

**Thesis submitted for Doctor of Philosophy in Politics at the
University of Canberra**

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***Origins of Radical Policy-making: An Analysis of
Foreign Policy in the Fifth Republic of Venezuela***

August, 2010

Abstract

Over the past few years, national domestic and international policy behaviour has attracted considerable scholarly attention. Approaches to this issue vary from those that emphasise strong societal influences such as the role of interest groups and political elites, to those that focus on influences derived from within the state such as the role of bureaucrats and veto players, and those that examine forces external to the nation such as stronger nation states and international institutions. One neglected area in these scholarly debates is whether these theoretical approaches can account for the emergence of radical change in policy-making processes and policy choices of a nation?

For this reason, policy-making in Venezuela presents as a particularly interesting case study with which to test the utility of these policy behaviour models. Since the election of Hugo Chávez in 1998, Venezuela has undergone significant political and societal transformations under the banner of the Bolivarian revolution. The nation has witnessed the emergence of a radically different approach to policy-making that has transformed the governance of the Venezuelan state domestically, and redefined its role regionally and internationally. These radical changes are particularly evident when contrasted with the period of the Fourth Republic immediately prior to Hugo Chávez's rise to power during the late 1990s.

What best explains the emergence of radical policy change in a nation? This thesis seeks to answer this question by assessing the explanatory powers of several models of policy-making against the case study of Venezuelan policy-making during the period of the Chávez government. Therefore, this thesis will trace the historical events that led to the decline of the Fourth Republic of Venezuela and *Punto Fijo* democracy and the rise of Hugo Chávez and his Bolivarian revolution during the Fifth Republic of Venezuela. Moreover, by historically tracing key political events, this thesis will show how President Chávez overcame several challenges during the first five years of his presidency and ultimately achieved a domestic consolidation and centralisation of power in the role of the President. This consolidation of power allowed President Chávez to concentrate on matters of foreign policy, both regionally and further abroad, most notably in the second half of President Chávez's decade in power. During this time, Venezuelan foreign policy emerged as a radical and influential force in regional and foreign affairs.

Certificate of Authorship

Acknowledgements

There are many people whom I would like to thank. First and foremost, I would like to thank my supervisor Professor Mark Turner from the University of Canberra. Mark has been the ideal supervisor whose unassuming and supportive approach has been a great confidence builder. Mark's patience, generosity and encouragement throughout this long process have been invaluable. I will always remember his ability to balance a gentle reassuring manner with a rigorous intellectual approach to research. Mark has been an inspirational mentor and it has been a privilege to work with him.

I am also grateful to Dr Alastair Greig from the Australian National University for the many hours spent discussing issues related to Latin America, including Venezuela. Alastair's passion for Latin American social issues was infectious and led to many lively debates over a pint at the Wig and Pen in Canberra.

I would also like to extend my appreciation to Lulu Respall-Turner. Her meticulous editing transformed my draft into a polished product ready for submission. Her commitment to excellence has raised my awareness of the subtleties of the English language.

Furthermore, I would like to acknowledge the interest and support of my friends and family. Andrew Carr has been a constant source of encouragement. I have enjoyed our discussions and debates from which I have learned a lot. I would also like to thank the many friends and colleagues that I met while doing fieldwork in Venezuela. Their suggestions were instrumental in shaping the original direction of my thesis. To my mother Joanne, thanks for burning the midnight oil with me and always reminding me that I could do it! To my father Owen, thanks for your patience and for often playing the role of devil's advocate – I needed it!

Last, but certainly not least, I would like to acknowledge the immense support, love and care that my partner Joe has shown me. Joe has been the ideal travelling companion on this long and exciting journey.

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List of Abbreviations

- AD - *Acción Democrática*
- ALBA - *Alianza Bolivariana para las Américas*
- ANC - *Asamblea Nacional Constituyente*
- CARE - *Comisión de Relaciones Exteriores*
- CD - *Coordinadora Democrática*
- CNE - *Consejo Nacional Electoral*
- COPEI - *Comité de Organización Política Electoral Independiente: Partido Social Cristiano*
- CTV - *Confederación de Trabajadores de Venezuela*
- ECLA - *Economic Commission on Latin America*
- FARC - *Fuerzas Armadas Revolucionarias de Colombia*
- FEDECAMARAS - *Federación de Cámaras y Asociaciones de Comercio y Producción*
- FONDESPA - *Fund for Economic and Social Development*
- FTAA - *Free Trade Area of the Americas*
- GFC - *Global Financial Crisis*
- IFIs - *international financial institutions*
- IMF - *International Monetary Fund*
- MBR-200 - *Movimiento Bolivariano Revolucionario 200*
- MRE - *Venezuelan Ministry of Foreign Affairs*
- MVR - *Movimiento de la Quinta República*
- NED - *National Endowment for Democracy*
- OAS - *Organization of American States*
- OPEC - *Organization of Petroleum Exporting Countries*
- PDVSA - *Petróleos de Venezuela*
- SUCRE - *Sistema Único de Compensación Regional*
- UN - *United Nations*
- UNCTAD - *United Nations Conference on Trade and Development*
- UNDP - *United Nations Development Programme*
- URD - *Unión Republicana Democrática*
- US – *United States*
- VIO - *Venezuela Information Office*

VPs – Veto Players

WB – World Bank

Chapter One:

Introduction

Introduction

The origin and nature of a nation's policy-making process and behaviour are subjects that have received great attention and generated considerable debate from contemporary scholars, and many explanatory models have resulted from these interactions. However, a fundamental problem that confronts researchers is that no single model of policy-making appears to provide a comprehensive explanation of how and why a nation makes particular policy choices. The explanation of a country's domestic and foreign policy provides a particularly interesting challenge to the policy-making models especially when that policy dramatically changes. The problem is not a shortage of explanatory models but rather that different models claim to provide the answer, and these competing models involve a variety of distinctive assumptions, methodologies and analytical foci. How is policy made and what accounts for policy change? These are questions that are increasingly arousing the interest of academics concerned with the study of policy process in developing countries and which are the leading questions for this thesis.

While there are numerous influences on a nation's policy-making behaviour, these influences can be broadly divided into two: those located in the state and those located in society. In a state-centred explanation a country's domestic and foreign policy behaviour is largely determined by factors such as the type of government in power, the formal decision-making process, the role of the military in the state apparatus, the extent to which societal groups are organised and mobilised, and the type of politics and ideology of the incumbent government. The major concern is the processes of decision-making within the state. By contrast, society-focussed researchers identify strong societal factors as the principal influences on the state's domestic and foreign policy. For example, the dominant classes, economic elites or ethnic groups may exercise sway over a government's policy preferences, its policies and even the implementation of those policies.

In the context of foreign policy-making, a further element that often influences a nation's decisions is the state's positioning in the international system. In some cases

a state's position can be fortified by its willingness to align itself with powerful international actors and their policy objectives. In others, weaker states may band together to oppose hegemonic advances. At times states may even look for policy advice from elsewhere and choose to adopt or transfer policies developed in other countries.

It is evident that multiple factors can be cited as contributing to the explanations of policy-making. The case of foreign policy briefly illustrated above clearly demonstrates this point. What it also demonstrates is the need to evaluate competing models of policy-making by testing their explanatory power in an empirical case. This raises important questions such as which of the models provides the best understanding of policy-making and changes in policy? Or could it be that no one model is adequate? This problem is likely to arise when dealing with radical policy changes in volatile political conditions, as is the case of domestic and foreign policy-making during the Fifth Republic of Venezuela. This is the context in which this thesis examines the emergence of radical policy-making under the government of President Hugo Chávez in Venezuela.

Aim of Research

There are three specific aims in this thesis. First, this thesis intends to make a contribution to literature on models of policy-making, particularly policy-making in developing nations. This thesis thus will facilitate a greater understanding of policy processes and of the relative merits and utility of competing models of policy-making in those countries. Second, this thesis will examine the changing dynamics of policy-making and policy content in Venezuela. This will be done with specific reference to Venezuela's foreign policy and its making. Third, this thesis will pay particular attention to analysing the emergence of radical policy-making in the Fifth Republic of Venezuela.

These aims will be pursued by chronologically examining key events and issues in Venezuelan policy-making during the second half of the 20th and the early 21st centuries. Therefore, the first component will outline the political environment and subsequent policy-making process in the period prior to the Chávez government, known as the Fourth Republic of Venezuela (1958–98). This will assist in

establishing the degree to which the political environment and policy-making process have changed under the leadership of Hugo Chávez and the Fifth Republic. The research has identified two phases of policy-making during the Fifth Republic. Therefore, the second data section of the thesis will concentrate on the first phase, which directly relates to the first five years of the Chávez government (1999–2004). This period was largely characterised by a focus on domestic policy-making. The second phase of the Chávez government relates to policy-making from the end of 2004 to the present. This period witnessed the emergence of a unique Venezuelan foreign policy at both regional and international levels. Therefore, the third component of the empirical data will examine Venezuela’s regional engagement during the second phase of the Fifth Republic. The final data section will investigate traditional and newly emerging alliances outside of Venezuela’s immediate Latin American region.

One of the overarching aims of this thesis is to chart and analyse major policy shifts and their explanations in terms of policy-making models. Thus, foreign policy-making during the second phase of the Fifth Republic provides an excellent example of a radical shift from previously established norms to new norms and associated policy initiatives. One key way in which this is exemplified is Venezuela’s newfound propensity to attempt playing a major role in international affairs, especially within the Latin American region and the developing world in general. This propensity is demonstrated in the adoption of a radical Bolívarian approach to foreign policy, which at times has directly challenged and attempted to change the status quo of contemporary Latin American and international affairs.

Moreover, this thesis aims to establish whether society- or state-centred models of policy-making, policy transfer and veto player theory, or a combination of them, can delineate and explain the emergence of radical policy-making in a developing nation such as Venezuela. Finally, by testing these models against empirical data, the findings of this thesis will lead to a greater understanding of the dynamics of policy-making in Venezuela and more broadly in other developing countries.

Venezuela as Case Study

For the purpose of this research, Venezuela has been chosen as the case study to test the utility of society-centred and state-centred models of policy-making, policy transfer and veto player analytical frameworks to explain and predict radical policy change and to account for the influence of internal and external factors in the process. Venezuela has been selected for two principal reasons. First, in 2009, Venezuela was ranked by the United Nations Development Programme (UNDP) as 54th among 181 countries on the Human Development Index¹ (UNDP 2009). Venezuela is situated in the Latin American region and has continued to be plagued by problems common in developing nations such as high levels of poverty, low education levels, poor health care and a fragile economy. However, Venezuela also enjoys the unusual position of having the second largest proven oil reserves in the world, behind Saudi Arabia, and being the fourth largest supplier of oil to the United States (US) (OPEC 2010). These two contrasting elements have been central in much of Venezuelan policy-making during the 20th and 21st centuries.

The second reason for selecting Venezuela as a case study is due to the radical contrasts in domestic and foreign policies between two distinct eras—the Fourth Republic (1958–98) and the Fifth Republic (1999–) of Venezuela. In the first era, foreign policy was predictable and largely characterised by a close alignment with the US. However, that all changed when Hugo Chávez Frías assumed the presidency in 1999. He has attempted to make a distinct and strong impact on the world stage through Venezuela’s radical and controversial foreign policy initiatives. The making of contemporary Venezuelan through the origins and processes of its domestic and foreign policy provides an important case study for examining the utility of state-centred and society-centred models of policy-making to explain radical policy change; and further to assess the impact of issues such as policy transfer and the role of veto players in Venezuela’s policy process.

¹ The HDI provides a composite measure of three dimensions of human development: life expectancy, adult literacy and standard of living, based on purchase power parity (PPP). For more information see UNDP Human Development Report 2009

Research Questions

This thesis seeks to identify the key influences and determinants of current Venezuelan policy-making in a domestic and foreign policy context. In order to understand the origins and influences of the contemporary Bolivarian approach to policy-making in Venezuela, it is necessary to first look at the historical background of Venezuelan domestic and international politics. Thus this initial chapter contains an historical overview of the Venezuelan policy-making processes during the Fourth Republic. This chapter provides an account of a policy-making system set against the shift in foreign policy process and actions during the Fifth Republic of Venezuela. This periodisation of foreign policy facilitates the explanation of the origins and implementation of radical policy change that has characterised contemporary Venezuelan foreign policy. In order to fulfil these aims, this thesis is guided by the following research questions:

1. What accounts for the emergence of radical policy change in a developing nation?
2. Is the emergence of radical policy change in Venezuela derived more from society or from state influences?
3. Can society-centred and/or state-centred models of policy-making on their own offer convincing and comprehensive explanations of the origins/causes of radical policy change in Venezuelan domestic and foreign policy between the Fourth and Fifth Republics? Or:
4. Do other theoretical approaches that focus on issues such as policy transfer or the role of veto players in policy-making provide better explanatory frameworks to account for the emergence of radical policy change?

These questions constitute the overarching guide to this research; this thesis will then provide evidence-based conclusions as to whether society-centred and/or state-centred models of policy-making can adequately explain the origins and subsequent policy-making of Venezuela especially as it applies to foreign policy. Additionally, this thesis will attempt to identify who or what / have been the key influences on policy-making in the Fourth and Fifth Republics and how these influences have moulded the

contemporary processes, practices and content of Venezuelan policy-making. This will be achieved by establishing similarities and differences in the key influences, both internal and external, on policy and its making in both eras. This then leads to analysing how these influences have shaped the emergence of radical policy-making in Venezuela.

Importance of the Research

The importance of this research is threefold. First, in a more general context, it analyses the applicability of explanatory models of policy-making to the empirical reality of the Third World. Surprisingly, there have been very few detailed analyses of the policy processes of developing nations; yet criticisms of specific policies of developing nations are in abundance. The criticisms rarely address the ways in which policies are made and neglect to employ robust explanatory frameworks, which would deepen the understanding of a developing country's policy processes. Second, this thesis focusses on a practical problem in policy sciences—that is, how to explain radical changes in policy and what explanatory framework can best address this phenomenon. Is there a single model that can completely explain it, or do we need to combine or move between frameworks in order to understand the complex contexts and sequences of events? Finally, this research is important as it pertains to Venezuela, a particularly interesting case in itself; but also because Hugo Chávez, the instigator and director of radical policy changes has emerged as an international player. His supporters see him as blazing a trail in forming new and innovative policies in international affairs, while his detractors have described him in unflattering terms as the key revivalist of authoritarianism and tyranny in modern times (Corrales 2008). However, they still recognise him as an emergent albeit unorthodox force on the global political stage. As such it is important that we understand what he has done and how he has done it. This thesis provides such analytical insight.

Historical Context: Fourth Republic of Venezuela (1958–98)

It is important to contextualise the case study historically because understanding the present situation in Venezuela is only possible with knowledge of the past. Following the demise of the military dictatorship of Marcos Pérez Jiménez (1948–58), Venezuela was generally considered to be one of the most stable democracies in Latin

America during the second half of the 20th century (McCoy and Meyers 2004, 29). The electoral success of Rómulo Betancourt in 1958 began a new political era for Venezuela that would become known as the era of *Punto Fijo* democracy. The *Punto Fijo* regime rapidly gained a considerable legitimacy both domestically and abroad, as demonstrated by US President John F. Kennedy's appraisal of Venezuelan democracy as a 'true alternative to communism and authoritarianism in the Western Hemisphere' (Kennedy 1961).

During the Cold War era, political commentators regarded Venezuelan democracy as a clear case of exceptionalism in its resistance to both communist influence and authoritarian rule, phenomena which at that time dominated many Latin American nations' political environments. While Venezuela succeeded in establishing and maintaining democratic structures and processes, it could be classified as an elite democracy. That is, democracy in Venezuelan politics was dominated by a power-sharing arrangement between members of the country's political elite who organised themselves under the banners of three main political parties: *Acción Democrática* (AD), *Comité de Organización Política Electoral Independiente: Partido Social Cristiano* (COPEI) and *Unión Republicana Democrática* (URD) and periodically contested for their faction to control the state.

While the democracy of the *Punto Fijo* era could be included in Robert A. Dahl's characterisation of a polyarchy (Dahl, 1972, 1989), McCoy and Meyers (2004, 3) describe democracy during the Fourth Republic of Venezuela as a 'limited pluralist polyarchy.' The elite settlement of the *Punto Fijo* arrangement grounded itself on the understanding that it would be a system that appeared to be procedurally fair and supported by political structures capable of producing benefits to a range of societal groups. Power remained under elite control through the two largest political parties and worked to exclude large sections of the population from significant decision-making influence through networks of patronage dominated by elite sections of Venezuelan society in the military, business and land sectors (McCoy and Meyers 2004).

Venezuelan foreign policy in this era focussed primarily on alliances with the US and key members of the European community. Consalví (2007) described the foreign policy of the *Punto Fijo* as 'politics of the state based on the permanent interests of

the nation such as territorial issues, adherence to international conventions and the defence of human rights². Political and economic stability centred on strong and cooperative relations with the US and membership of international institutions such as the Organization of Petroleum Exporting Countries (OPEC), the Organization of American States (OAS) and the United Nations (UN). The Fourth Republic's foreign policy behaviour generally displayed a cooperative approach to its relationships with democratic countries such as the US and regional initiatives such as the Alliance for Progress. With the encouragement of successive administrations in the US, Venezuela became one of Latin America's leading exemplars of democracy during the 1960s and 1970s. Lowenthal (2006, 63) described this alliance as largely a 'relationship based on the hegemonic presumption of the US and the willing compliance of Venezuela.

Historical Context: Fifth Republic of Venezuela

Beginning in the late 1990s and continuing into the new millennium, a variety of Latin American nations experienced electoral changes that resulted in the re-emergence of the 'democratic Left' across the continent (Casteñada 2006). The shift in Latin American sentiments and the decline of conservative rule in the region through the relatively recent success of the democratic Left indicated a newly emerging and constantly evolving political environment in Latin America that has been demonstrated in both domestic and international policies. Venezuelan has been in the vanguard of this leftward movement

Since the election of Hugo Chávez in 1998, Venezuela has embarked on a complete political transformation under the populist banner of a Bolivarian revolution, linking contemporary actions with the political philosophy of one of the heroes of Latin American emancipation from colonial rule, Simón Bolívar. The modern Bolivarian revolution in Venezuela has attempted to dismantle traditional political institutions, policy processes and policy content both domestically and internationally. Under the leadership of Hugo Chávez, Venezuela has established a new constitution that has facilitated the complete transformation of the Venezuelan political system. In

² Simon Alberto Consalví was the former Foreign Minister of Venezuela on two occasions. He also served as the Venezuelan Ambassador to the United States and the United Nations. The author collected this information while conducting field research in Caracas, Venezuela in January 2007.

particular, the role of the state and the role of the President have emerged as the dominant influences in the policy-making process of Bolivarian Venezuela. In a domestic context, the state now assumes almost total responsibility for the management and delivery of services such as free and universal healthcare, education and national development projects. In foreign affairs, the same conditions prevail and have resulted in radical changes to foreign policy.

Regionally and internationally, Venezuela's foreign policy behaviour has displayed a reticence to comply with previously established regional and multilateral agreements, as demonstrated by the country's withdrawal from the Andean Community and further announcement of its intention to terminate membership of the World Bank and the International Monetary Fund (IMF) (Chávez 2007). These decisions have attracted both criticism and encouragement from members of the international community. Furthermore, Chávez has acted to redirect the past bilateral policy orientation of Venezuela with the US and instead devise a foreign policy based on multilateralism with a strong regional focus. This clear intention to break from the past is shown by Venezuela's lead role in rejecting the US-proposed Free Trade Area of the Americas (FTAA) while promoting the establishment of the Bolivarian Alliance for the Americas (*Alianza Bolivariana para las Américas* [ALBA]) (Chávez 2004). Harris and Azzi (2006, 6) argue that the establishment of ALBA aims to:

Include the promotion of trade between countries and the elimination of tariffs on certain products, but its core purpose goes far beyond this. The explicit aim of ALBA is to promote the 'social' side of development, combating poverty and combating social exclusion in a cooperative effort by Latin American nations.

The creation of ALBA has further contributed to the unparalleled development of close and supportive Cuban-Venezuelan relations. While today, membership of ALBA has expanded to include other Latin American nations such as Bolivia, Ecuador and Nicaragua, its origins were based in commercial agreements between Cuba and Venezuela. The idea of ALBA, albeit in its infancy, was formed by Venezuela's commitment to supply Cuba with discounted oil in exchange for Cuban medical support to impoverished communities in the country's capital, Caracas, and in rural areas (Harris and Azzi 2006).

ALBA represents just one part of the overarching goal of contemporary Venezuelan policy, which is to provide an alternative to the status quo in international relations. More recent changes in Venezuela's foreign policy have been the consistent and uncompromising public denunciations of US foreign policy in the Middle East and a new engagement both economically and politically with countries such as Russia, China and Iran.

Structure of the Research

This thesis is structured into nine chapters that contain the introduction, literature review, methodology, data components, analysis and conclusion. The following paragraphs describe the structure and contents of the thesis to orient the reader to the themes and arguments in each of the chapters following this Introduction.

Chapter Two: Explaining Policy-making and Policy Change

This chapter provides a detailed review of the contemporary literature on the nature of policy-making in developing nations. The literature survey is organised according to different theoretical approaches. The majority of relevant literature on policy-making in developing and developed nations relevant to this research is broadly categorised under four key headings: society-centred explanations of policy-making; state-centred explanations of policy-making; policy transfer; and veto player theory.

Chapter Three: Methodology

This chapter outlines the methods used to undertake the research into explanations of radical policy change using the case study of Venezuela, and explains the rationale for choosing them. These methods include the use of the single case-study research method; document and archival analysis; and field work in Venezuela using elite interviews method and participant observation. The combination of these approaches and methods have informed and guided the research for this thesis.

Chapter Four: Domestic and Foreign Policy in the Fourth Republic of Venezuela (1958-98)

The purpose of this chapter is to provide a historical overview of Venezuelan domestic and foreign policy-making during the Fourth Republic of Venezuela. The

first part of the chapter focusses on policy-making processes and decisions during this era. It establishes a basis for understanding the shifts between the Fourth and Fifth Republics and the subsequent emergence of radical policy-making under the Chávez government. The second section of this chapter identifies the chain of events that ultimately led to the unravelling of the Fourth Republic of Venezuela and the model of *Punto Fijo* democracy, highlighting the circumstances that enabled Hugo Chávez's rapid rise to power with his alternative vision for Venezuela.

Chapter Five: The Radicalisation of Policy during the Fifth Republic of Venezuela (1999 – 2004)

This chapter explores the radical changes in the domestic political environment and policy-making process during the first five years of the Fifth Republic. It focusses on the introduction of a series of radical and unique policies that have brought about the internal transformation of Venezuela's political system under the banner of a Bolivarian revolution. Additionally, this chapter charts the key political events that have demonstrated resistance to these policy changes from various sections of Venezuelan society. As this chapter points out, at times this opposition has directly challenged the legitimacy of President Chávez and his vision of a Bolivarian Venezuela.

Chapter Six: The Emergence of Radical Foreign Policy Change during the Fifth Republic of Venezuela – Regional Approaches (2005 – 2010)

This chapter identifies the policy shift between the first and second phases of the Fifth Republic of Venezuela. During the second phase, policy attention was relocated from a preoccupation with domestic matters to a strong focus on regional and international affairs. The chapter demonstrates how regional alliances and agreements have taken precedence over historical close bilateral alliances with countries such as the US. This new era in Venezuelan foreign policy reveals a desire to be independent from former allies, to be a proactive leader in the Latin American region, to be revolutionary in nature and to place Venezuela or at least President Chávez as a major figure on the world stage. This period marks the distinct and explicit emergence of the Bolivarian approach to foreign policy-making that has sought to increase Venezuela's political and economic role in the international arena. This in turn has

led to a number of new and radical foreign policy initiatives that have produced mixed results and met with mixed responses, particularly at a regional level.

Chapter Seven: Redefining Venezuela's Approach to Foreign Policy during the Fifth Republic (2005 – 2010)

This chapter examines the foreign policy processes and decisions of Venezuela in the second half of President Hugo Chávez's decade in power. The chapter highlights the maturation and consolidation of Bolívarian foreign policy through analysis of key policy processes, decisions and outcomes. It is shown that contemporary Venezuelan foreign policy has evolved into a distinctive, proactive, radical and at times inflammatory model of policy-making. The overarching goal of this new policy is to promote a new vision of an international order based on the concept of multi-polarity. As such, Venezuela has embarked upon establishing a series of new alliances with diverse nations outside its traditional region of the Western hemisphere. Included among its new friends are nations such as China, Iran and Russia.

Chapter Eight: Explaining the Emergence of Radical Policy-making during the Fifth Republic of Venezuela

This chapter scrutinises the data presented in Chapters Four to Seven using analytical frameworks and concepts presented in Chapter Two. The aim of this chapter is to examine the utility and explanatory powers of the four main theoretical frameworks discussed in Chapter Two in relation to the case study of radical Bolívarian domestic and foreign policy. This chapter explores how and when one framework can be used to provide a convincing and comprehensive understanding of policy-making and policy change in Venezuela. Alternatively, would understanding of these phenomena be better served by some combination of models and concepts? These questions are resolved in this chapter.

Chapter Nine: Conclusion

The final chapter reviews the major themes of the thesis and the events related to the empirical case study of policy-making during the Fourth and Fifth Republic of Venezuela. These two elements are used to make conclusions about how and why policies change and about the best way to understand such things. Moreover, this

final chapter not only indicates the way this research furthers the understanding of Venezuelan policy processes and foreign policy. The chapter also shows how the study contributes to the general literature on policy-making in developing nations.

Chapter Two: Explaining Policy-making and Policy Change

Introduction

The nature of policy-making processes in developing nations has attracted considerable attention in scholarly circles, particularly in the past three decades. During this time, scholars have constructed a number of theoretical frameworks that attempt to explain the way in which policies are formulated in developing nations. Each framework identifies different causal factors in policy-making that influence and ultimately determine the policies of a nation. The aim of this chapter is to review contemporary literature that specifically focusses on policy-making in developing nations. This will be achieved by dividing the chapter into four thematic sections that address key issues in the contemporary literature.

The first two sections of this chapter concentrate on literature that engages with society-centred and state-centred models of policy-making. These sections primarily focus on the models identified by Grindle and Thomas (1991). While there have been other contributions to this area of literature, Grindle and Thomas (1991) have provided the most authoritative and comprehensive explanation of society-centred and state-centred models of policy-making in developing nations. The third section of this chapter reviews literature that deals with policy transfer and how it relates to developing nations. The concept of policy transfer between nations has become a major topic in contemporary policy literature. Its importance for this thesis is that policy transfer attempts to explain the way in which developing nations incorporate aspects of institutions and/or policies derived from elsewhere or another time. Finally, this chapter will address the recent contributions to the field of literature that identifies the role of veto players in policy-making. This section of the literature review highlights current contributions in the policy studies literature, which focus on the issue of ‘veto players’— how the issue of ‘veto players’ has become an important and necessary addition to policy literature, especially literature that deals with the policy process in developing nations. Moreover, this review shows the utility of this key concept in explaining policy change, through examining the presence or absence

of veto players in a nation's policy-making process and the subsequent policy outcomes that result from these circumstances.

Society and State Models of Policy-making

Grindle and Thomas (1991, 18) in *Public Choices and Policy Change* observed that 'Every day, governments make authoritative decisions that allocate public resources, define relationships between state and society, regulate interactions among citizens and institutions and act on behalf of the nation in international contexts.' They argued that in the case of developing nations, the state's actions and thus consequences of these actions for citizens are amplified due to excessive social needs, stunted economic development and a general overbearing role of the state. Grindle and Thomas (1991, 19) provided a summation of five 'propositions' that highlight the general experience of policy-makers in developing nations. These propositions are:

- Decision makers are not fully constrained by the interests of social classes, organized societal interests, international actors, or international economic conditions, but have space for defining content, timing and sequence of reform initiatives.
- Decision makers often have articulate and logical explanations of the problems they seek to resolve based on their experience, study, personal values, ideology, institutional affiliation and professional training.
- Decision makers may often alter their perspectives on what constitute preferred or viable policy options in response to experience, study, values, ideology, institutional affiliation, and professional training.
- Decision makers often take active and formative roles in shaping reforms to make them politically acceptable to divergent interests in society or in government.
- Bringing about changes in public policies and institutions is a normal and ongoing aspect of government and a normal and ongoing function of many officials.

Grindle and Thomas (1991) constructed two broad models of policy-making that concentrate on societal and state influences on policy-making and policy outcomes. Moreover they posit, 'Differences between society-centred and state-centred perspectives are not trivial. They present competing visions of where initiatives for stasis and change come from' (Grindle and Thomas 1991, 20).

Society-centred Explanations of Policy Choice

Grindle and Thomas's classification of 'Society-centred Explanations of Policy Choice' encompasses three key approaches. These are *class analytic approaches*, *pluralist approaches* and *public choice approaches*. They argued that within these three approaches, the 'activities of states and policy elites are understood to be dependent variables' (1991, 20). Therefore, analysis of the actions, choices and behaviour of policy elites should concentrate on societal classes and groupings or their linkages with external actors in the international system. Public officials are simply the vehicles for formalising policies, which have been derived from influences, interests and political forces within society.

Class Analytic Approaches

In a class analytic approach, analysis is derived from initially focussing on relationships of power and domination among social classes. It has strong Marxist connections as is clearly indicated from the first line of *The Communist Manifesto* (1848) 'The history of all hitherto existing society is the history of class struggles'. In a Marxist framework, the state's role is perceived to reinforce the legal, institutional and ideological hegemony of the dominant class. The state is an 'organization of the possessing class for its protection against the non-possessing class' (Engels quoted in Grindle and Thomas 1991, 2). Policy therefore is understood as the tangible manifestation of the state's desire to protect the interests of the elite against the masses.

The class analytic approach is closely related to established frameworks such as dependency theory and world systems theory, which are often categorised as neo-Marxist critiques of international relations. However, Viotti and Kauppi (1993, 84) argue that *globalism* is a more appropriate label to describe theories and approaches that examine why Third World states have been unable to develop to their full potential, as this type of analysis can be achieved through both Marxist and non-Marxist frameworks – for example, a neo-Weberian approach.

Regardless of the theoretical antecedents, globalist approach proponents look at the *capitalist world-system* as the starting point of analysis and emphasise *dependency*

relations within the global political economy. Moreover, a principle assumption for globalists is that in order to sufficiently comprehend the way in which states and other actors interact, analysis must be applied through global contextualisation (Viotti and Kauppi 1993, 85). The overarching structure of the global system must be taken into account in order to understand 'individual, bureaucratic and societal behaviour between states and societies' (Viotti and Kauppi 1993, 84). Therefore the behaviour of individual actors can in part be explained by examining the global system that provides both constraints and opportunities to the actors. Grindle and Thomas (1991) argued that from this position on policy change, the state's processes and methods of decision-making are not the imperative but rather it is the interactions between classes that policy initiatives emerge.

Globalists also highlight the necessity to examine the actions of individual actors in the international system through a historical perspective. There is a general assumption among globalists that the key historical perspective for analysis is defined by the development and implementation of *capitalism* in the international system. This particular economic system has demonstrated that it can provide beneficial outcomes for various classes, states and societies but always at the expense of others (Viotti and Kauppi 1993, 86). While actors in the international system may not be ideologically aligned with the principles of capitalism, the fact remains that they must still operate within the capitalist structure of the international system even if the system considerably restrains their options; and it is a system in which class domination and subjugation are pre-eminent.

This approach also works on the assumption that particular *mechanisms of domination* are present within the international system, constraining Third World development and further ensuring the irregular development of the global system (Viotti and Kauppi 1993, 86). This assumption has guided globalists to address the dependency relations between the North (industrialised states in Europe and North America) and their less developed counterparts in the South (Africa, Latin America and Asia) in order to obtain a clear understanding of the various mechanism of domination.

The final element in these approaches is the notion that *economic factors* are essential to explicating the trajectory of the world capitalist system and further relegation of Third World states to a subordinate position in the world system (Viotti and Kauppi

1993, 86). The world economic system is a structure of inequality in which dominant classes internationally and domestically strive to maintain their privileges through control over policy-making.

An influential facet of the globalist contribution to international relations has been work of a variety of academics from North America, Europe and Latin America that have come to be known collectively as *dependency* theorists. Research conducted during the 1960s by investigators affiliated with the Economic Commission on Latin America (ECLA) and the United Nations Conference on Trade and Development (UNCTAD) expanded the depth and breadth of analysis in international relations theory by uncovering reasons why the majority of Latin American and other Third World nations were not maintaining levels of economic growth and welfare improvements as previously anticipated (Frank 1967).

While initial contributions made by writers such as Prebisch (1963), who were associated with ECLA and UNCTAD, provided a narrow analysis confined purely to economic dimensions, their successors—the radical dependency theorists—began to expand their analysis and incorporate political and social factors (Cardoso and Faletto 1979). This enabled a holistic contextualisation of Latin American countries in the global capitalist economic system dominated by the bourgeoisies of the metropolitan countries in North America and Europe (Frank 1967). Dependency theorists illustrated the manner in which preferences of Latin American countries were ‘restricted or constrained as a result of the dictates of capitalism but also due to supporting political, social and cultural relations—the result is a structural domination’ (Viotti and Kauppi 1993, 90). The phenomenon that dependency theorists sought to investigate was laconically articulated by dos Santos (1970, 180) as a ‘situation in which a certain number of countries have their economy conditioned by the development and expansion of another, placing the dependent countries in a backward position exploited by the dominant countries’. The actors in this structure of exploitation were the social classes.

Much of the work established within dependency theory has been based upon a Marxist theoretical framework. Research that applies this particular framework has moved beyond relations between the ‘metropolitan core’ and ‘third world periphery’ states and has focussed on ‘transnational class coalitions linking elites in industrially

developed countries (core) with their counterparts in the South (periphery), analysing how transnational ties with the global bourgeois or capitalist class work to the disadvantage of workers and peasants in the periphery' (Viotti and Kauppi 1993, 90). Dependency theorists have displayed the capacity to not only analyse the role and influence of external institutions, but also to further acknowledge the role of internal constraints on development. Dependency theorists argue that it is essential to include internal constraints in their approach as they generally reinforce the mechanisms of foreign domination and hegemony. Analysis of international class structures should be complemented by scrutiny of domestic class structures if one seeks to understand how and why particular policies are made.

In the Latin American context, dependency theorists have labelled the national bourgeoisie with its oligarchical tendencies as the *comprador class*. Writers such as Cardoso and Faletto (1979) examined how the *comprador class* has aided the exploitation of its own society through alliances with foreign capitalists and self-serving policies that have increased social and economic inequality. Cardoso and Faletto (1979, xvi) assert that 'we conceive the relationship between external and internal forces as forming a complex whole whose structural links are not based on mere external forms of exploitation and coercion, but are rooted in coincidence of interests between local dominant classes and international ones.'

While the class analytic approach's strength is in its capacity to elucidate and explain the connection between societal power bases and public policy, Grindle and Thomas (1991) asserted that its weakness lies in its failure to actively acknowledge and examine the issue of choice within policy-making. Class analytic approaches have been historically popular in Latin American literature. Successors to the dependency theorists have also incorporated class as a prominent variable in their explanatory frameworks. For example, O'Donnell (1988) has included class structure as a fundamental element of his research and explanations of bureaucratic authoritarian regimes.

Pluralist Approaches

From a pluralist stance, the state is not viewed as a *unitary actor*. The state is not a 'reified entity', which is an abstraction to be treated as if it were a physical being that

acts with single-minded determination in a coherent manner.’ (Viotti and Kauppi 1993, 55) Rather, the state is composed of individual bureaucracies, interest groups and individuals with competing interests that attempt to influence foreign policy such as members of the armed forces, politicians, trade unions, business groups and in some cases religious organisations.

Competition, coalition-building, conflict and compromise among these societal groups are the core of politics and policy-making and greatly determine the state’s capacity to interact both domestically and in the international system and its orientation in those arenas. The state is not an integrated entity, impermeable to external forces. The state interacts in the political arena with groups from society, which attempt to have their views adopted as policy. In this arena such groups conflict, bargain, negotiate and form coalitions to produce policy output; while the state remains the key creator of policy, society participates in the form of groups with common interests. It is a combination of governmental and non-governmental players taking action, which in some cases will carry policy implications that are contrary to the preferences of central state authorities (Burchill 1996, 70). A pluralist-liberal approach asserts that accepting the assumption of the state as a unitary actor belies the very nature of politics, which is grounded in the notion of competing ideas and approaches to issues both domestically and internationally (Burchill 1996, 71). The latter is due to the transnational capacity of state and non-state actors to operate across national borders in the international arena.

Pluralists assume that the state generally functions as a neutral actor and can provide a place for competing ideas to influence and contribute to the policy-making process. This can be manifested in particular policies being promoted in order to increase within government, the bureaucratic power, prestige and standing of one organisation at the expense of others. Despite this, pluralists do emphasise that while the decision-making process is typically one of coalition and counter-coalition building, bargaining and compromise, that does not always ensure an optimal result. It is argued that due to this, trying to establish a consensus or *minimum winning coalition*, in the process of foreign policy-making, is a complex business that demonstrates that the state is not and cannot be a unitary rational actor (Viotti and Kauppi 1993, 47).

The relative autonomy of the state, promoted in some other policy-making models, is not a relevant or important issue for pluralists. Pluralists advocate that policy, at both domestic and international levels, is a constantly evolving phenomenon and so too are the issues that dominate it. Grindle and Thomas (1991, 23) insist that:

Not only is the initiative of policy change linked to the mobilization of interests in society, but the source of policy change must also be sought in changes in coalitions of interest groups or in their relative bargaining power, negotiating, marshalling votes, and otherwise influencing policy makers.

In a developing nation context, the classic pluralist approach does not necessarily provide the best explanation for policy formation and policy change. This is largely due to the assumption that interest groups are well organised, economically stable and possess a clearly defined role and objective in the political arena and that certain features of liberal democracy are presumed to exist. In many developing nations, this is not the case. Interest groups remain fractured and constrained by economic instability largely due to a culture of corruption as well as the absence of clear interests that can be pursued under a unified banner. Scholars such as Diamond (2002) attempted to explain these issues by first questioning the validity of classifying certain developing countries as either 'democratic' or 'authoritarian'. There is a large and growing grey area occupied by political regimes that do not fall neatly into either category. These are 'hybrid regimes' whose study 'exemplifies a new wave of scholarly attention to the varieties of non-democratic regimes and to the rather astonishing frequency with which contemporary authoritarian regimes manifest, at least superficially, a number of democratic features' (Diamond 2002, 23). Such, recent literature challenged Huntington's (1993) 'wave theory' of democratisation because of its emphasis on public elections as the key measurement of whether democracy and democratic processes are present in a particular nation. Political scientists can no longer apply a basic criterion to nations that produces a simple dichotomy of democratic or non-democratic for the purposes of classification. As Diamond asks:

Is Russia a democracy? What about Ukraine, Nigeria, Indonesia, Turkey, or Venezuela? There was a time when these were simple questions of regime classification. But the empirical reality in these countries is a lot messier than it was two decades ago, and so, in a way, is the never-ending dialogue on how to think about and classify regimes (Diamond 2002, 21).

Pluralist approaches are essentially derived from the experience of Western countries and their particular models of liberal democratic government and policy-making; and therefore do not necessarily reflect the societal realities of government systems in many developing nations.

Public Choice Approaches

Public choice approaches to policy-making are derived from previously established pluralist frameworks. Similar to the pluralist approach, 'public choice theory assumes that political society is composed of self-interested individuals who coalesce into organized interests' (Grindle and Thomas 1991, 24). Generally these groups are comprised of a variety of individuals who are motivated by self-interest in seeking to effect change in relation to an explicit area of public policy; for example, manufacturers for the domestic market wishing to keep import tariffs high or urban residents wanting to keep food prices low. These groupings of individuals are able to draw on a variety of skills and strategies in order to access government resources in a beneficial way.

Formed in groups, they use money, expertise, political connections, votes, and other resources to extract benefits, or rents, from government through lobbying activities, through elections, and other direct forms of political involvement, or through the imposition of rewards and sanctions on public officials (Grindle and Thomas 1991, 24).

Public officials preoccupied with retaining their elected positions will often play an important role in facilitating the easy accessibility and inclusion of self-interested groups into the process of the distribution of public resources. In this sense, the exchanges between interest groups and elected public officials represent a mutually beneficial partnership whereby the interest groups are able to acquire preferential treatment and access to government resources and elected public officials are able to ensure, to some degree, continued support for their political tenure. 'Politics, then, is the sum total of individuals seeking special advantage through public policy and individuals officials seeking to benefit from public office through re-election and rents' (Grindle and Thomas 1991, 25). The patrimonial president, such as Marcos in the Philippines or Suharto in Indonesia, can be seen in terms of public choice as engaging in mutually beneficial transactions with key interests and individuals to

maintain themselves in office and wealth while enriching and caring for the loyal supporters (Crouch 1979).

In the context of developing nations, the public choice approach is argued to create political instability and poor policy choice, particularly in economic matters. This is largely due to the precarious position of government policy elites who feel compelled by motives of self-preservation and self-interest to continue favourable and in many cases costly policies that benefit powerful interest groups or individuals at the expense of the wider population. Grindle and Thomas (1991, 25) wrote:

In the political arena, self-interested behaviour generates negative outcomes for society – a state that is captured by narrow interests, policies that are distorted in economically irrational ways by self-seeking groups, and public officials whose actions are always suspect.’

The strength of the public choice approach to policy-making lies in its ability to explain the extent of the influence that self-interest groups enjoy through relationships with public officials and the way in which this combination can result in poor policy choice and outcomes for the state. It further highlights the reasons why in some instances, change and innovation are so difficult to incorporate and implement in a nation’s policy-making process. ‘By focusing on the power of vested interests, the public choice approach demonstrates the barriers to reform that are created by pre-existing policies and by the political relationships that they engender’ (Grindle and Thomas 1991, 26). However, the weakness of this explanation of a policy-making process is that it does not account for or provide reasons as to why a policy or policies change in a nation. The public choice model does not adequately address variables within a society that have the potential to change and consequently affect the method of policy-making and the status quo within a particular nation, as evidenced by the downfall of the patrimonial presidents Marcos and Suharto. The lack of an historical perspective does not allow the public choice approach to sufficiently examine and then clearly delineate how and why the policy-making process of a nation and its products supporting the status quo can be drastically altered and subsequently produce radical policy choices and outcomes.

