

Venezuela¹

Once a democracy promoter itself,² Venezuela has now become a new target for international democracy promotion efforts. Until 1998, when Hugo Chávez Frías first won the presidential elections, Latin America's most important oil exporter had been seen as a relatively stable representative democracy and welfare state. Today, Venezuela is an example of a reverse transition away from liberal democracy, albeit one undertaken by electoral means. Under Chávez, Venezuela has become one of the most prominent cases of political change towards leftist semi-authoritarianism. This chapter outlines the limited success of international responses to this decline in democratic quality. During the first stage of the Chávez government (1999-2002), some international actors concentrated their efforts on supporting the opposition movement; after 2002, external actors' engagement focused on the use of multilateral instruments to promote dialogue and elections. While neither approach has succeeded in avoiding Venezuela's drift away from representative democracy, it is argued here that the latter strategy could facilitate stronger, more effective efforts to reduce polarization between the government and anti-Chavistas.

Background

President Hugo Chávez represents a return to "politics in uniform," though achieved through elections rather than a military coup. The Chávez military-civil political project is based on "the triad of strongman, plus army, plus people."³ This shift has taken place in a context of what

1 Principal author, Susanne Gratius, Senior Researcher, FRIDE.

2 Under President Rómulo Betancourt (1959-1964), Venezuela did not establish diplomatic relations with authoritarian regimes. The "Betancourt Doctrine" was abandoned in the 1970s.

3 M. Kornblith, "The Referendum in Venezuela: Elections versus Democracy," *Journal of Democracy*, January 2005, p. 136.

could even be considered an excessive number of electoral processes. No other government in the history of Venezuela, or even Latin America, has been confirmed as many times by the voters as President Chávez. Despite serious doubts concerning the transparency and high abstention rates of recent elections, the opposition has not been able to present a credible alternative to President Chávez and his self-styled Bolivarian revolution.

The political dilemma in Venezuela derives not from the president's lack of electoral legitimacy, but his drive to dominate democratic institutions. A gradual transition to semi-authoritarian rule by selective repression is unfolding, marked by the approval of semi-authoritarian restrictive laws, the concentration of power in the hands of the president and the increasing militarization of policy.⁴ Chávez has succeeded in using nominally democratic institutions to consolidate his personal leadership by weakening or eliminating checks on his power and discriminating against his political adversaries. As a result, extreme polarization between the government and opposition has taken root often characterized by violent confrontation.⁵ These competing sectors have split fundamentally on a range of policy issues: the oil industry (nationalization versus privatization); poverty alleviation (empowerment versus exclusion); and the political system (representative versus popular democracy). Since Chávez's election to the presidency in 1998, Venezuela has become a profoundly divided country in political and social terms: "For the first time since 1958, politics were perceived as a zero-sum game in which the poor and the privileged had conflicting interests."⁶

Chávez benefited from the failures of the previously bipolar political system, dominated by a political elite that had lost credibility. This has contributed to a persistent weakness of political parties (including Chávez's own *Movimiento Quinta República*) of which many have remained anchored in the past and unable to reach Venezuela's poor, further strengthening the president's position. Nearly all democratic institutions have been dominated by Chávez loyalists, while the opposition's presence has waned.

4 Since the October 2004 elections, nine of Venezuela's 23 states are governed by retired officers; the military participates in Chávez's cabinet and coordinates several development projects.

5 See S. Ellner and D. Hellinger (eds), *Venezuelan Politics in the Chávez Era: Class, Polarization & Conflict*, Boulder/London: Lynne Rienner, 2003, p. 215ff.

6 *Ibid.*, p. 20.

For four decades (1958-1998), Venezuela – then the world’s fifth largest oil exporter – stood out as one of the region’s more stable varieties of representative democracy with a strong bureaucratic welfare state. Political power alternated through democratic elections between the two main political parties (Acción Democrática (AD) and Comité de Organización Política Electoral Independiente (COPEI)), which produced a corporatist-clientelist system based on the distribution of oil profits between loyal party followers, trade unions and business organizations. This pact, based on the so-called Punto Fijo political party agreement, excluded the communists and the military. The corporatist system began to weaken when oil revenues were reduced and the burden of debt services restricted the continuity of clientelist policies. Social exclusion and poverty were the consequences of the severe crisis that culminated in the violent 1989 “Caracazo” riots.

The eroding of the Punto Fijo agreement opened the way for the empowerment of former Lieutenant Colonel Hugo Chávez. In this sense, Chávez was not the cause, but the consequence of the crisis of Venezuela’s liberal democracy. Chávez entered politics by non-democratic means, attempting to wrest power through two (failed) military coups in 1992. After spending two years in jail, Chávez was freed by then President Rafael Caldera. Despite the attempted coups, Chávez was permitted to stand as a presidential candidate and won power in December 1998, through a fair and transparent process.

In short, the gradual decline of representative, clientelist and elitist democracy prepared the ground for Chávez’s self-made “Bolivarian Revolution” supported, at least in its initial stages, by the masses of poor urban and rural citizens (poverty affects nearly 70 percent of the Venezuelan population). Chávez’s time in office can be divided into two main periods: first, the construction of the “Bolivarian state” between 1999 and 2002; and second, a concentration of power and a “Chávez Revolution” after 2002. A failed military coup against Chávez, in April 2002, was the most important factor in strengthening the president’s hold on power. The holding of the recall referendum in 2004 modestly reduced the polarization between *chavistas* and *anti-chavistas*. Both stages of *chavismo* have been highly influenced by changes in the price of oil,⁷ the main source of state revenue and public employment.

7 Oil accounts for 80 percent of export earnings and more than half of state revenues.

In 1999, Chávez began a process to reform the basic edifice of the Venezuelan state.⁸ Based on political ideas of the national hero *El Libertador* Simón Bolívar (1783-1830), a Bolivarian constitution was prepared and, subsequently, approved in a popular referendum by 72 percent of the citizens. The Constitution introduced a six-year presidential term and the possibility of immediate re-election, substituted the two-chamber Parliament for a one-chamber National Assembly and created a Moral Council, an Electoral Council and paramilitary “Bolivarian circles.”

The Bolivarian Constitution was the main plank in a gradual process of conquering political power that involved the taking over of democratic institutions by those loyal to Chávez. Supported by the Bolivarian circles, low- and middle-ranking military personnel, his own party (the *Movimiento Quinta República* (MVR)), and the poor, Chávez began to gain political control over the 167-seat National Assembly (by elections), the Supreme Court (by appointment), the Electoral Council (by agreement), the state-owned oil firm PDVSA (by replacing personnel) and the media. Only in the last case did the opposition mount some degree of successful resistance. In 2001, political parties, trade unions and business organizations created the *Coordinadora Democrática* (CD) as the main forum for Chávez opponents. They attempted both democratic means (strikes and political protests) and non-democratic tactics (the coup attempt) to remove the president from office.

