notable is that as this interference has seemingly increased, his margin of success has seemingly decreased.; indeed, Chávez's party did not do as well as expected in the September 2010 National Assembly election. If the opposition can effectively mobilize and unify, even election fraud may not save Chávez's presidency. In the end, Chávez's undoing may be the public's impatience with his constant drama and frenzied activity or the continuing bad economy and corruption, leading the masses to seek a new leader.

²⁰⁰ Hidalgo 90.

²⁰¹ Ibid.

Chapter 5: Conclusion

Since he won the 1998 presidential election, Hugo Chávez's has been a highly controversial leader. As one critic states:

Chávez does not act like the president of Venezuela; he acts like its owner. He is the proprietor of his public office, the CEO of state enterprises that answer to no laws of transparency and accountability, the big and indiscriminate spender of oil revenues, the supreme leader of a legislative assembly and tribunal of justice that is supposed to serve as a check and balance, the head of an attorney-general's office that is supposed to oversee his actions.²⁰²

To the lower classes and other groups who had no power under the previous oligarchic leaders from the upper class, this strife is welcome because he has shown that the previously ruling elites can be deflated. However, this style also has been deeply polarizing for the country and has caused a violent reaction against Chávez and his government by many powerful forces.

When Hugo Chávez was elected as Venezuela's President in 1998, few observers believed that he would be able to govern the country effectively or to remain in power. Many viewed him as an arrogant man from the country who would be unable to deal with the complexities of governing the country. However, Chávez, a champion of populist causes, has confounded his critics and defied the predictions that he would be swept aside quickly by more experienced politicians or his foes in the Venezuelan military. Indeed, he survived an abortive coup in 2002 and since then has been able to consolidate his power at home and his international reputation as a thorn in the side of the United States.

²⁰² Krauze 14.

Chávez gained power by forging a political party that played on the many years of corruption of the leaders of the country. His popularity increased after his role in the 1992 coup attempt, and following his 1994 release from prison, he worked to develop his ties to various anti-government political groups as well as to develop grassroots support among the poorer classes of society. This “charming, folksy, flirtatious” politician forged an effective organization that developed support among Venezuela’s many poor and native groups by promising radical social change and wealth redistribution.²⁰³ He learned how to manipulate the media, by focusing its attention on external enemies, in order to distract the nation from the government’s economic failures. Chávez has skillfully taken advantage of Venezuela’s great oil wealth to fuel his short term ambitions and to fund programs for the poor. However, these programs drain the current revenue from natural resource exploitation and thus are unsustainable in the long term, as proved by the recent downturn in the price of oil. Additionally, the public may be tiring of Chávez’s unchangingly brash persona after twelve years, particularly as problems like the increase in crime multiplies.

Chávez has managed to harness the polarization in the country to his advantage and to hold off and diminish the power of his opponents, including many elements of the business community, the Catholic Church, the unions, and traditional sources of power and influence in the country. Chávez, who served in the military from 1971 until he took part in a failed coup in 1992, also has been able to use the military to his advantage by systematically replacing unfriendly officers with loyal supporters. To counter the

²⁰³ Rosenberg, Tina. "The Perils of Petrocracy." *The New York Times Magazine*. Nov. 4, 2007. Accessed on October 18, 2010. <http://www.nytimes.com/2007/11/04/magazine/04oil-t.html?pagewanted=all>. 1.

opposition in these popular institutions, Chávez has either used the age old technique of firing adversaries and replacing them or he has created entirely new rival institutions.

Hugo Chávez's rule in Venezuela has been characterized by the "high concentration of power in the president's hands, the elimination of boundaries between the military and civil sectors, and the direct subjugation of military personnel to the president's authority."²⁰⁴ Though initially he achieved many successes, the recent downturn in the international economy has shown that many of his policies are unsustainable. Hugo Chávez's short term outlook led to his initial and sustained success but this same outlook could inevitably lead to his downfall. A convergence of factors, including the prospect of continued economic stagflation, the corruption of the Chávez regime, and the government's inability to deliver basic services, may be what Chávez's many foes need to oust him. If so, he will be beaten by the same problems that he capitalized on during his 1998 election.

²⁰⁴ Hidalgo 79

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