State-centred Models of Policy-making

State-centred models of policy-making concentrate on examining policy choice through the ‘organisational context of the state’ (Grindle and Thomas 1991, 27). This approach tends to minimise the importance placed on the influence and role of societal factors such as class conflict, competition and interest groups. Instead, the mode of analysis focusses on a single decision-maker or decision-making body within the governmental framework. These models allow for a more fluid understanding of the role of policy elites within government and the capacity for these actors to independently develop and implement policy change within the confines of the state: ‘State-centred explanations indicate that policy change is best understood by focusing first on the perceptions and interactions of decision-makers and others in particular organizational contexts in government’ (Grindle and Thomas 1991, 27). Greater consideration is given to the way in which the bureaucratic elements of government, including executive policy officials, influence the policy-making process and therefore any changes that can occur within this process. Finally, state-centred models of policy-making ‘differ significantly from society-centred explanations in terms of where they expect the initiative for change to emerge’ (Grindle and Thomas 1991, 27).

Rational Actor Models

The question ‘To what degree can policy makers be considered rational actors in the policy-making process?’ has emerged as a significant point of contention in contemporary policy-making literature. The idealistic foundation of a pure rational actor model assumes that policy-makers are able to allocate the time and attention necessary to evaluate policy choice by analysing all possibilities in a balanced and therefore rational manner, which in turn produces the optimal policy outcome. However, due to the impracticality of this approach, literature concerning the role of rational actors has expanded and adjusted the original conceptualisation to include issues such as ‘bounded rationality’ and ‘instrumentalism’ (Grindle and Thomas 1991, 28).

These revisionist perspectives generally argue that because of the complexity of perfectly rational models and its costs in terms of time and attention, decision-makers (whether individuals or organisations) do not usually attempt to achieve optimal

solutions to problems but only find ones that satisfy their basic criteria for an acceptable alternative or ones that meet the satisfactory standards' (Grindle and Thomas 1991, 28).

Rational actor approaches attempt to define criteria that will be applied by a policy maker in order to assess specific situations or problems and develop a satisfactory but not perfect policy outcome. The strength of this approach is that it elucidates the manner in which problem solving and policy choice in 'organisational contexts simplify the decision process, minimizing the amount of conflict engendered through policy change, and constrain the policy choice available' (Grindle and Thomas 1991, 28). Thus, Lindblom (1979) introduced the concept of 'muddling through' as a realistic approach to understanding the limitations of many policy-makers during the policy-making process.

... Muddling through" or "incrementalism" as it is more usually labelled, is and ought to be the usual method of policy-making. Rather, it is that neither revolution of drastic policy change, nor even carefully planned big steps are ordinarily possible. Perhaps at this stage in the study and practice of policy-making the most common view (it has gradually found its way into textbooks) is indeed that no more than small or incremental steps – no more than muddling – is ordinarily possible (Lindblom 1979, 517).

However, this approach places limitations on the overall context and explanation of policy change in a nation. Emphasis is generally placed on a decision maker or a decision-making body that exists exclusively within the 'confines of bureaucratic organisations' (Grindle and Thomas 1991, 29). By using this model as a framework for analysis, important factors that critically effect and influence the process of a nation's policy-making such as historical events, cultural practices, class conflict, political instability and revolution within the nation's prevailing ideological framework, are not included in the analysis and therefore explanation. In short, these approaches assume relative stability and coherence within a developing nation's bureaucratic system, and almost complete isolation from strong and in many cases pervasive societal forces.

Bureaucratic Politics Approach

The bureaucratic politics approach to policy-making applies a competitive framework in which the policy-making process is undertaken. This model examines the way

policy makers in specific bureaucratic positions engage in a series of negotiations and compromises aimed at achieving an increase of the player's power within his or her bureaucratic environment and obtaining great access and influence in the distribution of resources. As Grindle and Thomas (1991, 29) argued:

Executive and bureaucratic 'players' compete over preferred solutions to particular policy problems and the use the resources available to them through their positions – hierarchy, control over information, access to key decision makers, for example – to achieve their goals. Their views on what policy should prevail are shaped by their positions within government; that is, the issue position of each player is defined by the bureaucratic position he or she occupies, such that 'where you stand depends on where you sit.'

The bureaucratic politics model assumes a substantial amount of power on the part of the individual decision maker. In this situation, the only obstacle for a policy maker is presented in the form of other bureaucratic actors who also attempt to influence the policy-making process through their own position in the organisation and ability to influence outcomes through negotiation and bargaining.

The approach provides a set of propositions that is useful for investigating and understanding intra-governmental bargaining, conflict and decision-making and that allows analysis to focus on the activities of the decision-maker, an aspect of policy largely ignored by society-centred explanations (Grindle and Thomas 1991, 30).

The bureaucratic politics explanation of policy choice largely ignores the role of societal actors that attempt to utilise a variety of methods and employ specific strategies in order to shape policy. Furthermore, it does not pay sufficient attention to why particular policies are chosen, preferring to focus analysis on specific political actions. Instead, it assumes that all variables or actors capable of successfully manipulating the policy-making process are limited to the bureaucratic arena. Analysing the policy-making process from a state-centred approach such a bureaucratic model can prove to be particularly useful for the examination of a developing nation. Grindle and Thomas (1991, 30) argue: '...in developing nations, the role of the state is often extensive; the bureaucratic politics approach is a particularly important means of gaining insight into the process of decision making in large and complex states'. The approach can be instrumental in explaining policy choice in certain large and important government portfolios. For example, matters of national security and foreign policy are generally formulated by policy elites and

executive levels of government and less likely to be influenced by societal groups and their particular interests. In this case, the bureaucratic politics explanation of the policy-making process of a nation can sufficiently indicate the reasons for continuity or change of a particular policy. However, the limited scope of this approach means that it cannot account for the conflict that can occur between executive players in governments or how these players form alliances or apply biases to the policy-making process.

State Interests Approach

The state interests approach to policy-making emphasises the way in which the state retains a degree of autonomy in the policy process. This autonomy allows the state to outline the parameters within which policy issues will be addressed.

In contrast to the class and interest group models, states are analytically separable from society and considered to have 'interests' that they pursue or attempt to pursue. Among the interests of the state, for example, are the achievement and maintenance of its own hegemony vis-à-vis social actors, the maintenance of social peace, the pursuit of national development as defined by policy elites representing particular regimes, and particular interests of the regimes incumbents in retaining power (Grindle and Thomas 1991, 30–31).

This model assumes that ultimately the state's interests will generally prevail in policy arenas. However, this does not preclude the state from formulating policies that produce desired outcomes for interest groups or individuals in society. This approach does not clearly delineate whether the choice of policy that produces favourable outcomes for the state has been solely created from within the state or with assistance from external influences. Thus policy-making could be either scenario or a combination of both. Additionally, the state interests approach recognises the state is also in a position to create policy that is unfavourable to specific societal groups. This element of policy-making in a state-centred model is contingent on the independence or clear separation between state and society. 'This means that the state is more than an arena for societal conflict or an instrument of domination employed by the dominant class or class alliance. It is potentially a powerful actor in its own right' (Grindle and Thomas 1991, 31).

The state interests model points to changing circumstances as causal of policy change. These changing circumstances could be in the form of challenges to the power of the

state or the by-product of policies that have not produced the desired result (Grindle and Thomas 1991, 32).

In the state interests approach, policy or institutional reform comes about because of the interaction of policy-makers attempting to generate responses to public problems and the constraints placed upon them by political, economic and social conditions and by the legacy of past policy (Grindle and Thomas 1991, 32).

The state interest approach can provide an excellent explanation of policy-making in the context of a developing nation. This is largely due to the overbearing role of the state in propelling various sections of society towards a specific interest or objective. The state has the power and resources to determine policy and implement it. This is seen in many populist regimes in developing nations and in particular many Latin American hybrid regimes that emerged during the late 1960s and early 1970s such as Argentina, Brazil, Chile and Uruguay. For example, writers such as O'Donnell (1988) described elements of the state interests approach as a form of 'bureaucratic authoritarianism'. In attempting to guide society towards specific interests or objectives in order to maintain its own hegemony, the state will often employ strategies aimed at separating state and society. These tactics can include: senior government positions being given to persons with backgrounds in 'complex and highly bureaucratized organisations' such as the armed forces; political and economic exclusion of the popular sector; and the 'depoliticization' of society whereby solutions to social issues are promoted as only achieved through negotiations in the 'upper echelons' of the state (O'Donnell 1988, 6).

The state interests approach further identifies, through the concept of 'embedded orientations', the way that government procedures and organisational structures guide policy-making and explain the continuity of a nation's policy approach when examined from an historical perspective. For example, Chalmers (1994) identified Brazil as an example of a developing nation that displayed 'embedded orientations' with regard to the development of specific industries in the country.

Brazil was the first Latin American country to target the automotive industry as a leading industrial sector, and the prominent role of the state in promoting the industry has earned it a reputation as the epitome of successful import substitution industrialisation. Both President Vargas and his successor, Kubitshek, took a personal interest in promoting the automotive industry, and in

1956 a high-powered bureaucratic agency was assigned the task of formulating a basic development plan for the industry. Business was effectively excluded from the initial policy processes, and this lack of business influence during the genesis of the program meant that policy focussed almost solely on increasing local content (Chalmers 1994, 11).

However, this model does not highlight the complexities of policy-making and the influence of a plethora of societal actors that can in fact adopt roles that can cause policy change. Grindle and Thomas (1991, 32) argue that an inherent weakness is that ‘...although the actions of policy makers can be understood from a state interests approach, the model does not provide a convincing explanation of how policy elites acquire particular preferences.’

More recent contributions to the field of policy-making in developing nations have tended to concentrate on issues such as ‘lesson drawing’ and ‘policy transfer’ in an attempt to explain the causes of policy change in a country. However, Grindle and Thomas’s (1991) classification of society-centred and state-centred models of policy-making offers a particularly pertinent framework for the explanation of policy change, especially when applied to the experiences of Venezuela during the Fourth and Fifth Republics. It provides the means to analyse the changing political environment that so drastically changed Venezuelan domestic and foreign policies.

Policy Transfer

Social scientists have a longstanding interest in how policies created in one place and/or time can move to other places and/or times. Several explanatory frameworks have been established to explain this policy movement including ‘policy convergence’ (Drezner 2001), ‘policy diffusion’ (Weyland 2005) and ‘lesson drawing’ (Rose 1991). However, the policy transfer approach has become the dominant contemporary framework for the analysis of policy movement. The concept of policy transfer has emerged as one of the key themes in contemporary policy-making literature. Dolowitz and Marsh (2000, 38) defined policy transfer as ‘the process by which knowledge of ideas, institutions, policies and programmes in one time and/or place is fed into the policy-making arena in the development of policies and programmes in another time and/or place’. Although policy transfer has existed since the civilisations were established, more recent developments in technology and communications have inevitably facilitated the increased incidence and possibility of

policy transfer between different countries. Although there is a large body of work that deals with various issues relating to policy transfer, Dolowitz and Marsh (2000) have provided the most comprehensive study on the use of policy transfer as an analytical framework. They began by establishing a set of questions that assisted in forming their theoretical framework:

1. Why and when do actors engage in policy transfer?
2. Who transfers policy?
3. What is transferred?
4. From where are lessons drawn?
5. Are there different degrees of transfer?
6. What restricts policy transfer?

In attempting to answer the first question, Dolowitz and Marsh identified three conditions under which policy transfer will occur: voluntary transfer, the middle ground and coercive transfer. Voluntary transfer of policy is generally derived from the failure of a particular policy norm to achieve the desired or intended outcome:

This is because, before the emergence of a problem, established routines provide the best means of policy-making, because they tend to require actors to expend the least amount of resources. It is only when routines stop providing solutions that it became necessary to search for new policies or programs (Dolowitz and Marsh 2000, 40-41).

The change of government via elections, political conflict or the absence of and therefore need for legitimacy in certain regimes can provide the conditions in which policy actors will seek out foreign approaches or solutions to policy-making and attempt to implement them within their own nation's existing policy framework. When voluntary policy transfer is undertaken as an initiative by policy-makers the outcome, according to Dolowitz and Marsh (2000, 41), is 'while voluntary policy transfer would logically appear to lead to incremental policy change, policy makers can use policy transfer to introduce and justify fundamental change.' In other words, policy transfer can be associated with radical change.

The second type of policy transfer as categorized by Dolowitz and Marsh (2000) is 'the middle ground' which involves a combination of voluntary and involuntary or coercive circumstances in which policy transfer occurs. This kind of policy transfer can be the product of competition with other nations and an attempt at maintaining an edge in the international market. Alternatively, policy actors might seek out change

through the transfer of policy when ‘there is an international agreement upon the definition of a problem or a solution, nations not adopting this definition of solution will face increasing pressure to join the international community in implementing similar programmes or policies’ (Dolowitz and Marsh 2000, 42). Moreover the ‘middle ground’ scenario could also derive from of a nation’s desire to strengthen its recognition and therefore legitimacy in the international community. Finally, in certain cases, nations will feel pressured to adopt targeted policies from other nations as a way of responding to the negative outcomes of another nation’s policies. In this sense, specific nations in a similar region may adopt policy transfer out of necessity ‘when the policies of one state produce externalities detrimental to another’ (Dolowitz and Marsh 2000, 42).

Coercive transfer is the third type of policy transfer that attempts to explain why policy makers will adopt policies from elsewhere. From this perspective, policy transfer is usually the result of pressure applied by one nation state or international organisation to another nation in order to effect policy change (Dolowitz and Marsh 2000, 42). In recent years, policy transfer of a coercive nature usually occurs when powerful international institutions such as the International Monetary Fund (IMF) or World Bank (WB) offer financial assistance that includes a specific set of conditions that concentrate on economic and political reforms within the recipient nation.

Coercive policy transfer will often take place when a weaker nation presents a strong need for assistance, particularly economic. The policy-makers within the weaker state conclude that the benefits gained from receiving the financial assistance greatly outweigh the possible negative consequences of the required reforms to be implemented in the transfer process. During the 1980s and 1990s, many Latin American nations were subject to coercive policy transfer in the form of neo-liberal economic reforms and pressure to begin the processes of decentralisation. In the Venezuelan case, the coercive policy transfer did not produce the desired outcomes. Rather than stabilising the Venezuelan economy through a series of fiscal constraints, the economic and political reforms plunged Venezuela into series of crises that culminated in the demise of the Fourth Republic and *Punto Fijo* democracy.

The second question of Dolowitz and Marsh asked who does the transferring. Policy may be transferred by a variety of actors from within a nation and in some cases the

actors will be external to the nation-state. These actors can include elected officials, bureaucrats, administrators, consultants, political parties, interest groups, think tanks and international organisations (Dolowitz and Marsh 2000). The third question in the analytical framework seeks to identify what is in fact transferred during the process. Dolowitz and Marsh (2000, 48) identified that ‘five broad categories can be established: policies; institutions; ideologies/justifications; attitudes and negative lessons’. They then inquire about where the lessons are drawn from and argue that they can be drawn from all levels of government within a nation, government to government, international level and past historical experiences of policy-making. Next is the matter of degree. How much of a policy is transferred? Dolowitz and Marsh (2000, 52) stated that ‘policy transfer is not an all-or-nothing process. While any particular instance of policy transfer may involve a combination of processes and agents, there are basically four different degrees of transfer...’ The four main degrees of policy transfer are considered to be copying, emulation, mixtures and inspiration. The process of copying involves the transfer and implementation without any changes of a policy by a country from outside its own policy framework. Emulation describes the method of transferring ‘a policy, program, or institution from a foreign model’ and applying minor changes to suit the recipient country’s own circumstances. Mixtures highlights the way in which a nation will draw on a number of policies from multiple countries for the purposes of comparing and then identifying which policy could be best emulated. Finally, policy transfer can occur in the form of inspiration. In this case, the policy transfer is achieved through the introduction of new ideas and methods of policy-making (Dolowitz and Marsh 2000, 52–53). Depending on the degree of transfer present in the policy process, the transfer process can range from a simple acquisition of a policy that does not incorporate any influence from the recipient nation to transfer that provides the foundation for a new approach to a particular issue that combine endogenous and exogenous ideas and concepts.

The final question seeks to reveal the constraints that might hinder the overall success of the transfer process. Dolowitz and Marsh (2000, 53) suggest that ‘any account of policy transfer must consider the constraints faced by actors engaging in the process. This is particularly important because it helps explain why some policies are transferred while others are not.’ Constraints also explain why some transferred policies fail to take root in new environments. The restrictions include the complexity

of the policy that is being transferred, interactive effects; which could include already established and successful policies, institutional constraints in the form of bureaucratic structures and ideology, feasibility constraints and language barriers between the two nations (Dolowitz and Marsh 2000). Additionally, Stone (2000, 22) highlights that in policy-making situations:

Decision-makers face a number of constraints. First, either they do not have the time or resources to accumulate sufficient evidence to make valid comparisons for lesson-drawing or are confronted by problems of under-supply of knowledge; and second, they sometimes need to build acceptance and establish legitimacy before lessons can be introduced or imposed.

In almost all policy-making situations, decision-makers will be limited to some degree in their capacity to achieve their optimal goal by a number of different constraints. The importance of ideology and the role it plays in constraining and then in some cases guiding policy-makers in certain directions can explain why some policies are transferred over other potential models. Dolowitz and Marsh (2000) highlight the importance of ideology by using the example of the British government's welfare-to-work program during the 1980s. Sharing similar neo-liberal ideological views, the Thatcher government in the UK drew on specific approaches to welfare policy from existing models in the (US) under the Reagan administration. The attempted transfer of new public management models from developed nations similarly involved ideological aspects of neo-liberalism, which did not necessarily sit easily with recipient governments (O'Donnell and Turner 2005). In the context of developing nations, language as a possible constraint for policy-makers to successfully transfer policy can also be a pertinent issue. In some instances, a nation will opt for a certain policy from a foreign model over another if both countries share the same language. This is due to the ease in which the country seeking to adopt the foreign model or policy can access information in their native language. Additionally, 'with a shared language there is a tendency to assume that actors understand the meanings contained within the language and the implementations of policies and programmes (Dolowitz and Marsh 2000).

The framework for analysis proposed by Dolowitz and Marsh (2000) provides the means of establishing the motivations and reasons for policy transfer between nations and organisations. Some assessments of this framework have pointed to the narrow

scope and difficulties associated with providing a ‘set of diverse and conflicting theories under a common framework obscuring differences between them’ (James and Lodge 2003, 1). However, while any theoretical approach will have its weaknesses, Dolowitz and Marsh (2000) have provided the most comprehensive analytical framework that incorporates a number of important considerations and explanations for understanding the key issues in the policy transfer process. Therefore, this research has used the Dolowitz and Marsh (2000) framework to investigate whether any policy transfer has occurred during the Fifth Republic of Venezuela and if so, how this has affected the policy choice and outcomes for Venezuela.

The Role of Veto Players in a Nation’s Policy-making Process

Recently, a body of literature has emerged that specifically addresses the role of ‘veto players’ in the policy-making process of individual nations. Tsebelis (2002) has developed the most comprehensive analysis on the topic of veto players as influential actors in the policy-making process. Tsebelis (2002) identified the importance of looking at the actors in the policy-making process and their subsequent effect on the policy outcomes of an individual nation. He argued that the behaviour of veto players will ultimately determine the stability and continuity of policy in a country.

...Policy outcomes are the result of two factors: the preferences of the actors involved and the prevailing institutions. Given that the identity of players and their preferences are variable, while institutions are more stable, policy outcomes will vary depending on who controls political power as well as where the status quo is (Tsebelis 2002, 34).

Depending on the type of government or regime in place in an individual nation, veto players will be comprised of different groups of people, enjoying varying levels of influence and control over the policy-making process. Tsebelis (2002, 35) defines ‘veto players’ as ‘...actors whose agreement is required for a change of the status quo. The number and the location of veto players affects policy stability, that is, how difficult it is to change the status quo.’

Tsebelis (2002) argued that veto players will be present in a political system in the form of individual players, collective groupings or both. The role of the veto player in influencing the policy-making process ultimately translates into the player’s ability

to affect the status quo and therefore the overall political stability of nations. Tsebelis (2002, 35) further stated:

Whether these veto players are individual or collective affects the way they make decisions about policies. If they are individual (like a president, or a monolithic political party) they can easily decide on the basis of their preferences. If they are collective (like a parliament or a weak political party) the location of the outcome depends on the internal decision making rule (unanimity, qualified or simple majority), and who controls the agenda.

Essentially, veto players will advance their interests in the policy process in a number of ways. This could be in the form of a threat to use his or her veto power as a way of ensuring specific policy is passed or some cases, using their veto power to block initiative that are perceived by the player to be detrimental to his or her interests (Ganghof 2003). While the dominant approaches such as Tsebelis (2002) emphasise the important of veto players for policy stability, writers such as Keefer and Stasavage (2003) argued that the maintenance of policy *stability* does not necessarily ensure policy *credibility*, therefore while veto players can guarantee stability this does not extend by virtue to the issue of policy credibility.

According to Ganghof (2003, 2–3) veto player analyses largely address three types of problems:

1. *Problem of identification*: Scholars have to distinguish real veto players (VPs) from other potentially influential actors. On the vertical dimension, the question is to what extent sets of individuals can be treated as collective VPs (e.g., parties versus party factions). On the horizontal dimension the question is whether particular powerful actors, such as courts, are really VPs.
2. *Problem of preference measurement*: Once the relevant VPs are identified, their preferences have to be determined (however roughly). Most particular predictions or explanations depend crucially on such preference attributions.
3. *Problem of equivalence*: Closely related to the problems of identification and preference measurement is the problem of equivalence. Are the relevant VPs really similar in all respects (other than their policy preferences), or is it necessary to distinguish different types of VPs?

These questions have provided a general foundation for both qualitative and quantitative comparative research on the role of veto players through the use of particular case studies. Tsebelis (2002) perceived a nation's capacity for policy change to essentially relate to several variables in a particular government's structure. Firstly, the number of veto players in the policy-making process will affect a nation's capacity to implement policy change. The greater the number of veto players, the more difficult it is to gain a consensus for change. Secondly, the success of any policy change to be waved through by the veto players will depend upon how close these changes represent or coincide with veto players' own preferences or policy objectives. Thirdly, the state of internal cohesion between veto players must also be taken into account. A cohesive environment within veto player circles will produce a greater likelihood of collaboration and cooperation in bringing about policy change (Tsebelis 2002). However, Keefer and Stasavage (2003, 409) specified that their investigation on the role of veto players in monetary policy was based on the assumption that even within veto player circles, 'there is one player with agenda-setting authority—the ability to make a take-it-or-leave-it offer to the other player'.

Veto player analyses that investigate why and how the policy regime changes or not in particular nations provide excellent explanations and insights into this important element of the policy-making process. However, the majority of contributions to the literature on the subject implicitly assume that the presence of veto players and their subsequent behaviour and actions are both responsible for maintaining the status quo and at the same time being potentially causal of policy change. In this sense, the current literature does not address the implications on the policy-making process when there is an absence of veto players in the government structure and institutions of a particular nation. This is an important point that requires further consideration, especially when viewed in the context of Venezuelan policy-making under the Chávez government.

Conclusion

The broad field of literature that addresses the issue of policy-making in a nation presents manifold approaches and models that attempt to provide alternate explanations of policy-making and policy outcomes. Grindle and Thomas (1991) have formulated two broad explanations that specifically address policy-making

issues in the context of developing nations. These society-centred and state-centred explanations identify the way in which different influences from either society and state will largely determine the policy choice of a particular nation. This approach is especially important when applied to the case study of Venezuela during the Fourth and Fifth Republics. During the Fourth Republic of Venezuela, prevailing societal interests translated into the formulation of a distributive resource policy model aimed at appeasing specific needs of dominant societal groups. However, towards the end of the Fourth Republic, the distributive model of policy-making failed to meet the interests and needs of large sections of Venezuelan society, leading to political instability and social unrest. Venezuela began to seek out alternate solutions to the many problems that plagued Venezuela during this time.

An alternate solution was provided through the electoral victory of Hugo Chávez in 1998 and the establishment of the Fifth Republic of Venezuela. During the Fifth Republic, the government of Hugo Chávez set about transforming the Venezuelan social, political and economic environment under the auspices of his Bolívarian revolution. Importantly, the role of the state and specifically the role of the president emerged as a focal point of the Bolívarian approach to policy-making. It appears that state-centred rather than society-centred explanations of policy-making could provide a more suitable framework in which to assess the nature of policy-making and policy choice in the Fifth Republic of Venezuela.

Furthermore, a large amount of recent contributions to literature on policy-making have focussed on the concept of policy transfer. These approaches concentrate on issues of policy change and implementation that draw on already established or existing policies that are external to the particular nation being examined. In many case studies, policy transfer explanations, both voluntary and coercive, can accurately identify the motivations and influences that are causal of policy change in a nation. At this point it is unclear to what extent a policy transfer framework will be able to effectively account for the type of policy change that has occurred during the Fifth Republic of Venezuela. This is largely due to the fact that Venezuela has undergone a total transformation that has introduced a unique ideological, institutional and societal foundation based upon endogenous historical influences such as Simón Bolívar and a rejection of current prevailing models such as neo-liberalism. However, the close

relationship between Cuba and Venezuela does hint to the possibility of policy transfer from the Cuban model to the current Venezuelan policy framework. In this case, the transfer may not be a clear process of simply implementing one nation's policy for another, but rather, it may point to Cuba providing the inspiration and moral support for Venezuela to undertake its own distinct and radical approach to policy-making.

Finally, discussion on the role of veto players has recently become a renewed area of interest for scholars in the field of policy-making. Veto player theory offers some important insights into the way the status quo and policy change in a nation are inextricably linked to the different interests and actions of veto players present in particular types of political regimes. The contributions to this theme in the literature, particularly Tsebelis's (2002) work, have identified some important issues that will be considered throughout the data sections of this thesis. Tsebelis' (2002) bases his overall argument on the assumption that veto players are always, but in varying degrees, present and ultimately influential in determining the policy-making process and outcomes of a nation. The chapters to follow, will consider the implications of veto player theory for a nation's policy-making process and policy outcomes in the context of Venezuela under President Chávez, where there appears to be a progressive decline in the number of veto players.

As set out in Chapter One, this thesis seeks to explain the dramatic changes occurring in Venezuelan policy-making at a domestic and international level. In order explain these changes, this thesis draws on literature that specifically deals with three key themes. First, Grindle and Thomas's (1991) society-centred and state-centred explanations of policy-making will be utilised to trace the shift in policy-making between the Fourth and Fifth Republics of Venezuela and to identify the changing influences on policy as a result of this shift. Second, scholarly work on the issue of policy transfer between nations will be used to identify whether policy transfer has occurred during the Fifth Republic and whether this transfer does account for some of the dramatic and radical changes to contemporary policy-making in Venezuela. Finally, this thesis will utilise literature that especially focusses on the theme of 'veto players' and their important roles as protectors of the status quo in policy issues as well as their potential to function as instigators of policy-change in a nation.

Chapter Three:

Methodology

Introduction

The purpose of this chapter is to provide a detailed description of the methodology that I have used in relation to the data collection for this research project. Therefore, this chapter will outline the key components of the methodology and provide an explanation and justification for my particular approach to the research. These components include case study analysis, document and archival analysis and finally, the experiences and information gathered from elite interviews and participant observation that I conducted during two periods of fieldwork in Venezuela.

Yin's (1994) work on case studies research provides a comprehensive exploration of the types of case study approaches that can be used in research work as well as detailed analysis of the negative and positive aspects of each approach. Therefore, I used Yin's (1994) contribution to assist and guide my understanding and use of single case study research in relation to Venezuela's policy-making process during the period of the Fifth Republic. A significant part of my data collection involved various government documents, speeches and archival material. Therefore, in this chapter I outline the way in which I collected these documents as well as the reasons why I focussed on certain documents over others. Finally, the elite interviews and participant observation component of my methodology was undertaken as part of the fieldwork for this project by travelling to Caracas, the capital of Venezuela on two occasions, December 2006 – January 2007 and December 2007 – February 2008. These two visits to Venezuela proved to be fundamental to the eventual direction that this thesis has taken and my overall understanding and appreciation of the complex and unique nature of contemporary policy-making in Venezuela.

Selection and Justification of Case Study

As identified in the previous chapter, there is an extensive body of literature that examines the policy-making process in both developed and developing nations. The majority of the literature concentrates on analysing variables within a political system, such as society and state influences, external influences in the case of policy transfer

and the role of veto players that can effect change to varying degrees in the policy-making process of a nation. However, the majority of literature tends to focus on incremental policy change and does not sufficiently identify or account for policy change that is radical in nature.

Venezuelan policy-making during the Fifth Republic of Venezuela presents as an interesting case study for investigation for two key reasons. Firstly, scholarly research on Venezuelan policy-making has tended to examine the period of the late 1980s and 1990s during the Fourth Republic of Venezuela, when policy reforms and processes such as decentralisation and austerity measures were introduced in the country due to a series of economic and political crises. In order to understand and explain contemporary events in Venezuelan politics, policy analysis during the period of the Fifth Republic under President Chávez (1999 -) requires further attention because of the radical nature of current policy-making and policy choice in Venezuela. Second, during the Fifth Republic of Venezuela, policy-making at both the domestic and foreign level has undergone major changes. These changes have seen the emergence of a new approach to policy-making that has drastically altered the nature and operation of the Venezuelan state domestically, regionally and internationally. Venezuela provides an opportunity for policy research to not only assess the reasons and causes of policy change but to further attempt to explain these issues in the context of radical policy change.

The 1998 Venezuelan presidential elections marked Hugo Chávez's entrance onto the political stage in both Latin America and the wider international community. Since this 1998 electoral victory, Venezuela has undergone a 'Bolivarian' revolution that has drastically changed the political landscape of the country and its external relations. The nature of Venezuelan domestic policy-making and implementation has been completely transformed under President Chávez. His Bolivarian revolution has led to a re-conceptualisation of the traditional Venezuelan political environment from one based on liberal principles and supported by representative democracy and sought to replace it with one based on endogenous ideologies of 'Bolivarianism' and 'Socialism of the 21st Century' manifested in a model of participatory democracy that is unique to Venezuela.

In addition to this domestic shift, Venezuela also presents itself as a case study of interest regarding its foreign policy-making. Over the past decade that Chávez has been in power, the foreign policy of Venezuela has significantly changed, resulting in policy outcomes that have been described as both revolutionary and extreme in nature. During this period, Venezuela has emerged as a leading proponent of major change in the region and in the region's external relations. This change has largely come about through a series of foreign policy initiatives that aim to integrate Latin American countries into a coherent and strong regional bloc in political and economic issues. At this same time, Venezuela has also sought to redefine its historical relationships with key players in the region such as the United States (US) as well as further afield such as Russia and China. The Bolivarian approach to foreign policy provides an important case study for examining the impact and outcomes of radical policy-making in a nation.

Case Study Method

A case study approach to research in the field of social sciences is one of many viable and useful research methods. Yin (1994, 1) argued that 'case studies are the preferred strategy when 'how' and 'why' questions are being posed, when the investigator has little control over events, and when the focus is on contemporary phenomenon within some real-life context.' In the case study method, Yin (1994) identified four specific research designs. These include: single-case (holistic) designs, single-case (embedded) designs, multiple-case (holistic) designs and multiple-case (embedded) designs. A holistic case study design will concentrate on a single unit of analysis in either a single case study or multiple case studies. In contrast, the embedded approach will utilise multiple units of analysis within a single case study or in some case multiple case studies.

I have chosen to apply a single-case (holistic) design, the case being that of contemporary Venezuelan policy-making. A key reason for this choice is that a 'single-case can demonstrate or represent an extreme of unique case and its circumstances' (Yin 1994, 39). Furthermore, I believe that the single-case approach will provide me with the opportunity to observe, analyse and understand the fundamental changes in Venezuelan policy-making through a historical framework. While these reasons provide considerable strengths to the research there are

weaknesses to this approach. The most fundamental weakness of a single-case holistic design as Yin (1994, 42) explained is that ‘the entire nature of the case study may shift, unbeknownst to the researcher, during the course of study.’ For example, if a change of government occurred in Venezuela that brought about the end of the Bolivarian revolution, this could alter the overall focus of my research. Yet this weakness also has the capacity to serve as an actual strength for the investigation in its capacity to provide a fluid and flexible approach to a phenomenon over which the researcher has no control from the beginning. Inherent to the research design of a single-case is the understanding that the phenomenon could alter at any given point of the study. In order to avoid this potential problem (to a degree) the research design must be constructed with a clear and concise definition of the scope and limitations of the project (Yin 1994). This is why I have chosen to include a data chapter that details the political environment and nature of policy-making in Venezuela during the Fourth Republic and prior to the establishment of the Fifth Republic and the government of Hugo Chávez. Additionally, in order to limit the scope of my thesis, I have decided to analyse Venezuelan policy-making during the first ten years of Fifth Republic under President Chávez. Using a historical single case study approach that encompasses both eras of Venezuelan policy-making will assist my research in seeking to answer the overarching question of ‘what are the causes of radical policy change in a nation?’

Document and Archival Analysis

A significant portion of my data and evidence collection has been in the form of relevant documents and archival resources. In a general sense, the collection of documents and archival sources can be categorised into three main groups: primary sources, secondary sources and tertiary sources (Burnham et al. 2004, 165). In order to distinguish which documents can be classified as primary, secondary or tertiary sources, Burnham et al. (2004, 165) suggested that:

A simple timescale categorization [can be applied] in which ‘primary sources’ consist only of evidence that was actually part of or produced by the event in question; ‘secondary sources’ consist of other evidence relating to and produced soon after the event; and ‘tertiary sources’ of material written afterward to reconstruct the event.

In the process of document and data collection, I have endeavoured to concentrate on collecting a variety of information based on a range of academic, government and media sources. Moreover, I have attempted to consider each document in relation to criteria that include assessing the authenticity, credibility, representativeness, and meaning (Platt 1981). While collecting the various data components of this thesis, I became aware of the two polar opposite perspectives that tend to dominate the literature concerned with contemporary Venezuelan politics. Essentially, most sources can be divided into two main camps that are either extremely supportive or extremely critical of President Chávez and his vision of a Bolivarian Venezuela.

Fieldwork in Venezuela: Elite Interviews and Participant Observation

Early in my doctoral candidature, I realised that it was important to pursue fieldwork in Venezuela because of the limitations of access to appropriate resources on Venezuelan politics in Australia as well as the benefits of first-hand experience and knowledge gained from fieldwork in the country being researched. I made contact with an academic from Venezuela who previously had been in Australia on sabbatical leave. This contact proved to be an extremely important part of my experience of fieldwork in Venezuela. Through this contact, I organised an affiliation for the duration of my fieldwork with Simón Bolívar University in Caracas, Venezuela, as well as a supervisor to assist me during my time in Venezuela.

The main goal of my fieldwork was to conduct elite interviews with a variety of participants from various Venezuelan political circles. Elite interviewing is a popular and effective tool used by political scientists, as ‘it is often the most effective tool to obtain information about decision-makers and decision-making processes’ (Burnham et al. 2004, 205). In essence, ‘political elites are people who exercise disproportionately high influence on the outcome of events or policies in your research area’ (Pierce 2008, 119). Elite interviewing focusses on identifying who are the political elites in a relevant field and then conducting interviews with the purpose of gathering information that clarifies, confirms and in some cases contradicts documented material based on their expertise and experiences (Pierce 2008).

Before leaving Australia, I designed a series of questions that were to guide my elite interviews in Venezuela. These questions concentrated on themes that had emerged

from my literature review, such as the differences and/or similarities between the foreign and domestic policies of the Fourth and Fifth Republics of Venezuela, the role of state and societal influences on policy during both periods, the role of elites in the policy-making process, the role of the military in Venezuela and the perceived positive or negative effects on policy of these influences. I further identified the types of people that I would attempt to make contact with in Venezuelan for the purpose of interview who would be the most valuable sources of the information that I sought. These included past and present Venezuelan academics, journalists, public commentators, politicians, bureaucrats and representatives from embassies with missions in Caracas, Venezuela.

In Caracas, I initiated contact with a variety of potential interviewees. However, I received very little interest or response to my initial emails and phone calls requesting an interview. Later I discovered that this was due in part to my lack of opportunity to network and to be personally acquainted with some of my potential interviewees. As Pierce (2008, 119) argued, elite interviewing ‘can prove difficult, especially for first-time or young researchers to gain access to the most appropriate elite or useful information from the encounter.’ I discussed this problem with my academic contact from the University of Simón Bolívar and together we looked for alternative ways to secure the interviews I needed for my fieldwork. Based on his experience of undertaking field research and elite interviewing in Venezuela over the past 30 years, he suggested that I begin by establishing contacts within the University of Simón Bolívar and then secure recommendations from these contacts for further interviews with their colleagues and acquaintances who possessed skills and knowledge relevant to my research. This proved to be an effective strategy for organising and undertaking semi-structured elite interviews. Once the process had commenced, further recommendations emerged from interviewees and academic contacts. This enabled me to undertake the interview schedule, which I had planned in terms of numbers and types of interviewees.

I interviewed a variety of people from the media, academic, bureaucratic and political sections of Venezuelan society. These participants’ experiences and perspectives were drawn from their work during the period of the Fourth and Fifth Republics of Venezuela. For some respondents I was able to record and transcribe the interviews

but in most cases the participants felt more comfortable with basic note-taking on the themes elaborated in our discussions. The majority of participants preferred to have an informal discussion related to my research topic rather than undertake a semi-structured interview. Thus, in this more relaxed and flexible mode of interviewing I was able to cover all the topics that I had originally planned for my semi-structured interviews. Despite these changes to my original plan of fieldwork in the form of elite interviews in Venezuela, I was able to identify important themes that emerged from my discussions that ultimately guided and clarified the focus of my research.

By analysing the transcripts and notes from my interviews and discussions, it became apparent to me that despite the different views that participants expressed in relation to contemporary Venezuelan politics and policy-making, two central themes emerged as common points of agreement between the interviewees. These themes were firstly, the transformation of the Venezuelan policy process between the Fourth and Fifth Republics and second, the radicalisation and centralisation of policy-making under the Chávez government. Additionally, by examining the issue of the centralisation of policy-making, I was able to identify a further sub-theme that related to the new importance of oral communication by the president for policy-making in Venezuela. A number of participants pointed to the numerous policy announcements by President Chávez that were, and still are, delivered via the weekly television program *Aló Presidente*, as distinct from being written in official government documents.

Before undertaking my fieldwork, I had focussed on locating specific government documents, similar to 'white papers' that outlined Venezuelan policy on certain issues. However, during my fieldwork it became evident that these documents either did not exist or were off limits to researchers. Rather, policy could be found in transcripts of oral communication by the Venezuelan government rather than in specific policy documents. This was a new and prominent feature of Venezuelan policy-making.

In the process of collecting and analysing these transcripts, a further theme emerged that has become a major concern of my research and has contributed to the overarching argument of my thesis. Specifically, the government transcripts revealed the dominant role of the president and his personalised approach to policy-making. This influenced my decision to focus on the role of the president as the key driver and

key influence in Venezuelan policy-making. A further issue that I was able to identify during my fieldwork was the internal struggle in Venezuela between sections of the society that sought to bring back the traditional elements of the Fourth Republic's system of governance and policy-making, and the new group of people who were loyal to the Bolívarian revolution and its transformation of contemporary Venezuelan state and society. Issues of political and ideological polarisation became apparent through my interviews, discussions and general participant observation during my time spent in Venezuela.

Finally, the opportunity to experience living in Venezuela on a day-to-day basis during my fieldwork allowed me to have first-hand experience of life in Venezuela.

It [observation] can allow researchers to understand much more about what goes on in complex real world situations than they can ever discover by simply asking questions of those who experience them (no matter how probing the questions may be) and by looking at only what is said about them in questionnaires and interviews (Wilkinson and Birmingham 2003, 117).

Therefore, my participant observation has been a 'useful supplement' to my other research methods as it has provided me with a more comprehensive and deeper understanding of how Venezuelan society functions during the period of the Fifth Republic, rather than if I had attempted to conduct my research from a distance in Australia (Wilkinson and Birmingham 2003). In Venezuela, I frequently listened to the news radio and watched current affairs programs in order to understand what was being discussed in Venezuelan politics. I further had the opportunity many times to observe and occasionally engage in casual conversations with Venezuelans at coffee shops and bars and other social settings. This proved to be very helpful in identifying some of the sentiments of Venezuelan citizens rather than just the political elite. My fieldwork gave me frequent opportunities to observe and engage in many aspects of contemporary Venezuelan society. I now feel that the combination of elite interviews, document collection and analysis, and participant observation have all contributed to broadening my overall understanding and appreciation of the complex and unique phenomenon that I am researching.

Chapter Four:

Domestic and Foreign Policy of the Fourth Republic of Venezuela

Introduction

The purpose of this chapter is to provide a brief historical overview of the Venezuelan political environment during the period of the Fourth Republic (1958–98), an era that for the first three decades was generally considered to be the most stable in Venezuelan democracy. This chapter tells the story of Venezuela's previous policy-making experience and is guided by the following questions: what happened? Why did it happen? And what or who influenced the policy objectives and outcomes during this era?

By tracing the key events during this period, this chapter identifies the changes and continuities in the policy-making processes, decisions and outcomes. This enables the establishment of the analytical framework to assess the shifts in policy-making between the Fourth and Fifth Republics. By exploring the experience of Venezuelan politics and policy-making in a historical context, this chapter will identify key events that contributed to the emergence of radical policy change implemented by the Chávez government during the Fifth Republic of Venezuela.

The Fourth Republic of Venezuela and *Punto Fijo* Democracy

Since independence in 1811, Venezuelan political history has been divided into periods of 'republics.' Until the election of Hugo Chávez and the establishment of the Fifth Republic in 1998, the period of 1958–98, known as the Fourth Republic, was heralded as the most stable era of Venezuelan democracy. Prior to the establishment of the Fourth Republic, with the exception of the short-lived Rómulo Gallegos government (1948), Venezuela had experienced over 150 years of dictatorial rule. While there are many competing understandings of what constitutes democracy, this chapter will utilise a minimalist definition. Therefore, democracy will be understood to be 'a minimal and procedural fashion, as a political system where multiple political parties compete for control of the government through relatively free and fair elections' (Foweraker 2004, 355). This concept of democracy, which focusses on elections, was promoted relentlessly throughout Latin America during the Cold War

and the post-Cold War era. During this period, Venezuela's Fourth Republic was used as an example of how to transition successfully from an authoritarian mode of governance to a model of democracy as executed, similar to that in Foweraker's definition.