On April 9, 2002, in the midst of a general strike, anti-Chávez demonstrators marched to the presidential palace and exchanged gunfire with Chávez supporters, leaving several dead. Following this development, members of the military arrested Chávez on the grounds that he had ordered the military to open fire on an unarmed demonstration. The coup leaders circulated the rumor that Chávez had resigned, when in fact he had not, and declared Pedro Carmona, head of Fedecamaras, the leading business association and one of the strike organizers, as president. Carmona immediately dissolved the National Assembly, all the constituent bodies and the Supreme Court, and dismissed the governors and elected mayors. He then declared the 1999 Constitution null and void and nullified 49 laws Chávez had passed in order to increase state control in many sectors. Two days later, pro-Chávez groups launched large-scale

8 According to an article written by Chávez in the mid-1990s, his Bolivarian project implies a “holistic” reconstruction of the state and the political system based on “legitimacy and sovereignty.” See H. Chávez, “Pacto de Punto Fijo: el fin,” *Rebelión*, Caracas, December 13, 2004.

demonstrations in which hundreds of thousands of people occupied roads and squares throughout the country. Middle-ranking members of the military still loyal to Chávez, influenced both by the fresh demonstrations and the international response, mobilized and decided to reverse the coup. Carmona was forced to resign. Chávez was flown back to Caracas and returned to the presidential palace in a strengthened position vis-à-vis a de-legitimized opposition.

Parallel to Chávez's moral victory after the opposition's attempt to depose him by military means, oil prices began to rise and finally culminated in the 2004-2005 *bonanza*. Politically strengthened by the failed coup, the rise of oil prices in world markets gave the president and his followers a new economic base to consolidate power. At the political level, the coup attempt contributed to both political polarization and the concentration of power by the government, which kicked off the second distinctive phase of Chávez's tenure in office.

In the aftermath of the coup, the opposition organized two lengthy general strikes that paralyzed the country and provoked a nine percent decline in its gross domestic product (GDP) during 2002-2003. Despite suffering this severe economic setback, Chávez once again emerged the clear winner of the political struggle with the opposition. When the second general strike ended in February 2003, the government fired 18,000 of PDVSA's 30,000 employees and placed a Chávez supporter (Alí Rodríguez, who later became foreign minister) at the head of the company. It is argued that PDVSA has been transformed from an energy company to a de facto "political party."⁹ Chavistas also were able to increase control over the judicial and electoral system by securing a majority in the Supreme Court and the Electoral Council.

The opposition reacted with a proposal to organize a "recall referendum" on Chávez's presidency as permitted by the new Bolivarian Constitution. This relatively novel mechanism allows citizens to recall all political mandates after the mid-point of their term if 20 percent of voters sign a petition requesting such a process. At the beginning of 2003, the opposition had a serious chance of winning a referendum to recall Chávez; however, the government blocked and delayed the process for more than a year. After 18 months of judicial struggle¹⁰ and two national pacts signed

9 *El País*, Madrid, December 8, 2005.

10 For a detailed analysis of the recall process, see the chapter on Venezuela in T. Piccone (ed.) *Regime Change by the Book: Constitutional Tools to Preserve Democracy*, Washington: Democracy Coalition Project, 2005, pp. 28-43.

in 2003 by the government and opposition,¹¹ the recall referendum finally was held on August 15, 2004. The outcome was not what was expected. Chávez won with a clear majority of 59 percent, thereby massively strengthening his electoral legitimacy. Nevertheless, the president's victory was overshadowed by two charges of manipulation: first, the government did not allow an opposition request to audit all electoral machines; and second, in the months following the referendum many people who had signed petitions supporting the recall process were discriminated against by the state bureaucracy.

Backed by the recall process, the president continued his strategy of gaining control over democratic institutions. The first step was to increase power at the local level. During the regional elections, held on October 31, 2004, chavistas won control of 22 of the 24 local governments. The second step was to counteract the mass media dominated by the opposition: in December 2004, the National Assembly passed new media legislation that restricted freedom of speech. In the third step, the government continued to intimidate representatives of the opposition. The most obvious example of political repression was the (still outstanding) public trial against several members of the non-governmental organization (NGO) *Súmate*, accused by Chávez of acting as a political party openly supported by the United States. The principal goal of *Súmate*, in fact better organized than opposition parties, was to collect and verify the signatures for the Chávez recall referendum.¹²

Chávez also strengthened his power in Parliament. Legislative elections, held on December 4, 2005, were won by parties loyal to Chávez, with 88.6 percent of the votes. Nonetheless, as a result of an opposition boycott (AD, COPEI, *Proyecto Venezuela* and *Primero Justicia*¹³ opted not to participate), coupled with political apathy,¹⁴ the abstention rate reached a historic record of 75 percent. This undermined the democratic legitimacy of the National Assembly, which was created in 1999 by Chávez and is dominated now by his followers (who held 114 of 167 seats). The elec-

11 "Declaration against Violence, for Peace and Democracy," February 18, 2003; and May 29, 2003.

12 The role of *Súmate* in the domestic political game is somewhat ambivalent. Although it sees itself as an NGO or as a consultancy dedicated to improving democratic conditions, according to local observers *Súmate* is also perceived as a (non-registered) opposition party.

13 This followed a large internal debate that threatened to divide the party.

14 Nearly 50 percent of the Venezuelan voters are qualified as "*ni ni*," neither for Chávez nor for the opposition.

tions produced a government majority strong enough to raise the possibility of amending the 1999 Constitution in order to allow Chávez to run again for the presidency in 2012.

Once he had consolidated his power at home and was backed by high oil revenues (GDP increased by 17.3 percent in 2004), Chávez gradually began to implement his policy of “twenty-first century socialism,” both in and outside of the country. Based on a close alliance with Cuba – the two countries signed an agreement to exchange Venezuelan oil for Cuban doctors and teachers – the government created several social “missions” (*misiones*) in the poor areas of Venezuela in order to alleviate poverty¹⁵ and to win votes and support for the president. According to local observers, the missions – supposedly a proposal made by Fidel Castro – were one of the main reasons for Chávez’s victory in the recall referendum. In order to promote the political empowerment of the poor, the government also began to create local committees to organize infrastructure (water, land, housing) in the *barrios*.¹⁶ On the economic front, Chávez implemented agrarian reforms that included expropriations and land occupation, limited and conditioned foreign investment in the oil sector¹⁷ and threatened to suspend several contracts with international oil firms (particularly the US company, Exxon). Furthermore, following the Súmate case, the government proposed a new law that would restrict external funding of national NGOs.

Abroad, Chávez promoted his anti-imperialist integration project, ALBA (Bolivarian Alternative for America), announced full Mercosur membership, launched the regional oil-initiative Petrosur, created the alternative television channel Telesur, signed several weapons deals (with Russia and Spain) and openly supported leftist movements or parties in Latin America, particularly in Bolivia, Ecuador, Peru, Nicaragua and Mexico. Oil was the main instrument for Hugo Chávez’s regional power ambitions: Venezuela offered preferential oil conditions to the Caribbean states, including Cuba; agreed with Argentina and Brazil to create the new oil

15 The most successful of the thirteen missions have been “Barrio Adentro,” with the presence of Cuban doctors in poor areas of Venezuela, and “Mercal,” aimed at the creation of state-supported popular markets. All of the missions are criticized strongly because of state bureaucracy and control, lack of transparency (the missions for the most part are managed by former military personnel and ministry officials) and high levels of inefficiency.