Diamond's (1999) regime classification has further clarified contemporary understandings of democracy by providing three main categories of democracies: electoral democracies, liberal democracies and pseudo-democracies. During the era of *Punto Fijo* democracy, Venezuela demonstrated the minimalist characteristics of Diamond's concept of electoral democracies, whereby the mere presence of elections was the necessary condition for democracy (Carlson and Turner 2009, 220). This is pertinent in regard to the wave of 'liberal democratisation' that was implemented in the Latin American and Caribbean region during the 1980s and the early 1990s. Valenzuela (1992, 3) argued that Latin America has been at the 'heart of the "third wave" of democratisation, with democratic governments gradually replacing the military dictatorships of the 1970s and early 1980s'. However, unlike many Latin America nations that experienced a move away from authoritarianism towards democracy during the 'third wave', Venezuela had undergone this process towards the end of the 1950s. Democratisation was held to be the most appropriate method of replacing dictatorial style governments with democracy for the Latin American constituency. Bobbio (1987, 158) suggests that previously:

Many Latin American dictatorships' ability to defend the actions of various regimes, which enjoyed power for extended periods of time, can be explained by the original usage of 'dictatorship' as 'emergency powers' vested temporarily in the executive during times of political crises.

Prior to the establishment of the Fourth Republic, Venezuela experienced a decade of dictatorship led by General Marcos Pérez Jiménez. At the start of 1958 a combination of civil and military dissatisfaction throughout the country culminated in the ousting of General Jiménez. The Fourth Republic of Venezuela is considered to have formally begun on 1 January 1959 when Rómulo Betancourt was sworn in as president. Democracy in this period was based on a liberal representative presidential model. While democratic, this model largely supported a structure of oligarchical rule that excluded most sections of Venezuelan society from the policy-making process.

The democratic system was based on an elite settlement and power-sharing agreement between three dominant political parties, namely, *Acción Democrática* (AD), *Comité de Organización Política Electoral Independiente: Partido Social Cristiano* (COPEI) and *Unión Republicana Democrática* (URD). There were six main tenets to the elite settlement in Venezuela: power sharing, reconciliation of old antagonisms, respect for individual liberties, reliance on the state as an engine of economic development, postponement of proposals that would redistribute wealth until procedural democracy was secure and lastly, support for the United States in the Cold War (McCoy and Meyers 2004).

The electoral success of Rómulo Betancourt in 1958 began a new political era for Venezuela. The creation of the *Punto Fijo* Pact, which was a power-sharing agreement between the three dominant political parties, established Venezuela's democratic transition that would become known as the period of *Punto Fijo* democracy (McCoy and Meyers 2004). The *Punto Fijo* regime rapidly garnered a large amount of legitimacy both domestically and abroad. In particular, Venezuela played a crucial role as the region's main proponent and example of democracy in the region, as demonstrated by American President John F. Kennedy's appraisal of Venezuelan democracy as the 'true alternative to communism and authoritarianism in the Western Hemisphere' (Kennedy 1961). Venezuela provided a functioning example to other Latin American nations of how a democratic transition could be achieved and maintained. At a time of political and social unrest in Latin America, Venezuela demonstrated that change could be obtained not just through the revolutionary Marxist Castro way, but alternatively, through the stable, capitalist and democratic Betancourt way (Schuyler 1996).

During the Cold War era, Venezuelan democracy was perceived as a clear case of exceptionalism in its resistance to communist influence, guerrilla insurgency and authoritarian rule, which at that time characterised many Latin American nations' political environments (McCoy and Meyers 2004). In the early 1960s, President Betancourt began to face mounting challenges to Venezuela's fledgling democracy. In an attempt to thwart these threats, Betancourt's approach came in the form of 'repressive policies [that] were reflected in the phrase "shoot first, ask questions later"' (Ellner 2008, 60). Although these challenges from former members of

Jimenez's authoritarian regime and newly formed Cuban-inspired guerrilla groups did not prevent Venezuela's transition to the model of *Punto Fijo* democracy, they did work to ultimately impede and weaken a movement towards permanent democratic consolidation. Despite Venezuela's success in establishing and maintaining a framework of democratic structures and processes, democracy in Venezuela did not progress to a more substantive mode involving a fuller range of democratic rights and practices (Ellner 2008). The polity remained dominated by the power-sharing arrangement between members of the country's oligarchy, formalised under the banners of two main political parties (*Acción Democrática* [AD], *Comité de Organización Política Electoral Independiente: Partido Social Cristiano* [COPEI]) and the third smaller but still influential, *Unión Republicana Democrática* (URD). McCoy and Meyers (2004, 3) asserted that through the *Punto Fijo* Pact 'post 1958, democracy normalized into a two-party-dominant competitive electoral democracy'.

The democracy of the *Punto Fijo* era has been classified as 'limited pluralist polyarchy.' (McCoy and Meyers 2004, 3) The elite settlement of the *Punto Fijo* arrangement was based on the understanding that the political process would appear to be fair and capable of producing benefits to a range of groups. Power remained under elite control through the two larger parties and worked to exclude large sections of the population from the decision-making process. The political parties operated through a strong network of patronage stretching down and outwards from elite sections of Venezuelan society in the military, business and land sectors. This ensured a degree of mutual support and flow of resources down the patronage structures. Crisp and Levine (1998, 27) argued:

The electoral system was designed in such a way as to guarantee the role of parties, which have historically linked political elites with the masses. Venezuela's political parties have their origins in the massive economic change, migrations, urbanization and related dynamics spurred by petroleum.

They further identified that in this era the organisational structures that allowed party domination were not limited to just political parties at a national level. Party politics appeared to dominate all types of elections, ranging from private organisations, social groups and local government, ensuring that almost all forms of social and political organisation continued to be monopolised and controlled by party lines (Crisp and Levine 1998).

During this period observers described the Venezuelan economy as experiencing consistent economic growth with improved equity. The state was centralised and financed by steadily rising oil revenues, and controlled by exceptionally strong political parties that penetrated and organised social life from top to bottom across the national territory (Meyers 2004). Agreements established by the parties held the system together, and were implemented on a day-to-day basis through a vast network of formal and informal contacts. The economic policy during this era concentrated on maintaining a strong currency, low inflation, steady growth, and a key role for the central state as regulator and distributor of oil-based revenues. The political characteristics were that of a:

Centralized state, a dominant centre, strongly organized national parties that monopolized political action and controlled social movements (trade unions are a prime example), a professional political class, and a subordinated military; and in social terms, great mobility (social and geographical), mass education, and gradual homogenization of national cultural and organizational life (Crisp and Levine 1998, 31).

In creating the elite settlement arrangement of 1958, all three political parties agreed that the success and sustainability of *Punto Fijo* democracy would be contingent on the approval and support of the United States (US). This agreement is fundamental to understanding the foundation and rationale that underpinned the foreign policy decision-making and behaviour of the Fourth Republic. Venezuelan foreign policy in this era was based on a notion of unipolarity; that is, from a Venezuelan perspective the US was considered to be the only true dominant, influential and legitimate nation in the international system. In 1961, President Kennedy addressed a group of Latin American representatives calling for hemispheric co-operation and foreign assistance on issues of economic and social development as well a democracy promotion. This initiative became known formally as the Alliance for Progress after the signing of the Charter of Punta del Este on 17 August 1961 (Saez 1968). Despite the high profile of the Alliance for Progress, towards the end of the 1960s it had not proved to be the successful Pan-American agreement as anticipated. This was due to the fact that from its inception it had ‘suffered from Latin American suspicions, ballooning bureaucracy, US domination, and administrative deficiencies. It set incredibly unrealistic goals and, understandably, has been unable to live up to such expectations’ (Smetherman and Smetherman 1971, 52). However, the Alliance for Progress did

provide the opportunity for President Kennedy and President Betancourt to strengthen relations on a bilateral level between Venezuela and the United States. As Alexander (1982, 554) states:

Betancourt strongly approved of Kennedy's policy towards Latin America, including the Alliance for Progress, and Kennedy's expressed support for democracy in Latin America. Furthermore the two became personal friends during Kennedy's visit to Venezuela in December 1961 and of Betancourt to Washington in early 1963.

Former Venezuela Foreign Minister, Simón Alberto Consalví (personal communication, 2007), described the foreign policy of the *Punto Fijo* as 'politics of the state based on the permanent interests of the nation such as territorial issues, adherence to international conventions and the defence of human rights'.³ Furthermore, the foreign policy of Venezuela was largely influenced and formulated through the *Comisión de Relaciones Exteriores* (CARE)⁴, a pluralist organisation that functioned as an organ of consultation and certification with representatives from the executive, legislature, former presidents and former foreign ministers. A society-centred approach to policy-making was established and maintained for the majority of the Fourth Republic's existence. The elites were able to retain a monopoly on being the key influence on policy-making through a coalition of interests built exclusively from and between to the dominant parties of the *Punto Fijo* regime.

Political and economic stability centred on strong and cooperative relations with the US and membership of large regional and international institutions such as the Organization of American States (OAS), United Nations (UN) and Organization of Petroleum Exporting Countries (OPEC). In particular, during the 1960s, under what became known as the 'Betancourt Doctrine' Venezuela became one of the strongest proponents of democracy and strongest opponents of communism in the region. The Betancourt Doctrine, in line with the US foreign policy objectives at the time, sought to isolate communist and/or authoritarian Latin American governments from regional institutions such as the OAS. 'Betancourt threw his support behind the proposition to expel Cuba from the Organization of American States (OAS) at the foreign ministers'

³ Simon Alberto Consalví was the former Foreign Minister of Venezuela on two occasions. He has also served as the Venezuelan Ambassador to the United States and the United Nations. The author collected this information while conducting doctoral research in Caracas, Venezuela in January 2007.

⁴ Commission for Foreign Affairs

conference at Punta del Este in Uruguay in January 1962' (Ellner 2008, 62). In contrast to the hard-line stance taken by the US and Venezuela, Argentina, Brazil, Chile and Mexico all voted, due to public pressure, against the proposal to expel Cuba from the OAS and implement a policy of isolation for non-democratic regimes in the region (Ellner 2008, 62). Importantly, while Venezuela displayed an uncompromising stance in relation to its political relations with countries such as Cuba, on an economic level it appeared to employ a more flexible approach. Alexander (1982) described a situation in which a representative from the Russian embassy in Mexico contacted President Betancourt with a request for a personal meeting. During the meeting, the Russian representative discussed the possibility of Venezuela replacing Russia as the main supplier of oil to Cuba. While Betancourt did express some reluctance, he ultimately decided that Venezuela would be willing to begin supplying oil to Cuba on the condition that each shipment would be pre-paid in full (Alexander 1982, 546).

Venezuelan Oil Policy During the Fourth Republic

During the late 1950s and into the 1960s, Venezuela displayed an entrepreneurial approach regarding its greatest natural resource of oil. The advocacy of Juan Pablo Pérez Alfonzo, Minister for Mines and Hydrocarbon, created the opportunity for Venezuela to redesign its oil industry in order to maximise the security, profitability and control of its greatest natural resource. Pérez believed that oil industries around the world should be under greater control by the state rather than by foreign corporations. 'For the producing countries, oil was a national heritage, the benefits of which belonged to future generations as well as to the present' (Yergin 1992, 512).

When Pérez began formulating his idea of an international approach to oil production, he initially envisaged a 'Western Hemisphere oil system' and accordingly attempted to solicit interest from the US. However, the US showed little interest in the proposal, which led Pérez to concentrate on attracting interest for his cooperative oil strategy from outside the Western Hemisphere. He focussed on establishing talks with several oil producing nations in the Middle East (Yergin 1992). Ultimately, the lack of interest displayed by the US and the success of Pérez's diplomacy in the Middle East resulted in Venezuela taking a lead role in the establishment of the Organization of Petroleum Exporting Countries (OPEC 2009). Furthermore, Pérez is also credited

with introducing a policy known as the 50-50 split, which ensured that profits from the petroleum industry were evenly divided between foreign multinational companies and the Venezuelan state. The 50-50 split is still used as the most common policy approach in oil-producing nations (Salazar-Carrillo and West 2004, 233).

Despite this independent and proactive approach and even with the innovation of the 50-50 split policy, the Venezuelan state was still placed in a partial dependent relationship with foreign companies that monopolised the research and development of technology used to prospect, extract and refine Venezuelan oil. Control over the research and development placed foreign companies in a pivotal position that allowed them to dominate the oil industry despite the Venezuelan state's 50 per cent share. As a result, the Venezuelan government's early attempts at policy-making were generally devised to produce favourable outcomes to foreign companies in order to encourage the continued exploitation of Venezuela's oil reserves and therefore the concurrent growth of the state's income. However, the beginning of the 1970s brought with it a boom in the international price of oil and a shift in government policy towards the oil industry.

Carlos Andrés Pérez's win in the 1973 presidential elections and subsequent presidency commencing in early 1974 corresponded with a large increase in the price of oil on the international market. 'Pérez attempted to take immediate advantage of this unexpected opportunity by addressing the National Congress on 29 April 1974, and requesting emergency powers in order to enact legislations for the transformation of the economic structure of the nation' (Ellner 2008, 71).

During his address, he announced plans to begin a process of nationalisation of the Venezuelan oil industry. Mommer (2002, 132) argued that in the period leading up to the nationalisation of the Venezuelan oil industry and thus the creation of *Petróleos de Venezuela* (PDVSA), 'for every dollar of oil exports, the government collected 80 cents in rents, royalties and taxes. By 1970 the government had asserted a right to levy export taxes at its sole discretion, effectively leaving the companies with nothing but a regulated profit.' In this context, it is evident why the Pérez government did not encounter a great deal of conflict from domestic and/or international stakeholders in proposing to nationalise Venezuela's oil industry. However, while Pérez achieved his grand vision of transforming the Venezuelan oil industry through the process of

nationalisation, certain elements did not change. For example, while total ownership of the Venezuelan oil industry was moved into the control of the state, the employees and in particular, the senior management of PDVSA remained unchanged. This inevitably had long-term consequences for the way in which PSDVA functioned under state control. As Mommer (2002, 131) wrote:

After nationalization of the oil industry in 1976, PDVSA became something of a 'state within a state.' Its Venezuelan executives shared the outlook of international oil companies, for whom they had worked for many years. Furthermore, successive governments of AD and COPEI during and after the boom period of the 1970s failed to create a new efficient fiscal and regulatory system, at the same time that they implemented disastrous developmental policies characterized by poor planning and waste.

The negative consequences of these poor policy choices combined with the unintended creation of PDSVA as a 'state within a state' were not felt in Venezuela until the late 1980s. As will be discussed later in this chapter, these events were the beginnings of a series of economic and political crises that culminated in the break-up of the Fourth Republic and the *Punto Fijo* model of democracy during the 1990s and the rise of Hugo Chávez and the Fifth Republic of Venezuela.

Territorial Disputes

The Fourth Republic's foreign policy behaviour had generally displayed a conservative, and in some instances submissive, approach with regard to its relationships with Western democratic countries. However this was not necessarily replicated with regards to its Latin American neighbours (Davila 2007). An example that illustrates the *Punto Fijo*'s willingness to enforce an assertive and uncompromising stance can be found in its approach to the regional disputes over Venezuelan sovereignty and territorial waters. While this aspect of Venezuelan foreign policy can also be seen in its approach to handling disputes with bordering countries such as Guyana, it is best illustrated by its historically turbulent relationship with its Andean neighbour, Colombia.

This precarious relationship in part is attributed to the legacy of Simón Bolívar's liberation campaign from the Spanish in the Andean region during the first decade of the 1800s (George 1989). The temporary establishment and subsequent break up of

Bolívar's super-state *Gran Colombia*⁵ marked the beginning of a complex and at times delicate relationship. George (1989, 144) argued, 'Since Venezuela's secession in 1830, their territorial boundaries have been the subject of recurring negotiation but never have been settled to the satisfaction of both nations'. This has seen the foreign policies of both Venezuela and Colombia towards each other oscillate between cooperation, most notably in trade, to antagonism and aggressive stances that have in some circumstances placed both nations close to the brink of war.

During the Fourth Republic this antagonistic element was revealed when on 9 August 1987 the Colombian naval corvette *Caldas* entered Venezuelan waters in the Gulf of Venezuela and commenced an operation to remove Venezuelan naval and fishing boats from the area declaring it to be Colombian territory (George 1989, 140). The incident developed into a prolonged naval encounter that saw Venezuela respond by dispatching frigates to the zone with the intention of reasserting Venezuelan sovereignty. While the incident was resolved with the assistance of mediation from the Organization of American States (OAS) and Colombia's eventual decision to withdraw its claim to the territory by removing its naval ship, during the dispute both nations were implementing preparations for war. Although this will be dealt with in more detail in the following chapters, it is important to note here that this policy of engagement between Venezuela and Colombia over territorial disputes continues today under the Chávez government.

The Demise of the Fourth Republic

This section of the chapter will provide the link between the two distinct eras of Venezuelan politics of the Fourth and Fifth Republics by outlining the events that led to the demise of the Fourth Republic and the rise of Hugo Chávez and his notion of Bolívarianism in the 1990s. It will present a brief discussion on the economic crisis caused by the oil shocks experienced in the 1980s and again in the early 1990s, which in turn led to a long running political crisis which included corruption allegations against presidents and their cabinets, civil unrest, as well as two attempted coups d'état in 1992. By examining this particular historical epoch, this section of the chapter will identify the chain of events that ultimately led to the unravelling of the

⁵ *Gran Colombia* encompassed the present-day nations of Colombia, Ecuador, Panama and Venezuela.

Fourth Republic. The incremental demise of the *Punto Fijo* democracy provided the circumstances in the form of a power vacuum in which Hugo Chávez was able to rapidly rise to power with his alternative vision for Venezuela.

A primary reason for the extended tenure of Venezuela's *Punto Fijo* or 'Golden Age' of democracy was the state's capacity to distribute resources in what is widely perceived to be a reasonably even manner. Distributive policy-making was devised as a way to satisfy demands from a broad section of Venezuelan society and this prevented organised dissent that might challenge the elite's hold on power (Ortiz 2004). As domestic policy-making continued to be driven by a society-centred distributive approach, the influence of dominant societal groups such as trade unions, smaller and more radical political parties, religious organisations and the military was minimalised. While this method guaranteed that policy-making remained in the sole domain of party elites, it did result in the majority of the population having some sort of access to the state's resources and ensured to a degree that only a small proportion of the population would ever be completely excluded.

However, the elites' overbearing role in policy-making eventually contributed to its demise. In part, the *Punto Fijo* arrangement had been designed in such a way that a cyclical renewal of party elites became almost impossible to achieve. It was within this context of the Fourth Republic that 'social mobility decreased, and excluded groups turned on ruling elites' (McCoy and Meyers 2004, 4). In particular, during the 1980s, party elites strongly resisted relinquishing their dominant role, which in turn created stagnation in the origins of policy influence, policy change and thus policy outcomes. The absence of a party process that fostered the renewal of party elites and much needed change in policy-making, initially created and then continued to exacerbate a growing schism between party elites and general population. With dwindling state profits from the oil industry due to the drop in the international price of crude oil, the state's capacity to effectively continue previous distributive policies was diminished. Furthermore, the elites' refusal to implement policy reforms to combat this situation transformed the state into an apparatus that only satisfied and benefited the few at the expense of the majority of the Venezuelan population. The rigidity of this style of governance and the overt reticence to change combined with unexpected economic crises were direct causal factors of the eventual unravelling of

Punto Fijo democracy (Crisp and Levine 1998). These circumstances further gave opportunity for the influx of new ideas and actors into the broader political arena from unexpected sections of society. The external oil shocks in combination with party elite intransigence had given impetus to societal interests that sought substantial change in Venezuela.

A warning of the future events that would lead to an economic and political crisis for the *Punto Fijo* regime can be traced to what have become known as the events of Black Friday. During 1982, oil prices fell, causing adverse impacts throughout Venezuela's economy and society. As a direct consequence, Black Friday occurred on 18 February 1983 when President Luis Herrera Campíns was forced to devalue the currency for the first time in 22 years. The result was that the 'currency collapsed, initiating a period of depreciation, economic stagnation, and inflation' (Crisp and Levine 1998, 17). Following this, the Lusinchi Administration presided over Venezuela at a time of economic volatility. For the first time, inflation in Venezuela reached double figures 28 per cent in 1987, further climbing to 29.48 per cent in 1988. 'The severe macroeconomic disequilibria, the exhaustion of the import substitution process, the deterioration of oil prices, and, in more general terms, the exhaustion of the growth model based on oil revenue required a change of direction.' (Lander and Fierro 1996, 51)

In 1988, the policy response of the newly elected Pérez government to the growing economic crisis was delivered by the introduction of a neo-liberal economic austerity program called the *El Gran Viraje* or 'Great Turnabout.' However, the measures of this new policy only exacerbated the extent and effects of the economic crisis. Riots erupted on 27 February 1989, as an explosive and direct civil response to the introduction of the government's structural adjustment package, in what is now commonly referred to as *El Caracazo* or 'The Caracas Smash'. Trinkunas (2000, 24) set the context with the comment that 'after President Carlos Andres Perez implemented economic austerity measures that produced strong growth from 1990 – 1991, this was occurring amongst a backdrop of growing income inequality and a sharp decline in real wages'. A further element of the austerity program focussed on implementing a series of reforms to encourage decentralisation in the Venezuelan political and governance system. The government's attempt to move away from a

society-centred, elite dominated model of governance to one in which there was wider societal participation was an attempt to appear to be reintegrating sections of civil society in the political and policy process of the nation. However, worsening economic conditions had led to the decline in living standards, which was not limited to civilian society, but also included members of the armed forces. The latter began to lose faith in the capability and the authority of the civilian government, and the capacity of the elite-dominated policy-making model of *Punto Fijo* to provide the socio-economic benefits expected by the population and the military.

Decentralisation and Economic Austerity

Further impetus to the breakup of elite democracy in Venezuela came in the form of decentralisation policy that weakened the control of the centre and permitted the accumulation of power in decentralised territories. An unexpected effect of Black Friday and El Caracazo was the decision of the Venezuelan government to begin discussion on minor economic and political policy reforms, most notably considering a possible ‘partial’ territorial decentralisation. Penfold-Becerra (2004, 156) asserted that:

During the 1980s, *cogollismo* [self serving patronage] became the target of increasing public derision because of pervasive corruption and because neither party appeared capable of resolving the country’s increasing economic problems or of improving public services.

The incident of El Caracazo unintentionally applied pressure to the government to appear to be making some concessions to resolve the economic crisis and the brewing political crisis. In order to appear that the government was rapidly responding to the problems of Venezuela in 1989, it was decided to allow the direct election of governors and mayors, rather than continue with their appointment by the national government. This action by the federal government was, at the time, considered to be the beginning of a large-scale process of democratic consolidation through decentralisation and neo-liberal reforms. However, while these actions contributed to the loosening of elite control, they were not able to diffuse future actions of the military and civilian population against the flailing regime (Navarro 1995).

In order to adequately comprehend the decisions made by and influences on Venezuelan policy-makers at this time, it is important to briefly discuss the general

debates concerning the decentralisation process in the wider Latin American region and then contextualise Venezuela's experience. The trend that permeated throughout Latin America highlights the importance of analysing the distinction between 'democratic transitions from the period of democratic transformation that precedes it' (Foweraker 2004, 356). Foweraker stated that the fundamental role of democratic transformations is to create the political conditions in which the (democratic) transition takes place. He argued that the process of democratisation in any nation involves both democratic transition and democratic transformation and usually includes 'a prolonged and inconclusive political struggle over at least one generation (Foweraker 2004, 356). Unlike many Latin American nations in the 1980s, Venezuela had undergone its democratisation process of transformation and transition three decades earlier, positioning it, along with Colombia, as one of the longest-standing democratic systems in Latin American in the 20th century.

The implementation of decentralisation was viewed as a strategy that would enable Latin American nations to begin a democratic transformation that would in turn lead the region into a democratic transition. Providing a universal definition as to what constitutes decentralisation is problematic as it is a multidimensional process (Montero and Samuels 2004, 5). This multidimensional process encompasses political, economic, social and administrative meanings enabling people to use the term 'decentralisation' to describe 'the privatisation of state-owned industries, to the popular election of previously appointed mayors and governors, to the shift in responsibility for primary education from the national to the local level' (O'Neill 2003, 170).

Political and democratic decentralisation usually means that sub-national elections gain importance for both political actors and citizens and encourages wider participation in the domestic democratic process. Local political bodies and officials assume great power however, as Montero and Samuels (2004, 7) noted full decentralisation would not be achieved through the act of political decentralisation alone. Fiscal decentralisation must also occur; otherwise sub-national governments will have control of few resources to perform their functions. In cases where few functions and resources are decentralised sub-national elections will be largely meaningless, as the elected officials will have little to no control. The Venezuelan

government's initial attempt at decentralisation was problematic due to its reluctance to devolve greater fiscal responsibility to the sub-national territories (Penfold-Becerra, 2004). This was due in part to its status as a rentier state that rendered the Venezuelan economy completely dependent on its oil resources. Since the late 1970s, the central government had retained complete control of the industry and the associated profits and had used these resources as the basis of its ability to govern through distributive policy-making. Thus, decentralisation was a threat to the status quo.

Decentralisation was the policy-makers' desired approach to addressing the challenges to democracy in Latin America during much of the Cold War era (Sullivan 2009, 2). It was promoted as the key to the consolidation and deepening of democracy (Diamond 1999, 45). Montero and Samuels (2004) argued that decentralisation and neo-liberal reforms had tended to reduce the role of central government and in some cases reduced the risk of an authoritarian regime from emerging. This was also the rationale behind the shift in US foreign policy towards supporting the region to move away from former military-style dictatorships by encouraging democratisation across the continent. Thus Reich (2002, 2) wrote:

Theories which assert that countries that participate in the global market will reduce poverty and develop their economies faster than those that do not, have seemingly justified the method of decentralization, a phenomenon which has to a large extent shaped political and economic landscape of Latin American countries during the 1980s and 1990s.

In contrast, O'Neill (2003, 1068) cautioned that decentralisation, particularly if poorly designed, might 'increase income inequalities, increase the size of government, impede fiscal restraints or increase corruption.' While the vast majority of Latin American nations had adopted the strategy of decentralisation in various forms, O'Neill (2003) identified Venezuela in a group of five countries from the Andean region to be of particular interest.⁶ O'Neill (2003) focussed on these particular countries as case studies as they all possessed specific elements which had the potential to severely impede the success of the decentralisation process. These impediments included: decentralisation occurring in political systems with long-standing centralised democratic rule in Colombia and Venezuela; and the demise of

⁶ The five identified countries are: Bolivia, Colombia Ecuador, Peru and Venezuela.

military rule in countries with no previous tradition of decentralised government in the case of Peru, or well after democracy had been reinstated such as the experiences of Bolivia and Ecuador.

O'Neill (2003, 1071) highlighted the growth of analysis of the adoption of decentralisation in Latin America during the early 1990s. In contrast to the praise of decentralisation and democratisation in the Andean region, O'Neill concluded that decentralisation is not an automatic result of democratisation, nor does it always assist in strengthening democracy in the decentralised state. Venezuela's attempt at decentralisation was problematic as it was implemented at a time of civil and military unrest. State governors used this opportunity to quickly gather popular support and power through their lobbying for greater decentralisation. This in turn placed even more pressure on the central government and further contributed to the decline of public confidence in the central government's efficacy (Penfold-Becerra, 2004).

In the case of Venezuela, the introduction of decentralisation, coupled with the adoption of market-based economic reforms, did not bring about the intended economic growth, democratic stability and improved government performance. Lander and Fierro (1996) clarified aspects in the former President Perez's economic austerity program they viewed not as a coherent response to the crisis in Venezuela but rather as a combination of different policies grouped together under the one banner. The three main aspects were: (a) adjustment as a mechanism for established short-term equilibria in the main macroeconomic indicators and repaying the external debt; (b) structural reform of the economy – the shift from a state-directed and oil-dependent economy to a market economy based on private non-traditional exports; and (c) the transformation of the traditional interventionist political system typical of Latin American to a liberal system that would not interfere with the free operation of the market and would conform to the demands of the new international economic order (Lander and Fierro 1996, 51).

Fisman and Gatti (2000, 20) supported this claim, stating that the trend of decentralisation strategies and democracy-building in the region during the 1980s and 1990s did not reflect a permanent political transition for many Latin American countries. Instead, the success and sustainability of neo-liberal economic policies, decentralisation and democratisation at the time could only ever be guaranteed so

long as they coincided with the electoral motivations and power-seeking motives of the country's political and economic elite. Through analysing Venezuela as a case study, 'the Venezuelan experience challenges the mainstream view of state capacity which posits that reductions in the state's discretionary control over resources will reduce corruption and thereby increase the capacity of the state to govern more effectively' (Di John 2005, 108).

The decade of the 1980s (through the early part of the 1990s) has been viewed as a watershed in Latin America's political history. Yet, what appeared to mark a permanent move towards democracy and neo-liberal reforms in the region, turned, as Gutiérrez (2005, 125) pointed out, to a 'malaise regarding democracy [that] has enveloped the region'. He equated this with inappropriate and poorly executed attempts of neo-liberal adjustment encouraged by external forces such as the US and international financial institutions (IFIs) especially the World Bank (Gutiérrez 2005, 129). The adoption of many of the principles that guided neo-liberal fiscal strategies in this economically unstable period further exacerbated the internal economic and political crisis in Venezuela. Schuyler (1996, 10) commented that during the 1990s, Venezuela was:

...in the throes of a transition from a populist political and economic model that had prevailed until the early 1980s to a new model driven by neo-liberal ideology... major policy decisions have been made that diminish the quality of life for a majority of Venezuelans.

As Naím (1993) also pointed out, in some cases, while the adoption of neo-liberal economic policies will initially create rapid economic growth, simultaneously, they can contribute to the destabilisation of the prevailing political authority. The flow-on effect can be a perceived loss of political legitimacy that leads to a loss of consumer and investment confidence, which in turn may cause an economic downturn for the nation. As Crisp and Levine (1998, 28) noted,

After decades of political stability and social peace, beginning in 1989 Venezuela's democratic order was shaken by widespread unrest and citizen disaffection, the decay of key parties and state institutions, attempted coups, and the impeachment and removal of the president in 1993.

A combination of democratisation, decentralisation and neo-liberal reforms had contributed to undermining the base on which the Punto Fijo accord was built.

The failure of the elite government to manage these processes signalled the end of the Fourth Republic.

The Role of the Military and the Attempted Coup d'état of 1992

Further challenges to the political stability of Venezuela arose, with the attempted military coup on 4 February 1992. The origins of the coup d'état can be linked to 'a policy of benign neglect' towards the armed forces once civilian control had been established in the infancy of the Fourth Republic (Trinkunas 2002). During much of the Fourth Republic, the civilian government aimed to isolate the various wings of the armed forces and place them in competition with one another for access to resources and funding. This approach was designed to ensure that the military could not easily function as a unified force, capable of intervening in political affairs. The armed forces were even relegated to a minor role in influencing the policy-making of defence strategies. However, during the late 1960s and 1970s the civilian government's complacency in not sufficiently monitoring the activities of the armed forces led to the gradual occurrence of several important changes. Specifically, during the 1970s the armed forces' independence from the government began to increase. This created the circumstances of opportunity for the armed forces to begin a process of transforming their professional and political ideology, guided by new influences that were not aligned with party policy or allegiance.

During the 1970s, Venezuela's armed forces began a total reform of its officer training and education known as Plan Andres Bello (Trinkunas 2004). This plan was centred on reconstructing the National Military Academy into a university-equivalent institution that provided not just a military but also a liberal education to young officers. The aim was to 'inculcate a mystique of honour, discipline and self-sacrifice in a new generation of officers' (Trinkunas 2004, 54). As a consequence, the Plan Andres Bello also worked to instil a populist, egalitarian and utilitarian vision of democracy which had previously been absent in the education of the armed forces. Moreover, the effects of Plan Andres Bello assisted in creating a schism between the new idealistic junior generation of officers and the senior military high command (Davila 2007). It is important to note here that Hugo Chávez Frías was a member of the first graduating class at the military academy under Plan Andres Bello. This experience would mould his understanding of the legacy of Simón Bolívar, the role of

the armed forces in Venezuela, as well as provide him with an ideological base for his participation in the 1992 attempted coup d'état.

Hugo Chávez was among the new generation of frustrated officers that rejected the entrenched system of patronage and corruption exhibited by the senior command of the armed forces. On 17 December 1982, Chávez and two other junior officers formed the *Movimiento Bolivariano Revolucionario 200* (MBR-200).

This small group of officers took a personal oath and swore to change the way in which the Venezuelan government was organised and to devise an alternative that was free of what they considered to be a corrupt and exclusionary process. They recited Simón Bolívar's historic oath, in the same place that he had done 200 years earlier: 'I swear before you, and I swear before the God of my fathers, that I will not allow my arms to relax, nor my soul to rest, until I have broken the chains that oppress us' (Lynch 2006, 41).

The formation of the MBR-200 by junior officers was a direct product and culmination of an ideological shift occurring in a significant section of the Venezuelan armed forces. It also foreshadowed the role that the armed forces would play in two attempted coups d'état in 1992 and the eventual regime change through legitimate electoral process in 1998.

A further element that contributed to the destabilisation of civil military relations during the late 1980s and early 1990s was the government's utilisation of the military as a tool to quash and control internal unrest. Traditionally, the police force and National Guard were the two key law enforcement bodies that responded to public protests and civil uprisings. However, the police force and National Guard could not alone contain the unexpected dramatic and large-scale protests of *El Caracazo*. When President Carlos Andrés Pérez dispatched the regular armed forces to quell the civilian uprising in Caracas, he did not anticipate the disastrous consequences of this policy decision for the government of the Fourth Republic in both short- and long-term contexts. While figures vary on the number of casualties from *El Caracazo*, a conservative estimate would be in the range of 200-300 killed. Trinkunas (2004, 55) argues that:

The large number of civilian casualties is one indicator of the extent to which the regular armed forces has 'de-emphasised' training and equipment for internal security duties, using conventional weapons and tactics where riot control methods would have been more appropriate.

During late 1991 and the beginning 1992, the Pérez government continued to deploy the regular armed forces to control public protests, which amounted to over 900 major events in that time (Trinkunas 2003). While the senior members of the military accepted the orders given by the government, many junior officers openly expressed their disagreement and disgust with the Pérez Administration. The high command's willingness to continue supporting the government accentuated the rift between the junior and senior officers of the armed forces and further undermined the new generation's confidence and support for the Pérez government. Adding to problems of military dissatisfaction was Pérez's introduction of an austerity program that contributed to a severe decline in living standards not just for the civilian population but also for the armed forces (see Trinkunas 2003). This initiative reflected the government's declining capacity and willingness to follow a policy regime involving the distribution of significant portions of the state's resources as a way to ensure loyalty of the military and their acceptance of civilian government policy-making even in military affairs. During this period:

President Perez was also criticised by some junior officers for his handling of external defence issues. His privatisation policies, which led to the sale of state industries and the national communications company to foreign investors were viewed as damaging to national sovereignty by many officers still influenced by a belief system that equated security with state control of 'strategic industrial sectors.' (Trinkunas (2003, 52)

Internally a large faction of the armed forces began to resent the President's increased dependence on the Venezuelan military to support a large portion of the government's foreign policy program, which included deploying troops to Nicaragua and the Iraq-Kuwait border. Additionally, the 1987 Caldas incident that saw the Colombian incursion into the Gulf of Venezuela had become an event of particular importance to the Venezuelan armed forces. It was a unique situation that had presented the military with an unexpected opportunity to take an active role in influencing critical policy-making and provided the circumstances in which to display their ability to protect and uphold Venezuelan territorial sovereignty. At the time of the naval encounter, the

government's choice to temporarily defer almost all defence policy decisions to the armed forces in order to deal with the situation had unintentionally given sections of the military a heightened sense of importance and relevance in the policy-making process. While the 1987 Caldas incident momentarily improved the military's strained relations with the government, it was short-lived. The military's dissatisfaction with the Pérez government quickly turned to outrage because of President Pérez's public acknowledgment that Colombia could have rights and therefore entitlement to a larger section of the disputed maritime territory in the Gulf of Venezuela. The combination of President Pérez's insistence to use the armed forces to further his domestic and foreign policy agenda, the catastrophic outcomes of El Caracazo and his public concession of maritime rights to Colombia in the Gulf of Venezuela created what some junior officers considered to be a mandate to regain control of a corrupt and incompetent government. President Chávez (1998) has since described the army's repression of the popular revolt of 1989 as the catalyst for political change in Venezuela that subsequently led him to implement plans for a military coup.

There were two attempted coups d'état in 1992; Hugo Chávez participated in the first and most significant coup, which occurred on 4 February 1992 and the second on 27 November 1992. While Chávez and his comrades did not achieve the desired objectives of the operation on 4 February, an unexpected and perhaps unintended situation arose which would catapult Hugo Chávez into a more potent and powerful position than he and his conspiratorial group had envisaged. When it became clear that the coup had failed to take over the parliament and capture President Pérez, Chávez was given the opportunity to publicly concede the failure of the operation and to implore other rebel battalions outside of Caracas to withdraw.

Lamentably, for now, our objectives were not achieved in the capital. But it now is time to reflect that new situations will arise for the country to take the road toward a better destiny.... I assume responsibility for this Bolivarian military movement. (Chávez, 1992)

In this short improvised speech, Chávez addressed three issues that would prove crucial to his rapid and successful rise to power. Firstly, he introduced the concept of his Bolívarian Movement and its military origins. Secondly, his use of *por ahora* ('for now') clearly articulated to the Venezuelan public that the failed coup was not

an isolated event but that the Bolivarian Movement might well continue to challenge the tenure of the Fourth Republic. Finally, the decision to allow Chávez to deliver his speech live on national television gave the Venezuelan population a face and therefore national figure to attach to this new movement that promised change. Following his speech, Chávez achieved almost instantaneous folklore status in Venezuela and when he and his co-conspirators were jailed the popularity of the movement increased.

The Rise of Hugo Chávez

In November 1992, a second coup was attempted by the military. Unlike the February attempt, senior -ranking naval and air force officers instigated the November coup. Despite also failing to overthrow the Pérez government, the second coup d'état demonstrated to the majority of Venezuelans the inability of the traditional political parties to govern Venezuela. Opposition parties capitalised on this popular dissatisfaction and were soon joined by the AD in their calls for the President's impeachment. Finally in May 1993 'the President was forced to resign under charges of malfeasance.' (Penfold Becerra 2004, 166) December 1993 saw the election of former President Rafael Caldera, who had abandoned the party of which he had been a co-founder (COPEI) and ran a strong campaign to win a four-way race on an anti-party platform. Each of these events further destabilised the political environment of Venezuela and fuelled public dissatisfaction with the government. It was clear that there was a process occurring, which was the incremental demise of the old order and the promise of eventual change that would bring new policies and modes of policy-making

The chaotic events of 1992 and 1993 had essentially destroyed the longstanding status quo of the two-party system in Venezuela. The political tide had changed so much so that prior to winning the 1993 election, former President Caldera addressed the Senate, condemning the coup while simultaneously justifying it as an understandable response to the failings of the Pérez Administration. Molina and Perez (2004, 164) described the new political arrangement as 'one of deinstitutionalised and polarized pluralism'. COPEI and AD suffered drastic losses in support during this period as the Venezuelan populace searched for any alternative from the *Punto Fijo* model of governance. Corrales (2001, 102) asserted that, 'once considered a paradigmatic case

of party fortitude, Venezuela in the 1990s developed one of the most unstable and fragmented party systems in Latin America'. At the same time as this dramatic loss of party support, and as a result of mounting public pressure in favour of the plotters of the failed coups d'état, on 26 March 1994 President Caldera dismissed the case against Hugo Chávez.

Corrales (2001) identified a number of trends in Venezuelan politics during the 1990s, each reflecting the decay in the old party system. Firstly, there was decline of electoral support for AD and COPEI, the two dominant parties of the *Punto Fijo* era. Secondly, most parties splintered into smaller parties and factions in the 1990s. Thirdly, the new parties failed to consolidate and attract significant membership and consistent electoral support. Fourthly, there was a proliferation of personalistic parties built on the real or imagined appeal of the party's founder, but generally lacking clear policy platforms. Finally, the population registered their disillusionment with politicians and party politics by the record-level abstention rates in most elections. The collapse of the traditional party system and the emergence of personalistic political parties provided an atmosphere in which Chávez could establish himself in the political arena and present as a viable candidate for the 1998 presidential elections.

Upon his release from prison, Chávez began to implement changes to the MBR-200 with the aim of developing the mission of the organisation to encompass a greater political focus on obtaining political power through legitimate processes. Chávez enlisted the support of a range of left-wing ex-politicians and intellectuals who included ex-guerrilla fighter Jorge Giordani and Professor Luís Miquilena. (ICG 2008, 9) From 1994 through to the presidential elections in 1998, Chávez and his supporters waged a long campaign to increase the MBR-200 support base, strengthen Chávez's public image and establish a political platform that would appeal to the general public. Thus, in 1997, Chávez and his supporters established the *Movimiento de la Quinta República* (MVR) political party as the banner under which Chávez would make his bid for power in the 1998 elections.

Chávez and his followers kept a relatively low profile on the general public's political radar for a four-year period following his release from prison. However, in the lead up to the 1998 presidential elections, Chávez and his new party began to increase their

public profile and support base. In the last nine months of the 1998 election campaign, Chávez and the MVR managed to make considerable gains in the opinion polls and retained a continued and considerable lead until the end. On 6 December 1998, Hugo Chávez won the presidential elections with 56 per cent of the vote (Carter Center 2007). COPEI and AD, the traditional bastions of Venezuelan politics, only managed to win two and nine per cent of the vote respectively. *Punto Fijo* elite democracy was dead and buried.

Trinkunas (2003, 66) observed that ‘this rapid shift in voter preferences and party loyalty is highly unusual and signals the depth of the crisis experienced by Venezuela during the 1990s’. While there were numerous variables that ultimately influenced the electoral result, it is clear that Chávez’s platform based on a complete abandonment of the old party system resonated with a considerable section of Venezuela’s poor and working-class populations. Thus, Molina and Perez (2004, 169) stated that ‘Chávez is a consequence, not the cause, of the party system’s unravelling’, further stressing that ‘Chávez won the 1998 presidential election because he appeared as the only candidate who consistently and whole-heartedly rejected any role in government for the discredited AD and COPEI’ (Molina and Perez 2004, 170). Hugo Chávez was the future of Venezuela although it was not clear what form this future might take.

Conclusion

The experience of policy-making during the tenure of the Fourth Republic of Venezuela both created and responded to a variety of challenging and at times unforeseen issues. A clear preference for the ‘distributive approach’ to policy-making dominated the Venezuelan policy-making process during the first three decades of the Fourth Republic. This consistent policy choice can be attributed to the desire to protect the fledgling democracy from internal and external political threats. This policy choice appeared to work as a method of appeasement and defence against threatening institutions such as the Venezuelan armed forces. However for policy-makers, the success of this approach heavily relied on the continued economic growth of the Venezuelan economy, which was directly determined by the continuance of a stable price of oil in the international economic system. The oil shocks of the late 1970s and early 1980s diminished the state’s capacity to maintain a stable economic

climate in Venezuela. Policy-makers were forced to devise policy that was reactive to the rapidly changing situation in the country. However, policies during this period were ‘made by elites for elites’ in order to retain elite protection and control of democracy and thus authority over the distributive system.

The economic and political crises that engulfed Venezuela during the early 1990s produced four outcomes that ultimately led to a total transformation of the Venezuelan political system and as a consequence heralded the emergence of the Fifth Republic of Venezuela. First, the inability of the government to manage the economic affairs of the nation and prevent catastrophic events such as Black Friday and El Caracazo led to a loss of legitimacy in large sections of the Venezuelan population. Second, this loss of legitimacy was not just felt at a civil level but extended to members of the armed forces. The Pérez Administration’s failure to adequately continue a policy of appeasement towards the armed forces resulted in military challenges to the regime and further highlighted the failings of the administration to even greater sections of the public. Finally, the destruction of the previous monopoly of a two party-system created a vacuum in which unique candidates from newly established political parties could successfully campaign for a seat in parliament. The combination of these four issues culminated in the election of Hugo Chávez in 1998 and more importantly signalled a new era in Venezuelan politics, beginning with the creation of the Fifth Republic of Venezuela.

Chapter Five:

The Radicalisation of Policy in the Fifth Republic of Venezuela (1999–2004)

Introduction

This chapter presents and examines in detail Venezuelan policy-making during the first phase (1999–2004) of the Chávez government's political tenure. The aim in this chapter is to outline and identify the key changes in the domestic politics and policy-making of Venezuela in the first five years of the Fifth Republic. The introduction of a series of radical and unique policies by the Chávez government rapidly brought about a complete internal political transformation in Venezuela. During the first phase, domestic policy-making concentrated on achieving a swift consolidation of power through structural measures such as the re-drafting of the constitution, electoral reforms and, as a consequence, a complete overhaul of the Venezuelan parliamentary system. However, many of the government's attempts to transform Venezuela through its Bolivarian Revolution were met with strong opposition. Much of the first five years of the Chávez government was characterised by conflict with opposition groups, which manifested in nation-wide general strikes, an attempted coup d'état and a referendum to recall President Chávez from office. As this chapter will show, Chávez secured a consolidation of power but only after surviving a series of aggressive and, at times, violent challenges to the legitimacy of his presidency and government.

Furthermore, the Venezuelan state's ability to devise and implement grand social policy initiatives has historically been linked to its capacity to generate considerable profits from its primary industry of oil production. In Chávez's first year in office, the price of crude oil was at an historical low of US\$9 per barrel and consequently delayed immediate plans for social reform. However, by 2001 the price of oil began to rise, state income increased and allowed the introduction of a range of new social policies primarily in health and education, directly aimed at assisting the Venezuelan poor. The considerable support for these social policies also proved to be another key element that would support the government's overarching goal of ensuring a swift consolidation of power.

This chapter also identifies the key themes and trends in the emergence of this radical domestic policy framework. The main tenets in this new framework, outlined in this chapter, provided the ideological foundation that would ultimately be transferred to the future foreign policy approach of Venezuela. This chapter ultimately argues that in the first phase of Fifth Republic, domestic rather than external political machinations took precedent in policy-making circles. However, these developments clearly foreshadowed and laid the institutional foundations for the future dramatic shifts in Venezuelan foreign policy that occurred most significantly during the second phase Bolivarian Venezuela and modified the policy-making process to enable this to happen.

The Rise of the Fifth Republic of Venezuela

Following his electoral win in December 1998, Hugo Chávez assumed the presidency of Venezuela on 2 February 1999. Immediately, his government began to implement new domestic policies aimed at bringing about a total political transformation in Venezuela. In his inaugural speech Chávez (1999, 1) articulated his vision of the need for radical change in the Venezuelan political system when he stated: ‘We are being called to save Venezuela from this immense and putrid swamp in which we have been sunk during 40 years of demagoguery and corruption’. In April 1999, his first key strategy was to propose a referendum that sought permission to create a National Constituent Assembly (*Asamblea Nacional Constituyente* [ANC]) and to construct an electoral law for the election of ANC delegates (Coppedge 2002). The ANC’s main purpose was to draft a new constitution for the Fifth Republic of Venezuela based on the outcome of a consultative process with various representatives of Venezuelan society. A large portion of the Venezuelan Congress resigned their posts in order to participate as candidates for the assembly elections scheduled in July 1999. Chávez began to promote the future ANC as a crucial mechanism that would bring about political change in the Venezuelan parliamentary system. Following the elections, Chávez outlined ‘an arrangement of “cohabitation” in which Congress agreed to cooperate with the ANC and in return was allowed to hold sessions’ (Ellner 2001, 13). In doing so, he proposed that the assembly’s powers would extend to the right to dissolve Congress and the Supreme Court in the event

that the two state apparatuses would become obstacles to the intended political overhaul of Venezuela's architecture.

In April 1999, the referendum for the convocation of the ANC was held and resulted in 88 per cent of voters approving its creation (Ellner 2001, 12). Additionally, more than 80 per cent of voters also approved the future assembly's right to define its own powers. Following this, the assembly elections were held in July 1999 in which the majority elected assembly members hailed from MVR or the smaller allied parties that made up the Polo Politico coalition. The newly elected assembly began to work on drafting a new constitution for Venezuela that would provide a clear and unimpeded avenue for political change. The assembly set a six-month timeline in which to draft the document and then present it to the Venezuelan populace for approval via referendum on 15 December 1999. The referendum was passed and on 20 December 1999, the new constitution was proclaimed by the National Constituent Assembly and effectively derogated the previous constitution of 1961 and the political system that it had formerly supported (BGV 1999, 151).

Ellner (2001) described several elements in the ANC's work that focussed on, transforming the state. The first, and probably the most critical, in achieving the desired political change was the proposed creation of a unicameral congress, the *Asamblea Nacional* (National Assembly) in place of the bicameral system comprised of a House of Representatives and the Senate. The Constituent Assembly further sought to eliminate congressional oversight of military promotions and to circumscribe Congress's role in the appointment of judges to the Supreme Court. Moves to strengthen the power of the president included the right to dissolve Congress under exceptional circumstances and the extension of the presidential terms from five to six years with the option of immediate re-election after the first term. Finally, in seeking to increase the powers of the executive by way of the president, the Assembly 'also created the figure of a vice president appointed by the president, rejecting a proposal to balance presidential power with that of a prime minister' (Ellner 2001, 18). It has been argued by some that the National Constituent Assembly had been used as a vehicle for eliminating checks on presidential power. For example, Coppedge (2002, 30) asserted that 'by the end of August it [the National Constituent Assembly] neutralized any challenge that might come from the old congress. At the

same time, it created a Judicial Emergency Commission that began a purge of the entire judiciary, including the Supreme Court and the Judicial Council’.

Following the ratification of the draft constitution on December 15, the National Constituent Assembly⁷ instated a Public Power Transition Regime that disbanded Congress and the Supreme Court. In its place the Assembly appointed the Ombudsman (*Defensor del Pueblo*), Public Prosecutor (*Fiscal General de la República*), Comptroller (*Contralor General de la República*), and the board of the National Electoral Council (Coppedge 2002, 30). The National Constituent Assembly also provided for itself to be succeeded (until new elections could be held in July 2000) by a National Legislative Committee (*Comité Legislativo Nacional*) consisting of 11 ANC members and 10 unelected members appointed by the ANC. During its short tenure, the new committee was given extensive powers and authority, which extended to the authority to remove elected officials at the state and local level. ‘By the time the ANC ended its functions, there was not a single national power, other than President Chávez himself, that had not been appointed by a body that was 93 percent Chávista’ (Coppedge (2002, 31).

From here, the Chávez government focussed on preparing for the ‘mega-elections’ of 30 July 2000 in which candidates would stand for election to the new unicameral parliament, the *Asamblea Nacional* (National Assembly), while simultaneously Chávez would run in the first presidential election under the new constitution. At the time, the results of the ‘mega-elections’ were perceived to be the litmus test for the success of the revolution and Chávez’s vision of a Bolivarian Venezuela. In both elections, Chávez and his political coalition emerged victorious with considerable majorities over opposition candidates. Chávez claimed victory with 59.76 per cent, his closest rival and former party faithful Francisco Arias Cárdenas only managed to gain 37.52 per cent of votes (CNE 2009). In the National Assembly election, MVR gained 44.38 percent, and with the combination of other candidates from the Polo Politico alliance, Chávez’s party and allies were able to secure 96 of 131 possible seats (CNE 2009). However, it is important to clarify that abstention in these elections was recorded as being at the extraordinarily high rate of just over 40 per cent of registered voters, a clear indication of widespread voter dissatisfaction with the

⁷ The National Constituent Assembly was formally dissolved on 31st January 2000.

process. While initially these ‘mega-elections’ appeared to legitimate Chávez’s consolidation of power within the new constitutional framework, there was still substantial opposition. Protests and anti-government campaigns concerning the legitimacy of the 2000 election, would eventually lead to a referendum to recall the election results four years later.

Social Development and Missions in Venezuela

When Chávez came to power in early 1999, the price of crude oil per barrel had dropped to as low as US\$9, a price that had initially impeded the government’s ability to engage in social policy reform. However, during the later part of the year and into 2000, prices began to rise significantly, thus providing greater funds to the government to pay for its promised program of social reform. The first element of social reform in Bolívarian Venezuela was the creation of a model of participatory democracy. Article 70 of the 1999 Venezuelan Constitution specifically identifies citizen participation and consultation in matters of policy-making. Additionally, Article 299 reinforces the link between social and economic development in Venezuela through the ‘continuing and equitable growth of the economy to ensure a just distribution of wealth through participatory democratic strategic planning with open consultation.’

The Venezuelan government has stated that the centrepiece of President Chávez’s campaign against poverty has been Venezuela’s social missions. These missions are ‘state-sponsored, grassroots-oriented development programs, addressing pressing needs in various fields of human development such as education, health, culture, food security, job training and housing’ (BGV 2008, 1). The social programs, or ‘missions’ (*misiones*) as they are more commonly referred to, include projects ranging from civil-military partnerships for the development of state infrastructure to adult literacy programs. Penfold-Becerra (2007, 65) described the financial organisation of such projects thus:

These *misiones* were financed through opaque and non-budgetary mechanisms; namely by transferring oil revenues directly from PDVSA to a special fund managed by the presidency. According to PDVSA’s financial statements, in 2004 the fund managed more than 5 billion dollars (close to 4.5 percent of GDP).

The Fund for Economic and Social Development (FONDESPA) was established in May 2004 with the sole purpose of acting as the primary instrument to redistribute oil revenues from *Petróleos de Venezuela* (PDVSA) for the benefit of the Venezuelan population, especially in regard to the poorer sections. FONDESPA's role as a legacy fund was to 'grant all necessary payments for the execution of programs and construction projects, assets and services for the development of infrastructure, roads, agricultural activity, health care and education in the country' (PDVSA 2009). The key missions funded by PDVSA that formed part of the Chávez government's fight against social injustice in the areas of education, healthcare and food security included *Barrio Adentro*, *Misión Mercal*, *Misión Sucre* and *Misión Robinson*. However, prior to the sweeping social reforms between 2003 and 2004 that expanded PDVSA's role into financing extensive social development programs, the Chávez government had already implemented a large-scale social development program called *Plan Bolívar 2000*.

Plan Bolívar 2000

The creation of Plan Bolívar 2000 in February 1999 was the first key piece of social policy introduced in Venezuela under the presidency of Hugo Chávez. Initially it was envisaged to be a six-month emergency plan but to date it has remained a cornerstone of the Venezuelan government's approach to socio-economic development strategies. Thus, in 2007, the government published 'National Project Simón Bolívar (2007–2013)', which outlined the direction of the plan for a further five years and reaffirmed the role of the armed forces in the policy-making and implementation of national development strategies. When, in early 1999 the government announced the plan, the justifications for it were centred on the many social problems that were then confronting Venezuela. According to the Ministry of Planning and Development (2000) these included: 70 per cent of the population lived in poverty and 39 per cent lived in extreme poverty; 15 per cent of the population were unemployed; there was 30 per cent high school enrollees dropped out before completion; 37 per cent of infants born were suffering malnutrition; and finally, infant mortality rates were 21 in every 1000 live births.

The plan saw the expansion of the role of the military from one that focussed on external defence matters to one that also encompassed a strong domestic development

component. *Plan Bolívar* was essentially a civic action plan that utilised the skills and expertise of the military for development issues in health and education as well as the maintenance of national infrastructure and disaster relief programs. Trinkunas (2004, 57) commented that ‘under Plan Bolívar 2000, the armed forces have gone so far as to use soldiers to sell basic goods at below market prices to hold down costs in lower-and working-class market places’. The armed forces were thus integrated into the domestic policy-making process through the pivotal role of providing the necessary logistical support for the implementation of *Plan Bolívar*. Resources and responsibilities traditionally belonging to state governments and their governors were transferred to the armed forces, thus enabling the military to encroach on previously civil service and sub-nation government functions as well as giving them a direct link with large sections of society. This can be argued to be a strategic policy designed to strengthen ties between the military and the urban poor, Chávez’s two main power bases, and therefore contributing to the overarching goal of consolidating the power of the Chávez government.

Barrio Adentro and Misión Mercal

In 2003, the Venezuelan government began a process of expanding the state’s social policies through a dramatic increase in social expenditure. This important policy initiative reaffirmed the social right of universal healthcare, guaranteed by the Venezuelan State as outlined in Articles 83 and 84 of the Constitution. One of the first initiatives that emerged from this policy was the establishment of *Misión Barrio Adentro*. Muntaner et al. (2006, 23) wrote:

The program’s beginnings date to December 1999, when Venezuela suffered torrential rains that caused extensive flooding in the state of Vargas. The most affected were barrio dwellers, the marginalized poor living in the hilly periphery of major urban centres. The Cuban government, as part of its international solidarity programs, responded to the tragedy by offering a team of 454 Cuban health care workers who offered medical care inside the marginalized barrios.

At the time, the government had made requests for help from Venezuelan medical practitioners, but many declined to offer their services. This was in part due to their security concerns of working in the dangerous and impoverished hillside slums as well as a lack of adequate resources to treat many of the victims of the floods.

Based on the success of the Cuban humanitarian aid during the 1999 flood disaster, the Cuban and Venezuelan governments signed an agreement that formalised the *Barrio Adentro* program in September 2003 (Ellner 2008, 121). In exchange for the guaranteed export of subsidised oil from Venezuela, the Cuban government agreed to send 20,000 doctors and medicine to provide primary healthcare to the poorest communities in Venezuela. Since 2003, *Barrio Adentro* has evolved in three main stages. As mentioned, the initial stage was to secure ‘on the ground’ access to medical practitioners in the barrios of Caracas and the wider community. The second and third stages have focussed on developing already-established facilities and creating additional healthcare centres to service the general population. The Venezuela Information Office (VIO)⁸ claimed that:

Barrio Adentro is overhauling the country’s hospital network by providing new, state-of-the-art medical equipment to 42 existing hospitals, upgrading and expanding these facilities, and building new hospitals in regions which lacked sufficient facilities. Barrio Adentro has also made universal preventative healthcare possible in Venezuela for the first time in the nation’s history (VIO 2009).

Further complementing the work of *Barrio Adentro* has been the food security project *Misión Mercal*. In an attempt to ensure that even the poorest of Venezuelans could access basic food, the Venezuelan government established a series of government-run markets (*mercales*) in some of the poorest areas of the country. The *mercales* were essentially small markets that provided a variety of basic goods at regulated prices. The antecedents that led to the establishment *Misión Mercal* had their origins in the economic hardships that followed the oil strike and lockout of 2002 (BGV 2008). Prior to the launch of *Misión Mercal*, several large national corporations had dominated production and distribution systems of food and goods in Venezuela. The majority of corporations supported the opposition-led 2002 strike/lockout, which was aimed at politically damaging the Chávez government. The food-related corporations participated in the protests by decreasing production and distribution and in some cases halting operations altogether. Consequently, basic food goods began to disappear from the shelves and the goods that were available were sold at an inflated

⁸ The Venezuelan Information Office (VIO) is a Venezuelan government lobby group strategically located in Washington DC.

price. This had a particularly drastic affect on the Venezuelan poor and their capacity to afford the very basic of food products.

Eventually, in late April 2003, the government responded to the growing food crisis via a broadcast of the television show *Aló, Presidente* (*Aló Presidente* 2003 No.148). In his address to the nation, President Chávez expressed his outrage at Venezuela's lack of food sovereignty and the consequent vulnerability to the agendas of major food corporations such as Polar Limited. President Chávez identified the policies of the private food companies as the causal link in the food crisis that was manifesting in the closure of supermarkets, increased malnutrition among the Venezuelan poor and prolonged food shortages. President Chávez argued:

This offensive served us well because we learned from the imperialism's attack, from the Venezuelan oligarchy, and from those who were supporting the aggression against Venezuela and who would have liked to defeat us with hunger. We learned that we did not have a gram or a grain of anything, of food reserves. Before any natural, political or social disaster, Venezuela did not have sufficient food reserves" (*Aló Presidente* 2003, No.148).

Prior to this and in the depths of the oil shutdowns and general turmoil of 2002, *Misión Mercal's* reach expanded rapidly. Similarly to the projects of *Plan Bolívar*, the Venezuelan armed forces were a crucial vehicle in providing logistical support for the procurement, storage, transport and distribution of food. Facilities such as military bases and supply depots were used as the temporary centres for food supply and military barracks were transformed into storage centres. President Chávez reinforced the importance of the armed forces in implementing social reforms in Venezuela when he stated 'the army of Venezuela took to the street, gave of themselves and made the task easier with their technology, their human resources, their means of transportation and their installations for storing food' (*Aló Presidente* 2003, No. 148). While initially *Misión Mercal* consisted of only three *mercales* (markets) and two warehouses, the project has expanded to encompass approximately 12,500 *mercalitos* (mini-*mercales*), 13,400 *mercales*, hundreds of cooperatives and 31 *supermercales* (mega markets) (BGV 2009 Fact sheet 1). This military involvement was justified in terms of Article 305 of the Venezuelan Constitution (BGV 1999, 125) which stipulates 'the state...shall guarantee the population a secure food supply, defined as the sufficient and stable availability of food within the national sphere and timely and uninterrupted access to the same for consumers'. The creation of *Misión*

Mercal demonstrates the Venezuelan state's commitment, under President Chávez to uphold and guarantee the social rights of citizens during times of crisis through responsive and rapid policy-making and the deployment of whatever organisations of the state are required according to the views and decisions of the president.

The Chávez government also introduced additional social policies such as *Misión Sucre*, *Misión Robinson*, *Misión Zamora*, *Misión Vuelvan Caras*, *Misión Ribas* and *Misión Milagro*. These policies were designed to complement the overall social development in Venezuela by providing targeted programs in the areas of literacy (*Misión Robinson*), completion of high school education (*Misión Ribas*), universal access to tertiary education (*Misión Sucre*), public housing, employment (*Misión Vuelvan Caras*), food security (*Misión Mercal*), access to general healthcare (*Barrio Adentro*) and specialised healthcare services such as free eye surgery (*Misión Milagro*) for low-income families, land rights (*Misión Zamora*). Ellner (2008, 122) described these additional social initiatives as:

...a second set of missions that consist of educational programs ranging from literacy classes to university education in which students are given a modest stipend. This literacy program known as the Robinson Mission and other programs utilize video cassettes (mainly produced in Cuba) and facilitators in place of classroom teachers.

Furthermore, *Misión Milagro* (Miracle Mission) has been designed to assist and provide medical care for thousands of people in the poorest sectors of the country to overcome vision problems including cataracts. The program began in 2004 as part of several development exchange agreements signed between Cuba and Venezuela. The program's key objective is to provide free healthcare that specifically targeted eyes diseases and afflictions for Venezuelans with limited resources. According to the Venezuelan government, under the *Misión Milagro* program 'from 2006 until 2008, 587,685 surgeries in total were performed in Venezuela' (BGV, 17 November 2009). Additionally, the Sandino Agreement between Venezuelan and Cuba, which was signed in July 2009, has now extended the work of *Misión Milagro* to include access to all Latin American citizens (BGV 17 November 2009).

The impact of Venezuela's unique approach to social policy and development has significantly improved the welfare of contemporary Venezuelan society. When President Chávez took office in early 1999, he inherited a nation facing similar crises

to that of the late 1980s and early 1990s. In 1999, 42.8 per cent of Venezuela's population was classed as living in poverty and 16.6 per cent in extreme poverty. However the statistics for 1999 were based on data gathered in 1997 (INE 2010). During the first phase of the Fifth Republic and prior to the introduction of wide-sweeping social policies, poverty began to increase and Venezuela's HDI ranking slumped to 74 in 2005. However, data from the 2009 *Human Development Report*, indicates that Venezuela since 1999 has almost halved the percentage of its population living in poverty, increased literacy rates as well as improved its overall ranking on the HDI, which is now 58 (UNDP 2009). However, the continuance of these large and costly social development policies is largely dependent on the stable international price of oil and the Venezuelan State's capacity to generate considerable income from its export.

Rule by Decree, Opposition Struggles and the Coup d'état of 2002

In the first phase of the Fifth Republic, the Venezuelan Parliament twice approved enabling laws (*leyes habilitantes*) that greatly enhanced the authority of President Hugo Chávez and his ability to govern without interference from traditional parliamentary checks and balances. The first enabling law was authorised in April 1999 for a period of six months and gave President Chávez the direct and extraordinary power to legislate in matters relating to the economy and finances of the Venezuelan State that were deemed to be in the public interest (National Assembly 2009). During the six-month period, President Chávez passed 26 new laws. In November 2000, the National Assembly passed a second enabling law that approved extending temporary power of 'rule by decree' for a period of one year to President Chávez. An official reason for the approval of the extraordinary law was to facilitate greater and more rapid policy reforms in the midst of an economic downturn. However, not until near the end of the period in 2001 did Chávez rush through 49 different laws aimed at furthering the objectives of the Bolivarian Revolution. The National Assembly's approval of enabling powers to rule by decree focussed on specific policy areas, primarily in relation to property rights in the hydrocarbon and agricultural sectors.

When Chávez proposed the possibility of seeking similar control over public education, large sectors of society including the middle class and business elites

began to express concerns about the objectives of the Chávez government. As Corrales and Penfold-Becerra (2007, 102) argued, that many sectors of Venezuelan society:

responded with what amounted to a kind of allergic reaction in the body politic: business and labour groups, civil society organizations, and political parties both old and new began to promote national pro- tests, including a two-day civil stoppage in December 2001.

From a historical perspective, it is clear that the approval of the second enabling law was the catalyst for the opposition's rapid mobilisation against the Chávez government as well as its justification for devising a plan to overthrow the incumbent government. While issues concerning the government's proposed control over the education system generated concern, in opposition circles, it was largely perceived that Chávez's decision to use his power during 2001 to reform laws relating to private property rights was a broken campaign promise from 1998 and direct threat to private property owners.

When MVR came to power in 1999, the opposition, largely comprised of the former economic and political elites of the Fourth Republic, had been initially wary of the new government's plans for reform in Venezuela. From the outset of his presidency, Chávez had clearly articulated that while his government was planning sweeping social reforms, it would continue to protect what the opposition considered to be important issues such as the private property rights of citizens. However, wariness on the part of the opposition rapidly turned to mistrust and anger when Chávez rushed through 49 laws in the final days of his rule by decree in 2001. Barracca (2007, 143) supports this argument when he states 'the nation's economic elite was directly threatened by Chávez's implementation of 49 revolutionary laws, including a sweeping land reform that took away private property without compensation, and measures for tightening government control over the state-owned oil company, *Petróleos de Venezuela* (PDVSA).' The effects of the legislation pushed through during the period of rule by decree set in motion a chain of events that would ultimately lead to a coup d'état that was primarily orchestrated by the military, various labour and business federations and the opposition media outlets in Venezuela. Sullivan (2009, 4) wrote:

Trade union opposition became stronger amid the President's attempt to replace the Venezuelan Workers Confederation (*Confederación de Trabajadores de Venezuela - CTV*), the largest independent and powerful union in Venezuela, with a pro-government union. President Chávez's own Fifth Republic Movement also became plagued with internal dissent.

An unusual alliance was formed between Carlos Ortega, the leader of CTV, the nation's most influential trade union, and Pedro Carmona, the head of the *Federación de Cámaras y Asociaciones de Comercio y Producción* (FEDECAMARAS) (Federation of Chambers of Commerce and Manufacturers' Associations), the nation's leading business association, which gained the support of other smaller civil society organisations. The unexpected alliance and rapid mobilisation of both power groups was a direct consequence of President Chávez's decision on 6 April 2002 to publicly sack seven senior officials from the state oil company PDVSA (Encarnación 2002, 42). Exacerbating the situation further was that President Chávez announced the sackings via his television program *Aló Presidente*. After publicly naming each fired individual, Chávez added insult to injury by humiliating the former employees with blowing a whistle, followed by an exclamation in English of 'offside', thus making a parody of a referee's decision in a football match (*Aló Presidente* 2002, No. 101).

PDVSA had traditionally been considered an efficient, independent and prosperous company that demonstrated the high levels of skill and expertise of Venezuelans working in the oil industry and therefore was a source of national pride. However, during the public dismissal, President Chávez described the seven former officials as 'saboteurs of a business that belongs to all Venezuelans' (*Aló Presidente* 2002, No. 101). Encarnación (2002, 44) noted that 'the unions and the employers were reacting to the erosion of self-management within PDVSA as well as to Chávez's attempt to undermine traditional labour representation in the oil sector.' In response, the temporary coalition of CTV and FEDCAMARAS immediately called for a general strike on April 9 2002.

Earlier in February 2002, President Chávez had announced his plans to reform the way in which PDVSA conducted its business dealings and the general operation of the company. For Chávez, PDVSA represented one of the last remnants of the *Punto Fijo* era and symbolised the power and control enjoyed by Venezuelan oligarchs

during the period of *Punto Fijo* democracy. When Chávez announced his intentions to overhaul PSDVA and its senior management, various groups within Venezuela began to campaign against the reforms and the government. Following the announcements, the private media in Venezuela embarked on a vicious and unapologetic campaign against the government's plans for PDVSA and against the government in general. These actions ultimately set the private media, members of the trade unions and other opposition groups on a collision course with the Chávez government.

While on the day of the coup d'état, the military provided the physical strength required to remove Chávez and his government from power, the role that was played by the Venezuelan trade unions and media in the months before, created the circumstances in which the objectives of the coup d'état could be achieved. Castillo (2007) described Venezuelan society at the time as being dominated by an 'axis of power' between the Catholic Church, the media and the military. Castillo (2007, 148) observed that in Venezuela 'television reaches 90 per cent of the population and it is the most popular medium in Venezuela. Wealthy and influential, the private media are efficient political and ideological tools for social control and hegemony in the hands of the financial elite'.

At the time that President Chávez came to power, all commercial media outlets in Venezuela were controlled by three companies, which held large investments in the United States (US) and other countries. The government's access to media outlets was limited to one television station (Channel 8), one news radio station and the government press agency. This proved to be one of the major factors that prevented the government from communicating with the broader population during the initial stages of the coup d'état. On 10 April, the day before the coup d'état, Pedro Carmona the head of FEDECAMARAS appeared on all private media channels to call for an opposition march through Caracas to the headquarters of PDVSA the following day. In the evening of 10 April, a military general also appeared across all private media channels demanding the resignation of Hugo Chávez and his administration. He stated 'the military high command must say to the President: you are the cause of all this and it is time to step down, if they [Venezuelan government] do not make this stand, someone else will'. This brief televised conference

demonstrated that the opposition to the Chávez government was not confined to supporters of the trade unions, private media and large corporations. Dissent had now spread to some sections of the armed forces, which were one of the original bases of power for the Chávez government.

Events of 11–13 April 2002

On the morning of 11 April, opposition protestors gathered together to begin their march through Caracas to the headquarters of PDVSA. The central offices of PDVSA were chosen as the key location of the opposition demonstration as a sign of support for the company's former executives who had recently been dismissed by Hugo Chávez. At the same time and in response to media promotion of the opposition march, a pro-Chávez rally was being held near the presidential palace, (*Palacio de Miraflores*), in downtown Caracas. The combination of both demonstrations meant that an unusually large portion of the population of Caracas was present on the streets that morning. Originally, neither public demonstration was scheduled to encounter the other due to the government's pre-approved permission of a different location and time for each group. During the opposition march, the private media were broadcasting commentary on the unfolding situation in the streets of Caracas and 'were treating Chávez's removal as a foregone conclusion' (Nelson 2006, 8). These distortions by the private media fuelled the already volatile situation and assisted in creating an environment of confusion and perceived chaos.

An unexpected turn of events occurred when organisers of the opposition group decided to reroute the march's final destination from the headquarters of PDVSA to the presidential palace. Upon learning of the altered route of the opposition protest, Chávez requested the immediate activation of *Plan Ávila* (Gott 2005, 225). *Plan Ávila* was a contingency plan, established during the Fourth Republic that allowed for the deployment of the armed forces to quell civil unrest during times of extraordinary circumstances and or emergencies. According to Nelson (2006, 8):

Afraid that he would be sequestered inside, Chávez responded by implementing 'Plan Avila' - he called out the military to stop the march. Fearful of a bloodbath, however, the majority of his generals, including Chávez's close friend at the time, General Manuel Rosendo, balked at the order, saying that it was a direct violation of the constitution to use the military to quell civil unrest.

For several hours violent clashes occurred between pro-Chávez supporters, anti-Chávez supporters, the police, members of the National Guard and some military soldiers. Much of the violence was filmed and broadcast across the private television channels in Venezuela and around the world. Inside the presidential palace, President Chávez and his Cabinet were in closed meetings, trying to assess the situation and devise a strategy to resolve the crisis. On the evening of 11 April, several officers from the military high command entered the presidential palace in order to begin discussions with Chávez to negotiate his resignation (Bartley and O'Briain 2003). The military high command, the private media and opposition groups were attributing total blame to the government for the violence that occurred earlier in the day, which resulted in around 20 people dead and over 150 injured. A dawn deadline had been given for Chávez and his government to peacefully and unequivocally resign or an aerial bombardment of the presidential palace would commence. Just before dawn, President Chávez was escorted out of *Miraflores* and at the time flown to an unknown location by the Venezuelan armed forces. It is difficult to know exactly what is a true account of the events of 11 April as both sides involved in the tumultuous episode point and attribute blame to different causes and people.

Nelson (2006) made an interesting observation of the 72-hour crisis based on interviews with approximately 40 key actors from both sides of the conflict. He maintains that while President Chávez initially agreed to leave *Miraflores* and negotiate the specifics of his resignation with the military, upon arriving at the military base to hold the discussions, several things occurred that ultimately led Chávez to change his mind. Firstly, despite the generals' previous agreement to reject the president's order to implement *Plan Ávila*, the apparent unity and cohesion among the military high command had been a façade. Chávez encountered a fractured group who were poorly organised with no comprehensive strategy, let alone a well-planned conspiracy in which to facilitate a swift and smooth transition of power (Nelson 2006, 8). Additionally, instead of organising and securing a safe passage to Cuba as Chávez had requested in exchange for his resignation, some of the generals began contemplating the option of detaining Chávez in Venezuela until he could be tried for alleged human rights abuses committed during the violence of 11 April 2002.

Nelson (2006) asserted that the combination of these factors led Chávez to retract his original resignation. He further identified that:

This was the critical moment, where many believe the coup really began. Into this confusion stepped a small group of wealthy businessmen led by a prominent opposition figure, Dr Pedro Carmona. Financed by a 28-year-old millionaire, Isaac Pérez Racao, heir to an oil company fortune, these men, with Carmona as their figurehead, filled the power vacuum while assuring the military leaders they would set up an interim government and hold new elections (Nelson 2006, 8).

The following morning, Pedro Carmona appeared on Venezuelan media channels, announcing that Chávez had resigned and was in the custody of the military. He further stated that an interim government would be immediately established. In the evening of 12 April, Pedro Carmona again appeared on television to be formally sworn in as president of the interim government (Bartely and Briain 2003). Following this announcement, the newly appointed Attorney General proceeded to dissolve the political, judicial, legislative and administrative institutions established by the Chávez government.

The reaction of the majority of the international community was to condemn the actions of the coup plotters and decision of the interim government to dissolve the institutional pillars of the Venezuelan government. On 12 April, members of the Rio Group⁹ provided the first clear condemnation of the actions and events of 11 April 2002. In contrast, Eric Fleischer, a White House spokesperson, addressed a press conference and outlined the Bush administration's support for the newly installed interim government of Pedro Carmona. Fleischer even went so far as to claim that the 'Chávez government had provoked the crisis' (*New York Times*, 3 December 2002). In this press conference, Fleischer stated:

We know that the actions encouraged by the Chávez government provoked this crisis. According to the best information available, the Chávez government suppressed peaceful demonstrations. Government supporters, on orders from the Chávez government, fired on unarmed, peaceful protestors, resulting in 10 killed and 100 wounded. The Venezuelan military and the police refused to fire on the peaceful demonstrators and refused to support the government's role in such human rights violations. The government also tried to prevent independent news media from reporting on these events' (Fleischer 2002).

⁹ The Rio Group comprises of 23 Latin American and Caribbean countries. For more information see URL: <http://grupoderio.org/>

The US was the first government to swiftly respond to the crisis and legitimise the Carmona administration. In contrast, other nations and regional organisations expressed very different sentiments. For example, on 13 April, the Permanent Council of the Organization of American States (OAS), in agreement with the majority of member states, issued a resolution (CP/RES. 811 (1315/02))¹⁰ that outlined the organization's response to the situation. This was:

1. To condemn the alteration of constitutional order in Venezuela.
2. To condemn the deplorable acts of violence that has led to the loss of human life.
3. To express solidarity with the people of Venezuela, and support their resolve to re-establish full democracy, with guarantees for citizens and respect for fundamental freedoms, within the framework of the Inter-American Democratic Charter.
4. To call for the normalization of the democratic institutional framework in Venezuela within the context of the Inter-American Democratic Charter.
5. To send to Venezuela, as a matter of urgency, a Mission headed by the Secretary General of the OAS, with the aim of carrying out a fact-finding mission and undertaking the necessary diplomatic initiatives, including good offices, to promote as quickly as possible the normalization of the democratic institutional framework. The Permanent Council shall be kept informed of the initiatives taken.
6. To convoke in accordance with Article 20, third paragraph, of the Inter-American Democratic Charter, a special session of the General Assembly, to be held at OAS headquarters, on Thursday, April 18, 2002, to receive the report of the Secretary General and to adopt such decisions as it may deem appropriate.
7. To continue to consider this matter.

Despite the private media's blackout, news of Chávez's captivity and refusal to resign had begun to circulate in Venezuela. On the morning of 13 April, a large portion of Caracas's population took to the streets to protest the actions of the armed forces and the interim government. Many protestors headed directly to *Miraflores* and surrounded the presidential palace in order to apply further pressure on the newly installed administration. This public display of support was relayed to many of the

¹⁰ This resolution can be accessed through the OAS website at:
<http://www.oas.org/consejo/resolutions/res811.asp>

deposed Cabinet ministers who had gone into hiding after the forced removal of Chávez. Events then took an extraordinary turn: ‘By the next morning, both pro- and anti-Chávez military leaders were working together to remove Carmona and replace him with Chávez’s vice president, Diosdado Cabello, who had come out of hiding’ (Nelson 2006, 9).

Furthermore, members of the palace guards began positively responding to the protestors outside the palace gates and decided to devise a plan to retake *Miraflores*. At the same time, Pedro Carmona and his followers had sensed the changing tide in public support and began a rapid evacuation of the presidential palace. By the time the palace guard launched their counter-coup, the majority of the interim government and coup plotters had fled.¹¹ From here, ministers in Chávez’s government soon began to descend upon *Miraflores* to commence an emergency meeting that concentrated on plans to locate Chávez and return him to Caracas. Later that evening, Chávez arrived at *Miraflores* by a military helicopter and was greeted by thousands of Venezuelan citizens who had continued to protest outside the palace for his return. Due to the combined efforts of a broad section of Venezuelan society that included citizens, government and military officials, the coup of 11 April 2002 lasted only 72 hours before constitutional democracy and a democratically elected government were re-established.

The events of 11–13 April 2002 presented both great challenges and opportunities for Chávez and his government. The initial success of the coup revealed Chávez’s reduced capacity to influence and control sections of the Venezuelan armed forces as well as the might and determination of many opposition groups to conspire against the government in order to bring about its demise by any means. However, the events of the short-lived coup also demonstrated the commitment of numerous Venezuelans across a variety of sectors to support and demand the continued tenure of President Chávez, his government, their policies and their vision of a Bolivarian Venezuela. As Nelson (2006, 9) noted

For Hugo Chávez, the coup was a boon. It reinvigorated his presidency and helped him further consolidate power. During the crisis, all the masks came off.

¹¹ Footage of the counter-coup can be view in the documentary *The Revolution Will Not Be Televised*. 2003. Available from URL: <http://video.google.com/videoplay?docid=5832390545689805144#>

When he returned to office, he knew exactly who was with him and who was against him.

Two weeks after the failed coup d'état, Chávez addressed the Venezuelan nation on his television program *Aló Presidente*. In his address he described himself as a President of the upper, middle and lower class Venezuelans (*Aló Presidente* 2002, No.102). In a conciliatory act towards the people who had supported and participated in the coup d'état he stated:

I do not consider anyone my enemy. Rather, adversaries, people who are adverse to me, of course there are, and I respect them, but of course I also ask respect from them, for the institutions, and for the Constitution. Also, those who are adverse to me must assume that there is a national constitution and that there is a legitimately elected president' (*Aló Presidente* 2002, No.102).

The General Strikes of December 2002

In the weeks following Chávez's return to power, around 40 distinct opposition groups formed a loose coalition under the banner of *Coordinadora Democrática* (CD) (Democratic Coordinator) (Mainwaring and Scully 2009, 152). While the political and social groups that made up the coalition were not identically aligned in their ideological and political outlooks, they were united in a mutual desire to remove President Chávez from office. The CD began to concentrate on campaigning for a national recall referendum on Hugo Chávez's presidency, as prescribed in Article 72 of the 1999 Venezuelan Constitution. The CD presented the option of a recall referendum as a constitutional mechanism that could potentially hold Chávez accountable for the deaths of civilian protestors during the political turmoil of April 2002. argues 'The CD demanded a non-binding referendum on Chávez's rule in early February 2003, which they believed would force the President to resign, but Venezuela's Supreme Court ruled against holding such a referendum' (Sullivan 2009, 4).

Their reasoning related to the length of time in office. Article 72 of the Venezuelan Constitution (1999) states that:

All magistrates and other offices filled by popular vote are subject to revocation. Once half the term of office to which the official has been elected has elapsed, a number of voters constituting at least 20% of the voters registered in the

pertinent circumscription may extend a petition for the calling of a referendum to revoke such official's mandate.

Due to this provision, President Chávez argued that, in accordance with Article 72 of the Constitution, a binding referendum to revoke his mandate as president could only occur after the midway point of his term, in this case, in August 2003. In response to the delayed deadline for the recall referendum and in an attempt to apply pressure on President Chavez to agree to an early non-binding referendum, the CD organised a general strike which began in early December 2002 and continued until early February 2003. The general strike drastically reduced Venezuela's oil exports over the two-month period and consequently disrupted the economy.

In retaliation against the strike and in a bid to gain control of the renegade oil company, the Chávez government sacked approximately 18,000 PDVSA employees, specifically targeting upper and middle management as well as highly skilled technicians. The effects of the mass sackings would '...continue to have such far-reaching consequences as declining production capacity, environmental degradation, and severe deterioration of some oil fields and industrial infrastructure' (Kelly and Palma 2004, 227). The government then set about replacing the sacked PDVSA workers with new employees who were sympathetic and loyal to the management model that was being implemented. While Chávez and his government had survived the effects of the oil lockout and achieved a rapid and fundamental cultural change within the state-run oil company, they were still unable to completely dismantle the opposition's influence on large sections of the population and to avoid a presidential recall referendum.

The Recall Referendum September 2004

In order for a recall referendum to take place, Article 72 of the 1999 Venezuelan Constitution requires a petition to be signed by 20 per cent of registered voters. This amounted to approximately 2.4 million signatures of registered voters out of 12.3 million. The signatures of Venezuelan registered voters who were in favour of recalling President Chávez from office were collected in November 2003. However in March 2004, the *Consejo Nacional Electoral* (CNE) (National Electoral Commission) declared there were only 1.83 million valid signatures and therefore the

process of a presidential recall referendum could not proceed (CNE 2004). Hellinger (2005, 12) observed that:

The CNE only accepted just under, 1,900,000 signatures as valid, half a million short. Over 800,000 of the rejected names appeared on petitions on which a single person appeared to have filled out all but the signatures. According to the CNE's rules, published in September 2003, petitions were to include the name, last name, identity card number, date of birth, name of organization or voter registry, original signature by hand and digital fingerprint, of each petitioner of the recall referendum, in legible form.

The CNE's declaration that there were an insufficient number of valid signatures for a referendum resulted in strong opposition protests. However, the opposition agreed to a *reparo* (repair period) between 28 and 31 May 2004 (Carter Center 2005). On 3 June 2004, the CNE announced that enough signatures had been collected to validate a recall referendum and declared it would be held on 15 August 2004. The importance of holding the referendum on 15 August was essential to the opposition's objectives as:

If the recall referendum takes place after 19 August 2004, the Chávez administration cannot be deposed, even if Chávez himself were to be removed. Article 233 of the constitution stipulates that new elections must be held in the absence of the President, including for reasons of a recall, during the first four years of his mandate (ICG 2004, 5-6).