16 Local empowerment is beginning to conflict with Chávez’s idea of power concentration.

17 Foreign investors must engage in joint ventures with PDVSA, which has a majority of at least 51 percent. Furthermore, foreign companies have to invest part of their profits in a social fund created by the government.

company Petrosur; and made a pact with the Andean countries to establish Petroandino, a common energy market. Oil-based strategic alliances with Russia, China and Iran were also pursued.

International Responses

From 1998 to the Failed Military Coup

Although the Clinton administration initially established dialogue with the Chávez government, US policy towards Venezuela wavered between engagement and support to the opposition. After George W. Bush assumed the presidency, however, US policy aligned itself toward isolation and regime change. In the period leading up to the April 2002 coup attempt, the US openly and actively supported the opposition movement, including its violent political street protests. Following a bottom-up approach (largely devoid of bilateral dialogue with Chávez), the US offered financial and diplomatic support to Chávez's opponents within Venezuelan civil society. While Venezuela has never been an official aid recipient of the United States – except for funds for ad hoc electoral monitoring – from 1998 onwards, NGOs and organizations opposed to Chávez did receive US funds. With an annual budget between \$1-2 million, the National Endowment for Democracy (NED) supported opposition political parties as well as civil society organizations – such as Súmate – and media entities. Overall, however, Venezuela was not a large beneficiary of US democracy assistance. As the fourth largest oil supplier to the United States,¹⁸ the application of sanctions against Venezuela also looked improbable.

As a strong ally of the opposition, the United States was a key external player in the coup attempt against Chávez. The Bush administration, at the least, sympathized with the attempted coup. Washington immediately recognized the transition government of Pedro Carmona and exclusively blamed the “resigned” Chávez for the violence.¹⁹ The tone and high number of official statements on Venezuela at that time – twelve in only one week – was an important indicator of the supportive role played by the United States during the failed coup.²⁰

18 Sixty percent of Venezuelan oil exports go to the United States, which purchases between 12 – 14 percent of its oil imports from the Andean country.

19 See statement by P. T. Reeker, deputy spokesman, “Venezuela, Change of Government,” April 12, 2002.

20 Press Releases Archive of the US Embassy in Venezuela, 2002.

Relations were particularly tense between the Venezuelan government and then US Ambassador Charles S. Shapiro, a former coordinator for Cuban Affairs. Shapiro was appointed ambassador on February 25, 2002 but was replaced ahead of schedule in August 2004 by career diplomat William Brownfield. Beyond conspiracy theories and close contacts between US officials and the opposition,²¹ no proof has emerged of direct US involvement in the coup attempt.²²

The European Union's (EU) role was conspicuously low-key. As one of the world's main oil exporters, Venezuela had not been an aid recipient until the humanitarian catastrophe caused by the floods at the end of 1999, when 30,000 people died. During the entire decade prior to Chávez's presidency, the European Commission financed projects totaling less than 67,000 euros. After 1999, funds increased and the country received approximately 50 million euros a year from the European Commission for economic cooperation and to compensate natural disasters. While the EU emerged as the largest donor – with funding coming mainly from Spain, the European Commission, Germany and France – development assistance still accounted for less than 0.1 percent of Venezuela's gross national product (GNP), undermining the leverage of external economic and development assistance as democracy promotion instruments. Although the EU was Venezuela's main investor and donor, it did not formulate a common policy towards Venezuela.

Venezuelan civil society organizations were not offered funding from the Commission-managed European Initiative for Democracy and Human Rights (EIDHR), which in Latin America focused mainly on Guatemala and Mexico. Two main arguments explained the relative absence of political interest: first, the treatment of Venezuela as a member state of the Andean Community, and as such a beneficiary of several agreements with the EU including the special drugs regime within the EU's General System of Preferences for trade; and second, according to a representative of the Commission, the fact that Hugo Chávez had been democratically elected and confirmed by a popular consultation was seen as making it extremely difficult for the EU to engage critically against the government.

Except for a bilateral summit between EU foreign policy representative, Javier Solana, and Hugo Chávez in October 2001, Venezuela has not been

21 According to the British newspaper, *The Observer*, Otto Reich, Elliot Abrams and John Negroponte had been closely linked to the *golpistas*. *The Observer*, London, April 21, 2002.

22 See M. Sullivan, "Venezuela: Political Conditions and U.S. Policy," *CRS Report for the Congress* (updated April 1, 2005), Washington, D.C., p. 8.

prominent on the EU's political agenda for Latin America. Despite the country's increasing political problems, the European Union still treats Venezuela as part of the group-to-group, EU-Andean Community dialogue, which focuses mainly on non-political issues such as integration, drugs control, development aid and trade. Apart from the individual relations maintained by its member states, the EU has not established any channel for bilateral dialogue with Venezuela and even development cooperation is mainly part of the Commission's package for the Andean Community. Although the European Commission has a country strategy paper for Venezuela, the focus of this strategy is on economic and social policy. Political problems, such as violations of human rights, civilian insecurity, prison conditions or the role of the military in politics are mentioned, but not addressed in any concrete way by political reform aid projects.²³

Despite limited economic interests (Venezuela accounts for only 0.3 percent of EU exports, and the EU for less than 10 percent of Venezuelan exports),²⁴ EU member states have insisted on maintaining positive relations with Chávez. EU governments, particularly those of Germany, France and Spain, have received the Venezuelan president on several occasions. Due to the engagement of British, French, Spanish and other European oil companies in Venezuela from 2000 on, European foreign investment has become even more significant relative to US investment flows.

Before Chávez came to power and during the first years of his presidency, Germany – Venezuela's main trading partner in Europe – was the most active EU member state in Venezuelan politics and the only one really engaged in democracy promotion. Its activities have been channeled by the main German political foundations, which have been important actors in Venezuelan domestic policy. Particularly before 1999, and for at least two decades, German political foundations worked in Venezuelan politics and could be said to have been complicit in the deterioration of the democratic system. Before the rise of Hugo Chávez, the social democratic Friedrich Ebert Foundation (FES) established a strong alliance with the trade unions and the AD (the traditional social democratic party), while the Christian Democratic-oriented Konrad Adenauer Foundation (KAS) maintained close ties with the conservative COPEI and the business organization Fedecámaras. After 1998, the FES decided not to work so closely

23 Commission of the European Communities, *Venezuela: Country Strategy Paper*, Brussels, pp. 6-7.

24 *Ibid.*, p. 10.

with a political party, but to increase engagement with government officials and civil society networks. The KAS supported the opposition movement – particularly the best-organized political party, *Primero Justicia*²⁵ – and also established closer ties with the Catholic Church, which opposed the Chávez regime.²⁶

Aside from the activities of its political foundations, Germany's relations with Venezuela have remained weak. In economic terms, Germany is only its fifth most important trading partner within the EU and foreign investment flows are very low; moreover, political relations with the Venezuelan government are normal, although also low. According to officials, German engagement in Venezuela, since 1998, has been limited for two reasons: the lack of geopolitical and economic interests and Germany's relations with the United States. The German government's reaction to the failed April 2002 military coup was cautious and in line with the neutral EU approach.

The United Kingdom also maintained a “non-position” with regard to the failed military coup and has not developed close relations with the Chávez government. Trade and investment (the UK is Venezuela's fifth top foreign investor) have been the main topics in bilateral relations. UK government officials, in bilateral consultations with the Chávez administration, have raised concern over human rights.²⁷ Apart from the environmental and drugs focus of British official development assistance (ODA) to Venezuela, its embassy in Caracas has funded several human rights projects (with resources between 60-70,000 pounds a year), focused on participation and access to justice, improving conditions in prisons, integration of refugees, as well as capacity-building on human rights for NGOs and the Venezuelan police. According to government representatives, due to political restrictions imposed by the government, human rights projects (and particularly police training) have only been undertaken at the local level and have had little visibility. The British attitude towards the Chávez government could best be qualified as a distant but professional relationship, with a limited impact on democracy promotion.

25 *Primero Justicia* is a new conservative political party, made up of young professionals; it lacks national reach and has a very limited presence in poor areas.

26 In January 2006, the Venezuelan government entered into a national dialogue with members of the Catholic Church.

27 See Foreign & Commonwealth Office, *Human Rights Annual Report 2005*, FCO, London, p. 224.

France adopted a much clearer position against the coup attempt and can be considered a clear supporter of Hugo Chávez. In an official statement, the French government immediately condemned the failed coup. According to a French government official, the electoral processes under Chávez were acceptable and reflected the sociological reality of the country. Close French-Venezuelan relations are based on common political interests and personal ties. Indeed, the French government has shared in some of Chávez's challenge to US dominance. The political alliance with Chávez is also linked to the personal interest of Prime Minister Dominique de Villepin, who studied at the Lycee Francais in Caracas. The French government has received the Venezuelan president on six occasions. Bilateral cooperation has been particularly strong in oil, transport, medicine and social projects; moreover, close political and aid relations have mirrored growing economic interests. After the United States, and due to the presence of *Total*, France has become the second largest foreign investor in Venezuela.

In terms of domestic political debate, it was in Spain where Chávez's election had the greatest impact. Similar to Spain's relations with Cuba, Venezuela has been used more as a platform for internal Spanish party struggles rather than for foreign policy objectives. Within the EU, Spain was the only country to recognize the interim government of Pedro Carmona. Under the 1996-2004 premiership of José María Aznar, Spain openly expressed its support for the opposition and distanced itself from the Chávez government.²⁸ Although the Venezuelan president made an official visit to Spain in February 2000, and José María Aznar signed a bilateral trade accord in Caracas in July 1999, political relations between the two governments were tense and reached their most critical moment during the coup attempt.

For the first time ever, on April 12, 2002, Spain issued a common statement with the United States, clearly in favor of the opposition's coup attempt. According to press reports, the US-Spanish statement was based on a previous pact between Aznar and Bush. The then Mexican Foreign Minister Jorge Castañeda explained that the Spanish and US ambassadors in Venezuela tried to convince several European and Latin American governments to join the declaration. Furthermore, Castañeda affirmed that one day after the military coup failed, on April 13, 2002, US and Spanish Ambassadors Charles Shapiro and Manuel Viturro, respectively, met with

28 In a recent interview in Quito, Ecuador, José María Aznar considered Chávez a "huge risk for democracy in the Americas." *El Nuevo Herald*, Miami, November 23, 2005.

Pedro Carmona.²⁹ Although there is no proof of a direct involvement of the then Spanish government in the coup attempt, the removal of Chávez from power was a major objective of Spanish policy towards Venezuela under Aznar, based on a broader alliance with the United States. Notwithstanding this policy, Spain was Venezuela's main European donor, with projects focused on basic infrastructure, health, education, environment, good governance (assistance in public administration) and conflict prevention.

In response to the coup, the Organization of American States (OAS) condemned "the alteration of the constitutional order" and called "for the normalization of the democratic institutional framework in Venezuela within the context of the Inter-American Democratic Charter." Leaders of the 17-nation Rio Group, which happened to be meeting in Costa Rica at the time, also immediately condemned the coup, demonstrating the importance of regional organizations in the Venezuelan conflict. It was also the Rio Group that urged then OAS Secretary General César Gaviria to address the crisis in Venezuela.³⁰ At the request of the Venezuelan government, the OAS agreed to facilitate a rapprochement with opposition groups.³¹ Concerned by the "excessive polarization" in Venezuela, on April 19, 2002, the OAS offered its support for "an open national dialogue without exclusion."³² Despite taking up residence in Caracas to broker talks between the government and opposition, Gaviria's mission was hobbled from the start. Given bilateral tensions with Colombia – Pedro Carmona's exile in Bogotá and Venezuela's relations with the guerilla – Chávez saw Gaviria as an interlocutor of the CD (the main forum of the opposition).³³

Multilateral Efforts to Support the Recall Referendum

After the failed military coup, the US government adopted a modestly revised strategy. In a White House Report on April 16, 2002, the Bush administration made it explicitly clear to the opposition that in the future

29 "Dossier," *El País*, Madrid, November 29, 2004.

30 A. Cooper & T. Legler, "A Tale of Two Mesas: The OAS Defense of Democracy in Peru and Venezuela," non-published conference paper, ISA Annual Convention, Montreal, March 2004.

31 According to OAS Resolution 821, August 14, 2002.

32 "Asamblea General de la OEA renueva llamada a la reconciliación en Venezuela,." OAS Press Releases, April 19, 2002.

33 For the role of César Gaviria and tensions with Chávez, see Cooper and Legler, op. cit., pp. 10-11.

“it would not support a coup.”³⁴ After 2002, the Bush- administration chose a two-track policy towards Venezuela by bilaterally supporting the opposition and multilaterally joining OAS efforts for national reconciliation and a referendum on Chávez. The replacement of the US ambassador in Venezuela contributed to reducing the degree of conflict between the two states.

Despite the shift in Washington’s policy from an openly aggressive attitude towards a more moderate course, relations with the Chávez government remained tense and bilateral contacts were limited to the technical level. According to US officials, for economic and strategic reasons the US government was interested in establishing a better relationship; however, President Chávez has continued to use the United States as an external enemy to bolster domestic support. Assistant Secretary of State Thomas Shannon has argued that the United States is not trying to isolate Venezuela. From his perspective, conflict is the result of the Chávez government seeking to boost domestic support by projecting an image of permanent conflict with the United States.³⁵

Once Chávez was restored to power after the aborted coup, the US increased its engagement with civil society, but avoided direct party financing. Such continued US engagement in Venezuela with NGOs and civil society organizations opposed to Chávez caused renewed conflict with the Chávez government. Súmate received a 53,400 dollar grant from NED in addition to minor funds from the US embassy, USAID and the German Konrad Adenauer Foundation. NED claimed that it “[did] not, in Venezuela, or elsewhere, fund groups based on their support for or opposition to the government.” Several months before the recall referendum took place, the Venezuelan government officially asked NED to stop its activities, which senior Venezuelan government officials argued represented “an interference in domestic affairs.”³⁶ Several representatives of Súmate were threatened with jail for having received external funds.³⁷ US officials sent a strong note of protest to Chávez against the Súmate trial, which was postponed several times and by early 2006 was still pending. Tensions heightened when Súmate’s director, María Corina Machado (a possible

34 “White House Report: Venezuela,” April 16, 2002.