According to the Constitution and in order for President Chávez to be recalled, the simple majority of voters in the referendum had to vote 'yes' and the number of votes in favour of a recall would have to be more than the number that the President had gained when elected in July 2000. Sullivan (2005, 4) inferred that

If Chávez had been recalled, new presidential elections would have been held within 30 days. It was unclear whether President Chávez would have been allowed to run for re-election, but most observers believed that the Supreme Court would have ruled that he was eligible to run.

A key challenge for the opposition was that it was not united into a well-organised or coherent political coalition (Sullivan 2005). In the event of a new election, the opposition would have struggled to offer a candidate with wide opposition support capable of successfully competing and winning against Chávez in new elections.

On the day of the recall referendum, just fewer than 10 million registered voters cast their votes. The final results were 5,800,629 (59.0958 percent) ‘No’ votes and 3,989,008 (40.6393 percent) ‘Yes’ votes (Carter Center 2005). Chávez had met yet another challenge to his presidency and survived. His successful defeat of the recall referendum signalled that after almost five years of struggles and direct challenges to the legitimacy of his government, President Chávez had finally achieved a clear and convincing consolidation of power.

A New Strategic Map For Venezuela

In the months following the August 2004 recall referendum the Chávez government began a review of the Bolivarian Revolution and the direction that it would take in the future. The catalyst for this review and consequent creation of the ‘new strategic map’ was President Chávez’s victory in the August 2004 Recall Referendum. His decisive win clearly demonstrated that after five years, his Bolivarian Revolution had achieved a consolidation of power and mandate from the majority of Venezuelans:

Venezuela has changed forever, there’s no going back to the past. The Fourth Republic has died! My respectful salute to those Venezuelans who do not agree with us 100 per cent to... We respect them and I invite them all, the opposition, and the independents to come with us and begin this new chapter, I invite those that call themselves our adversaries to see the positive accomplishments of the Bolivarian Revolution, like the *Misión Robinson* [literacy program] and like *Barrio Adentro* [community health care clinics], and call for them to respect the wishes of the majority of Venezuelans. Today’s victory is not just for the people of Venezuela, but also for the people of Latin America and the Caribbean who are struggling for their freedom (Chávez 2004).

In mid-November 2004, President Chávez hosted a conference over two days at which he presented his ‘new strategic map’ for Venezuela and the Bolivarian Revolution (BGV 2004). The strategic map focussed on deepening the revolution within Venezuela by aiming to achieve 10 key objectives (BGV 2004, 31- 32). The objectives included:

1. To advance in the conformation of a new social structure.
2. To articulate and optimise a new communication strategy.
3. To accelerate the construction of a new model of democracy.
4. Accelerate the creation of a new institutionalisation of the state.

5. A new integral and effective strategy against corruption.
6. To develop a new electoral strategy.
7. Accelerate the construction of a new productive model, on course with the creation of a new economic system.
8. To continue the installation of a new territorial structure.
9. To deepen and accelerate the conformation of a new national military strategy.
10. To continue the pursuit of a new international and multipolar system.

Nine of the ten objectives outlined in the ‘new strategic map’ clearly sought to continue and expand previously established social policies. The majority of objectives focussed on further supporting alternate methods and models of economic and social development and largely demonstrated continuity in domestic policy-making. However, the final objective of pursuing a new international and multipolar system marked a distinct shift in the approach and focus of foreign policy-making. In the new strategic map, Chávez identified what he considered to be five distinct poles of power that existed in the international system (Chávez 2004, 24). These groupings were Africa, Asia, Europe, North America and South America. Chávez further clarified that a combination of changes occurring in Europe such as the peaceful revolutions in ex-Soviet republics, the election of the left-wing Zapatero government in Spain in early 2004 and the strengthening of the euro against the US’ dollar as key reasons to rapidly re-engage with Europe. As Chávez (2004, 24) argued ‘at the moment many important things are happening in Europe that could be favourable to our own revolutionary process or at least contribute to neutralising other threats against us’.

The ‘new strategic map’ for Venezuela clearly articulated the desire to take advantage of the government’s mandate and implement an accelerated approach to already established domestic policies. More interestingly, the map introduced a radicalisation of Venezuelan foreign policy aimed at breaking the historical dominance of bilateral relations with the US through a diversified approach in which attention would be distributed among five main regions in the newly envisaged multipolar world. The introduction of the ‘multipolar’ approach to foreign policy marked the beginning of

the second phase of the Chávez government that would be defined through its radical foreign policy and reinvention of Venezuela's role in the international system.

In order to achieve this new vision of Venezuelan foreign policy, President Chávez began to promote the need for a complete overhaul of the Venezuelan Ministry of Foreign Affairs (Maduro 2006). These changes included the reassignment of diplomats who began their careers during the Fourth Republic, new appointments to senior positions in the ministry for candidates with strong ties and direct participation in the movement that founded the Bolivarian revolution and its political party, MVR. Early in the second phase of the Fifth Republic of Venezuela, newly appointed Minister for Foreign Affairs, Nicolas Maduro (2006), clarified the overarching transformation as:

We are going to make a series of changes that will permit us, as much internally as in the Foreign Service, to have a better foreign ministry. We are putting in all the effort. We will have a more efficient ministry, better organized, disciplined, and one that has a cohesive discourse in all scenarios. Additionally, one has the capacity to gain consensus on the basis of just positions, not on the basis that we allow things to continue the same. We are going through a process of change and processes of change cause ruptures.

During the first phase of the Fifth Republic and particularly following the attempted coup d'état in April 2002, Venezuela had demonstrated elements of an emerging radical undertone in its approach to policy-making. However, this was largely curtailed by the multiple challenges faced by the Chávez government due to the ongoing internal conflict between supporters of the government and members of the opposition. The result of the 2004 presidential recall referendum indicated that the Chávez government continued to enjoy resounding domestic support for the objectives of the Bolivarian revolution. This support allowed the government to move away from solely concentrating on internal policy issues and opened up the policy focus to matters of regional and international concern.

Conclusion

This chapter has identified the key domestic political events that characterised the experience of the first five years of Chávez's Bolivarian Venezuela. During this period, Venezuela underwent a complete political transformation both structurally and ideologically. The radical changes attracted both popular support and staunch

opposition but despite the many challenges to Chávez's Bolivarian project, including his brief removal from power in 2002, these challenges provided opportunities for Chávez and his government to reaffirm popular support for the revolution and after five years, achieve a domestic consolidation of power. The experience of Venezuelan domestic politics and policy-making in the first five years of power provides the necessary foundation on which to assess and understand the radical and unique motivations behind Venezuela's foreign policy that has largely characterised the second phase of the Chávez government's time in power.

Chávez emerged from the tumultuous first five years with greater power and legitimacy, ready to build on the policies already in place at home and to venture into new initiatives abroad. The latter would not have been possible without the political consolidation at home. Furthermore, the nature of policy-making had been dramatically altered. The comfortable elite accommodation of the *Punto Fijo* years has been swept aside and replaced by a system in which the president was increasingly the focal point of policy-making and where countervailing forces in society and states were greatly weakened. The following chapters examine the consequences of these alterations in terms of foreign policy and its making during the second phase of the Fifth Republic of Venezuela.

Chapter Six:

The Emergence of Radical Foreign Policy Change during the Fifth Republic of Venezuela – Regional Approaches (2005 – 2010)

Introduction

The second phase of the Fifth Republic of Venezuela has witnessed a shift from a preoccupation with domestic matters to a strong focus on foreign policy issues at both a regional and international level. During this period, President Hugo Chávez sought to redefine Venezuela's role in the international system through an assertive and at times uncompromising approach to foreign policy-making. This unique approach has generated both positive and negative responses from members of the international community and transformed the traditional foreign policy framework of Venezuela.

The aim of this chapter is to identify the emergence of radical foreign policy-making in the second phase of the Fifth Republic of Venezuela and attempt to explain the causes of this radical transformation. Therefore, this chapter will trace the key events that have helped to shape and consolidate Venezuela's unique new brand of foreign policy-making. This will be achieved by firstly outlining Hugo Chávez's vision of a 'multipolar world' which has provided a new framework in which contemporary Venezuelan foreign policy is formulated. During this period, a key aspect of Venezuela's implementation of a new foreign policy framework has been demonstrated in a regional context. After establishing the key elements of this new framework, this chapter will identify and analyse several examples that demonstrate the way in which radical foreign policy-making in Venezuela is constructed and then implemented. This chapter highlights the process in which this unique approach to foreign policy-making has produced mixed outcomes for Venezuela and its perceived role in Latin America and the wider international community. Finally, this chapter also examines the dissonance between the forceful and often rhetorical elements that appear to drive contemporary Venezuelan foreign policy in contrast with the tangible and often less dramatic outcomes of many Venezuelan foreign policy initiatives.

Chávez's Multipolar World

At a conference held in November 2004, President Hugo Chávez presented the 'new strategic map' for Venezuela and formally introduced the concept of *el mundo multipolar* (multipolar world) (Chávez 2004, 24). Previously, President Chávez had alluded to this concept and loosely linked it to Venezuela's foreign policy model, but it was not until 2004 that a coherent explanation of this concept was presented to the Venezuelan public. His conceptualisation of a 'multipolar world' identified five regions he considered to be the main poles of global power. These power groupings were identified as being in the continents of Africa, Asia, Europe and two in the Americas; namely North America and South America.

At the conference, Chávez specifically targeted the implications for Venezuela of political changes occurring in Europe such as the election of the leftist Zapatero government in Spain. Chávez concluded that re-engaging with countries such as Spain could produce favourable outcomes for the Bolivarian revolution or at the very least assist in neutralising potential threats from other members of the international community (Chávez 2004, 24). Venezuela's relationship with Colombia was also seen as a critical element of the new approach to foreign policy. Chávez identified the strategic importance of improving relations between the two nations. Specifically, he outlined the potential for Colombia to provide Venezuela with access to the Asia Pacific region for the purpose of exporting Venezuelan oil in a more cost effective manner to countries with emerging economies such as China and India and established economies such as Japan.

Chávez's concept of a multipolar world was aimed at strengthening Venezuela's sovereignty in the international community by consolidating, and diversifying Venezuela's foreign and economic relations through direct and intensified diplomatic engagement. Five new tenets of Venezuela's foreign policy that supported this multipolar approach were identified (BGV 2004):

To impel the multi-polarity of international society. In order to achieve this, Venezuelan foreign policy should begin to focus on strengthening supranational organisms and multilateral initiatives.

To promote Latin American and Caribbean integration in order to increase the economic and social integration and impel a new Latin American political system.

To consolidate and diversify Venezuela's international relations through direct diplomatic means. This aspect included the reaffirmation of relations with neighbouring countries as well as increased focus on 'South-South' cooperation.

To fortify Venezuela's position in the international economy by improving and diversifying Venezuela's export markets. This tenet was aimed at accelerating the internationalisation of Venezuela's economy, strengthening the relationship with OPEC and incrementally contributing to strategic associations and economic partnerships in the Latin American region and elsewhere.

To promote a new regime of 'integral hemispheric security' through incorporating the National Armed Forces of Venezuelan in the nation's development process. This element of Venezuela's new approach to foreign policy was based on the implementation of a new operating model for the Venezuelan Armed Forces with a key goal of strengthening regional defence capabilities.

Despite outlining the five key elements of Venezuela's foreign policy in a 'multipolar world', foreign policy-making during the second phase of the Fifth Republic has manifested in a variety of policy actions and outcomes that at times support and then conflict with its own multipolar model. Foreign policy-making during this period evolved into a complex state-centred process that is largely determined by decisions made according to the personalistic attitudes and reactions of President Chávez. A considerable portion of foreign-policy making is undertaken directly by the President in a reactive manner that at times threatens the continuity of Venezuelan foreign policy and adherence to the multipolar framework. As this chapter will show, significant foreign policy decisions have been made 'on the run' and have consequently produced a radical but not necessarily consistent, element to contemporary Venezuelan foreign policy, which has often encountered mixed reactions and produced diverse results.

ALBA: The Bolivarian Alternative [Alliance] for the Americas

The *Alternativa Bolivariana para las Américas* (ALBA) (Bolivarian Alternative [Alliance] for the Americas) was an economic trade and development bloc that formed the first key piece of foreign policy implemented in the second phase of the Fifth Republic. The impetus for the creation of an alternative trade bloc can be traced

back to two key events. Firstly, the success of Cuban medical assistance during the 1999 flood crisis in Caracas provided the foundation for the close and supportive engagement between Venezuelan and Cuba based on a policy of complementary assistance. Second, the failure of the proposed Free Trade Area of the Americas (FTAA) in 2003 revealed a changing tide in Latin American acceptance of traditional models of economic and human development. During the discussions at the Summit of the Americas in 2003, Venezuela, along with Brazil, Argentina, Paraguay and Uruguay, took a lead role in rejecting the FTAA proposal due to its close association with the principals of the Washington Consensus and IMF structural adjustment reforms (Ruiz 2006). While this dissenting group only accounted for one sixth of the participating countries, it demonstrated that past economic negotiations with Latin American nations that had been based on a 'one size fits all' continental approach and an anticipated unified continental response would no longer produce the desired outcomes.

In its infancy, ALBA began as a simple bilateral exchange of resources between Cuba and Venezuela. In late 2004, Cuba and Venezuela formally signed the first agreement under ALBA's new framework, which saw approximately 20,000 Cuban doctors sent to work in Venezuela in exchange for the importation of heavily subsidised Venezuelan petroleum. But ALBA's mission goes further, as Harris and Azzi (2006, 6) explained:

The Bolivarian Alternative for the Americas includes promotion of trade between countries, and even the elimination of tariff barriers on certain products, but its core purpose goes far beyond this. The explicit aim of ALBA is to promote the 'social' side of development, eliminating poverty and combating social exclusion in a cooperative effort by Latin American nations.

This Bolivarian focus on social development from an endogenous Latin American base has manifested into a system that incorporates exchanges between member states in a non-traditional way, at times similar to a bartering system. This approach is designed to foster regional development and to involve countries that ordinarily would not be able to participate in trade based on a traditional monetary exchange for goods. In its statement ALBA (2009, 2) proclaimed that it:

...aspires to construct consensuses, to rethink the agreements of integration based on reaching a national and regional endogenous development to eradicate

the poverty, to correct the social inequalities and to assure and to increase life quality for all those countries. In that sense, the construction of the ALBA in Latin America and the Caribbean will strengthen the endogenous development, sovereignty and balance, of the countries in the region. ALBA principle is based upon the cooperation through compensatory funds to correct the disparities and disadvantages of underdeveloped countries compared to those developed countries.

Since its beginnings in 2004, ALBA has expanded its member base to include Barbuda, Bolivia, Dominica, Ecuador, Honduras, Nicaragua, and Saint Vincent and Grenadines. ALBA has rapidly evolved into a leading power bloc in the region that rejects neo-liberal approaches to development. The establishment and growth of ALBA fits the model of a multipolar world in which Chávez and the Venezuelan State are actively pursuing alternative development strategies that support regional integration and challenge the status quo.

Growing membership in the organisation has enabled ALBA to explore overarching integration projects such as the establishment of a common currency between member states. The idea of this regional currency was first proposed by Ecuador in November 2008, and has been touted as one of the most important achievements of ALBA. In October 2009, Presidents and heads of state of member countries met to discuss the terms of a common currency (BNA 2009). This meeting resulted in all member countries signing an agreement for the *Sistema Único de Compensación Regional* (SUCRE) (Unified System for Regional Compensation). The SUCRE will operate as a virtual regional currency for the specific purpose of commercial and financial operations between ALBA member countries. The SUCRE will replace the United States' dollar and the euro following its official introduction in 2010. Further ALBA achievements include an organisational bank, a multinational TV station (*Telesur*) and the recent introduction of a network of transnational companies (ALBA 2009).

In 2009, President Chávez highlighted the importance of the ALBA in the region and affirmed that the 'bloc is a geopolitical space that has made important strides in just four years' (BNA 2009, 1). On the tenth anniversary of the Bolivarian Revolution, President Chávez promoted some of the successes of ALBA when he stated: 'Cuba and Venezuela, as well as key members of Alba, have increased their commercial trade from \$200 million to \$3 billion. Trade with Nicaragua has increased by 80% and we expect it to double this year' (BNA 2009, 1). The immense increase in trade

between Cuba and Venezuela can partly be explained by Cuba's lack of trading partners due to the longstanding United States (US) trade embargo. However, these figures do suggest ALBA's potential to integrate disadvantaged Latin American nations into a mutually beneficial trade bloc. The specific focus of this bloc is to emphasise and encourage not just economic but also human development issues between member nations. President Chávez has also indicated that Bolivia's transformation into an illiteracy-free territory in 2008 is considered to be an ALBA achievement; both Cuba and Venezuela are also considered to be illiteracy-free (BNA 2009).

ALBA and PetroCaribe

PetroCaribe was officially launched on 29 June 2005 in Puerto La Cruz, Venezuela. The creation of PetroCaribe formed part of a regional strategy to address the difficulties faced by Caribbean countries in relation to the acquisition of reliable sources of energy supply (ALBA 2009). The aim of PetroCaribe was to provide these services 'in a way in that the price of energy does not constitute an obstacle to development' (ALBA 2009).

The signatories to the regional agreement in 2005 were:

1. Willmoth Daniel -Vice Prime Minister of Antigua and Barbuda
2. Leslie Miller - Minister of Commerce and Industry of the Bahamas
3. Vildo Marin - Minister of Health, Energy and Communications of Belize
4. Fidel Castro - President of the Republic of Cuba
5. Roosevelt Skerrit -Prime Minister of the Commonwealth of Dominica
6. Leonel Fernandez -President of Dominican Republic
7. Keith Mitchell -Prime Minister of Grenada
8. Samuel Hinds -Prime Minister of the Co-operative Republic of Guyana
9. Percival Patterson -Prime Minister of Jamaica

10. Ralph Gonsalves -Prime Minister of Saint Vincent and the Grenadines
11. Petrus Compton -Minister of Foreign Affairs of Saint Lucia
12. Earl Asim Martin -Minister of Public Affairs and Energy of Saint Kitts and Nevis
13. Jule Rattankoemar -Vice President of the Republic of Suriname
14. Hugo Chávez -President of the Bolivarian Republic of Venezuela

In 2007 ALBA welcomed Haiti, Nicaragua and Honduras into the group, and Guatemala in 2008.

Venezuela provides the crucial supply of petroleum for PetroCaribe’s flagship development assistance to its Latin American and Caribbean members. In line with the organisation’s focus on reducing economic disadvantages experienced by many Latin American and Caribbean nations, Venezuela and PetroCaribe have designed an alternative model of energy supply to the region. Under this new model, Venezuelan oil is offered to member countries based on a system of ‘deferred payment’ (PetroCaribe 2009, 5). This system allows for between five and 70 per cent of payments to be deferred, depending on the international price of oil (See Table 6.1).

Table 6.1: Long-term Financing Structure

Barrel Price	% to be financed by	Interest Payment / Deadlines
≥15 dollars	5 %	2% interest Payment in 15 years + 2 years of grace
≥ 20 dollars	10 %	2% interest Payment in 15 years + 2 years of grace
≥ 22 dollars	15 %	2% interest Payment in 15 years +

		2 years of grace
≥ 24 dollars	20 %	2% interest Payment in 15 years + 2 years of grace
≥ 30 dollars	25 %	2% interest Payment in 15 years + 2 years of grace
≥ 40 dollars	30 %	2% interest Payment in 15 years + 2 years of grace
≥ 50 dollars	40 %	1% interest Payment in 23 years + 2 years of grace
≥ 80 dollars	50 %	1% interest Payment in 23 years + 2 years of grace
≥ 100 dollars	60 %	1% interest Payment in 23 years + 2 years of grace
≥ 150 dollars	70 %	1% interest

		Payment in 23 years + 2 years of grace
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Source: PetroCaribe website (2009)¹²

The scope of PetroCaribe goes beyond just supplying subsidised oil to countries in the Latin American and Caribbean region. It aims to provide independence through energy security to low developed countries based on what is considered to be a fair and reasonable repayment system. In the 2005 joint agreement that established PetroCaribe, the organisation's signatories declared that:

PetroCaribe is born as an organization able to guarantee the coordination and articulation of energy policies, including those relating to oil and its derived products, as well as gas, electricity and its efficient use, technological cooperation, training, infrastructure development, and the use of alternative energy sources, such as wind power, solar energy and others. PetroCaribe guarantees the achievement of these objectives, while acknowledging the dynamism and complexity of areas pertaining to energy matters (PetroCaribe 2005).

PetroCaribe also affirmed that its support for regional integration and development goes beyond the simple supply of petroleum under the deferred payment model. The organisation further declared its commitment to supply energy under a financial scheme that:

- supports social and social-productive projects
- builds infrastructure for hydrocarbon handling in each country
- improves access to electric power by increasing power generation capacity

¹² For more information see:
http://www.pdvsa.com/index.php?tpl=interface.en/design/biblioteca/readdoc.tpl.html&newsid_obj_id=6213&newsid_temas=111

- promotes technology transfer and knowledge exchange through the creation of bi-national and grand-national joint ventures
- increases refining and petrochemical capabilities within the region
- promotes energy saving projects and the use of renewable energy sources
- provides access to gas services through the installation of liquefaction, re-gasification and filling of gas bottles for household use
- encourages local production through the exchange of goods and services for hydrocarbons
- supplies fertilizers at low prices.
- Supports local food production with financing of agricultural productive sectors.

The ALBA-Caribe Fund

In order to facilitate the social and economic development projects of PetroCaribe, the ALBA-Caribe fund was established to manage the contributions from both financial and non-financial bodies. These contributions to the fund ‘could be agreed from the financed part of the oil bill and from savings generated by direct trade’ (PetroCaribe 2009, 5). The Venezuelan government led in the creation of the ALBA-Caribe fund. So that the fund would be immediately operational and effective in its role as key financier of PetroCaribe’s development projects, the Venezuelan government pledged to contribute an initial start-up capital of US\$50 million (PetroCaribe 2005, 5). The Venezuelan government further assisted with operational aspects of PetroCaribe by forming a new section of the nationally owned oil company PDVSA called PDV Caribe. The purpose of the new section is to deliver ‘an immediate transport capability able to cover the supply commitments’ (ALBA 2005). Furthermore, PDV Caribe has guaranteed that the transport charges associated with these operations will not incur any additional expenses, such as paid overtime for delayed deliveries. This policy approach by the Venezuelan government was designed to provide further savings to the signatory countries of the PetroCaribe Agreement. Under the direction of the Venezuelan government PDV Caribe (PDSVA 2009) has further agreed to:

Guarantee a direct relationship, with no intermediaries, for the supply, which will generate additional savings for consuming countries of the Caribbean. To that end, PDV Caribe assumed responsibility for organising a logistic network of ships, storage spaces and terminals, including, wherever possible, refining fuel and by-product distribution capabilities, giving priority to countries in most need. This branch established training plans aimed at strengthening professional capabilities of the Caribbean region, at promoting a cleaner, more rational and efficient use of conventional energy, and encouraging the use of renewable energy.

PetroCaribe is an example of the way in which the Venezuelan government is pursuing its Bolivarian approach to foreign policy-making, based on the concepts of Latin American solidarity, regional integration and development, and regional independence. The contributions of Venezuela provide the material basis for these ideas to be implemented as policies that produce tangible outcomes for member countries in the Latin American and Caribbean region. However, critics of Venezuela's key role in the project identify several points of contention. Sanders (2007) claimed that Venezuelan assistance in the PetroCaribe project was neither as benevolent nor beneficial as it was purported to be. Sanders (2007, 3) described the deferred payment model as 'in essence a loan facility and not oil at a discounted price or cheap oil'. He also identified the substantial Venezuelan contribution to the ALBA Caribe Fund, as potentially problematic element in the future viability of the scheme. Sanders (2007) argued that Venezuela's key role in designing and financing the project has raised unrealistic expectations and perceptions of the PetroCaribe capabilities to function as a regional organisation:

If it is the intention that the CARICOM [States of the Caribbean Community] States that have signed up to PetroCaribe should contribute to the Fund, this is most unlikely to happen. Given their budget deficits and debt overhang, such initial savings as they make from deferred payments for oil will be used to finance their current account costs. Therefore, ALBA-Caribe may die when the Venezuelan contribution of \$50 million is exhausted unless Venezuela itself replenishes it. (Sanders (2007, 3)

It is too early to predict the success of PetroCaribe or its future viability. However, its creation as a regional development organisation does reveal the way in which Venezuela is pursuing its foreign policy agenda in the Latin American region. Venezuela's commitment to alternative models of economic and social development based on endogenous strategies is evidenced in its creation of ALBA and subsequent multilateral agreements with diverse countries in Latin American and the Caribbean.

It also demonstrates Venezuela's goal of facilitating the creation of an independent Latin America and Caribbean and the transformation of the region into an economic and political power bloc in the context of a 'multipolar world'.

***Banco del Sur* (Bank of the South)**

The *Banco del Sur* (Bank of the South) forms another part, albeit a work-in-progress, of Venezuela's overarching goal of regional integration and cooperation. President Chávez had originally talked of such a bank during his 1998 presidential campaign. However, the formal agreement to create it did not occur until May 2007. Beginning with negotiations between Venezuela and Argentina, the *Banco del Sur* has expanded to include Bolivia, Brazil, Colombia, Ecuador, Paraguay and Uruguay. The negotiation process over the structure, finance and policy of the bank proved to be more protracted than first anticipated. The *Banco del Sur* was expected to be operational by the end of 2007; however, at the time this thesis was written (July 2010) it was yet to be launched.

ALBA members of *Banco del Sur* have clearly articulated that the bank will not mimic the policies of other lending institutions such as the IMF, World Bank and Inter-American Development Bank. During 2007, the then Venezuelan Minister for Trade, Rodrigo Cabezas, frequently referred to the 'humiliating penalties' associated with the strict conditions of international lending during the 1980s and 1990s. Cabezas claimed that during this period, these conditions had led to the 'de-capitalisation' of Venezuela and increased inequality with the country (Cabezas 2007). In establishing a working framework for the *Banco del Sur*, Venezuela relentlessly championed the bank's role as a future provider of alternative development lending. President Chávez asserted on numerous occasions that the ideology that would guide the bank was founded on strict non-adherence to neo-liberal economic principles and a rejection of detrimental conditions generally linked by international lending institutions to development loans.

The proposal for the *Banco del Sur* was met with mixed reactions. In 2007, Nobel Laureate in economics, Joseph Stiglitz, welcomed the creation of the bank stating: 'It's good to have competition in most markets, including the market for development lending' (Interview, BBC 10 Dec 2007). Michael Shifter (Interview, BBC 10 Dec

2007) from The Inter-American Dialogue argued that due to the problems associated with the potential ‘politicisation’ of the institution, caution should be applied before declaring the bank as a successful example of regional integration. However, Shifter did point to the organisation’s capacity to generate great interest as the ‘Banco del Sur is taking off precisely when traditional multilateral institutions like the Inter-American Development Bank and World Bank are struggling to redefine their missions and adapt to new circumstances’ (Interview, BBC 10 Dec 2007). Mallen (2007, 1) observed that the foundation of the bank as an alternative institution for development projects based on regional integration lay squarely on Venezuela and, in particular, on President Chávez. Mallen (2007, 1) further stated:

The Bank of the South appears to be one of the region’s most compelling projects leading towards authentic Latin American financial bolstering, as well as helping to allow for a newfound autonomy. It appears that for the first time in its history, the region actually will have its own entirely autonomous financial institution with each of its members having one vote and which is most likely scheduled to be capitalized from \$7 to 8 billion dollars.

In May 2009, after 17 months of negotiations, the finance ministers from seven Latin American nations reached a consensus and agreement on the proposal for the *Banco del Sur*. It was agreed that the bank would be represented on a one country, one vote system of governance. In late September 2009, Ali Rodríguez, the Venezuelan Minister for Finance, announced that the *Banco del Sur* would have its headquarters in Caracas, Venezuela, and would begin operation with an initial start-up capital of US\$7 billion dollars. The start-up fund would be based on contributions by all member nations, with the majority of funds coming from Argentina, Brazil and Venezuela. The aim was to expand the bank’s capital to an estimated \$US20 billion in the coming years (BIC 2009). Upon reaching the latest agreement President Chávez stated: ‘It’s our bank, to bring our reserves, those that were in countries in the North, to increase lending between ourselves’ (BIC 2009). Chile, Colombia and Peru had previously expressed interest in participating in the *Banco del Sur*. However, in 2009 all three nations declined to be signatories to the latest agreement, citing concern over Venezuela’s dominance in the proposed institution. At this point the bank was scheduled to begin in late 2010 or early 2011.

The process of attracting wide interest in Latin America for a large-scale project such as the *Banco del Sur* has proven to be as long as it is arduous. After four years of

discussions, negotiations and multiple draft agreements, it is difficult to accurately assess the viability of the bank as a regional development institution as it is not yet operating. However, the process of creating the bank does demonstrate some important issues in relation to Venezuelan foreign policy in the second phase of the Chávez government. First, the idea for a regional banking institution was initially raised by President Chávez during his 1998 presidential campaign but did not take serious form until late 2004. This coincided with the end of the first phase of the Fifth Republic of Venezuela and the achievement of the domestic consolidation of power by the Chávez government. It demonstrates that once Chávez had overcome domestic challenges, his government was largely free to pursue its foreign policy goals in a stronger and more aggressive manner. Projects such as the *Banco del Sur* that had been sidelined during the first phase of the Fifth Republic were re-introduced to the foreign policy agenda. Secondly, from its inception in 2004 the evolution of the *Banco del Sur* and its capacity to attract and involve a variety of Latin American nations evinces the influence and persuasiveness of Venezuelan foreign policy based on President Chávez's own vision of a 'multipolar world'. Finally, Venezuela's ability to rapidly increase its engagement and visibility in regional and foreign policy issues fortuitously coincided with the wave of political change in the region now known as 'Latin America's turn to the left' (Castañeda 2006). President Chávez has capitalised on this changing political environment to gather assistance and support for his vision of regional integration and Latin American independence as shown in multilateral projects such as the *Banco del Sur*.

ALBA's Role in the 2009 Honduran Crisis

Although ALBA was originally designed to operate as a cooperative body for regional development, it has recently demonstrated its capacity to function as a strong and influential regional bloc in political crises in Latin America. In June 2009, the democratically elected President of Honduras, Manuel Zelaya, was ousted in a coup d'état by members of the opposition, military and sections of his own ruling party. These events were met by strong condemnation from the international community and in particular, member states of ALBA. When the crisis erupted, the membership of ALBA convened an emergency meeting to discuss possible unified responses to the events in Honduras.

The day following the coup, ALBA issued a strong and unequivocal statement condemning the actions of the coup plotters and calling for the safe, immediate and unconditional reinstatement of President Zelaya to resume his constitutional responsibilities (ALBA 29 June 2009). In this statement, the members of ALBA declared that the organisation would continue to assist the Honduran public to negotiate the terms for President Zelaya's return and the re-establishment of constitutional order in Honduras.

We [ALBA] propose that all the mechanisms and multilateral options are applied such as sanctions...that contribute to the immediate and effective restitution of the constitutional order in Honduras. The governments of the ALBA have declared a permanent session of consultation, with all the governments of the continent, to evaluate further joint actions that would allow the Honduran people to begin the legal reestablishment and restitution of President Manuel Zelaya Rosales (ALBA 29 June 2009).

In the weeks following the coup, the interim Honduran government led by Roberto Michelletti commenced a shutdown of all media outlets in the country. In response, ALBA continued to broadcast news and events from Honduras via its regional television station *Telesur*. President Chávez further clarified Venezuela's own position by ordering the Venezuelan Armed Forces to be on high alert and warning that any threat against members of the Venezuelan diplomatic core and media would be considered a hostile act against the Venezuelan State (BBC 2009).

During the Honduran crisis, ALBA played a key role in maintaining international coverage of the unfolding events as well as orchestrating negotiations between the deposed President Manuel Zelaya and the interim government. President Rafael Correa of Ecuador and President Cristina Kirchner of Argentina on behalf of ALBA made several trips between the US and Central America to support Zelaya's attempts to return to Honduras and resume his presidency. The continued advocacy on behalf of Zelaya in relation to the Honduran crisis by ALBA led to more members of the international community to taking pro-Zelaya positions in response to the crisis. Similar to the sanctions imposed by ALBA, the EU and the US suspended aid to Honduras in order to apply further pressure on the interim government. Venezuela offered aircraft for Zelaya and his supporters to attempt a return to Honduras and although that attempt failed, a month later Zelaya was able to secretly re-enter Honduras via a land route (BNA 2009).

Once Zelaya had returned to Honduras, the government of Brazil granted Zelaya and a group of his supporters refuge in the Brazilian Embassy in Tegucigalpa, clearly demonstrating the unwavering support and commitment of Latin American nations to work in support of the efforts of the member states of ALBA. On 30 October 2009, representatives from the US government, Organisation of American States and ALBA facilitated negotiations between Zelaya and Micheletti, and managed to achieve a temporary agreement between the two conflicting parties. Both sides agreed to a congressional vote to decide if Manuel Zelaya would be reinstated as President of Honduras and finish his elected term in government. However, this decision did not assist in returning Manuel Zelaya to power. In late November, elections were held in Honduras and a conservative coalition won the majority of votes and formed government. Manuel Zelaya and other members of ALBA expressed their disappointment with the outcome, alluding to possible corruption during the elections (BBC 27 November 2009). President Chávez indicated that due to the Honduran interim government's refusal to reinstate Zelaya as president, as a formal protest Venezuela would continue its suspension of diplomatic relations with Honduras.

The strong, unified and rapid response from members of the regional bloc to the Honduran crisis has demonstrated ALBA's capacity to function effectively as an influential organisation in the region, similar to the OAS. These recent events reveal the changing nature of the regional bloc from its origins as an alternative model of economic and social development, to a strong, uncompromising political platform where elements of different Latin American nations' foreign policies can be collectively implemented with tangible results. ALBA's efforts to re-establish democracy in Honduras indicate the emergence of a strong political power bloc that encompasses Central and South American countries, similar to that outlined in Chávez's approach to foreign policy in the context of an emerging 'multipolar world'.

Sibling Rivalry: Relations between Colombia and Venezuela

2008 Colombia–Ecuador Crisis

Historically, the relationship Venezuela and Colombia have been a complex one that oscillated from cooperation, particularly in economic and trade matters, to turbulent and at times antagonistic exchanges. During the Fifth Republic, relations between the

two countries deteriorated on several occasions to the point of both nations threatening to prepare for war. Venezuelan foreign policy during this period increasingly moved towards a model of policy-making that was largely state-centred and formulated directly and in most cases solely by President Chávez. It was a reactive mode of policy-making, driven by the President's own ideological distinction of 'left' and 'right' politics in Latin America, and in this context Venezuela representing the 'left' and Colombia the 'right'.

Colombia's close and supportive alliance with the US and its foreign policy in the region has become a divisive factor in Colombia–Venezuela relations. The acceptance and reliance on the US for foreign aid and consequently the general acceptance by President Uribe of Colombia of US foreign policy in the region conflicts with Chávez's pursuit of a Latin America based on regional solidarity and independent from US influence. The 2008 Colombia–Ecuador crisis provided an example of current relations between the two nations as well as Venezuela's radical approach to foreign policy issues relating to Colombia, and indirectly towards the US.

The 2008 Colombia-Ecuador crisis began on 1 March 2008 as a result of the Colombian military's incursion into Ecuadorian territory. The Colombian military breached Ecuadorian territorial sovereignty while pursuing members of the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) (Revolutionary Armed Forces of Colombia), believed to have crossed over the border between the two nations. The Colombian military carried out an aerial bombardment of an area believed to be a training camp of FARC within Ecuador. The Colombian government confirmed that 16 suspected FARC members had been killed in the attack, including the head of the FARC, Raul Reyes. The Ecuadorian government responded by expelling the Colombian ambassador and diplomatic staff, censuring Colombia at an emergency meeting of the OAS and mobilising troops to the border.

On 2 March, in support of Ecuador's response to the incident, President Chávez addressed the Venezuelan population on his television program *Aló Presidente* discrediting President Uribe:

I am saying Alvaro Uribe can be the head of the Mafia, but never president of a country. A gangster cannot be president and even less so in a South American country and a brother country. President Uribe is a criminal, a criminal; not only

is he that, he is a lying one, a gangster one, a paramilitary one and he directs a narco-government. He is a government footman of the North American Empire, a subordinate of Bush. Uribe does whatever Bush commands to him to do. He directs a band of criminals (*Aló Presidente* 2008, No. 306).

During his televised speech President Chávez continued to berate President Uribe and his ministers, frequently describing them as a band of criminals. He further recalled all Venezuelan diplomatic staff from Colombia and broke off ties with the Colombian government calling for the closure of the Venezuelan Embassy in Bogotá, the Colombian capital (BGV 2008). President Chávez further ordered the mobilisation of Venezuelan troops to the border with Colombia ‘to prevent similar situations occurring and to secure and protect Venezuela’s sovereignty’ (BGV 2008). President Chávez unequivocally articulated Venezuela’s policy response to the conflict:

I said to him [Correa]: ‘You can count on Venezuela under any circumstance.’ ‘Minister of Defence, move ten battalions towards the border with Colombia, immediately.’ We do not want war, but we are not going to allow to the North American Empire, that is the master, and to its puppy President Uribe and the Colombian oligarchy, which come to divide to us, who come to debilitate United States. We are not going to allow it. I order immediately the retirement of all our personnel of the embassy in Bogotá. ‘Chancellor Nicholas Maduro, close the embassy in Bogotá and recall all the civil servants who are there.’ We are ready for combat, and on alert. I put Venezuela on alert, and we will support Ecuador in any circumstance. (*Aló Presidente* 2008, No. 306)

Following Chávez’s policy announcement, on 3 March, Foreign Minister Nicolás Maduro informed the Venezuelan National Assembly of the government’s political and military response to the crisis including the expulsion of all Colombian diplomatic staff from Venezuela (BGV 2008).

President Chávez’s speech contained critical elements that reveal the way in which foreign policy-making is undertaken and formulated in the second phase of the Fifth Republic of Venezuela. Firstly, President Chávez’s decision to unequivocally and immediately support Ecuador’s position demonstrates Venezuela’s commitment to ‘Latin American solidarity’ in times of crises. This notion of regional solidarity is based on ensuring a strong and powerful Latin American bloc of countries independent and resistant to the interests of hegemonic actors in the Western Hemisphere. In this case, Colombia’s actions were perceived to be partially representative of the overarching agenda of the US in the region. The Venezuelan government classified Colombia’s incursion as corresponding with the objectives of

Plan Colombia, a joint US–Colombia counter-narco-terrorist initiative, which Venezuela considered a serious threat to all countries neighbouring Colombia (BGV 3 March 2008). Secondly, Chávez’s immediate response manifested in the rapid implementation of policies, that were reactive in nature and which held the potential to escalate rather than temper the situation. Furthermore, as was shown in his speech on *Aló Presidente*, President Chávez at times dictates Venezuelan foreign policy without consultation with ministers of the relevant portfolios. In these circumstances, the ministers act as implementers of foreign policy rather than specialists who advise the President on policy issues. Finally, this can result in a policy-making process that is largely determined by the president’s own personal perception of issues in the international system rather than those of his party and government. This personalised approach to policy-making delivers dynamic, radical and at times inflammatory policy choices and outcomes as demonstrated during the 2008 Colombia-Ecuador crisis.

The crisis deepened when Colombia accused the governments of Ecuador and Venezuela of assisting the operations of FARC within each country’s borders. The Colombian government stated that it had recovered information from computers seized during the attack on the FARC training camp that directly linked both governments to the provision of financial assistance to the guerrilla group. Camilo Ospino, Colombian Ambassador to the Permanent Council of the OAS, delivered a speech to a special session of the OAS and outlined Colombia’s reasons for its incursion into Ecuadorian territory. In his address, Ambassador Ospino indicated that as a result of the 1 March military operation, the Colombian government had obtained evidence linking the governments of Ecuador and Venezuela to FARC operations (Ospino 4 March 2008):

The seizure of the computers of the terrorists has permitted awareness of very serious facts, which require an explanation to Colombians... We have presented documents which affect not only the national security of my country but also that of the region, and it is imperative that the Ecuadorian and Venezuelan authorities offer explanations on their links to FARC; on the permanent presence of camps belonging to the terrorist group in the Ecuadorian territory; on the ideological indoctrination of the border population; on the illicit drug and weapons trafficking by the mentioned group under the protection of the governments of Ecuador and Venezuela and on the transit of the kidnapped through those territories.

Ospino acknowledged Colombia's failure to inform the Ecuadorian government of its operation and stated that 'it is true that Colombian helicopters with military personnel entered the Ecuadorian territory to locate the terrorist camp and it was for that reason that the Colombian government apologised publicly to the Government of Ecuador (Ospino 4 March 2008). However, Ambassador Ospino proceeded to level allegations in relation to the conduct of Ecuador and Venezuela, with particular reference to the seriousness of allegations involving the Venezuelan government. He referred to a document dated 18 January, 2008 signed by a known alias of Raul Reyes, and argued that after analysing the contents of the document, the Colombian government arrived at the conclusion that Mr Reyes had direct contact with the Minister of Security of Ecuador, Gustavo Larrea.

Raul Reyes, in a document addressed to the FARC's Secretariat, stated:

We attended the visit of the Minister of Security of Ecuador, Gustavo Larrea, henceforth Juan, who on behalf of President Correa brought greetings for comrade Manuel and the Secretariat', exposing thus, among other items, the interest of President Correa to make the relations official with the leaders of FARC through his Minister of Security (Ospino 3 March 2008).

Ospino went on to identify what Colombia considered to be the most serious evidence regarding the collusion of the Ecuadorian and Venezuelan governments with the FARC. He made reference to a document dated 14 February 2008, and argued that it contained clear evidence that linked the Bolivarian Republic of Venezuela to the financing of the terrorist group. Ospino specifically accused the Venezuelan government of offering the amount of US\$300 million to the guerrilla organisation and demanded that the scope of the offer be addressed directly by the UN Security Council and considered as a breach of the Inter-American Convention against Terrorism. Ospino (3 March 2008) further claimed that during the process of examining the material from the computers seized during the raid on the FARC training camp. Additional information was also recovered that allegedly provided proof of a direct link in the delivery of weapons and money by President Hugo Chávez to the FARC. 'This fact is a violation of international criminal law and shall be denounced by Colombia before the International Criminal Court for investigation into President Hugo Chávez for the crime of directly financing terrorist groups' (Ospino 4 March 2008). Ambassador Ospino concluded his address by saying 'what

courage the presidents of Ecuador and Venezuela have shown to expel our ambassadors, dignified representatives of a legitimate democracy! Hopefully they could show similar courage to expel the terrorists from their territories' (Ospino 4 March 2008).