35 *El País*, Madrid, February 3, 2006.

36 Statement by Jorge Valero, a Venezuelan Ambassador to the OAS, Washington, D.C., April 30, 2004.

37 According to Article 132 of the Venezuelan Penal Law (“*conspiración para destruir la forma republicana de gobierno de la nación*”), recently reformed under Chávez.

presidential candidate), was received in May 2005 by President Bush; Chávez has never been invited to the White House.

The US has continued to support a number of civil society groups, through increased funds for democracy promotion forthcoming from different agencies, including the US embassy in Caracas.³⁸ Since August 2002, Venezuela has been part of USAID's "Transitions Initiatives," focused in this case on the strengthening of local NGOs, although with a budget of only \$5 million. Another \$350,000 was spent on conflict resolution and other projects supported by the US embassy in Venezuela. Other projects carried out by the National Democratic Institute (NDI) and the International Republican Institute (IRI) in Venezuela are focused on election monitoring and capacity-building of party leaders. In a statement on November 17, 2005, US Assistant Secretary of State Thomas Shannon criticized the "increasing and unchecked concentration of power in the executive" and announced increased support for civil society.

On the other hand, since regime change by military means failed in April 2002, the US has begun to support multilateral efforts for national reconciliation and an electoral solution to the political crisis. Although bilateral relations remained tense³⁹ – Condoleezza Rice has called Chávez a "negative force" in Latin America and Chávez accuses the Bush administration of harboring plans to kill him or invade Venezuela⁴⁰ – the US has opted for a multilateral approach towards the country. Backed by Brazil (and despite the initial opposition of Chávez), the United States joined the Group of Friends of the OAS Secretary General for Venezuela and participated, along with Brazil and Spain, actively in mediation efforts between the government and opposition. Nearly all State Department declarations during the 2003-2005 period back the OAS and Carter Center engagement in Venezuela.

In the aftermath of the coup, the OAS and the Carter Center became the most active external actors in the Venezuelan political conflict. In June 2002, following a visit by former US President Jimmy Carter to Venezuela, the two organizations, supported by technical assistance from the United Nations Development Program (UNDP), were asked by the Chávez gov-

38 See Press Release of the US State Department, Washington, D.C., July 24, 2002.

39 US government officials openly criticize the concentration of power, arms purchases and its alliance with Cuba; meanwhile Chávez threatened to cut oil supplies to the United States several times.

40 With this argument, the chavistas began to buy arms and create a popular defense system similar to that of Cuba.

ernment to monitor national dialogue with the opposition. Political leadership within the Tripartite Working Group (the involvement of three institutions was a requirement imposed by Chávez) was personally assumed by the OAS Secretary General Gaviria.

In a joint statement on September 13, 2002, the Tripartite Group (OAS, UNDP and the Carter Center) stated that they understood that “Venezuela’s problems can and should be solved by Venezuelans within the framework of the Constitution and the law.” During their first mission to “Venezuela, government officials and opposition representatives signed a “Declaration of Principles for Peace and Democracy in Venezuela,” setting the ground for negotiations between the parties under the international umbrella of the Tripartite Mission. Direct negotiations between the government and opposition started on November 8, 2002; however, the process was soon interrupted by the general strike that began on December 2 and ended at the beginning of February 2003.

In the middle of the general strike, Brazilian President Lula da Silva decided to create the Group of Friends of the OAS Secretary General for Venezuela and to mediate in the internal crisis. On an initial visit to Venezuela, the six countries (Brazil, Chile, Mexico, Portugal, Spain and the United States) sought to achieve conciliation between the parties, end the strike and get the parties to return to negotiations. When the Tripartite Group also intervened, the opposition finally ended the general strike and returned to dialogue with the government. Under the umbrella of the Tripartite Group, in February 2003, the parties signed a first pact on peaceful conflict resolution. At the end of May, in a second agreement, government and opposition decided to convoke a recall referendum on Chávez, if the opposition were able to mobilize the necessary support (20 percent of registered voters).

In close cooperation, OAS and Carter Center engagement focused on the recall process and its three different stages: collection of signatures, verification and confirmation of the results.⁴¹ Indeed, the OAS-Carter Center-UNDP tripartite mission was the most important external intervention in the process that led to the celebration of the referendum on August 15, 2004, which initially had been rejected by the Chávez government. OAS, UNDP and Carter Center efforts were strongly backed by the six nations included in the Group of Friends. In particular, coordination between Brazil and the United States, and the pressure they exerted on

⁴¹ See T. Piccone, *op.cit.*, 2005; and M. Kornblith, *op. cit.*, pp. 124-138.

their respective allies – the Chávez government and the opposition – was essential in securing the national pact.

Although the outcome of the referendum reinforced Chávez's position, the celebration of the popular consultation itself met the demands of the opposition for a chance to unseat Chávez. However, the results of the referendum, as well as the fairness and transparency of the process, were questioned by the opposition. A second audit carried out by the OAS and the Carter Center confirmed Chávez's clear victory,⁴² despite continuing doubts expressed within Venezuela over technical procedures.

The Group of Friends – President Lula da Silva's first foreign policy initiative – was immediately recognized by the Chávez government as a neutral partner. The Group advocated a peaceful, democratic, constitutional and electoral outcome of the political crisis. Despite differences between Brazil and Chile, on the one hand, and the US and Spain, on the other, the consensus-building process within the group was a helpful exercise in reaching a negotiated solution to the political polarization and an agreement between the different external actors. The support of the six states in the Group also strengthened the credibility of OAS and Carter Center activities in Venezuela.⁴³ After the celebration of the referendum, the Carter Center closed its office in Caracas. Nonetheless, in its final report on the recall referendum, the Carter Center affirmed that the consultation "reflected the divisions in the country" and that "it alone could not solve the underlying differences within society."⁴⁴ The Carter Center's engagement has been criticized by part of the opposition for working too closely with the Chávez government.

The UNDP commenced a range of activities in Venezuela in 2002, immediately after the failed military coup. According to a UNDP representative, the polarization between government and opposition was the cause of high levels of political violence. Before the mediation process, the regional UNDP office carried out a series of interviews with different actors in Venezuela (opposition, church, government, NGOs), and concluded that the polarization process was the main obstacle to the country's

42 Organization of American States, "Misión de observación electoral de la OEA al referendo revocatorio presidencial en Venezuela del 15 de agosto," Washington, D.C., September 21, 2004.