Colombian President Alvaro Uribe additionally threatened to appeal to the United Nations and International Criminal Court to bring proceedings against both governments for crimes of genocide due to the alleged financial support of FARC. However, President Uribe and Vice President Santos both affirmed that Colombia would not respond in kind to the Venezuelan and Ecuadorian mobilisation of troops towards the Colombian border. Vice President Santos asserted that 'The Colombian government has been very clear it won't use force...it won't fall into the game of provocation' (BBC 6 March 2008).

A petition by President Correa to the Secretary General of OAS, Jose Miguel Insulza, led to an extraordinary session of the Permanent Council of OAS convened on 4 March 2008. On 5 March, the OAS issued a formal statement outlining the following:

That on the morning of Saturday, March 1, 2008, military forces and police personnel of Colombia entered the territory of Ecuador, in the province of Sucumbíos, without the express consent of the government of Ecuador to carry out an operation against members of an irregular group of the Revolutionary Armed Forces of Colombia who were clandestinely encamped on the Ecuadorian side of the border (OAS 5 March 2008).

The OAS (5 March 2008) clarified that in relation to its charter, the actions of the Colombian government had led to the following:

1. An act that constitutes a violation of the sovereignty and territorial integrity of Ecuador and of principles of international law;
2. The act has triggered a serious crisis between those two countries, leading to the breaking off of relations between the two states and grave tension in the region;
3. That, pursuant to Article 84 of the Charter, one function of the OAS is to keep vigilance over the maintenance of friendly relations among the member states, using the procedures provided for in that Charter; and
4. This case meets the conditions for convocation of a Meeting of Consultation of Ministers of Foreign Affairs, in light of Articles 61 ff of the OAS Charter.

In spite of the serious nature of the allegations against the conduct of the Ecuadorian and Venezuelan governments, at the conclusion of the special meeting of the permanent council, the OAS resolved:

1. To reaffirm the principle that the territory of a state is inviolable and may not be the object, even temporarily, of military occupation or of other measures of force taken by another State, directly or indirectly, on any grounds whatsoever.
2. To constitute a commission, headed by the Secretary General and composed of four ambassadors designated by him, to visit both countries, travelling to the places that the parties indicate, to submit the corresponding report to the Meeting of Consultation of Ministers of Foreign Affairs, and to propose formulas for bringing the two nations closer together.
3. To convene, under the provisions of Articles 61, 62, and 63 of the Charter of the Organization of American States, a Meeting of Consultation of Ministers of Foreign Affairs, to be held on Monday, March 17, 2008, at OAS headquarters, to examine the facts and make pertinent recommendations.

While the swift actions of the OAS delivered a unified condemnation of Colombia's incursion into Ecuador, the Rio Group's¹³ Annual Summit on 8 March in Santo Domingo, Dominica, provided the forum in which the re-establishment of relations between the three countries could commence. The summit began with heated exchanges between the presidents and at the time did not signal an end to the crisis. President Correa openly berated Colombia's justifications for the incursion and dismissed President Uribe's explanations by saying:

Stop all these fallacies, stop trying to justify the unjustifiable and openly acknowledge that you have no right to attack Ecuador, and that you are lying. Pledge to never again attack a brother country and dismantle this fallacy about the FARC that not even you believe Mr Uribe? (BBC 8 March 2008).

During the summit President Chávez appeared to have softened his position, urging Presidents Correa and Uribe: 'We still have time to stop a whirlpool which we could regret. Let's stop this, let's reflect, let's be cool-headed' (BBC 8 March 2008). Towards the end of the two-day meeting, President Uribe offered an apology to President Correa and made a promise that Colombia would never again attempt a similar military operation without first consulting with its neighbouring countries.

¹³ The Rio Group membership is composed of: Argentina, Belize, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

However, President Chávez maintained Venezuela's dissent on the issue of classification and treatment of the FARC by the international community. 'For United States, they are not terrorists but insurgent forces, guerrilla forces. First you have to recognise that and then look for a path to peace' (BBC 8 March 2008). This act of dissent showed that future relations between the two nations were likely to continue to be problematic due to fundamental policy differences on issues such as the FARC and the divergent perceptions of the FARC as either terrorists or freedom fighters.

Colombia and Venezuela's Strained Relations during 2009

In response to growing tensions in the region, Ecuador's President Correa decided not to renew an agreement that allowed US military personnel access to a base in the area of Manta, Ecuador. The expiration date of the US–Ecuador military agreement was November 2009. In order to maintain a presence in South America; the US government began negotiations with Colombia for a deal that would enable members of US military to be posted to seven different bases within Colombia. In July 2009, the US and Colombia announced that both parties were close to signing an agreement that would allow the US to continue its operations in the region, although the agreement was not formally signed until late October 2009. These operations would encompass counter-narcotics and counter-terrorism strategies aimed at protecting the US interests and bolstering security, particularly in the Andean region.

A group of Latin American nations including Brazil, Bolivia, Ecuador and Venezuela expressed concerns over the new US-Colombia agreement (BBC 2009). During the negotiation period between the US and Colombia, Venezuela displayed by far the strongest reaction against the planned agreement of any Latin American nation. Tensions further escalated when Colombia publicly accused Venezuela of supplying weapons to the FARC. President Uribe announced that a recent raid on a FARC camp had uncovered arms that were traced back to an arms deal between Sweden and Venezuela in the 1980s (ROC 2009). These events prompted President Chávez's announcement in late July of Venezuela's intention to withdraw its ambassador to Colombia and to cease diplomatic relations in protest against Colombia actions. He further threatened to commence trade sanctions against Colombia by substituting Colombian goods with a preference for imports from other Latin American nations such as Brazil and Ecuador.

In a public address in early August 2009, President Chávez took the unusual step of bringing rocket launchers and grenades into a press conference in an attempt to demonstrate Venezuela's innocence in regards to the allegations made by Colombia. President Chávez's decision to personally provide a live demonstration and explanation of what he considered to be fabricated evidence on the part of the Colombian government strengthened Venezuela's position for two reasons. First, President Chávez was able to remind his audience that apart from being a politician, he was also a former member of the armed forces with expertise in the type of weapons that were at the centre of the controversy with Colombia. While unconventional, this method demonstrated Chávez's ability to apply his skills from previous military training in conjunction with his role as head of state in order to present a convincing argument in support of Venezuela's foreign policy decisions in response to the situation. Second, by providing a live demonstration on how the weapons were used and managed by the Venezuelan Armed Forces, President Chávez indirectly highlighted his superiority in responding to national security issues compared to his Colombian counterpart President Uribe. While critics assert that this was only one act in President Chávez's continuing 'media circus', the media conference served as a reminder that key decision-making and policy response on critical issues such as national security remained solely in the domain of the President, rather than in consultation with policy experts. During the press conference President Chávez reiterated his previous threat of applying trade sanctions to Colombia and then declared that Venezuela would halt the import of up to 10,000 cars from Colombia (BBC 6 August 2009).

On 23 August 2009, President Chávez again appeared on his television program *Aló Presidente* to discuss the protracted conflict with Colombia. During the broadcast he described that fundamentally:

Today, the people of Venezuela and Colombia, in truth are the same people. I want to insist on this in the event that anything was to arise it would not be based on the part of an extreme nationalist feeling. No, we are not extreme nationalists, nor are we anti-Colombian, because one that is anti-Colombian would also be anti-Venezuelan; because we are the same straw, we are the same mud, we are the same blood, in truth...It is something the Yankees, and the bourgeoisies of this continent are scared of, the union of Colombia with Venezuela (*Aló Presidente* 2009, No. 338).

This excerpt alludes to some important themes in the tumultuous relationship between Colombia and Venezuela and the causes of radical foreign policy-making by Venezuela's leader. The relationship between the two countries during the Fifth Republic has oscillated between cooperative policies based on close relations to verbal spats that have escalated into threats of war. The relationship is of a complex nature and rooted in historical grievances dating back to the times of Simón Bolívar and the independence wars during the 19th century. While previous Venezuelan governments have managed to mostly avoid major conflict with Colombia via strong and consistent diplomatic approaches, the unique, dynamic and radical model of Bolivarian policy-making has tested both parties' ability to negotiate challenging situations. Although it is impossible to argue with certainty that both nations will never face a diplomatic crisis that results in a military confrontation, there are specific elements in the relationship that work to prevent the occurrence of such a situation.

In his speech on 23 August 2009, Chávez pointed to the inextricable historical link between Colombia and Venezuela, arguing that Venezuelans and Colombians are essentially one and the same. According to President Chávez, the historical relationship resembles that of siblings who at times engage in rivalry but never all-out war. Furthermore, the historical ties and close proximity of both nations had led to a great interdependence in trade. Both countries represent each other's largest trading partner in Latin America and therefore both economies are heavily reliant on continued stable trade relations (Ellner 2008). Even though Chávez frequently threatens drastic measures such as trade sanctions against Colombia, in reality the sanctions implemented only ever account for a fraction of the trade between both nations. The current relationship involves two foreign policies: one that is a war of words between two opposed ideologies and another that is pragmatic and represents the mutual benefits of interdependence.

In late October 2009, the Venezuelan Deputy Minister for Foreign Affairs, Francisco Cardenas announced the capture and arrest of a group of people suspected to be working for a Colombian intelligence agency. At the press conference, Cardenas issued a warning on the effect that the incident could have on the already strained relations between Colombia and Venezuela when he stated 'Do not underestimate the importance of an event as serious and as grave as the capture of Colombian DAS

security agents committing acts of espionage' (BBC 27 October 2009). Cardenas informed the press conference that in the coming weeks, evidence to support the allegations against the captured Colombians would be provided to the media. It was then reported that Cardenas supplied evidence to the Venezuelan National Assembly that proved the government's allegations against the captured Colombian group. However, to date no documentation has been publicly disseminated nor has the Venezuelan government issued any further formal statements regarding the incident. This event demonstrates how certain elements of Venezuelan foreign policy are centred on verbal posturing that borders on sensationalising serious issues and lacks measured and appropriate diplomatic and policy responses.

On 8 November 2009, President Chávez again used his weekly television program *Aló Presidente* to further address the political crisis with Colombia and reaffirm Venezuela's position. Echoing previous approaches to policy-making, President Chávez ordered his Minister of Defence to deploy 15,000 additional soldiers to the border region in Táchira state where there are multiple border crossings shared with Colombia. President Chávez cited the increase in violence in the border region as cause for the re-deployment of a significant section of the armed forces. Previously, both Colombian and Venezuelan citizens had been targeted by right-wing paramilitary groups operating in the border area for (what has been regarded to be) extrajudicial killings of citizens and security forces. Examples of the increase in violence include two Venezuelan members of the National Guard who were shot and killed while on patrol as well as the execution of a local Colombian soccer team.

Following Venezuela's military mobilisation to the border region, President Chávez again used his weekly television program to announce a revision of the troops' role in the area. In reference to previous concerns that Colombia's decision to allow the US access to seven Colombian military bases had stirred up the 'winds of war', President Chávez appealed to the military and Venezuelan public saying 'Let's not waste a day on our main aim: to prepare for war and to help the people prepare for war, because it is everyone's responsibility' (BBC 9 November 2009). President Uribe responded by clearly articulating that 'Colombia has not made nor will it make any bellicose move toward the international community, even less so toward fellow Latin American nations' (BBC 9 November 2009). The Colombian Department of Foreign Affairs

also indicated that it would be seeking advice and assistance from the OAS and the United Nations in order to deal with the latest development in the ongoing conflict (ROC 13 November 2009).

In mid-November 2009, Colombia captured members of Venezuela's National Guard who had strayed into Colombia territory. The members of the Venezuelan National Guard were stationed at the border due to Chávez's earlier decision to deploy troops to the area in reaction to the recent increase in paramilitary violence. President Uribe announced that the troops would be returned to Venezuela and said 'they should carry back the message that here there is brotherly affection for Venezuela and that affection is unbreakable' (BBC 14 November 2009). In his announcement, President Uribe drew on similar themes, previously expressed by President Chávez, of familiar relations between Colombia and Venezuela. This move by Colombia appeared to be an attempt to demonstrate good faith and a step towards improving its relationship with Venezuela. However, less than a week later another incident occurred in the border area that created further antagonisms between the two nations. The Colombian government accused the Venezuelan National Guard of deliberately destroying two bridges generally used by the civilian populations of Colombia and Venezuela. On 19 November 2009, the Colombian government issued a formal statement:

The Government of Colombia will inform the Organization of the United Nations, the UN, and of the Organization of American States, OAS, of the blowing up of two border pedestrian bridges, constructed by the bi-national community [Colombia and Venezuela] in neighbourhoods in the municipality of Ragonvalia, North of Santander, in an action carried out by the National Guard of Venezuela. This constitutes a unilateral and aggressive act against the civil population and the communities of border and does not consider the diplomatic channels in place (ROC 19 November 2009).

The same day the Venezuelan Ministry of Foreign Affairs immediately released an official response to Colombia's claims. In its response, Venezuela again reiterated that the root of the tensions between the two countries was due to the fact that

The situation that is present today in South America is a result of the decision of the Government of the United States to install seven military bases in Colombian territory, which represents a latent threat to La Paz and the security of the region. (BGV 19 November 2009)

The Venezuelan government asserted that attention should be focussed on the Colombian government, which under the ‘tutelage of the United States’, had previously established a precedent for ignoring the basic norms of sovereignty in the international system demonstrated through its incursion into Ecuador in March 2008 (BGV 19 November 2009). The Venezuelan government also appealed to the international community to call on the Colombian and US governments to discontinue their activities in the region which are considered by Venezuela, to have contributed to creating a ‘zone of instability, conflict and death, through the installation of the seven American military bases in Colombian territory’ (BGV 19 November 2009). The statement from the Venezuelan Ministry of Foreign Affairs concluded by saying:

Finally, the Government of the Bolivarian Republic of Venezuela, an untiring promoter and defender of regional and international peace, considers that the restoration of confidence towards the Colombian Government is only possible if their authorities act with transparency and become recommitted, in an unrestricted way, to the internationally recognized norms of pacific coexistence (BVG 19 November 2009).

The relationship between Colombia and Venezuela has historically been fraught with difficulties. In recent times, Colombia’s unwavering commitment to joint policy initiatives with the US coupled with Venezuela’s staunch rejection of US foreign policy in the region have resulted in volatile relations between the neighbouring countries. It is clear that the combination of economic interdependence and the shared historical experiences have so far acted as deterrents against the possibility of the situation escalating into a military confrontation. President Chávez views the situation through a simplistic dichotomy that places Venezuela as the moral defender of Latin America and relegates Colombia into a position that is perceived to be pro-US and therefore anti-Latin American. If Venezuela continues to formulate its foreign policy towards Colombia through this framework, the likelihood of improving relations in the near future would appear to be minimal.

Conclusion

The beginning of the second phase of the Fifth Republic of Venezuela has seen the Bolivarian revolution expand its policy concerns from a domestic focus to an international focus. The consolidation of domestic power towards the end of the first phase of the Fifth Republic gave President Chávez the political security at home to

initiate a number of foreign policy initiatives aimed at redefining Venezuela's role in Latin America and the wider international community. Under the leadership of President Chávez, Venezuela has taken a leading role in regional affairs and has attracted wide interest in its Bolivarian approach to policy-making. Central to the Bolivarian model of foreign policy are the themes of multipolarity, Latin American independence, regional integration and regional solidarity. In order to transform these themes into tangible realities, Venezuela has promoted several key initiatives that have concentrated on establishing regional institutions designed to address issues of economic and human development and regional affairs through an alternate and radical framework.

The flagship of Venezuela's Bolivarian model of foreign policy-making has been the formal establishment of ALBA in 2004 as an alternative to the FTAA's that were being promoted by the US. During its short time in operation, ALBA has quickly attracted interest and support from a number of Latin American and Caribbean states. Through regional cooperation, the members of ALBA have managed to successfully provide an alternative forum and model for economic, political and developmental exchanges in the region. While the policies of ALBA have sought to create closer ties within the region, the successes of ALBA and other projects have not prevented conflict. The strained relationship between Colombia and Venezuela demonstrates that there are still many challenges confronting President Chávez's idea and pursuit of regional integration and independence.

Chapter Seven:

Redefining Venezuela's Approach to Foreign Policy during the Fifth Republic of Venezuela (2005 – 2010)

Introduction

The second phase of the Fifth Republic of Venezuela has seen the emergence of a radical and alternative model of Venezuelan foreign policy. As discussed in the previous chapter, this alternative approach has generated a number of novel initiatives aimed at achieving regional integration. However, the aspirations of contemporary Venezuelan foreign policy extend well beyond its immediate region. This chapter will expand the focus of the previous chapter by analysing Venezuelan relations outside of its immediate regional context in Latin America. The aim of the chapter is to assess the impact of the Bolivarian approach to foreign policy-making and identify the way in which this approach has redefined the nature of Venezuela's relations with other nation states in the international system.

This chapter will begin by examining Cuba–Venezuela relations and will discuss how and why this relationship has undergone a transformation primarily during the second phase of the Fifth Republic. Since President Chávez came to power the Cuba–Venezuela relationship has developed into the most stable and supportive in both nations' histories. In contrast to the continuing close ties between Cuba and Venezuela, the Bolivarian approach to foreign policy-making has in some cases worked to dismantle relations with traditional and historical allies. During the Fifth Republic, President Chávez pursued a foreign policy designed at reducing the importance of bilateral relations with the United States (US) and its general influence in the Latin American region. Furthermore, in attempting to demote the United States (US) from its historical role as the hegemonic power in the Western Hemisphere, President Chávez has systematically attempted to forge new alliances across the globe. This chapter specifically examines Venezuela's relationships with China, Russia and Iran and analyses the way in which Bolivarian approach to foreign policy has impacted on these newfound relations.

Venezuela and Cuba

The relationship between Venezuela and Cuba provided the most enduring and stable partnership for President Chávez during the Fifth Republic. This relationship transcends other regional alliances and presents as a special case in relation to contemporary Venezuelan foreign policy. President Chávez was first introduced to Fidel Castro following his release from jail in 1994 when Castro sent a personal invitation requesting an audience with Chávez in Havana, Cuba. The nature of the relationship between Chávez and Castro and the influence of the Cuban model on Bolívarian Venezuela has generated considerable attention in policy circles. Yanes (2005, 1) identified certain similarities between Venezuela and Cuba:

Certain similarities with the Cuban case are apparent, including the course taken by Chávez in his rise to power. First there was the attempt to seize power by force along with the armed forces. This was Chávez's own version of the failed Moncada attack of Castro in 1953. Then the building of his image while in jail, and finally his visit to Havana after being released from jail in 1994. Since that time, Castro was eager to support his young Venezuelan pupil. He provided intelligence, thru [*sic*] the Cuban embassy, in Caracas to Chávez and his allies. From an early time Castro saw Chávez's potential and the weakness of Venezuela's political system.

The importance of the close ties with Cuba in the infancy of Chávez's ascent into public should not be underestimated. President Chávez has frequently referred to Fidel Castro as his mentor and the Cuban model as a source of inspiration for Venezuela. Anderson (2008, 1) suggested that while Chávez attempted to emulate the experience of Cuba, there remain distinct differences in each country's path to socialism:

Cuba, of course, came into being as a communist country, as a socialist state, in that transition between the Eisenhower and Kennedy administrations during the height of the Cold War. Chávez has come to power through elections and a series of referendums, which [have] reaffirmed him and given him sweeping powers in this country. But it didn't come at the point of a gun. This wasn't a bloody revolution, and therefore Chávez's ascendancy did not spawn a wholesale exodus of the old class... This is a very odd construct where he's, in quite radical terms, speaking about building a socialist state piggybacked on top of possibly the most Americanised country in Latin America, with an oil economy and a consumer culture and a very consumer-oriented middle class that likes to go to malls to a degree that you don't see elsewhere really in Latin America. So this is a very odd experiment.

Fidel Castro perhaps saw the election of Hugo Chávez as an opportunity to revitalise and extend the Cuban domestic and foreign policy model across Latin America. During the Cold War there had been unsuccessful attempts to implement sweeping political and socio-economic reforms in several Latin American countries. The election of Hugo Chávez presented a unique opportunity for the resurgence of the 'left' in the region. In contrast to the experiences of poorer countries such as Guatemala and Nicaragua, the likelihood of success for Chávez as the next Latin American leader to achieve a socialist transformation or revolution rested on Venezuela's oil wealth to fund such social reforms. Furthermore, Venezuela's vast oil and natural gas reserves also allowed the possibility of expanding the Bolivarian revolution and ideological foundation of socialism beyond the domestic setting of the Venezuelan state.

During the first two years of Chávez's presidency, Cuba played a vital role in providing assistance to Venezuela when unforeseen crises emerged such as the devastating floods of 1999. As discussed in Chapter Five, the floods were declared a natural disaster and President Chávez faced a major problem when a significant number of Venezuelan doctors refused to go to the centre of the disaster area, which was primarily located in the slums of Caracas. Cuban doctors were drafted to fill the gap and helped to minimise the adverse health consequences of the natural disaster. In return for medical assistance Venezuela began supplying Cuba with heavily discounted oil. This exchange resulted in an improvement in energy security for Cuba and health security for Venezuela (BGV 2009). An additional benefit for Cuba was that as the exchanges between the two countries was in the form of a barter system rather than monetary payments, thus Cuba was able to allocate more American dollars for various social projects that had previously been assigned to the import of oil at market prices (ALBA 2009).

The beginning of the 21st century brought with it a shift in the international geopolitics with notable changes and therefore opportunities for countries such as Cuba and Venezuela. Thus, Ritter (2006, 141) noted that 'specifically, in Latin America, the basic geopolitical reality has shifted and now provides an opening for Cuba'. President Chávez had long admired Castro's approaches to international political and development projects, which subsequently have translated into extremely

favourable 'economic support for Cuba through low-cost oil exports, credits, and foreign exchange earnings for Cuban exports of medical services' (Ritter 2006, 141). The prevailing foundation of Venezuela's foreign policy is Latin American integration and solidarity, which over time has allowed Cuba to greatly benefit from flagship initiatives of this model such as the ALBA-PetroCaribe and it is anticipated that it will further benefit in the future from planned organisations such as the *Banco del Sur* (Bank of the South). As Yanes (2005, 16) points out:

Venezuelan support has also made it possible for Cuba to regain geopolitical influence in its immediate vicinity by becoming the administrative centre for redistribution of oil in the recently created PetroCaribe. That same support has allowed the Cuban government to secure other multilateral projects such as a 2006 agreement with Venezuela and Brazil for ethanol production. On the home front, the Castro government announced a program for the construction of at least 100,000 houses a year beginning in 2006. The Cuban leadership is capitalising on the beneficial relation with Venezuela and reinforcing among the island's population the idea that the worst of the 'special period' is almost over.

At the beginning of the Fifth Republic, President Chávez was relatively inexperienced in political matters both domestically and internationally. Therefore the strong bond and mentoring relationship provided by such an enduring figure as Fidel Castro would have been of immense importance to President Chávez, especially in his attempt to transform Venezuela into his vision of a Bolivarian socialist state. However, over the period of the Fifth Republic, the rise of Chávez and his Bolivarian revolution has coincided with the slow decline of Fidel Castro's hold on the Cuban model of socialism. Over the past decade President Chávez has become a skilled politician capable of overcoming difficult challenges in his quest to realise a new Venezuelan identity that would 'return [Venezuela] to its Bolivarian roots and serve as a nationalistic beacon for all of Latin America' (Romero 2006, 139).

In doing so, President Chávez has transcended the role of the novice in need of guidance and assistance and has emerged as an independent and powerful figure in Latin America. The current relationship between Venezuelan and Cuba is largely based on economic exchanges aimed at ensuring the development of both nations but with particular emphasis on Cuban development. While some critics have pointed to

concerns over the potential for a military alliance between the two nations, this does not appear to be the overarching goal of the partnership (Shifter 2006). Rather, agreements, membership and support where possible for regional organisations that aim to reintegrate Cuba into the Latin American economic and political sphere appear to be the foundation of Venezuelan–Cuban relations. An example of this is the agreement between Cuba and Venezuela to invest approximately US\$1 billion ‘to refurbish and complete the old Soviet-era petroleum refinery in Cienfuegos. It will refine Venezuelan crude oil into derivatives for sale in the Caribbean region’ (Ritter 2006, 144). Currently, the majority of Venezuelan oil is refined in the US by the Venezuela-owned CITGO Petroleum Corporation (operating as a PDVSA American subsidiary: PDV America). Therefore, agreements such as that with Cuba to utilise and renovate existing infrastructure for oil refinement outside of the United States demonstrates Venezuela’s goal of gaining greater independence from the United States.

Some analysts assert that overall the Venezuelan-Cuban alliance has not become a defining or critical factor in the regional politics of Latin America. As Erikson (2004, 37) argues:

What is most striking about this alliance to date is not how much of an impact it has had on regional affairs, but how little. There is no question that Venezuela’s oil is crucial to Cuba, and that Chávez derives some political benefit from Castro’s support. Yet Chávez owes his rise to domestic political factors that are entirely independent of Cuba, and the loss of Venezuelan oil shipments would be a significant but manageable setback for Castro. Cuba’s nearly \$2 billion in annual tourist revenues and \$1.2 billion in remittances from Cubans living in the United States are both more important economically, and the island has made significant strides in cultivating domestic energy sources and reducing dependency on oil imports.

From a Cuban perspective, the alliance with Venezuela has produced a guarantee of support and protection for the Castro regime and its legacy in Cuba for the duration of President Chávez’s time in office. Venezuelan support does present future opportunities for Cuba to increase its economic development through regional organisations in the form of bilateral and multilateral exchanges. During the Fifth Republic, Venezuela’s favourable policy approach to Cuba has also worked to counter the previous political and economic isolation of the Caribbean island experienced during the Cold War.

In contrast, the significance of the close relationship with Cuba has taken on a symbolic rather than strategic importance for Venezuela. Fidel Castro and Hugo Chávez display similar approaches to governance through populist platforms and a centralisation of power. However, despite the purported similarities between the Cuban and Bolivarian revolutions, Cuba has not provided the political and economic model emulated by Venezuela's Bolivarian revolution. Instead President Chávez has incrementally and actively pursued his own unique brand of policies domestically and internationally based on indigenous influences such as Simón Bolívar. Therefore the influence of Fidel Castro's friendship with President Chávez and consequently the increased profile of the Cuban government in Venezuela does not demonstrate a clear case of policy transfer nor does it account for the way in which policy-making has occurred during the Fifth Republic. What it does show is the importance of the themes of Latin American independence and solidarity as well as regional integration in contemporary Venezuelan foreign policy. The continued support of the Cuban revolution serves as a legitimising factor for radical model of Venezuelan foreign policy and President Chávez own vision of Venezuela continuing in its self-appointed role as the principal proponent and defender of Latin America. Apart from its symbolic importance, the Venezuelan–Cuban alliance also demonstrates the overriding personal agenda of President Chávez and the way in which this agenda often determines key policy choices for Venezuela. During the Fifth Republic, Venezuela established an unprecedented level of financial support and assistance to Cuba so much so that it appears now that President Chávez considers the future and continuance of the Cuban revolution to be a key responsibility of Bolivarian Venezuela (*Aló Presidente* 2008, No. 311). While both revolutions possess different origins, ideological influences and experiences, President Chávez considers the Venezuelan Bolivarian Revolution to be the modern equivalent of Cuba during the Cold War. This was shown when President Chávez declared to Fidel Castro 'I assume the commitment to continue your fight, to continue your battle. I assume it, we assume it, your children, to follow your path and you will not ever go away (Chávez 2006, 103).

Despite the rhetoric, ultimately the future of the Cuban–Venezuelan alliance rests on three key elements that directly relate to the Venezuelan domestic environment. Firstly, the sudden emergence of Venezuela as a key actor in regional affairs has been

precipitated by a period of unusually high oil prices in the international market. The extended period of high oil prices has been in part due to a significant amount of lobbying and diplomacy by Venezuela at OPEC meetings aimed at persuading other members to cut production and therefore temporarily inflating the oil price in the market. However, as the events of the 2008–09 Global Financial Crisis (GFC) have shown, the price of oil on the international market is not stable and is prone to frequent fluctuations. As Venezuela's economy is almost entirely dependent on its production and export of oil to produce national revenue, any sudden and drastic changes in the international market have direct consequences for the Venezuelan government's capacity to continue funding its various foreign policy projects. Secondly, the unprecedented nature of the current Cuban–Venezuelan alliance has been achieved and largely maintained due to the personal preferences of President Chávez in the process of Venezuelan policy-making. Therefore, Cuba is reliant on Hugo Chávez maintaining his tenure as president of Venezuela as this may be the only assurance that future policies will be favourable to Cuba. Finally, and perhaps most importantly, Chávez's ability to continue as a democratically elected president is reliant on his continued success as a populist leader with his domestic voter base. If President Chávez were to lose the support of his strong domestic network of *Chávista* supporters and fail to win the 2012 presidential elections, the end of the Bolivarian Revolution would be tantamount to the end of this new and promising era for Venezuela-Cuba relations.

The United States and Venezuela

The US-Venezuelan relationship during the Fifth Republic provides one of the most important examples of the effects of the emergence of radical policy in Venezuela and the subsequent radical outcomes that derive from this unique 'Bolivarian approach' to policy-making, particularly in foreign policy. As previously discussed in Chapter Four, during the Fourth Republic, the US and Venezuela enjoyed close bilateral relations largely based on cooperative and, to an extent, mutually beneficial foreign policies. An element that had contributed to the enduring relations was the belief that Venezuela would need to closely align itself with the US as a deterrent against various threats during the Cold War such as challenges from authoritarian regimes, communist influences and guerrilla insurgencies. However, this faith in the *Punto*

Fijo model as well as a willingness to protect it had slowly decayed during the final decade of the Fourth Republic.

When Chávez came to power in the 1999, Venezuelan relations with the US appeared set to remain on cautious but stable terms, especially in economic and trade matters (Ellner 2008). At the beginning of Chávez's first year in power, the US received 50 percent of Venezuelan exports and conversely US products accounted for approximately 45 per cent of Venezuelan imports (Romero 2006, 137). Even though economic relations appeared to be cooperative, early on President Chávez began to voice suspicions of US foreign policy, primarily based on the Latin America's experience of US past uncompromising unilateral approach to the region during the Cold War. Initially, President Chávez had sought to moderate US influence in Venezuela while at the same time continuing 'cordial relations within a climate of selective cooperation and mutual respect' (Romero 2006, 139). However, a combination of events began to test the relationship and pointed towards a shift in policy approach from both sides.

Initially, Presidents Chávez and Clinton had largely maintained cordial relations. Ellner (2008, 196) pointed out that 'Chávez's discretion became evident during the presidential campaign in 1998 when he refrained from criticizing the Clinton administration for its decision on two occasions to deny his request for a visa'. However, the US presidential elections in 2000 saw the administration change from a Democrat to a Republican leadership under the presidency of George W. Bush. Initially, the relations between the US and Venezuela remained stable; however the unforeseen events of 11 September 2001 altered the foreign policy objectives for many nations in the international community and changed the way in which governments prioritised threats to national security. The US underwent a complete shift in foreign policy focus and consequently altered its policy priorities in Latin America. This shift in US foreign policy objectives focussed on anti-terrorist initiatives and the US began to seek close alliances with countries around the world in an attempt to combat the 'global threat of terrorism'.

In Latin America, Colombia and the US had already established close relations in an attempt to counter the narcotics trade in the region. However, the 11 September 2001

terrorist attacks provided a new platform in which the two countries could forge an even closer alliance. Shortly after the event, Sweig (2002, 127) claimed that

Already, the 11 September 2001 terrorist attacks have greatly influenced the American debate on Colombia. As Washington has resolved to fight terror around the globe, Bogotá has started pushing hard to have Colombia's conflict viewed as part of the anti-terror campaign.

Importantly, Sweig noted that the new Plan Colombia following 11 September 2001 was designed without diplomatic consultation with members of the Andean Community, and that this could potentially cause regional problems or disagreements in the future for the US and Colombia; for example, on border issues between Venezuela and Colombia (Sweig 2002, 137).

Under the Bush Administration, and despite concerns from several Latin American nations, foreign aid to Colombia increased (CIP 2004, 3). The majority of development aid was in the form of direct military assistance, which led to an increase in the presence of US military personnel in the region (CIP 2004). Doubts began to emerge over the true objectives of Plan Colombia, and President Chávez in particular began to publicly express views on the dubious nature of the global 'War on Terror.' In December 2001, during an interview with Heinz Dieterich, President Chávez outlined the Venezuela position in the 'War on Terror:

We have said that we support the War on Terror, the entire world knows it; but this does not signify a blank cheque approach. Any action against terrorism must respect human rights...this position has created some annoyances and inconvenience in Washington DC.

Debate on the subject centred on the altered objectives of US foreign policy in the region. Moreover, much of the criticism directly challenged the motives of US involvement in Plan Colombia. Some of the most vocal rebukes came from academics such as Petras (2003, 1) who argued that:

Plan Colombia means to first defeat the guerrillas, then surround and pressure Venezuela and Ecuador before moving toward escalating internal destabilization. The strategic goal is to reconsolidate power in northern South America, secure unrestricted access to oil and enforce the 'no alternatives to globalisation' ideology for the rest of Latin America.

Zibechi (2006) from the Center for International Policy commented that the participation of the US in Plan Colombia forms part of a broader overarching foreign policy goal in the Andean region. Zibechi further claimed that US objectives are not simply based on improving national security in Colombia but to protect US interests against threats posed by neighbouring countries that are no longer ideologically aligned with the US. Zibechi (2006, 12) argued:

This is why the strategy thought up for Plan Colombia does not consist so much in winning the internal war as it does in spilling it over into neighbouring countries as a form of neutralizing their growing autonomy from Washington. Militarising the relationships between nations is always a good business for whoever supports the hegemony with military superiority. In this sense, the FARC play a functional role in Washington's war plans.

Under the backdrop of increased US military, economic and political presence in Latin America, Venezuelan relations with the US deteriorated steadily during the Fifth Republic. Following the attempted coup d'état in 2002, President Chávez introduced the historical themes of imperialism, empire and domination when referring to the nature of US-Venezuelan relations. Allegations of US involvement in the attempted coup d'état surfaced and further threatened the longstanding relationship between the two countries. US Senator Christopher J. Dodd, Chairperson of the Sub-committee on Western Hemisphere, Peace Corps, and Narcotics Affairs of the Senate Foreign Relations Committee, submitted a formal request to the Inspector General to determine if and to what extent the US had been involved in the political crisis during 12–14 April 2002 in Venezuela.

The scope of the investigation included identifying any US involvement in the six-month period prior to the attempted coup as well as during the three-day crisis. The results of the investigation led to the US State Department confirming that prior to the April 2002 coup, US officials had met Venezuelan nationals who subsequently participated in opposing President Chávez in the events of April 2002. However, the US any direct participation in activities aimed at overthrowing the Chávez government.

The record shows that the Department and the embassy consistently discouraged the use of undemocratic and unconstitutional means to remove the democratically elected Chávez government. Similarly, OIG found that U.S. assistance programs in Venezuela, including those of National Endowment for

Democracy (NED), were consistent with U.S. law and policy in support of democracy and constitutionality. While it is clear that NED, the Pentagon, and other U.S. assistance programs provided training, institution building, and other support to organizations and individuals understood to be actively involved in the events of April 12-14, we found no evidence that this support directly contributed, or was intended to contribute, to President Chávez's brief ouster. (Office of Inspector General 2002, 6)

Although the US consistently denied any involvement or participation in the April 2002 coup, its admission of meetings with several coup plotters, who included Pedro Carmona, provided the platform on which President Chávez could begin to create a foreign policy towards the US based on the Cold War dichotomy of communism versus capitalism. President Chávez began to articulate his belief of the potential threat of US intervention in Latin American nations that displayed an interest in pursuing alternate political and economic opportunities, such as Venezuela. Commentators such as Lapper (2006) have compared the approaches between the Clinton and Bush administrations' foreign policy towards Venezuela and their different outcomes. The Clinton Administration refrained from reacting to radical policy moves by President Chávez and instead applied a 'wait and see' strategy in regard to its foreign relations with Venezuela (Lapper 2006). However, the Bush Administration at times hastily responded to difficult situations with Venezuela and in some cases further exacerbated the strained relations. Lapper (2006) argued that the rapid deterioration of relations between the US and Venezuela were grounded in the poor policy response of US officials during the April 2002 political crisis. In contrast to the Clinton Administration's 'wait and see' approach, spokespersons from the Bush Administration immediately stated that they would work with the Venezuelan interim government that was established during the April 2002 coup in Venezuela. Consequently, Lapper (2006, 21) argued that

Chávez has used the coup's hazy legacy to fan anti-American fervour and discredit U.S. pro- democracy rhetoric as a guise for regime change. The Defence Department's 2005 decision to develop its first scenario for military conflict with Venezuela only reinforced Venezuela's suspicion of American motives.

During the Bush Administration, President Chávez continued to use different opportunities and media to present a foreign policy aimed at publicly challenging and denouncing US foreign policy both in the Latin American region and abroad. 'In 2003, Chávez began to employ the term *imperialism* to describe the role of

Washington in world affairs, and subsequently accused it of committing genocide in the Middle East and warned of a possible invasion of Venezuela' (Ellner 2008, 199). Moreover, the increasing radical nature of Venezuelan foreign policy was unequivocally demonstrated on 20 September 2006 at the 61st United Nations General Assembly. President Chávez used his address to disparage and berate the US and President Bush. During his short and now infamous address, President Chávez on several occasions referred to President Bush as the 'devil' and described the chamber as 'smelling of sulphur.' President Chávez (2006, 4) reiterated Venezuelan sentiments towards the United States by saying:

In barely a decade, it has been demonstrated that the theory of the 'End of History' was totally false as were totally false the theory of founding the American Empire, the American peace and the establishment of the capitalist and neo liberal model that generates misery and poverty...Now it is time to define the future of the world...I would like to highlight this vision of optimism to strengthen our conscience and willingness to fight in favour of the world's salvation and for the construction of a new, a better world. Venezuela has joined this struggle, and for this reason we are threatened. The United States has already planned, financed and led a coup in Venezuela. And the United States continues to support coup plotter movements in our country.

Apart from persistent verbal attacks against the US, Venezuela has sought to create, encourage and support regional institutions such as ALBA that intentionally did not include the US in its membership. A further theme that emerged during this period was President Chávez's decision to intermittently threaten and in some cases use the political tool of diplomatic expulsion against the US. These decisions were not restricted to bilateral disagreements between Venezuela and the US but at times were taken to support other Latin American nations experiencing strained diplomatic relations with the US.

An example of this approach to foreign policy was demonstrated during September 2008 when the Bolivian government became engaged in a war of words with the US government. At the centre of the issue were claims made by Bolivian President Evo Morales concerning the inappropriate diplomatic conduct of US Ambassador Phillip Goldberg. President Morales accused Goldberg of conspiring against the Bolivian Government with members of the Bolivian opposition and ordered the expulsion of the US Ambassador. A day later US government responded by expelling Bolivia's ambassador to the US. On the 11 September 2008, while addressing a rally for the

Venezuelan Socialist Party in Caracas, President Chávez was informed of America's decision to expel the Bolivian ambassador. Immediately, President Chávez (2008) issued the following statement:

We have just learnt that the United States has announced the expulsion of the Bolivian ambassador from its territory. From this moment we have begun to review our diplomatic relations with the government of the United States. I have just spoken with the Chancellor [Nicolás Maduro] about the situation and so that Bolivia knows that it is not alone, from this moment the Yankee ambassador has 72 hours to leave Venezuela. In solidarity with Bolivia, its people and its government! Mr Chancellor, bring back our ambassador from America before they have a chance to boot him out...When the United States has a new government we will send a new ambassador...when there is a government that has respect for the Latin American people and Simón Bolívar's America! Get the fuck out of here you Yankee piece of shit! We do not want you!

This radical policy decision to unequivocally join Bolivia in expelling senior US diplomats demonstrates Venezuela's foreign policy commitment to the concept of Latin American solidarity as well as a staunch rejection of US influence in the region. President Chávez's announcement during the rally also discloses a key issue regarding the nature and process of policy-making in the second phase of the Fifth Republic. In certain situations and with particular reference to foreign policy-making, the action begins and ends with President Chávez and is largely determined by his own personal assessment of the situation at hand. Accordingly, the Venezuelan response to conflict situations manifests in emotive, inconsistent and often, dramatic policy decisions. So long as President Chávez remains as the unchecked sole policy-maker on foreign affairs, Venezuela will continue to present a radical foreign policy seemingly driven by a personal and sometimes erratic agenda. However, despite President Chávez's inflammatory rhetoric, which caused a prolonged period of tense political relations between the US and Venezuela, from an economic perspective, trade relations have remained relatively stable. While much of President Chávez's foreign policy announcements in relation to the US can be provocative and even defamatory in nature, they rarely result in policy outcomes that threaten or even change Venezuela's overarching national economic interests.

Looking Towards the West: Venezuela's New Found Relations

The second phase of the Fifth Republic has also seen the rapid extension of Venezuelan foreign policy beyond the region of Latin America. During this period,

President Chávez actively courted trade and military opportunities with powerful countries including Russia, China and Iran. The Bolivarian approach to policy-making has led to the increased projection of Venezuelan foreign policy initiatives towards countries in Asia, Africa and Europe rather than its traditional preoccupation with North America. These newfound relations are considered to be both of strategic and symbolic importance for Venezuela. President Chávez has consistently indicated his desire to diversify Venezuela's economy and to supply oil to a wider section of the international community. In doing so, Venezuela appears to have specifically chosen to pursue alliance-building initiatives with countries that are not directly affected by the US sphere of influence. During the second phase of the Fifth Republic, President Chávez has in part achieved this desired goal. However, the extent to which these foreign policy goals have been successful remains unclear.

China and Venezuela

Sino-Venezuelan relations were almost non-existent prior to the establishment of the Fifth Republic of Venezuela. While Venezuela formally recognised the People's Republic of China in 1974, diplomatic relations between the two countries remained symbolic at best. In 2000, President Chávez became one of only two Venezuelan presidents to visit China since 1974. Since his first official visit, President Chávez has returned to China on several occasions and has received several official Chinese delegations in Venezuela. During the first phase of the Fifth Republic, China and Venezuela began a modest process of economic engagement in the form of several agreements related to Venezuela's hydrocarbon industry (BGV 2004). While Chinese investment in Venezuela increased during this period, Venezuela was still only ranked seventh in Latin America in terms of bilateral trade with China.