43 The Carter Center, "El Centro Carter y el proceso de construcción de paz en Venezuela junio-febrero 2005," Atlanta, 2005.

44 The Carter Center, "Observing the Venezuelan Presidential Recall Referendum: Comprehensive Report," Atlanta, February 2005.

governability. During the mediation process led by the Tripartite Working Group, UNDP engagement in Venezuela was limited to technical support and capacity-building measures (of media representatives and others). Although officials concede that conditions for dialogue in Venezuela are worse than before, UNDP mediation efforts and political projects in Venezuela ended with the recall referendum in August 2004.

While the UNDP and Carter Center engagement ended with the referendum, the OAS sent observers to the Venezuelan parliamentary elections on December 4, 2005, which were also monitored by the EU. In its preliminary report on these electoral proceedings, the OAS stressed the need for confidence-building measures and a “new democratic consensus” in Venezuela.⁴⁵

Although the EU did not pay significant attention to the coup attempt, after 2002 it did begin to address the conflict in Venezuela and, in a first statement on October 9, 2002,⁴⁶ stressed its concern for the “highly polarized political situation in Venezuela.” Eight subsequent European Council declarations focused on the importance of peaceful conflict resolution within the framework of a national dialogue. Until monitoring parliamentary elections in December 2005, the EU had limited its political role to passive support for OAS and Carter Center engagement.

Since April 2002, the focus of EU policy has been the permanent call for elections and electoral monitoring. Despite this, the EU decided not to send an observation mission for the recall referendum. According to a Commission official, this was due to technical and political obstacles imposed by the Chávez government, which insisted on a reduction in the number of observers, a narrower mandate and shorter mission. While such difficulties persisted, one year later the EU decided to accept the invitation of the National Electoral Council (CNE) and send observers to the parliamentary elections. The mission was financed with 2.8 million euros from the EIDHR. Before the elections took place, External Relations Commissioner Benita Ferrero-Waldner opined that the elections would offer an “important opportunity with regard to democratic principles, tolerance and dialogue.”⁴⁷

45 Organization of American States, “Observaciones preliminares de la OEA sobre las elecciones parlamentarias en Venezuela,” (press release), Washington, D.C., December 6, 2005.

46 European Union, “Declaration by the Presidency, on behalf of the European Union, on the situation in Venezuela,” Brussels, December 9, 2002.

47 European Commission, “Unión Europea despliega Misión de Observación Electoral en Venezuela para las elecciones legislativas,” (press statement,) Brussels, November 15, 2005.

The result was, at the least, ambivalent. On the one hand, the presence of 160 EU observers (40 of them long-term) headed by a Portuguese member of the European Parliament (MEP), José Albino Silva Peneda, strengthened transparency and fairness of the electoral procedures. On the other hand, the extremely low participation rate and the opposition's withdrawal, reduced the legitimacy of the parliamentary elections. Although the chavistas tried to use the presence of EU observers to improve their international image, the mission criticized both the opposition and the government in its report.⁴⁸ "Surprised by the withdrawal of opposition parties four days before elections,"⁴⁹ the EU stated that the elections did not contribute to reducing divisions in Venezuelan society and thus, represented a "lost opportunity." The EU mission also, however, criticized the composition of the CNE, which gave a favorable advantage to the government. According to EU officials, the elections had a negative impact on both sets of political actors: it was suggested that they were a "huge failure" for the government and "a suicide" for the opposition. According to official statements, the mission was successful in contributing to an increase in the acceptance and visibility of EU engagement in Venezuela. However, the criticism of the conditions surrounding the elections implicitly acknowledged the limited impact of the EU's own electoral observation.

Aside from two small projects of 1.2 million euros in the framework of the multi-annual human rights program in the Andean Community,⁵⁰ the EU has not financed long-term initiatives on human rights and democracy in Venezuela. According to European officials, in the framework of its social cohesion policy towards Latin America, the EU has been interested in supporting Chávez's "missions" in poor areas. However, the Chávez government has been reluctant to accept foreign assistance, including aid from the European Commission.

After the failed military coup, Spain continued to be a key player in EU policy towards Venezuela. Similar to the shifts in its relations with Cuba, Venezuela has been used as an instrument for domestic battles between the two main political parties, the conservative Popular Party (PP) and the

48 European Union, Misión de Observación electoral de la UE en Venezuela, Elecciones Parlamentarias 2005, (Preliminary Statement) Caracas, December 6, 2005.

49 Just a few days before and following an agreement on the withdrawal of fingerprinting machines, in a meeting with the European Commission, opposition leaders affirmed their participation in legislative elections.

50 For further details see European Commission Delegation in Venezuela, *La Unión Europea y Venezuela*, Caracas, November 2005.

social democratic Socialist Party (PSOE). This was evident after March 2004, when then Prime Minister Aznar's PP lost elections to PSOE. While Aznar had encouraged opposition forces in Venezuela – particularly Súmate, Fedecámaras and COPEI – new PSOE Prime Minister José Luis Rodríguez Zapatero built stronger relations with the chavistas rather than with the opposition parties (although for historic reasons, the PSOE had closer relations with the AD). This change of policy under the Rodríguez Zapatero government had a strong impact on relations between Spain and the United States.

After March 2004, there were several reciprocated visits between Spanish and Venezuelan ministers and a series of bilateral agreements were signed. Additionally, Foreign Minister Miguel Angel Moratinos caused controversy when he accused the Aznar government of having directly supported the 2002 *golpistas*. In part, the Spanish policy of rapprochement to the Venezuelan government reflects the conviction that it is easier to monitor respect for human rights and democracy through an open dialogue with Chávez rather than by isolating his government. In this sense, the Spanish approach towards Venezuela is part of a foreign policy based on dialogue and multilateralism, which is favored by the Rodríguez Zapatero government. However, the current Spanish policy towards Venezuela probably has more to do with the bitter polarization between the PSOE and PP than with foreign policy positions per se. Rodríguez Zapatero used his privileged position with the chavistas to mediate primarily in regard to the tense relations between Colombia and Venezuela, and not on the democratic shortcomings within Venezuela. In March 2005, the Spanish and Brazilian governments organized a special summit in Venezuela with Presidents Chávez and Uribe to improve relations between the neighboring states.

The most controversial issue for Spain, in this case, at home and abroad was a weapons deal with Venezuela. Negotiations for this deal began in March and were concluded on November 28, 2005, when Spanish Defense Minister José Bono traveled to Caracas and signed an agreement with Hugo Chávez for the sale of twelve transport aircraft and eight coastal patrol ships worth over 1.3 million euros.⁵¹ US Ambassador to Spain Eduardo Aguirre had warned the Spanish government not to sign the deal because the “sale could be a destabilizing factor in the region.”⁵² The agree-

51 This will provide relief to the declining Spanish naval industry.

52 “U.S. Hopes Spain-Venezuela Plate Deal will Stall,” Reuters, November 23, 2005.

ment was strongly criticized by the US government and by the Spanish opposition. As over 50 percent of Spain's military components originate in the US, the sale required a US export license; and in January 2006, the Bush administration denied this license.