The consolidation of domestic power during the first phase of the Fifth Republic allowed President Chávez's to focus on developing his foreign policy platform that aimed to foster strong partnerships with nations such as China.

Venezuela's China policy is a Chávez innovation. Only one of his presidential predecessors, Luis Herrera, had visited China. The absence from Beijing of Venezuelan presidents—in contrast to the uninterrupted stream of Mexican, Argentine, and Chilean presidents—had been a clear statement of past Venezuelan

policy priorities. Chávez also personalised policy implementation; apart from Venezuelan relations with OPEC and Cuba, little foreign policy cadre development had taken place since the 1990s' (Dominguez 2006, 42).

During this period President Chávez undertook the responsibility to be the key driver of Venezuela's policy towards China. This personal approach is demonstrated through his relentless rhetoric on the perceived ideological similarities of the Chinese and Venezuelan experiences of large-scale social change in the form a political revolution. In an official visit to Beijing in 2004, President Chávez claimed to have drawn inspiration from Maoism and went so far as to liken Mao to Simón Bolívar. While China has not displayed such reciprocity in relation to President Chávez's propensity to rhetorically establish common historical and ideological links, China has maintained a commitment to and focus on furthering its energy interests in Venezuela. In 2005, China and Venezuela signed several energy agreements that allowed China to increase its exploration in Venezuela from two oil fields to 15 oil fields (BNA 2005, 1). Furthermore in 2009, China and Venezuela agreed to double contributions from US\$6 billion to US\$12 billion to a fund established for projects designed to develop Chinese interests in Venezuela's hydrocarbon industry as well as improving Venezuela's ability to export oil to China (BNA 2009, 2). A portion of these funds was to be used to establish a new oil refinery in the Orinoco Belt in Venezuela and the second to be located in Guangdong province in China.

President Chávez reiterated the importance of the Sino–Venezuelan relationship by saying

We do not have any doubt that China is the greatest motor that exists to drive the world beyond the crisis of capitalism, and nobody can doubt that the centre of gravity of the world has been pushed toward Beijing. (Chávez in Suggett 2009, 1)

In 2009, the Chinese ambassador to Venezuela, Zhang Tuo stated that 'Trade between Venezuela and China, which amounted to approximately \$200 million when Chávez was elected in 1998, rose to \$1.3 billion in 2004 and was \$9.7 billion in 2008' (Suggett 2009, 1). Even though it is clear that Sino–Venezuelan relations have expanded during the Fifth Republic, this is not necessarily indicative of an ideological solidarity based on 'South-South' cooperation, as Chávez would like to portray.

Rather, the Chinese decision to establish trade and investment agreements with Venezuela is based on a purely pragmatic motivation, the necessity of securing oil from a variety of sources. Furthermore, Venezuela does not enjoy a privileged relationship with China that is anymore beneficial than those enjoyed by its Latin American counterparts. As Ratliff (2006, 78) explained:

China's growing ties to Venezuela must be seen in the context of Beijing's aggressive cultivation of ties to governments throughout the Western Hemisphere that have oil and raw materials. In that sense, Chinese pledges of some hundreds of millions of dollars in investments to Venezuela must be kept in perspective. Recall, for example, that President Hu Jintao pledged investments of more than \$30 billion to Argentina and Brazil alone for energy, raw materials, and infrastructure during his November 2004 trip to South America.

Venezuela represents one small part of Chinese economic interests in Latin America. It is in this context that the significance of the relationship should be understood. The recent increase in energy agreements has assisted in satisfying the broad foreign policy objectives of both nations but for very different reasons. China has been able to secure an alternative supplier of oil and therefore succeeded in diversifying its oil supply and reducing dependence on oil from the Middle East. It would appear that President Chávez has also succeeded in diversifying the recipients of Venezuela's oil exports. However, this has not manifested in significantly reducing Venezuela's dependence on the US market as the primary destination of its oil. At this point, China's potential to supersede the US as the largest consumer of Venezuelan oil is limited due to two significant factors. First, China's refineries do not have the technology and infrastructure to refine Venezuelan crude oil, which is typically heavy and sulphurous. While China is attempting to enhance its refineries' capabilities to efficiently and economically process Venezuelan oil, these will not be operational for some years. Second, oil super tankers carrying Venezuelan oil cannot pass through the Panama Canal, thus the transport time from Venezuela to the Asian continent on the alternative route would take 40-days as the tankers would have to sail through the Strait of Magellan at the southern tip of South America in order to access Asian markets. This long transport process is costly and inefficient in comparison to the short seven-day voyage from Venezuela to the US.

Russia and Venezuela

During the second phase of the Fifth Republic, President Chávez has sought to develop the military capabilities of the Venezuelan Armed Forces. At the same time, the US–Venezuelan relations were becoming increasingly tense due to President Chávez’s reticence in honouring bilateral agreements focussed on counter-terrorist and narcotics strategies in the region. Moreover ‘in May 2006, the US Secretary of State certified that Venezuela was not fully cooperating with US counter-terrorism efforts. As of 1 October, 2006, the US Government has prohibited arms sales and services to Venezuela’ (US State Department Country Report 2009, 23). Consequently, Venezuela began to seek additional partnerships that would allow it to acquire the military hardware required to develop its overall defence capacity. During this period Venezuela purchased a range of military hardware from a variety of countries, both in Latin American and Europe. While some doubts about the motive behind Venezuela’s apparent arms build-up have been expressed by nations in the region such as Colombia and the US, the purchase of Russian military equipment, financial exchanges and joint military exercises between the two countries appears to have caused the greatest concern in the international community.

The recent acquisitions reflect an attempt to diversify Venezuela’s sources of military equipment beyond its traditional main supplier, the US. Relations between Washington and Caracas have continued to deteriorate in recent years, making it important for Chávez to vary his supplies of military equipment (Bromley and Perdomo 2005, 14).

In 2005, Venezuela and Russia began discussions on the possibility of constructing a factory in Venezuela capable of manufacturing weapons such as Kalashnikov rifles. Furthermore, in 2006, President Chávez travelled to Russia with the aim of securing a deal at an estimated US\$1billion for the purchase of a variety of Russian-made military equipment. Since then, negotiations between Russia and Venezuela have concentrated on ‘contracts to buy 24 Sukhoi Su-30 fighter jets, 50 military helicopters, 100,000 Kalashnikov assault rifles, a license to build a factory to produce Kalashnikov rifles in Venezuela, and several submarines’ (Sullivan 2009).

The US has been openly critical of the agreement and the implications of a potential arms race in the Western Hemisphere. Thus, US State Department spokesperson Tom Casey stated ‘The armed purchases planned by Venezuela exceeded its defensive needs and are not helpful in terms of regional stability’ (Casey 2006). In response to criticism from the US, President Chávez stated that:

I am not an aggressor and have come not for weapons with which to fight against all and everyone...it's simply that our army's weapons are already old and worn out and we want to exchange them for newer more reliable ones. (BBC 26 July 2006)

In December 2008, the Russian and Venezuelan Armed Forces carried out joint military training exercises in the Caribbean Sea (BBC 2 December 2008). The exercises coincided with an official state visit from Russian President Medvedev to Venezuela. This event again generated some concerns over the policy objectives of Venezuela and its newfound military relations with Russia. The joint three-day military exercise marked the first time that the Russian navy entered the maritime areas that border the US since the end of the Cold War.

On 13 September 2009, President Chávez announced on his television program *Aló Presidente* that Venezuela had just secured an important arms deal with Russia. President Chávez explained that the deal involved a loan from Russia to Venezuela worth approximately US\$2 billion in order to purchase additional military equipment (BBC 14 September 2009). In response to a question on Venezuela acquisitions of military hardware, US State Department spokesperson Ian Kelly stated:

The short answer is, to that, yes, we do have concerns. We have concerns in general about Venezuela’s stated desire to increase its arms build-up, which we think poses a serious challenge to stability in the Western Hemisphere. What they are looking to purchase and what they are purchasing outpaces all other countries in South America. And of course, we’re concerned about an arms race in the region...and we urge Venezuela to be transparent in its purchases and very clear about the purposes of these purchases. And we’re also very concerned that they put in place very clear procedures and safeguards that these – that these arms are not diverted to any irregular or illegal organizations in the region. (Kelly 2009, 1)

Venezuelan Foreign Minister Nicolás Maduro rejected the concerns voiced by the US government by saying ‘any government of the United States that does not plan to dismantle its industrial, military, and technological apparatus has no moral standing

from which to express an opinion about any government of the entire world... Today, Venezuela is a free and sovereign country' (Carlson 2009). The US's suspicions and concerns that have surfaced due to the strengthening of relations between Venezuela and Russia are in part motivated by historical fears of a return to Cold War politics in the region. However, Venezuela's interest in continuing the development of collaborative military projects with Russia is not solely aimed at bolstering Russian presence in Latin America and therefore countering US hegemony. Rather, Venezuela's interest in Russia and its role as a reliable source of military equipment point towards a more specific goal of Venezuelan foreign policy.

Recently, President Chávez has articulated that Venezuela's current foreign policy priority is dealing with the potential national security threats posed by neighbouring Colombia and its agreement to provide seven military bases to facilitate and assist with US policy initiatives in the region. In September 2009, Venezuelan Foreign Minister Nicolás Maduro reiterated this foreign policy issue when he stated:

Do you know what it means to have seven U.S. bases pointing at a country that has the biggest [oil] reserves in the world, that has the fifth largest reserve of gas, the most important reserves of aluminium, and that shares the biodiversity of the Amazon? (Carlson 2009, 1)

It is difficult to predict how Russian–Venezuelan relations will progress in the future. At this stage while the relationship appears to be mutually beneficial, the necessity for close relations and cooperative trade agreements is of far greater importance to President Chávez and his pursuit of a foreign policy based on the concept of multipolarity than it is to Russian foreign policy interests. Similar to the Chinese approach to Latin America, Russia is focused on increasing its economic interests in the region rather than establishing favourable policies with nations that claim to have an ideological similarity. As such, the majority of Russian interests in the region are linked with Brazil due to its position as Latin America's largest and fastest growing economy. The US government's decision to cease the supply of military equipment to Venezuela created the opportunity for both Venezuela and Russia to rapidly increase bilateral economic agreements (Ellner 2008). Even though President Chávez may seek to rhetorically exaggerate the importance of this newfound relationship, at a basic level the exchanges between the two nations only amount to the simple laws of 'supply and demand'. The Russian approach to its relationship with Venezuela does

not demonstrate anything more than a pragmatic policy based on developing Russian economic interests in Latin America.

Venezuela and Other Emerging Partnerships

Venezuelan foreign policy during the second phase of the Fifth Republic has demonstrated a propensity to extend its international engagement far beyond that of the Fourth Republic's. This approach has been described as the use of 'soft power' and 'social power diplomacy' in matters of foreign policy and has attracted a broad interest from a variety of nations around the world (Corrales 2009).

Venezuela's social power diplomacy is hard to refuse. The reason is simple: Venezuela's aid comes with very few conditions. Thus, for small nations, Venezuela's social power diplomacy also represents the key competitor against bilateral aid agencies and multilateral lending institutions, all of which offer disbursements under strict conditions and close scrutiny (Corrales 2009, 101).

This 'social' approach to Venezuelan foreign policy-making and diplomacy has created opportunities for Venezuela to interact and cooperate with seemingly unlikely partners. The growing ties between Iran and Venezuela during the past five years provide a clear example of the success of this element of contemporary Venezuelan foreign policy. Historically, Venezuela and Iran have enjoyed a longstanding relationship since the 1960s due to both countries' status as oil-producing nations and hence membership in OPEC (OPEC 2009). However, the mutual interest and participation in OPEC was virtually the only factor that framed the relationship between both countries during the 20th century. During the *Punto Fijo* era of Venezuelan democracy, Venezuela remained silent on the events of the Iranian Revolution and sought to continue cooperation and stable relations through a policy of measured and careful diplomacy. Even when President Chávez took power in early 1999, relations largely remained the same and the initial policy approach of the Chávez government displayed a strong continuity with the norms established during the Fourth Republic.

As previously discussed, the emergence of a radical element in Venezuelan foreign policy did not come to fruition until the second phase of the Fifth Republic and coincided with the election of Ahmadinejad in Iran in 2005. Gratius (2009, 4) commented that 'under the auspices of Hugo Chávez, and especially during

Ahmadinejad's presidency, Iranian officials have pursued a coordinated diplomatic, economic, and military strategy to expand their influence in Latin America and Africa'. Both presidents share a populist brand of politics that is in part based on an anti-imperial and anti-US agenda. Moreover, currently both nations display similarities in foreign policy-making demonstrated through the systematic use of inflammatory rhetoric and petrodollars aimed at challenging the status quo and in particular American hegemony in the world. Referring to the Bush Administration's classification of Iran as part of the 'Axis of Evil', Ahmadinejad declared that Venezuelan-Iranian relations represent an 'Axis of Unity' based on the cooperation of nations in the non-aligned movement. In an act that demonstrated the growing importance of relations between Iran and Venezuela, in 2007 during an official visit to Iran, 'Supreme Leader Ali Khamenei granted Chávez an audience...this honour is reserved for a small circle of politicians and clerics deemed to be Iran's closest friends and partners' (Gratius 2009, 4).

Since 2005, Venezuela and Iran have increasingly worked to establish multiple agreements, the majority being concentrated on various exchanges between both nations' hydrocarbon industries. These include just over 180 agreements and significant investments by both nations that total close to US\$5 billion dollars (Arnson et al. 2009). The majority of funds will be funnelled into a joint oil exploration project in the Orinoco Belt of Venezuela. Further sections of the joint agreements allow for the training of Venezuelan oil technicians by Iranian oil specialists in Tehran. In November 2009, President Ahmadinejad flew to Caracas to attend the inauguration of a new Iran-Venezuela bi-national development fund of US\$200 million that aims to increase Venezuela's agricultural and industrial production (Arnson et al. 2009). President Chávez has also expressed his commitment to Venezuela's newfound 'Axis of Unity' with Iran:

Despite the wishes of imperialism, our relations are developing in every aspect, and Iran and Venezuela will remain united and on the side of the exploited nations. Here we are, two brother countries united like a single fist. (Carlson 2007, 1-2)

The Iran-Venezuela 'Axis of Unity' and the subsequent increase in bilateral agreements between the two nations demonstrate several themes that are central to contemporary Venezuelan foreign policy-making. First,—similar to the agreements

established with Russia and China—by encouraging Iranian interests in Venezuela’s hydrocarbon industry, President Chávez is seeking to diversify foreign interests and investment in Venezuela and at the same time dismantle the previous monopoly enjoyed by US-owned companies. However, unlike the relationships with Russia and China, which are largely based on the pragmatic principles of self-interest, President Chávez has found a partnership with Iran that shares his ideological penchant for devising policy specially aimed at irritating the US, presented in the form of frequent and very public anti-US verbal attacks. The short time in which both nations have steadily increased and strengthened relations also indicates the way in which Venezuelan foreign policy is formulated on the personal preferences of President Chávez. The Iranian experience of revolution and its contemporary approach to international affairs provides a suitable and supportive partner for President Chávez’s ‘multipolar world’. The mutual rejection of US dominance in the economic, political and military global context is a binding element of the two nations’ current ‘Axis of Unity.’

Beyond the emerging relationships with China, Russia and Iran, President Chávez has also began to actively court closer ties with other world leaders, some of whom do not appear to represent or provide Venezuela with anything more than a symbolic and loose group of countries that are critical of the US. Some of the more notable examples of this element in contemporary Venezuelan foreign policy can be seen in the cases of Venezuela’s interactions with the leaders of Belarus, Zimbabwe and Libya. During the second phase of the Fifth Republic, President Chávez has undertaken personal responsibility for promoting Venezuela beyond its traditional primary region of Latin America. President Chávez has made several visits to countries such as Belarus and in doing so he has began to broaden the base of international interest in Venezuela and its Bolivarian Revolution. In 2007, Belarusian President Alexander Lukashenko stated:

Belarus is going to cooperate with Venezuela in all areas, starting from the military sector and ending in food supplies. Owing to the fact that the President of Venezuela, Hugo Chávez, met Belarus halfway in difficult times and is helping United States in our sensitive areas, we will pay off Venezuela twice more than any Western firm can do. We will do for Venezuela (our specialists are already working there) twice-thrice more than Western specialists (Govt. of Republic of Belarus 2009, 1).

The cooperation between Venezuela and Belarus has established bilateral agreements such as a joint energy project that focusses on the exchange of technology and specialists. In September 2009, President Chávez visited the Republic of Belarus and praised the growing partnership between the two countries and reiterated that the alliance was of strategic importance to Venezuela. President Chávez went on to conclude that ‘we have no alternative to cooperation and brotherhood. Our mutual cooperation should expand further. Let us move forward’ (Govt. of Republic of Belarus 2009).

Despite the rhetoric, the strategic importance of the relationship between both nations is in essence very modest in nature. It is the anti-US inclinations of Belarus and its willingness to publicly align itself with Venezuela that explains the strategic importance rather than the actually economic and technological transfers.

In 2009, President Chávez hosted the African-South American Summit held in Margarita Island, Venezuela. During the summit, President Chávez committed Venezuela to memoranda of understanding for joint oil ventures with several African nations, including Sierra Leone and Mauritania, and he further called for the continued integration of the continents of Africa and Latin America. Importantly, during the summit, President Chávez requested that Venezuela undertake the key role of organiser of the Africa-South America Summit and offered to continue hosting the meetings of the Secretariat in Margarita Island (Pearson 2009). Even though this might not appear to be among the most important aspect of Venezuelan foreign policy, it demonstrates the way in which President Chávez applies his personal preferences in determining the importance and commitment of Venezuelan foreign policy choices and outcomes. In line with President Chávez’s previous criticisms of the hegemonic structure of international institutions, the Africa-South America Summit passed an agreement aimed at developing

...a greater participation of developing countries in South America and Africa...in order to correct the current imbalance and make this Council a more democratic, transparent, representative, effective and legitimate organization that responds to the new political realities. (Pearson 2009, 1)

During the Africa-South America Summit, President Chávez also sought to revive relations with Africa; in particular with Robert Mugabe of Zimbabwe and Muammar

Gaddafi of Libya. All countries present expressed an interest in furthering economic ties and a commitment to participate in strategies that would strengthen the independence of African and Latin American nations through alternative approaches to development. As Mugabe stated: 'In Africa, greater industrial development has been difficult because of a reliance on the very powers that colonized us...They do not want really to see United States industrialized' (Daniel and Cambero 2009, 1).

Some of the strategies that are currently employed by Venezuela are unlikely to achieve economic integration and solidarity with nations outside of Latin America such as Libya and Zimbabwe. The capacity and importance of these newfound alliances will always be limited due to the lack of geographical proximity and lack of trade possibilities, and therefore will only ever comprise a minor aspect of Venezuela's overarching foreign policy framework. Rather than placing importance on economic opportunities, President Chávez finds greater value in these new and unusual partnerships from the symbolic element that these nations bring to the alliance. All of these nations have experienced turbulent relations with major powers such as the US and consequently all have at times publicly criticised the US and its foreign policy in different regions of the world. It is this commonality that is of most value to President Chávez and his pursuit of a 'multipolar world' that challenges and attempts to reduce the historical hegemony of the US.

Social Diplomacy and Development Assistance

As previously discussed, the scope of the Bolivarian approach to Venezuelan foreign policy is not limited to bilateral economic exchanges but is also focused on providing development assistance to a variety of recipient countries. The increased Venezuelan emphasis on promoting developmental strategies in the Latin American region has resulted in a situation where Venezuela is now to be considered by some to have surpassed the US in pledged and actual foreign aid contributions in the region (Forero 2006, 1-2). However, it is difficult to identify exactly how much Venezuela has contributed in foreign aid donations due to a number of reasons. Accessing government information that provides a specific breakdown of Venezuela's spending on foreign assistance and the amounts allocated to specific recipients cannot be easily obtained from the Ministry of Foreign Affairs (Davila 2009). While this could be argued to point to a lack of transparency on the part of the Venezuelan government, in

reality it is an indicator of the lack of efficiency and coordination of foreign aid policy within the department. The lack of efficiency could be in part attributed to the way in which a much of Venezuelan foreign policy is formulated in a radical framework that is dictated, sometimes impulsively, by the personal agenda of President Chávez and therefore may lack continuity. For example, in a 2009 US Congressional report on Venezuela, Sullivan (2009, 24) argued that:

Over the years, there have been concerns about President Chávez's attempts to export his brand of populism to other Latin America countries. He has strongly supported Bolivia's President Evo Morales, and offered assistance to help Bolivia re-write its constitution and implement radical reforms to the economy. In Peru's 2006 presidential elections, Chávez openly supported the unsuccessful presidential candidacy of a nationalist former army colonel who had led a failed military uprising in 2000. Current Peruvian President Alan Garcia, a strong U.S. ally, has expressed concern about Venezuelan activities in Peru. Venezuela also has had close relations with Nicaragua under the presidency of Daniel Ortega, providing substantial assistance, and with Ecuador under the presidency of Rafael Correa.

Although official documentation is difficult to locate, an alternate approach is to survey the public announcements of Venezuelan pledges regarding foreign aid and development projects. While the pledges do not provide detailed information on Venezuelan foreign aid, they do provide an indication of the scope of contemporary Venezuelan initiatives as well as an approximation of the amount of future aid donations that will be made by Venezuela. For example, by drawing on press releases from the Venezuelan Ministry of Foreign Affairs (MRE) and speeches delivered by President Chávez, during 2009, Venezuela pledged almost US\$9 billion in foreign aid to various countries in the Latin American region (MRE 2009). These pledges included funds allocated to future energy projects involving PetroCaribe in which 17 Latin American nations benefit from preferential oil and gas agreements, development aid for the construction of schools and hospitals and for funding scholarships in Dominica, Haiti and Bolivia, debt relief and forgiveness to countries such as Nicaragua and Guyana, infrastructure projects, humanitarian aid in times of crisis. Finally a small contribution of US\$10 million was made to Bolivia in military assistance to renovate ageing army barracks (Bolivian Defence Minister Walker San Miguel, Press Release, 21 May 2009).

In 2009, Nicaragua and Bolivia appeared to be the largest individual recipients of Venezuela foreign aid aimed at energy development. For example, on 30 April 2009, Venezuela announced that it would pledge US\$3.55 billion to Nicaragua to build a 150,000 barrels-a-day oil refinery (Suggett 2009). Furthermore, Bolivia was allocated US\$240 million towards the exploration of gas and oil fields and an additional US\$170 million to construct two liquid natural gas extraction plants (Bolivian Hydrocarbons Ministry Press Release, 8 August 2009). In January 2009, President Chávez announced that Venezuela would forgive Nicaragua's debt to Venezuela in the amount of US\$ 30 million (Roberts 2009). Venezuela's Finance Minister also pledged to assist Argentine cooperatives operating in the dairy industry (Cabezas 22 February 2009). As shown by describing some of the pledges made by Venezuela in 2009 alone, Venezuelan foreign policy, particularly during the second phase of the Fifth Republic has enabled Venezuela to become a key actor in regional development and foreign aid in Latin America.

There are several reasons that could be considered to provide the clearest explanation for the emergence of Venezuela as a key foreign aid donor during the second phase of the Fifth Republic. Some concern the link between President Chávez's socially based foreign policies and his quest to consolidate his own authority and legitimacy both domestically and internationally. For example, Corrales (2009) viewed Venezuela foreign assistance as an instrument that works to legitimise Chávez's personal and extreme approach to decision-making:

Chávez's social power foreign policy has produced an impressive shield for Venezuela. It protects Chávez against international criticism even by those who know better, and gives him a reputation for humanitarianism among those who are less informed. This is an amazing foreign policy accomplishment. Undemocratic rulers worldwide can take notice: social power can save them from pariah status. The Venezuelan foreign policy model thus has enormous imitative appeal (Corrales 2009, 102).

In contrast, other observers have pointed to deeper ideological motivations that are derived from Venezuela's historical experiences and legacies (see, for example, Wilson 2008). In many policy announcements and public speeches, President Chávez referred to the writings of Simón Bolívar as providing the ideological framework and inspiration for the Bolivarian Revolution in Venezuela. As he stated in his 1998 presidential campaign 'I am not a socialist. Latin America requires someone to leap

forward. My ideological view is Bolívarianism' (Chávez 1998). Two specific themes taken from Bolívar's contribution to Latin American politics have become central to understanding the contemporary motivations of policy-making during the Fifth Republic of Venezuela. First, during the early 19th century, Bolívar vigorously promoted the idea of a separate identity for Latin Americans and second, he argued that this would ultimately unite Latin America and protect against threats from the greater powers in Europe and within the Western Hemisphere from the US. In *Jamaica Letter* (1815, 20), Bolívar wrote:

We, who preserve only the barest vestiges of what we were formerly, and who moreover are neither Indians or Europeans, but a race who are halfway between the legitimate owners of the land and the Spanish usurpers – in short, being Americans by birth and being endowed with rights from Europe.

For Bolívar, the achievement of post-independence pan-American unity rested on an identity that was neither Spanish nor indigenous to the continent. The future success of Latin American solidarity would germinate in the soil of hybridity: 'All the sons of Spanish America, whatever their colour or condition, are joined in fraternal and inalterable affection' (Bolívar 1822, 44). Bolívar frequently referred to this shared condition and experience of 'Americans' as the inextricable link that would bind the continent's identity and safeguard independence from colonising European powers. Under the leadership of President Chávez, Venezuela's foreign policy has been relocated to an ideological foundation inspired in part by Simón Bolívar. This Bolivarian approach to foreign policy has demonstrated Venezuela's ambition of reviving Bolívar's focus on Latin American unity and solidarity within a 21st century framework. The historical legacy of Bolívar and its influence on Chávez's vision of Venezuela's role in Latin America could explain elements of contemporary Venezuelan foreign policy initiatives that focus on increasing Venezuelan assistance to various nations in the region. This could indicate a degree of transfer of the ideas of Bolívar to the contemporary Venezuelan policy-making framework. However, commentators such as Wilson (2008, 531) have argued that Chávez is delusional in claiming that 'Bolívar is at the heart of the socialist revolution underway in Venezuela' and she concluded that '[g]iven a closer look...no such "Bolívarian socialist revolution" exists, only Chávez's own socialist revolution draped in Bolívarian clothing'. The attention devoted to Chavez's vision of Bolívar is testimony to Chavez's socio-political impact rather than any faithful rendition of

Bolívar's ideas. In other words, it is not Chavez's faithfulness to Bolívar, but the manner in which Venezuela has taken a leading role in regional affairs and counter-hegemonic discourses against nations such as the US has attracted international attention to his Bolivarian approach to policy-making.

The most recent example of the influence of Venezuela's Bolivarian foreign policy and pursuit of a 'multipolar world' was the Unity Summit in Cancun, Mexico, in February 2010, when 32 Latin American and Caribbean countries announced the establishment of a new regional organisation provisionally called the Community of Latin American and Caribbean States. Regional and global media interest in the announcement focussed on the exclusion of the US and Canada from this new Community. Despite this exclusion, some signatories and commentators were quick to reassure the US that the organisation did not damage the authority of the Organisation of American States (OAS), the US-dominated body that has overseen regional affairs since the beginning of the Cold War. The Chilean President-elect Sebastian Piñera stated that it was 'very important that we don't try to replace the OAS. The OAS is a permanent organisation that has its own functions'. A spokesperson for the US State Department, Arturo Valenzuela, also expressed the view that the new organisation 'should not be an effort that would replace the OAS' (BBC 2010).

It was significant that a range of voices hailed the new Community as a vital step towards regional integration, from Mexican President Felipe Calderon, who described it as a priority push for regional integration' to promote the regional agenda in global meetings, to Cuban President Raul Castro who saw it as 'the constitution of a purely Latin American and Caribbean regional organisation' (BBC 2010). Its opening statements reveal the breadth of regional concerns: denouncing the Honduras coup as a threat to political self-determination; denouncing drilling off the Malvinas as a threat to local control over regional resources; and denouncing the embargo against Cuba as a threat to regional integration. Previously, commentators such as Weisbrot (2010, 3) have observed how a community, similar to the one established at the Summit in Cancun, could extend the region's global reach:

An organisation without the US and Canada will be more capable of defending democracy, as well as economic and social progress in the region when it is

under attack. It will also have a positive influence in helping create a more multipolar world internationally.

This would be a fitting fulfilment of Chávez's pursuit of a multipolar world and his desire to link contemporary initiatives to the inspiration gained from historical heroes such as Simón Bolívar.

Conclusion

During the second phase of the Fifth Republic, Venezuela has displayed a tendency to adopt radical approaches in regards to its foreign policy-making process. The radical elements have guided Venezuela's foreign policy objectives beyond their traditional borders with Latin America as was established during the Fourth Republic. Under the leadership of President Chávez, the policy-making process has become increasingly centralised to the point that the president's own personal preferences ultimately dictate Venezuela's foreign policy priorities. This personal element in the overall approach to Venezuelan policy-making has produced a process of unique policy choices that deviate from traditional norms and lack continuity with previous foreign policy choices. President Chávez appears to have assumed almost total responsibility for determining the foreign policy choices and responses of Venezuela. As such, newfound relationships with countries such as Cuba, China, Russia, Iran and Belarus have emerged to form part of Venezuela's goal of fostering a 'multipolar world'. Moreover, in seeking to create new alliances during the second phase of the Fifth Republic, Venezuela has also attempted to minimise the importance of its historically close relationship with the US. While trade relations between Venezuela and the US have remained stable, President Chávez has demonstrated a propensity for utilising anti-US rhetoric as a way of justifying certain radical foreign policy decisions. The Bolivarian model of foreign policy relies heavily on simplistic dichotomies that create ideological alliances and divisions between Venezuela and the countries it is seeking to engage with or reduce dependency on. Moreover, when analysing the foreign policy-making process during the second phase of the Fifth Republic, it is evident that there remains a dissonance between the radical nature of the rhetoric that supports contemporary policy choices and the extent to which the tangible outcomes of these choices are truly radical in nature.

Chapter Eight:

Explaining the Emergence of Radical Policy-making during the Fifth Republic of Venezuela

Introduction

This chapter provides an explanation of the emergence of radical policy-making and policy choice during the Fifth Republic. This is achieved by assessing the explanatory power of policy approaches identified in the literature review in Chapter Two. Do they provide an explanation for radical policy-making in Venezuela when they are applied to changes in Venezuelan foreign policy set out in chapters Six and Seven? The majority of the discussion in this chapter will be structured according to the four analytical frameworks identified in Chapter Two. These are society-centred models of policy-making, state-centred models of policy-making, policy transfer and veto players. This chapter will then proceed to offer an overall explanatory framework for of the events and circumstances that have contributed and/or led to the dramatic shift in policy-making in Venezuela during the Fifth Republic. Finally, this chapter will offer an explanation as to why the Bolivarian approach to policy-making has manifested in a dynamic, unique and ultimately radical framework for policy-making that helps to determine the contemporary policy choice of the Venezuelan government in both domestic and international affairs.

Society-centred Models of Policy-making

In Chapter Two, this researcher identified society-centred models of policy-making as one of the key frameworks for explaining what factors determined policy content. In particular, Grindle and Thomas (1991) presented three key types of society-centred models of policy-making: *class analytic approaches*, *pluralist approaches* and *public choice approaches*. These models emphasised the importance of examining the relationship between the state and policy elites in society and, as Grindle and Thomas argued (1991, 20), in this explanation of policy-making the ‘activities of states and policy elites are understood to be dependent variables’. Chapter Four concentrated on examining the Venezuelan political environment and policy process during the Fourth Republic of Venezuela. In this era, the key actors and events that influenced and ultimately determined the policy choices of Venezuela can be best understood through

a society-centred explanation of policy-making. Furthermore, within the broad label of Grindle and Thomas's (1991) society-centred explanations of policy-making, the *class analytic approach* appears to provide the most accurate description of the way in which the policy process operated during the Fourth Republic of Venezuela.

When the Fourth Republic of Venezuela was established in 1958, the introduction of *Punto Fijo* democracy only came about after an extended period of authoritarian rule dating back to the time of the Latin American independence wars and Venezuela's own independence from Spanish colonial rule in the early part of the 19th century. For the most part, the majority of the Venezuelan population had not experienced nor participated in a regular and formal democratic process. Therefore, when democracy was established in Venezuela during the late 1950s, the particulars of the new governing system such as the power-sharing agreement of the *Punto Fijo* Pact were devised by a small group of political elites that controlled the three main political parties at the time (McCoy and Meyers 2004). This set the context for what would become an elite-dominated model of policy-making that remained largely unchanged for over three decades. It did not really matter which party was in power as they were ideologically indistinguishable and they shared a common approach to foreign and domestic policies. Elections were simply intra-elite competitions to promote or defend economic interests and the status quo.

The *class analytic approach* elucidates the way in which the motivations for specific decisions in a nation's policy-making process are derived from struggle between societal classes pursuing their interests. A major longstanding concern of Latin American scholars has been the ways in which the bourgeoisie have striven to retain domination, sometimes through coopting or collaborating with other classes and sometimes by authoritarian solutions. In the Fourth Republic, a key concern of elite policy-makers was the protection of the fledgling *Punto Fijo* model of democracy as it promised to maintain elite privilege. Policy elites during this time opted for a co-optive model in dealing with other classes and their institutional representatives. Thus, the policy elites practised an approach of appeasement to satisfy, at least in part, the demands of classes and groups that potentially posed a threat to the continuation of the *Punto Fijo* elite model of democracy in Venezuela.

As the key regulator and distributor of oil-based revenues, the government utilised this important resource as an instrument to satisfy and hence control influential classes, groups and organisations in Venezuelan society. These included trade unions, small business groups, the Catholic Church and the Venezuelan Armed Forces (Trinkunas 2000). Therefore, policy was formulated in the context of class conflict whereby the political elites of the Fourth Republic distributed resources with the aim of appeasing and therefore neutralising potential threats from these influential societal groups sometimes drawn from or representing subordinate classes. Furthermore, through a process of what Trinkunas (2000, 95) described as 'divide, conquer and appeasement' the Venezuelan government was able to 'ensure the legal, institutional and ideological hegemony of the dominant class or class alliance over subordinate classes' (Grindle and Thomas 1991, 21). The most pertinent example of this policy approach was demonstrated by the allocation of resources to the Venezuelan Armed Forces.

Chapter Four highlighted the Fourth Republic's distributive approach to policy-making in relation to the allocation of resources to strong societal groups such as the Venezuelan Armed Forces. From the beginning of *Punto Fijo* democracy in Venezuela, policy-makers identified the Venezuelan Armed Forces as the societal group that potentially posed the greatest threat to the Fourth Republic of Venezuela. They only had to look at Venezuela's past history and that of the continent to substantiate their analysis. As such, the Venezuelan government focussed on developing a policy towards the armed forces that aimed to restrict the capabilities of the army, navy and air force to act as a unified apparatus that could challenge and potentially overthrow the *Punto Fijo* democratic system in Venezuela. As Trinkunas (2000, 95) argued:

The Acción Democrática [AD] leadership began discussing a strategy of divide and conquer and appeasement, designed to split the navy, air force, and junior officer corps away from the army-dominated high command. The goal of this package of strategies was to decentralize power, authority, and access to resources within the armed forces, preventing any one military leader from assembling a coup coalition. Meanwhile, it promised the armed forces in general greater resources and professional opportunities, along with an amnesty for military crimes committed during the dictatorship, to reconcile them to the new democratic regime.

During this period, the Venezuelan government rewarded military loyalty to the *Punto Fijo* regime in the form of regular promotions, generous salary increases as well as higher education opportunities for broader section of the armed forces. In contrast, dissidents within military ranks who continued to promote and seek a key role for the military in the Venezuelan political arena were punished through a systematic purging process that aimed to rid the armed forces of any anti-government sentiments. This policy approach proved to be largely successful in protecting the fledgling democratic system of the Fourth Republic of Venezuela in the early 1960s and continued to function in this capacity until the early 1990s. By neutralising the threat from the armed forces, policy-makers during the Fourth Republic were able to concentrate on establishing and furthering the interests of Venezuela and particularly the interests of Venezuelan elites both domestically and internationally.

From the beginning of the Fourth Republic, Venezuela aligned itself closely with the United States (US) and became one of the staunchest regional opponents of communism and Castroism in the region (Ellner 2008, 62). Venezuelan foreign policy concentrated on maintaining political and economic stability through strong and cooperative relations with the US. In particular, during the 1960s, under what became known as the ‘Betancourt Doctrine’ Venezuela became one of the strongest opponents of communism in Latin America. With the support of the US, especially from the Kennedy administration, Venezuela’s Betancourt Doctrine sought to isolate communist and/or authoritarian Latin America governments from regional institutions such as the OAS. ‘Betancourt threw his support behind the proposition to expel Cuba from the Organisation of American States (OAS) at the foreign ministers’ conference at Punta del Este in Uruguay in January 1962’ (Ellner 2008, 62). Importantly, this foreign policy approach was in stark contrast to policy positions of Argentina, Brazil, Chile and Mexico. All four nations voted against the expulsion of Cuba from the OAS.

Venezuela’s policy-makers during the Fourth Republic displayed an entrepreneurial and successful approach to devising a long-term oil policy for the nation. As oil revenues provided the state the capacity to practice a distributive approach to policy-making, it was believed that the new oil policy that guaranteed a reasonable and steady flow of revenue to the state was required. The Minister for Hydrocarbons and

Mines, Juan Pablo Alfonso Pérez understood that Venezuela's oil industry would never be able to successfully compete with its Middle Eastern counterparts due to the inferior quality of Venezuelan crude oil and the consequent lengthy refining process required to get Venezuelan oil onto the international market. Therefore, Pérez saw Venezuela's economic survival in the international oil industry as contingent on creating an alliance of oil producing nations that would work in concert to control the international price of oil through manipulating oil production among nations under a framework of an international oil coalition (Yergin 1992). Venezuela's diplomatic efforts and direct engagement with Middle Eastern oil-producing nations eventually led to the establishment of OPEC and the concept of the 50/50 split, whereby oil producing nations retain 50 per cent of the profits of their oil industry.

The classical Marxist understanding of the *class analytic approach* is that policy change only occurs when 'there are changes in the composition of the dominant class or dominant class alliance' (Grindle and Thomas 1991, 21). This is a particularly important element in explaining why Venezuela's approach to policy-making did not dramatically change over the first three decades of the Fourth Republic. As highlighted in Chapter Four, policy elites in political parties, government and the state-owned oil company, PDVSA, remained largely unchanged and unchecked over time. Subordinate classes lacked the political muscle to challenge the dominant elite coalition.

In the late 1970s, Venezuela was receiving an unprecedented amount of revenue from its oil industry due to the international boom in the price of oil. In an attempt to capitalise on this windfall, President Pérez moved to completely nationalise Venezuela's oil industry and create the state-controlled oil company, PDVSA, which would oversee every aspect of the Venezuelan oil industry. However, as Mommer (2002, 131) argued:

After nationalization of the oil industry in 1976, PDVSA became something of a 'state within a state.' Its Venezuelan executives shared the outlook of international oil companies, for whom they had worked for many years. Furthermore, successive governments of AD and COPEI during and after the boom period of the 1970s failed to create a new efficient fiscal and regulatory system, at the same time that they implemented disastrous developmental policies characterized by poor planning and waste.

This stagnation in policy and lack of policy change can be attributed to the absence of a natural cycle of renewal in elite policy-making circles such as the senior management in government organisations like PDVSA as well as the two dominant political parties, *Acción Democrática* (AD) and the *Comité de Organización Política Electoral Independiente: Partido Social Cristiano* (COPEI). Close relationships with foreign oil companies, particularly US-owned companies, remained unaffected by the nationalisation of PDVSA. As such, foreign interests were protected and in some cases advanced under this system. The rigidity of the political party structure in Venezuela as well as the unchanged interests and roles of policy elites in the oil industry did not allow the creation of policy contingencies to address and adapt in the event of a decline in the international price of oil and therefore a decline of state revenue. Elite domination of policy-making as well as their rigid resistance to change in the face of environmental change ultimately led to the demise of the Fourth Republic of Venezuela (Crisp and Levine 1998).

Other approaches included in society-centred models of policy-making tend to focus on *pluralist* frameworks of policy explanation and various forms of *public choice approaches*. However, applying these frameworks to the case study of Venezuelan policy-making during the Fourth Republic encounters explanatory difficulties. In *pluralist approaches* there is an assumption that ‘...policy results from conflict, bargaining, and coalition formation among a potentially large number of societal groups organised to protect or advance particular interests common to their members’ (Grindle and Thomas 1991, 22–23). It is a model built on Western liberal democratic theory and practice. While, it could be argued that strong societal groups such as the trade unions and armed forces in Venezuela tried to influence policy and gain certain advantages from their influence, this does not adequately describe the events. The Venezuelan experience of policy-making during the Fourth Republic demonstrates that early on Venezuelan elites had identified a policy of appeasement, implemented through the distribution of state resources as the policy solution that would provide the outcome desired by the Venezuelan government and protect it against any challenges to its legitimacy. In this context, it was the political elites and not societal groups that were the actors who largely determined policy decisions and outcomes. Conflict, bargaining and coalition formation mostly occurred among ideologically similar actions within elite policy-making circles and without consulting various

sections of Venezuelan society. The Venezuelan situation has much in common with Grindle and Thomas's (1991, 24) generalisation about interest groups in developing countries: 'In fact, in many developing countries, interest groups may not be sufficiently well organised to put effective pressure on policy elites or may not have guaranteed access to them'. Venezuela did not exhibit the full range of features expected in a liberal democracy. It was an elite democracy in which many actors outside the political elite could exert only limited pressure on government. The rules and actors of the political game were not those normally associated with pluralism.

Public choice approaches are founded on similar assumptions to *pluralist* explanations of policy choice. This perspective assumes that the strength of societal forces in the form of interest groups or coalitions of interest groups can obtain 'favoured status in the distribution of resources in society' through engaging with policy-makers and public officials who are malleable due to their preoccupation with ensuring the continued tenure of their public positions (Grindle and Thomas. 1991, 24).

As a model featuring self-interest, the *public choice approach* offers more insight into Venezuelan foreign policy-making than pluralism. A strength of the *public choice approach* in relation to Venezuelan policy-making during the Fourth Republic is that:

It provides an explanation for policy choices that are detrimental to society as a whole over both the shorter and the longer term and offers a way of understanding the constraints on policy change that develop over time. (Grindle and Thomas 1991, 26).