Even if, as then Spanish Defense Minister José Bono declared, the agreement had no impact on the Colombian-Venezuelan conflict (Chávez has been accused of supporting guerrilla groups in Colombia), the military deal proved that the current Spanish government appears to give priority to national economic interests over security concerns and democracy promotion. Nonetheless, the weapons deal responded more to economic domestic pressures than to a deliberate foreign policy strategy. This controversial issue contributed to accentuating the differences between Spain and the United States regarding Hugo Chávez, who is accepted as a legitimate partner for dialogue by the former and rejected as an authoritarian leader by the latter.

Assessing the International Response

In general terms, Venezuela is an example of a limited multilateral engagement in a country governed by a democratically-elected, semi-authoritarian leader. External engagement has been seriously constrained by international conditions. High international oil prices have given Chávez a broad financial margin to reconstruct the country at his own convenience and to buy support in Latin America and abroad. In this context, the impact of external democracy promotion has been clearly limited.

International responses to the political crisis in Venezuela can be divided into periods before and after the failed military coup against Chávez. While the United States was the main protagonist until 2002, the second period of the Chávez government has been unequivocally dominated by joint multilateral efforts led by the OAS and the Carter Center.

International engagement in Venezuela proved the relevance of impartial regional and non-governmental actors in conflict resolution and the limited impact of individual (US) or collective (EU) actors. The unilateral US strategy to promote regime change by strengthening the opposition failed in April 2002, when Chávez was able to resist the attempt to remove him from power by military means. The post-2002 multilateral negotiations (which included the United States) have been limited in their tangible impact on democratic rights, but more successful when taking into account the two national pacts reached in 2003.

The most encouraging steps have been secured in relation to national reconciliation through dialogue, as a means of mitigating political polariza-

tion between the government and opposition. This has been the principal focus of the OAS, Carter Center and UNDP, which have established themselves as neutral, external mediators in the conflict. Unlike national actors, neither the OAS nor the Carter Center needs to defend economic or other interests in Venezuela.

It could be argued that the international community's primary focus on tempering "polarization" has trumped any concern with democracy per se; despite the 2003 national pacts, democratic space in Venezuela has continued to narrow. However, it could be countered that promoting consensus and strengthening moderates on both sides is an essential step towards creating conditions that are more favorable to an eventual and smooth emergence of high quality democracy. After all, US and Spanish overt support for the opposition failed to bring about democratic change in Venezuela, and indeed has probably been prejudicial to democratic dynamics. The agreement between the government and opposition to solve the crisis in a peaceful manner by holding the recall referendum was a significant step forward; it is very likely that Venezuela could have descended into civil war without the engagement of multilateral organizations and the Group of Friends.

Although criticized by sectors of the opposition as non-impartial actors, the Carter Center and the OAS assumed an important role as neutral mediators in the political conflict. It should also be pointed out that, in Latin America, Venezuela is one of the prime examples of multilateral democracy promotion backed by the most important national states (Brazil, Spain and the United States) and regional organizations (OAS and Rio Group). In particular, the shift in US policy towards a multilateral approach, after the coup attempt, paved the way for a peaceful solution to the conflict.

Aside from Spain, which used Venezuela as a platform for domestic rather than foreign policy, the EU has not been an important political actor. One reason for this is that development assistance plays a minor role in Venezuela and European democracy efforts generally derive their influence from aid resources. Furthermore, the EU's minor role can be attributed to the fact that Venezuela has no prominent bilateral relationship with the EU, but is treated in the framework of relations with the Andean Community, which is focused on sub-regional integration. However, the EU can indeed be considered an impartial although passive player, while the US acted more as a spoiler by taking the side of the opposition and avoiding dialogue with Chávez.

The general impact of external intervention in the Venezuelan crisis could be characterized as a failed strategy of elections promotion. In their assumption that relatively free elections would defeat Chávez, international actors underestimated the staying power and national and regional popularity of this “folkloric phenomenon.”⁵³ Furthermore, international actors overestimated the capacity of the (weak and divided) opposition to generate a credible political alternative to Chávez.

The emphasis on an electoral route to democracy was a failure: no other Latin American state has celebrated as many electoral processes as Venezuela has under Chávez (eight since 1998), though democratic checks and balances were incrementally dismantled. All elections, including the August 15, 2004 referendum and the legislative elections in December 2005, have confirmed Chávez’s power and contributed to increasing his democratic legitimacy as president. The focus placed on elections by external democracy promotion efforts has backfired, having reaffirmed popular support for Chávez.

Chávez’s consolidation of power and his cloak of electoral legitimacy are the reasons why no further efforts have been made by the international community to strengthen democracy in Venezuela. However, his powerful position over the opposition does not imply a peaceful coexistence. The more likely scenario is of ongoing extra-parliamentary conflict and the further entrenchment of the president’s personal authoritarian leadership within nominally democratic institutions.

As in the case of Cuba, recent differences between Spain and the United States towards Venezuela have been a significant factor in undermining the effectiveness of international democracy promotion efforts. Bilateral consultations between Spain and the United States on Venezuela (with regard to objectives, instruments and possible outcomes) would appear crucial in this respect. The visit of Thomas Shannon to Spain, in February 2006, was the first positive step in this regard.

Rather than an absence of elections, the main political problems in Venezuela – after the recall process – relate to the lack of checks and balances, the concentration of power, authoritarian practices, political polarization and the weakness of the opposition. The roots of the current political struggle are found in the previous failure of an elitist democracy, corruption and social exclusion. In order to avoid future violence, Venezuela

53 See M. Falcoff, *The Chávez Challenge. Venezuela’s Leader is a Regional Nuisance*, American Enterprise Institute, Washington, August 29, 2005.

needs a new political pact between all political and social actors, including the military. In this sense, the approach of the OAS and the Carter Center to mediate between the government and opposition and promote dialogue and capacity-building for peaceful conflict resolution in Venezuela, has been more appropriate than EU and US policy. Thus, the EU and the US, in particular, should change the focus of their engagement in Venezuela. Although the EU has been more focused on national reconciliation and the US on democratic deficits, the policies of both partners towards Chávez's government have been aimed at the holding of elections and the strengthening of the opposition movement.

Recommendations

The principal argument of this chapter is that the international community should redirect democracy promotion strategies in Venezuela from an electoral to a bilateral and multilateral dialogue approach. The main lesson to draw from the August 2004 referendum is that electoral promotion is no longer a viable strategy for a democratic (re)transition in Venezuela. As one expert points out, for Chávez, "elections are instruments to be used at the service of a personality cult" and "it is a bitter irony that elections have served so often and so well to promote the ambitions of a group and a political project that opposes democracy."⁵⁴ The international community (and particularly the United States) should accept the fact that political opposition in Venezuela is weak and lacks legitimacy. Recognizing that Venezuela's problems derive less from electoral conditions than they do from political polarization and an increasingly "seized" and militarized state, the international community needs to change the focus of its democracy promotion strategies. The following recommendations are outlined for international actors in this regard.

- *Strengthen Multilateral Approaches to Support Political Dialogue.*

The international community should accept the current power constellation and shift its policy towards the promotion of a regular, national political dialogue.⁵⁵ This should be done through multilateral organizations like the Tripartite Working Group. Such a policy, following the recommendations of the Carter Center and the Organization of American States, would

⁵⁴ M. Kornblith, 2005, op. cit., p. 136.

⁵⁵ See also M. Sullivan, op. cit., p. 6.

include a long-term approach towards the construction of a new democratic and social consensus between all political parties and organized civil society. A long-term engagement for consensus-building will be necessary to overcome mutual mistrust and increase confidence between both political groups and their followers in order to stop ongoing democratic decline in Venezuela and to foster national reconciliation. Such engagement would require strong (diplomatic and financial) efforts by the international community for confidence-building, peaceful conflict resolution, institution-building measures and new formulas for power-sharing.

Aside from its own bilateral relations with Venezuela, the EU should be a more active political partner in these multilateral fora. As an important third party actor, the EU – as a whole, and not only Spain – should join the OAS and other multilateral efforts in promoting a permanent, national dialogue in Venezuela. EU officials themselves lament the lack of an active EU role in multilateral initiatives, particularly within the framework of the OAS. Political engagement by the EU in Venezuela would also increase the visibility of European activities more generally in Latin America, an aspiration recently expressed by the European Commission. The United States should continue to prioritize its engagement through multilateral organizations and, particularly, the OAS. In Latin America, multilateral efforts for democracy promotion have generally proved to be more successful than unilateral pressure or overt support for opposition forces.

These various multilateral initiatives should lead to further efforts to promote regular channels of dialogue between the government and opposition. There is a need for deepened consensus between political parties and other organizations opposed to Chávez, on the one hand, and the government, on the other. At the same time, actors such as the Carter Center and the OAS need to demonstrate that their (correct) focus on tempering political polarization is translated into a strategy capable of meaningful democratic gains, and does not unwittingly appease or give further succor to semi-authoritarianism.

- *Encourage US Dialogue with the Chávez Government.*

Further developing its recent shift towards a dialogue-oriented approach, the Bush administration should abandon its aggressive stance towards Chávez and make unilateral efforts to open a political dialogue with the Venezuelan government. Recent meetings between US and Venezuelan government officials appear to be an effort to tone down the rhetoric, although Chávez continues to maximize opportunities to provoke a fight,

as seen by his recent threat to expel US Ambassador Brownfield. As one observer notes in relation to Chávez, “Pursuing him as a threat that needs to be exorcized is exactly what he wants.”⁵⁶ The United States should avoid allowing itself to be used for domestic legitimation of authoritarianism and should adopt a lower profile. A political dialogue with Chávez would also contribute to reduce tensions between the United States and Latin American countries, thereby facilitating a common approach by the OAS.

- *Increase Development Assistance.*

Despite being a major oil exporter, Venezuela suffers a 70 percent poverty rate. Such under-development has not helped create the conditions for a deepening of democratic standards. The international community should increase development assistance for Venezuela, in recognition that improved social justice and greater equality could remove much of the appeal of Chávez’s brand of semi-authoritarianism (even if in the short term it appeared that such assistance served to shore up the regime.) Aid projects should include a focus on more political forms of assistance that aim at specific reforms to institutions and the state bureaucracy, political parties, the CNE, Supreme Court and police. Venezuela’s under-representation in donors’ democracy aid portfolios is hard to justify and should be corrected.

- *Explore Using the Inter-American Democratic Charter.*

The Inter-American Democratic Charter should be used to exert diplomatic pressure on Chávez to reverse authoritarian practices. Of course, as national sovereignty remains the guiding principle of the OAS, it will be extremely difficult to reach an inter-American consensus on how to deal with Venezuela. Indeed many experts may see use of the Charter as unrealistic in the short term. However, if the Charter remains a hollow vessel in the face of a clear case of “de-democratization,” the OAS’s credibility will suffer gravely. Latin American states like Chile, Brazil and Mexico should take the lead in forging a consensus to strengthen the Charter with an eye toward developing additional tools for facilitating democratic reforms in Venezuela.

56 M. Falcoff, “The Chávez Revolution: A Historic and Hemispheric Perspective,” *Cuba Research Institute/Inter-American Dialogue, Cuba, Venezuela and the Americas: A Changing Landscape*, (working paper), Washington, D.C., December 2005, p. 13.

- *Condition Membership in EU-Mercosur Association Agreement Talks.*

In the case of the EU, the forthcoming integration of Venezuela into Mercosur – in a context of ongoing negotiations for an association agreement between Mercosur and the European Union – should be used to apply diplomatic pressure on the Venezuelan government to respect democratic norms. Brazil, playing a leading role in Mercosur and in the Group of Friends, could be an important ally for the EU in this regard. Once Venezuela is integrated as a full member of Mercosur, EU officials fear that this “will create even more confusion in EU relations with Venezuela.” However, it will also present the possibility of exerting some degree of political conditionality, through the EU’s democracy clause, as association agreement talks proceed.

- *Strengthen EU-Venezuela Political Dialogue.*

The European Union should open bilateral, political dialogue with the Chávez government. The EU, in this regard, should fundamentally change its approach towards dealing with Venezuela (currently done in the context of Andean integration); this standard EU focus on regional integration projects has not been helpful in the case of protecting Venezuelan democracy. The Andean Community is more of a concept than a reality, since Bolivia, Peru and Venezuela are already associated members of Mercosur and part of the South American Community of Nations, created in 2004. Moreover, the Andean Community houses some of the most fragile democracies in Latin America. The EU requires a more political and country-to-country approach. The European Commission is aware of these problems. According to its recent Communication on Latin America,⁵⁷ the profile of political dialogue with the members of the Andean Community is set to change and will eventually include a bilateral dialogue with Venezuela.

For the international community, Venezuela is a challenging case. There is no easy solution to the phenomenon of electoral semi-authoritarianism. Difficult to classify, the Chávez regime “is a rather unique and complex phenomenon”⁵⁸ requiring a combination of measures that would take into account country specific political conditions. From the outside,

57 Commission of the European Communities, *A stronger partnership between the European Union and Latin America*, Com (2005, 636, final), Brussels, December 8, 2005.

58 S. Ellner and D. Hellinger, op. cit., p. 226.

the only viable strategy in Venezuela seems to be the promotion of regular contacts with, as well as between, the main political and social actors of the country. After the December 2005 parliamentary elections, the government may be more inclined to a consensus-building policy with other political and social actors. It will be difficult for Chávez to promote his model of “participatory democracy,” having won the elections with a minority support of less than 25 percent of Venezuelan citizens. This might encourage national dialogue on the main national themes, following a suggestion made by Foreign Minister Alí Rodríguez. The recently started dialogue between the government and the Catholic Church (traditionally opposed to Chávez), as well as closer contacts with the country’s main business organization, Fedecámaras, are hopeful signs for a necessary process of national reconciliation. The international community should support these efforts and try to extend the government’s agenda to the political level.