The *public choice approach* identifies the way in which elected and non-elected public officials engage in rent-seeking activities by providing access to public resources to certain interest groups based on a preferential system in exchange for financial or political benefit. These activities explain why policy does not change over time due to the vested interests of social groups and government and policy elites to maintain the status quo and benefits they derive from it. For example, during the 1980s and despite the rapidly changing economic and political environment, Venezuelan party elites strongly resisted relinquishing their dominant role in the state. Furthermore, the absence of a party process that encouraged the renewal of party elites and much-needed change in approaches to policy-making initially created and

then continued to widen a growing schism between party elites and general population.

Due to the significant drop in the international price of crude oil in the early 1980s, Venezuela experienced a large reduction in government revenue, primarily generated from the oil industry. Consequently, the state's capacity to continue previous distributive policies was diminished. The policy elites did not have enough money at their disposal to pursue their established policy of appeasing potentially threatening or destabilising interest groups and institutions in society. Furthermore, the elites' refusal to respond in the first instance and introduce policy reforms to combat the deteriorating economic situation essentially transformed the state into an apparatus that was increasingly perceived to have only satisfied and benefited the few at the expense of the majority of the Venezuelan population.

When the Pérez government finally responded to the growing crisis in Venezuela and introduced wide-sweeping policy reforms through the austerity plan *El Gran Viraje*, rather than easing the growing crisis, this policy triggered a chain of events that challenged the Fourth Republic's economic and political legitimacy and stability. As discussed in Chapter Four, the period beginning in the late 1980s and continuing into the 1990s marked a turbulent time in Venezuelan politics and society. Increases in the price of petrol caused citizens to hold large-scale protests in the streets of Caracas and other major cities in Venezuela. This growing crisis and consequent pressure on the Pérez government produced poor policy choices and even poorer outcomes that only exacerbated the conflict growing between the state and society.

As established in Chapter Four, the events of *El Caracazo* proved to be another nail in the coffin of the *Punto Fijo* democracy. The Pérez government's decision to deploy the military to quash civilian protests in Caracas, ended in over 200 civilian deaths on the streets of Caracas, further disillusioning sections of the Venezuelan Armed Forces, who began to question their loyalty to and support of the government. This growing schism between members of the armed forces and the government found expression in 1992 with two attempted coup d'états. The combination of these events led the Venezuelan population to question the credibility of the *Punto Fijo* model of democracy and to seek fundamental changes in politics from non-traditional figures in

society. This fundamental change in Venezuela was delivered in the form of Hugo Chávez and his success in the Venezuelan presidential election in 1998.

Society-centred explanations of policy-making provide the best insight into the way in which the Venezuelan policy process was largely undertaken during the period of the Fourth Republic of Venezuela. While, each model on its own cannot provide a complete explanation of the Venezuelan experience during this era, collectively they do provide a sufficient working framework in which to understand and then analyse the influences on the policy process. They point to the policy choice being the product of elite desire to maintain the status quo. A combination of the *class analytic approach* and *public choice approach* assist in explaining the influences on the domestic as well as foreign policy choices during the Fourth Republic of Venezuela. For the most part, the *class analytic approach* highlights the way in which policy elites representing their own societal interests dominated the policy process, resulting in policies that were favourable to a small section of Venezuelan society as well as foreign interests in Venezuela such as the PDVSA and US-owned oil companies. The *public choice approach* further complements this as a convincing explanatory framework through its capacity to identify the way in which societal groups in developing nations may not be able to exert influence on policy makers due to their limited organisation and mobilisation capabilities. However, the *pluralist approach* does not appear to offer a sufficient explanation of policy-making during the Fourth Republic of Venezuela. This is primarily due to the assumption that multiple groups within a society will possess enough power and therefore influence to affect elite policy-makers and government officials. Pluralist models may have value in explaining the policy processes in rich liberal democracies but have little relevance to the hybrid regimes that typically found in developing countries.

State-centred Models of Policy-making

The 1998 election of Hugo Chávez as President of Venezuela marked the end of the Fourth Republic and *Punto Fijo* democracy. Hugo Chávez was swept into power on a wave of popular support based on his political campaign of establishing the Fifth Republic of Venezuela that promised change and a complete and fundamental rejection of the traditional model of elite democracy and politics in Venezuela. Since his election, Venezuela has undergone a complete transformation that has redefined

the role of the Venezuelan State in domestic, regional and international affairs. Under the Chávez government, policy-making in Venezuela has become less easily explained through society-centred models. Over the past decade, the Chávez government has worked to incrementally restructure Venezuela's political system to provide a stronger and more prominent role for the state and even more so for the position of president. It is thus to state-centred models that we must now turn to provide the best insights into and explanations of policy-making in the Fifth Republic of Venezuela.

State-centred models of policy-making assume a greater amount of autonomy on the part of government decision-makers or policy elites than in society-centred models. State-centred models may admit to links between societal groups and state actors but they attribute policy choices to the processes that happen within the state. These explanations of policy-making tend to focus analysis on the activities and 'interactions of bureaucratic and executive officials for understanding how policy initiatives emerge and change' (Grindle and Thomas 1991, 27). In this thesis three key models of policy choice were identified from the literature on the state-centred models of policy choice; *rational actor models*, *bureaucratic politics approach* and *state interests approach*.

Elements of each of these explanations of policy choice and policy change assist our understanding of Venezuelan policy-making during the period of the Chávez government. Initially, the government's approach was to implement a series of incremental changes that would enhance the role of the state in Venezuela, especially in the delivery of social services in the areas of healthcare and education. However, several key events during the first phase of the Fifth Republic forced the government to alter the original goals of this approach. This shift in focus facilitated dramatic changes in both the policy-making process and policy contents to produce a unique and radical framework for Venezuelan policy-making in general and foreign policy-making in particular. State-centred approaches to policy-making provide the best explanations of these changes and the current situation.

In examining the contemporary politics of Venezuela from the perspective of the state-centred models of policy-making, the *state interests approach* provides the most accurate analytical and explanatory framework in relation to policy-making during the

Fifth Republic of Venezuela. The state is viewed to be capable of functioning separately and at times independently of society in order pursue its own interests or agenda. As Grindle and Thomas (1991, 30-31) wrote:

Among the interests of the state, for example, are the achievement and maintenance of its own hegemony vis-à-vis societal actors, the maintenance of social peace, the pursuit of national development as defined by policy elites representing particular regimes, and the particular interests of regime incumbents in retaining power.

In this model, it is understood that while certain policies may favour specific societal groups, this is generally the product of the societal groups' interests coinciding with the state's interest at a particular time. Furthermore, due to the independence and autonomy of the state, policies may be developed that clash with and in some cases prove to be damaging to the interests of strong and influential societal groups and diminish their strength and influence in seeking dominance over policy. The state wrests policy-making power from societal actors and thus directing analytical attention to the activities of officials in the state apparatus. This is particularly relevant in delineating the policy making process that has been created under the Chávez government and explaining the foreign policy choices that have emerged.

When Hugo Chávez assumed the presidency of Venezuela on 2 February 1999 he inherited a nation on the brink of economic and political collapse due to the legacy of the slow but chaotic demise of the Fourth Republic. Immediately, his government proposed a series of policies aimed at bringing about a political transformation in Venezuela. Chávez (1999, 1) articulated his vision of the need for a radical change in the Venezuelan political system when he stated 'we are being called to save Venezuela from this immense and putrid swamp in which we have been sunk during 40 years of demagoguery and corruption.'

Chávez faced several immediate challenges to his vision of rapid and radical change in Venezuelan politics and policy-making. The most problematic issue facing the new government was the diminished amount of revenue generated from Venezuela's oil industry. This greatly limited government expenditure on new projects. In 1999, oil was only selling at US\$9 per barrel on the international market, making it the lowest price in over three decades. Therefore, the Chávez government sought to focus initially on changing the system of government within Venezuela. His first key

action was to organise of a referendum that sought permission to create a National Constituent Assembly (*Asamblea Nacional Constituyente*, or ANC) and then to construct a new electoral law to choose the Assembly delegates (Coppedge 2002). The ANC's main purpose was to draft a new constitution for the Fifth Republic of Venezuela based on a consultative process with a range of representatives of Venezuelan society groups. The new constitution presented a number of changes that had significance for the policy-making process. These included the creation of a unicameral parliament (*Asamblea Nacional*, or National Assembly), participatory democracy, greater rights for indigenous populations in Venezuela and extended presidential terms. The transition period aimed to dismantle and remove the checks and balances that were built into the *Punto Fijo* model of democracy and government and to swiftly re-centralise power in order to facilitate and support the overarching and long-term goals of the Bolivarian revolution. This was the first step in asserting state dominance over society.

In the first phase of the Fifth Republic, the National Assembly approved enabling laws (*leyes habilitantes*) favouring President Hugo Chávez. Essentially, these laws gave the president the capacity to govern by decree for a period of time as specified by the National Assembly. Importantly, in November 2000, the National Assembly passed the second of two enabling laws that granted temporary power to the president to rule by decree for a period of one year. At the time, the Chávez government justified the approval of the extraordinary law as being in the public interest, as it gave the Executive the opportunity to impose major policy reforms. The middle of an economic downturn gave a sense of urgency and a justification for such unusual measures. However, it was not until the end of the 'enabling' period in 2001 that President Chávez chose to pass 49 different laws by decree. It is evident that the approval of the second enabling law was the catalyst for the Venezuelan opposition's decision to take an unequivocal stance against the Chávez government in the form of a rapid and antagonistic mobilisation of large sectors of the Venezuelan population. From the opposition's perspective, President Chávez's decision to use his extraordinary power during 2001 to implement reforms relating to private property rights was a broken campaign promise from 1998 when he specifically pledged to protect and uphold existing private property rights. Barracca (2007, 143) supported this argument when he stated:

The nation's economic elite was directly threatened by Chávez's implementation of 49 revolutionary laws, including a sweeping land reform that took away private property without compensation, and measures for tightening government control over the state-owned oil company, *Petróleos de Venezuela (PDVSA)*.

This demonstrates how the Chávez government began to target certain classes and interests that had previously dominated or contributed to decision-making during the Fourth Republic. His strategy aimed at neutralising these societal elements and enforcing state dominance.

The effects of the legislation pushed through during the period of rule by decree in 2001 set in motion a chain of events in which the government faced ongoing standoffs with opposition groups that included public demonstrations and nationwide strikes led by a variety of dissatisfied labour unions. The growing conflict and public discontent peaked in April 2002 when an attempted coup d'état was staged, primarily orchestrated by elements of the military, various labour and business federations and opposition media outlets. The failure of the coup d'état and Hugo Chávez's unexpected return to power forced opposition groups to employ new strategies to put pressure on the government. Initially, a coalition of opposition groups attempted to gather signatures from Venezuelan citizens to force a non-binding recall referendum on Chávez's position as president. However, the Supreme Court of Venezuela overruled this first challenge. Societal forces were finding it difficult if not impossible to influence policy emanating from the state under the direction of President Chávez. They were being excluded from the state as the state accrued more autonomous power to determine policy.

In response, the coalition of Venezuelan opposition groups called nationwide strikes to commence in December 2002. Numerous employees of the state-owned oil company PDVSA participated in the strikes, thus crippling the productivity of PDVSA and drastically reducing the government's capacity to generate revenue. In order to break the ongoing strike, President Chávez took the unprecedented decision to dismiss over 18,000 PDVSA employees and replace them with an almost entirely new work force that was loyal and sympathetic to the objectives of the government and its Bolivarian revolution. This radical policy choice enabled President Chávez to survive the effects of the oil lockout and achieve fundamental, ideological and

cultural change within the state-run oil company. As Grindle and Thomas (1991, 32) argued, from a *state interests approach*:

Change in policy is accounted for by changing circumstances that encourage new definitions of problems and solutions to them, by efforts to achieve overarching state interests that may require new initiatives when prior policies have given rise to unintended consequences, or through conditions that alter the relative autonomy of the state.

Essentially, the purge of the majority of PDVSA employees removed the last remnants and therefore challenges from the Fourth Republic's policy legacy in Venezuela. It gave absolute control over the country's major industry and hard currency earner to the state and increased the overall autonomy and strength of the incumbents of state office, especially President Chávez. However, this strategy did not completely diffuse the growing conflict, nor did it diminish the opposition's influence on large sections of the population to again seek a presidential recall referendum. In early 2003, opposition groups once again banded together and began a campaign aimed at collecting the required number of signatures of registered voters to force a recall referendum as prescribed in the 1999 Venezuelan Constitution.

In November 2003, the opposition collected signatures from 20 per cent of registered voters. However, a portion of these signatures were deemed invalid, thus forcing the opposition to once more undertake the long and costly process of gathering additional signatures. By June 2004, the opposition had collected the required amount of valid signatures. In response, the Venezuelan Electoral Commission announced that it would schedule a recall referendum to take place in September of that year. On the day of the 2004 Recall Referendum, just fewer than 10 million registered voters cast their votes. According to the Carter Center (2005), the final results were 5,800,629 (59.0958 per cent) 'No' votes and 3,989,008 (40.6393 per cent) 'Yes' votes (Carter Center 2005). President Chávez had secured a clear majority. The results of the 2004 referendum proved to be a turning point for President Chávez and his Bolívarian revolution. President Chávez had faced yet another challenge to his presidency and not only survived but had emerged stronger. His successful defeat of the 2004 recall referendum revealed that after almost five years of struggles and direct challenges to the legitimacy and tenure of his government, President Chávez had finally achieved a clear and convincing domestic consolidation of power. President Chávez considered

the outcome of the referendum to be a clear mandate to begin the second phase of the Fifth Republic that aimed to accelerate and deepen the Bolivarian Revolution and begin a process of radical reforms in the domestic and international policy of Venezuela. President Chávez's resounding success in the 2004 recall referendum allowed him to begin to shift in policy focus from a purely domestic agenda to one that now included a clear foreign policy agenda.

The second phase of the Fifth Republic of Venezuela has seen the emergence of a radical approach to foreign policy-making with very different outputs from the era of the *Punto Fijo* democracy in Venezuela. There has been a continued movement towards an even more concentrated *state interests approach* to policy-making. President Chávez has sought to further centralise his oversight and control over the formulation and decision-making of Venezuelan foreign policy matters. In this context, the *state interests approach* becomes extremely useful because:

It is an important model for indicating the activism of political leaders and policy makers in determining policy outcomes and in focusing attention on how national development goals are shaped. It is useful in the context of the Third World, where the state often takes the lead in defining and directing society towards certain goals (Grindle and Thomas 1991, 32).

As discussed in Chapter Six, the beginning of the second phase of the Fifth Republic and its concern with developing Venezuela's role in international affairs can be traced back to a government conference held in November 2004, where President Hugo Chávez presented the 'New Strategic Map' for Venezuela and formally introduced the concept of a 'multipolar world' (Chávez 2004, 24). During the first phase of the Fifth Republic, President Chávez sporadically referred to this concept and loosely linked it to his understanding of the future development of Venezuela's foreign policy model. However, it was not until late 2004 that a coherent explanation of this concept was presented to the Venezuelan government and public. His vision of a 'multipolar world' identified five regions that he considered to be in the process of becoming the main poles of future global power politics. These regions were identified as being in the continents of Africa, Asia, Europe and two in the Americas—namely North America and South America. The ultimate goal of this approach was to reconfigure Venezuelan foreign policy to break its traditional close and cooperative ties with

countries such as the US and to seek out new alliances from a variety of nations both regionally and further abroad.

The concept of a 'multipolar world' has provided the unique framework in which contemporary Venezuelan foreign policy is undertaken. This framework has assisted in redefining Venezuela's role in Latin America and further afield and has led to the establishment of a variety of new and, in some cases, radical foreign policy initiatives. Moreover, in creating this new and what is sometimes described as a 'Bolivarian approach' to policy-making, Venezuela has displayed a clear reticence to adhere to the terms of traditional and historical relationships with countries such as the US that were fostered during the era of the Fourth Republic. Instead, Venezuela's foreign policy has focussed on regional issues such as the development of Latin American integration, solidarity and independence. Similar to the historical concepts of *Nuestra America* ('Our America') and Latin American unity put forth by Bolívar and Martí in the 19th century, Venezuela has emerged as a leading proponent of Latin American unity in the 21st Century. President Chávez (2006) affirmed this sentiment when he stated 'the Twentieth Century was the American century, North American and the American Way of Life, the Twenty-First Century will be our century, the great rise of Latin America'.

During the second phase of the Fifth Republic, Venezuela's more active engagement in regional and global issues coincided with a wave of political change that swept the continent, now termed 'Latin America's turn to the left' (Castañeda 2006). President Chávez used this changing political environment to garner assistance and support for his broader vision of regional solidarity. This solidarity with current leftist governments in Latin America has manifested itself in numerous initiatives ranging from continental developmental programs to unified responses in situations in which foreign interference has created conflict in the region. President Chávez identified the importance of this new wave of centre-left governments in Latin America as a pivotal point for the future of Latin American politics. He skilfully used this political opportunity to take a leading role in promoting a platform for regional unity and change during this moment of leftist alignment in the continent. As he stated in February 2006 'the integration [envisaged] by Bolívar and Martí is only possible with Latin American governments of the left.'

As demonstrated in Chapter Six, an example of the regional support offered by Chávez has been the establishment of multilateral organisations and development strategies such as the Bolivarian Alliance for the Americas (*Alianza Bolivariana para las Américas* [ALBA]), PetroCaribe and the proposed *Banco del Sur* (Bank of the South). Initiatives such as PetroCaribe aim to provide subsidised oil to nations in Latin America and the Caribbean to address the difficulties that these countries face in relation to the acquisition of reliable sources of energy supply (ALBA 2009). However, the flagship of Venezuela's Bolivarian model of foreign policy has been the formal establishment, in 2004, of ALBA. Through regional cooperation, the members of ALBA have provided an alternative forum for solidarity and a model for economic, political and developmental exchanges throughout the region. It has progressively expanded its membership to include Venezuela, Cuba, Bolivia, Nicaragua, Ecuador, Antigua and Barbuda, Saint Vincent and the Grenadines, and Dominica, while Uruguay, Paraguay, Haiti and Grenada have observer status.

In recent years, ALBA has demonstrated its capacity to function as a powerful political bloc in the region during times of crisis. For example, ALBA members played a key role in mediating conflict during the 2009 Honduran crisis in which the democratically elected President Manuel Zelaya was ousted in a coup d'état. While, ALBA members were not able to provide a solution to the crisis whereby President Zelaya could be reinstated, their unified response to the situation revealed ALBA's capacity to function effectively as an influential organisation in the region, similar to the OAS. These recent events showed the evolution of ALBA from its origins as an alternative model of economic and social development, to a strong political force where representatives from different Latin American nations can collectively implement an array of foreign policy and diplomatic strategies with tangible results. ALBA's efforts to restore democracy in Honduras indicate the emergence of a strong political power bloc that draws on the diverse skills, expertise and combined power of Central and South American policy-makers, similar to that outlined in Chávez's approach to foreign policy in the context of an emerging 'multipolar world'.

A further Venezuelan-inspired initiative designed to enhance regional integration and cooperation has been the proposed *Banco del Sur*. It demonstrates the way in which the Bolivarian model of foreign policy is committed to the creation of an alternative

source of Third World development funding to the traditional institutions of the IMF and the World Bank, and therefore promoting the ‘consolidation of multi-polarity’ (Kozloff 2007). Chávez first introduced the idea of the ‘Bank of the South’ during his 1998 presidential campaign. However, the formal agreement to establish the Bank did not occur until May 2007 after prolonged negotiations with signatory countries over the structure, finance and policy of the Bank. Negotiations relating to the idea of the Bank began between Venezuela and Argentina, before expanding to include Bolivia, Brazil, Colombia, Ecuador, Paraguay and Uruguay. ALBA members have emphasised that the Bank of the South will not echo the policies of other traditional lending institutions such as the IMF, World Bank and Inter-American Development Bank. During 2007, the then Venezuelan Minister for Trade, Rodrigo Cabezas, frequently referred to the ‘humiliating penalties’ associated with the strict conditions of international lending during the 1980s and 1990s (MRE Press Release, 2007). As Mallen (2007, 1) noted ‘The Bank of the South appears to be one of the region’s most compelling projects leading towards authentic Latin American financial bolstering, as well as helping to allow for a newfound autonomy’.

Initiatives such as ALBA, the Bank of the South and PetroCaribe demonstrate the potential of the Bolivarian approach to policy-making to attract the participation of a variety of Latin American nations as well as evincing the influence of Venezuelan foreign policy based on Chávez’s own vision of Latin American independence, regional integration and a ‘multipolar world’. While initiatives such as ALBA, PetroCaribe and the Bank of the South have generated great interest and participation from many countries in the region, Venezuela has not been able to convince every nation in Latin America of the benefits of this approach. For example, the strained and at times hostile relationship between Colombia and Venezuela has emerged as one of the greatest challenges confronting Chávez’s realisation of a successful Bolivarian-inspired, modern-day Latin American political landscape.

During the second phase of the Fifth Republic, President Chávez has frequently articulated his concern over external threats to the self-determination of Latin American nations. He has been one of the most strident opponents of Colombia’s close engagement with and support of the US. The historically volatile relationship between Venezuela and Colombia is akin to sibling rivalry, whereby conflict will at

times manifest in extreme and personal reactions from both sides, as shown in the 2008 Colombia–Ecuador crisis. More recently, Colombia’s agreement to allow the US to use several military bases on its territory further exacerbated the fragile relations between Colombia and Venezuela. The relationship is complex and rooted in historical grievances dating back to the times of Simón Bolívar and the independence wars during the 19th century. Previous Venezuelan governments during the Fourth Republic had carefully managed, and, for the most part, stabilised relations with Colombia via strong and consistent diplomatic approaches. However, the unique, dynamic and radical model of Bolivarian policy-making, combined with President Chávez’s own personal and provocative approach, has tested both parties’ ability to negotiate challenging situations.

Importantly, during times of crisis with Colombia, President Chávez has pointed to the inextricable historical link between Colombia and Venezuela, arguing that Venezuelans and Colombians are essentially one and the same. On several occasions President Chávez has described the historical relationship as resembling that of siblings who at times engage in rivalry but never all out war. Furthermore, the historical ties and close proximity of both nations has led to interdependence in trade. Both countries are each other’s largest trading partners in Latin America and therefore both economies are heavily reliant on continued stable trade relations (Ellner 2008). While Chávez frequently threatened drastic measures such as trade sanctions against Colombia, in reality the sanctions implemented have only ever accounted for a fraction of the trade between both nations.

Ultimately, the current relationship involves two distinct approaches from Chávez: one that is a war of words between two opposed ideologies and completely driven by President Chávez’s impulsive and reactive temperament; and another that is pragmatic and represents the mutual benefits of interdependence and a shared historical and familiar experience. However, these recent events with Colombia have highlighted the way in which President Chávez has sought to be the principal driver of specific Venezuelan foreign policy decisions. This personalised aspect of Venezuelan foreign policy has manifested in extreme activism on the part of President Chávez and can in part be explained from a *state interests approach*; that is, decision-making occurs within the state without reference to or influence by interests or classes

in society. However, events point to a policy-making framework that goes beyond the explanations of a traditional *state interests approach*. What has emerged is a unique state-centred model of policy-making whereby in certain circumstances, the president the embodiment of the state. President Chávez monopolises the policy-making powers of the state, and as societal influences have been neutralised or eliminated, those powers are considerable.

As demonstrated in Chapter Six, during the 2008 Colombia–Ecuador crisis, the President actively pursued, without consultation, the decision-making, formulation and implementation of Venezuela’s foreign policy response. While, this is not applied as a blanket approach in matters of foreign policy, it does demonstrate the ability of the president to determine his role in policy matters on a case-by-case basis. In contemporary Venezuelan foreign policy-making, President Chávez will exert varying levels of influence based on his personal appraisal of the issue at hand. When situations arise that are of personal importance, Hugo Chávez has shown a propensity to transcend his role as president and act as the state itself in policy matters. In these circumstances, state-centred models of policy-making cannot entirely account for these features of the policy-making process of a nation. This is primarily due to the assumption that even within state-centred explanations, there will always be other state actors present and contributing to the process of policy formation and policy outcome. Despite this, state-centred explanations of policy-making and in particular the *state interests approach* do provide the best working framework in which to analyse and understand the motivations and machinations of the contemporary policy-making process in Venezuela.

Policy Transfer

Chapter Two of this thesis identified literature on the issue of policy transfer and its potential relevance to the case study of policy-making in Venezuela. In particular, policy transfer has become the leading framework in which policy movement is understood. As Dolowitz and Marsh (2000, 38) explained, policy transfer is ‘the process by which knowledge of ideas, institutions, policies and programmes in one time and/or place is fed into the policy-making arena in the development of policies and programmes in another time and/or place’. Dolowitz and Marsh (2000) further wrote that policy transfer can be categorised as being voluntary, coercive or

somewhere in between. Within these three main categories, they further asserted that policy transfer will occur in varying degrees: copying, emulation, mixtures and inspiration.

In the case of Venezuela, policy transfer does not provide a sufficient explanation of how and why a radical approach to policy-making has occurred. However, it is able to shed light on several elements that have influenced and inspired some of Chávez's early Bolivarian approach to policy-making. As outlined in Chapter Four, during the Fourth Republic, Venezuela played a lead role in attempting to isolate authoritarian regimes especially communist Cuba, from regional organisations in Latin America. This foreign policy approach to authoritarian regimes in the region became known as the Betancourt Doctrine. As such, President Chávez's longstanding relationship, both personally and politically, with Fidel Castro and Cuba highlights the distinct shift in foreign policies between the Fourth and Fifth Republics of Venezuela.

Following the 1992 attempted coup d'état and Hugo Chávez's subsequent rise to fame the then Cuban President, Fidel Castro, extended an invitation to Chávez to visit him in Havana, Cuba. This visit marked the beginning of an enduring personal and political alliance that has grown stronger with each passing year. It is clear, particularly in the early part of Chávez's presidency, that Fidel Castro exerted a certain amount of influence through his open support of President Chávez and his Bolivarian revolution. There were also practical aspects to the relationship. Following the 1999 floods in Venezuela, Cuba sent emergency aid in the form of medical professionals to assist Venezuela in the aftermath of the natural disaster. This event marked the beginning of what would become a series of formalised agreements, whereby Cuba supplied medical staff to Venezuela in exchange for the supply of Venezuelan oil at subsidised prices. These bilateral agreements were the catalyst for the eventual establishment of multilateral agreements and organisations such as ALBA. While these practical interactions demonstrated newfound friendship and cooperation between Venezuelan and Colombia, the question arises as to whether policy ideas were transferred. Did Cuba pass ideology or foreign policy orientations to Venezuela? Did the radical foreign policy of Chávez come from Cuba?

There does not appear to be a clear case of direct policy transfer between Cuba and Venezuela. At best there are some similarities in the presidential styles of Fidel

Castro and Hugo Chávez as well as the mutual desire to bring about revolution and change in each nation. However, both leaders and respective revolutions have taken different paths and achieved very different outcomes, especially from a policy perspective. The Cuban experience of revolution and Fidel Castro's rise to power is one based on armed warfare that was waged against a repressive authoritarian regime. In contrast, Venezuela's Bolivarian Revolution came to fruition through the legitimate electoral success of Hugo Chávez in the 1998 Venezuelan presidential elections. The Cuban experience of revolution and post-revolution rule has not provided the political and economic model emulated by Venezuela's Bolivarian Revolution. Rather, President Chávez has chosen to actively pursue his own unique brand of policy-making, both in a domestic and international context that is based on his own radical ideology that incorporates and is influenced by a unique self-assembled combination of the ideas of Simón Bolívar, socialism, Pan-Americanism and anti-imperialism. There may be some similarities between Cuban and Venezuelan foreign policy but there is little to no evidence of copying or emulation. However, there could be inspiration relating to Cuba's stand against US imperialism and its consistent activism in the non-aligned countries movement.

President Chávez's major inspiration and reference for his policy-making derives from Simón Bolívar's writings on Latin America. President Chávez explicitly identifies them as the ideological foundation for his current political transformation of Venezuela. This presents interesting questions in relation to policy transfer. It could be argued that policy transfer has occurred to a degree in an inspirational form but not from a contemporary source. That is to say that there has been a transfer of historical themes and understandings of Latin America in the 19th century to the contemporary political, social and economic framework of Venezuela. However, to assert that policy transfer has occurred in this context presents more problems and raises more questions rather than providing answers or explanations as to how and why a radical approach to policy-making has emerged during the Fifth Republic. This is primarily due to the way in which President Chávez has to an extent reinvented the legacy of Simón Bolívar for a modern audience.

Prior to assuming power, Chávez's use of Bolívar was one of historical reference that highlighted the themes of patriotism, liberation and independence. For example,

during his presidential campaign in 1998, Chávez remarked that ‘I am not a socialist. Latin America requires someone to leap forward. My ideological view is Bolívariansim’ (Chávez speech 1998). However, his decade in power has seen a transformation and subsequent dissonance between his delineation of the main pillars of Simón Bolívar’s legacy and his own Bolívarian revolution.

Interestingly in the second half of his decade in power, Chávez has sought to link Bolívar’s historic actions with his own socialist agenda in Venezuela and has gone so far as to claim that Bolívar’s liberation campaign is ‘perfectly applicable to a socialist project’. In 2007, on his weekly television program *Aló Presidente*, Chávez described Bolívar as ‘an intellectual that with every day that passed was further drawn to becoming more social, more revolutionary and more socialist’. More recently, in his speech following his victory in the February 2009 Venezuelan referendum, which constitutionally removed the presidential term limits in Venezuela, Chávez asserted:

The impulse of this revolution is already given; nothing and no one can stop it. What remains for us, Bolívar said, is to give it [the revolution] the correct direction. This correct revolution and direction today is called socialism (Chávez online televised speech 2009).

Some of the ideas of Simón Bolívar have undoubtedly been revived and incorporated into the rhetoric of Venezuela’s modern day Bolivarian Revolution. Elements of Bolívar’s legacy and myth have been used as the inspiration, and to some extent, the legitimisation of the Chávez government’s radical and unique approach to policy-making. But, President Chávez has sought to pick, choose and interpret the parts of Bolívar’s story he wants to support his own agenda and vision for Venezuela. As Wilson (2008, 531) remarked ‘Chávez would claim that the figure of Bolívar is at the heart of the socialist revolution underway in Venezuela’. However, she concluded that ‘given a closer look...no such “Bolívarian socialist revolution” exists, only Chávez’s own socialist revolution draped in Bolívarian clothing’.

Veto Players

Analysis of the role of veto players in presidential and parliamentary systems has recently emerged as an alternate way of examining and explaining the policy choice and policy outcomes of a nation. It is useful in identifying the way in which veto players’ actions can result in the maintenance of the status quo in policy matters. As

discussed in Chapter Two, Tsebelis (2002, 35) defined ‘veto players’ as ‘...actors whose agreement is required for a change of the status quo. The number and the location of veto players affects policy stability, that is, how difficult it is to change the status quo’.

In the case of Venezuela, veto-player analysis cannot sufficiently explain the reasons or motivations for policy choice during the Fifth Republic for several key reasons. Veto-player theory assumes the presence of multiple veto players at any one time in a political system. However, in Venezuela, Chávez has removed the veto players from the political system. Therefore, in relation to the Venezuelan case study, the questions that do not concern the actions of veto players but what happens to policy-making when there is an absence of veto players. Is the absence of veto players a cause or a necessary condition of radical policy-change? If so, does this apply to the Venezuela’s experience during the Fifth Republic?

Chapter Five highlighted the initial policy initiative of the Chávez government, which was to begin dismantling the political and institutional systems and structures of the Fourth Republic. President Chávez targeted potential veto players in society and set about establishing personal dominance of policy-making in the state. This was achieved by appointing a Constituent Assembly to begin drafting a new constitution that provided for the complete transformation and elimination of the *Punto Fijo* model of democracy and governance.

As demonstrated in Chapter Five, the Assembly sought to eliminate congressional oversight in military promotions and to demarcate the Venezuelan Congress’s role in the appointment of judges to the Supreme Court. The new constitution concentrated power in the position of the president in two ways. First, it allowed the president to reserve the right to dissolve Congress under exceptional circumstances and second, it included a provision for the extension of the presidential terms from five to six years with the option of immediate re-election after the first term. Second, in seeking to increase and consolidate the powers of the executive by way of the president, the Assembly ‘also created the figure of a vice president appointed by the president, rejecting a proposal to balance presidential power with that of a prime minister’ (Ellner 2001, 18). Essentially, the Constituent Assembly operated as a vehicle for eliminating checks on presidential power. As Coppedge (2002, 30) explained:

By the end of August it [the Constituent Assembly] neutralized any challenge that might come from the old congress. At the same time, it created a Judicial Emergency Commission that began a purge of the entire judiciary, including the Supreme Court and the Judicial Council.

As discussed previously, the number of veto players in the policy-making process will affect a nation's capacity to implement policy change. The greater the number of veto players, the more difficult is it to gain a consensus for change. In light of this, it is evident that early moves to eliminate various veto players and veto powers in the Fifth Republic's political and institutional framework facilitated President Chávez's capacity to rapidly implement a variety of policies aimed at accelerating Venezuela's transformation under the banner of a Bolivarian revolution. Naturally, efforts to eliminate veto players were met with staunch opposition from affected interests in Venezuelan society and their supporters. However, once started, Chávez was able to secure successive political victories, which put him in an unassailable and legitimate position as president. In that position he had enormous power in part because he had eliminated or severely reduced the power of veto players in both society and state.

Veto-player theory compliments state-centred explanations of policy-making, but not in a traditional sense. Veto-player theory assumes that the presence of veto players will bring stability to policy-making through the maintenance of the status quo as well as the agreement in circumstances where policy change is required. However, the literature does not address the impacts on policy-making in a nation where veto players are not present. In the case of Venezuela during the Fifth Republic, President Chávez's radical approach to policy-making coincided with the intentional elimination of veto players in the Venezuelan parliamentary system and system. This potentially indicates a causal link between the removal of veto players and the emergence of radical policy-making.

Conclusion

Policy-making during the Fourth Republic of Venezuela is best explained through society-centred models of policy-making. In this context the *class analytic approach* with insights from the *public choice approach* present the most suitable working analytical framework for explaining policy-making during the era of *Punto Fijo* democracy in Venezuela. The combination of both explanations reflects the reality of

the Venezuelan model as one of an elite-dominated political system that remained largely unchanged and unchallenged for most of the Fourth Republic. However, when applied to the example of policy-making under the Chávez government, society-centred models provide inadequate explanatory frameworks for understanding the radical changes in policy-making and politics that emerged. Therefore, this thesis used state-centred models of policy-making as the framework to examine the policy process, policy outputs and policy influences relating to the Chávez government. Radical policy change occurred during the Fifth Republic because President Chávez was successful in consolidating power in the state and within his role as president. Furthermore, he succeeded in consolidating the power of the state over society. Moreover, Venezuelan policy-making in the Fifth Republic presents as a particular example of a state interests approach due to President Chávez's ability to, in certain instances, transcend his role as president to become the embodiment of the state in specific policy matters.

This thesis also examined the issue of policy transfer and how it related to the Venezuelan case study. It is clear that some elements of policy-making during the Fifth Republic could be attributed in part to policy transfer of an inspirational nature; such as Venezuela's newfound alliance with Cuba and its own revolution that derives its ideological foundation from the Venezuelan independence hero Simón Bolívar. However, there is no clear evidence of a direct transfer of ideas from a foreign source that has informed or influenced the contemporary policy-making process of the Chávez government. Therefore, policy transfer does not provide a suitable explanation of the emergence of radical policy-making in Venezuela. Finally, this thesis engaged with literature that focussed on the role and influence of veto players in the policy-making process of a nation. Similar to the policy transfer framework, a traditional understanding of veto-player theory cannot be applied to and therefore explain policy-making in the Fifth Republic. This is largely due to that fact that veto-player theory assumes that there will always be veto players present in the policy-making process. As demonstrated previously, early in the Fifth Republic, the Chávez government began to systematically target and then neutralise existing and potential veto players in the Venezuelan political system. However, veto-player theory is potentially useful in a non-traditional sense. The theory assumes that the presence of veto players in a nation's political system largely accounts for both political and

policy stability across time. Therefore, and as is the case in Venezuela, the absence of veto players could be employed as part of the explanation for the emergence of radical policy-making in a nation.

Chapter Nine:

Conclusion

How are policies made, and what makes policies change? These were the questions set out at the beginning of the thesis for this research to examine through the medium of a case study on radical changes to foreign policy-making in Venezuela. Changes in policy have attracted much attention, but there has not been nearly as much effort devoted to a deeper explanation of the causes and processes of policy-making, especially in relation to the testing of such theoretical models against detailed case studies. A further problem that confronts researchers is that no single model of policy-making appears to provide an adequate explanation of how and why a nation makes particular policy choices. In attempting to devise an explanation of what accounts for a country's domestic and foreign policy choice, several important and interesting challenges arise when using a case study where policy has dramatically changed. As discussed in Chapter One, the problem is not a shortage of explanatory models but rather that there are different models claiming to provide the answer, and these competing models involve a variety of distinctive assumptions, methodologies and foci. Moreover, this reveals the need to evaluate competing models of policy-making by testing their explanatory power against an empirical case study and further raises important questions such as which of the models provides the best understanding of policy-making? Or could it be that no one model is adequate especially when faced with radical policy changes or with unruly evidence? This thesis makes a significant contribution to understanding these things.

This thesis has analysed and explained the emergence of radical policy-making in one country through the empirical case of domestic and foreign policy-making during the Fifth Republic Venezuela. To provide a theoretical and conceptual context, Chapter Two reviewed contemporary literature that dealt with the broad issue of policy-making. Four main theoretical approaches were identified as having potential relevance for analysing and understanding the Venezuelan case and developing countries more broadly. The four key approaches that emerged from the literature review were: society-centred explanations of policy-making, state-centred explanations, policy transfer and veto-player theory. Each theoretical approach

offered varying explanations of the causes and influences of policy-making and policy choices of a nation.

Society-centred explanations focussed on issues of class struggle and conflict, the role of political elites and the ability of multiple societal groups to exert influence over policy-makers. This approach highlighted the way in which policy elites are connected to society, so much so that policy is derived from influences, interest and political forces from within society. In contrast, state-centred explanations focus on the organisational aspects of the state as the key units of analysis. From this perspective, attention is generally given to single decision-makers or a decision-making body within the state apparatus. There is also an assumption that policy-makers and the state itself have control over policy formation, even autonomy, as societal groups in this approach are not considered to be well organised and/or powerful enough to exert significant influence over the decisions of policy elites.

Literature on the concept of policy transfer focussed on explaining policy change through the transfer of ideas, policies or programmes from one time and/or place to another. The surveyed literature identified three broad ways in which policy transfer occurs. First, policy transfer may occur on a voluntary basis whereby a nation actively seeks to transfer existing ideas or policy that have proven to be successful for another nation. Second, 'the middle ground' refers to examples of policy transfer that occur through a combination of voluntary and involuntary circumstances. Finally, policy transfer can also be of a coercive nature. This is usually the result of a nation or international institution applying pressure on another nation to encourage or enforce policy change. In contrast to the policy transfer literature that explains policy change through the introduction of ideas from foreign models, veto-player theory argues that policy continuity and/or policy change can be explained through the actions and interactions of veto players in a nation's political system. Veto players, as their name suggests, can prevent or permit policy decisions being made. From this perspective, the greater the number of veto players in a political arena the more the overall stability and continuity of policy-making and policy content will increase. Radical changes in policy are unlikely to occur where veto players are numerous. Where there are large numbers of veto players, policy gridlock may even emerge.

After reviewing the contemporary literature on policy-making and identifying the four key analytical perspectives, this thesis focussed on the following questions to guide the research:

1. What accounts for the emergence of radical policy change in a developing nation?
2. Is the emergence of radical policy change in Venezuela derived more from society or state influences?
3. Can society-centred and/or state-centred models of policy-making on their own offer convincing and comprehensive explanations of the origins/causes of radical policy change in Venezuelan domestic and foreign policy between the Fourth and Fifth Republics?
4. Or, do other theoretical approaches that focus on issues such as policy transfer or the role of veto players in policy-making provide better explanatory frameworks to account for the emergence of radical policy change?

Chapter Three outlined the methodology to pursue these research questions. The methodology included the use of a single case study, documentary and archival analysis and finally, fieldwork in Venezuela that combined elite interviewing techniques, participant observation methods and intensive media monitoring. The combination of these research methods enabled the collection, classification and analysis of data used in this thesis. The two periods of fieldwork in Venezuela greatly informed the scope and overall direction of investigation of this thesis.

The empirical data collected for this thesis were organised into four chapters. The first data chapter (Chapter Four) outlined the political and policy-making environment that was established during the Fourth Republic of Venezuela. The purpose of this chapter was to establish the pattern of policy-making in the period prior to the establishment of the Fifth Republic and the government of Hugo Chávez. This was necessary to contextualise subsequent events and to develop the analytical framework for examining the shifts in policy-making between the Fourth and Fifth Republics of Venezuela. The first part of Chapter Four discussed the characteristics of the *Punto*

Fijo model of democracy, Venezuelan oil policy during the Fourth Republic and foreign policy positions in relation to territorial disputes at that time. The second part of the chapter focussed on several events during the 1980s and 1990s that ultimately led to the demise of the Fourth Republic and the rise of Hugo Chávez in Venezuelan politics. This enabled this project to historically trace the changing tide in Venezuelan politics and assist in providing an explanation as to why Hugo Chávez was able to rapidly rise to power on his unique political platform of a Bolívarian revolution.

Chapters Five to Seven formed the empirical core of this thesis in examining the political events and policy-making processes during the Fifth Republic of Venezuela under the leadership of President Hugo Chávez and his Bolívarian revolution. Two distinct phases in policy-making were identified during the Chávez government's time in power. The first phase refers to the first five years of the Chavez government from 1999 - 2004 and was largely characterised by a focus on domestic issues and the consolidation of policy-making power in the state. However, the beginning of 2005 saw a transition to the second phase of the Fifth Republic where policy priorities were revised to include a clear international focus.

Chapter Five identified and delineated the principal changes in domestic politics and the policy-making framework during the first five years of the Fifth Republic of Venezuela. This chapter charted the rise of the Fifth Republic of Venezuela and the domestic political and policy changes implemented under the political philosophy of a Bolívarian revolution. The changes included the introduction of a new constitution, a model of participatory democracy and social missions aimed at improving human development in Venezuela. However, the first phase of the Fifth Republic presented multiple challenges to the Chávez government in the form of nationwide strikes, an attempted coup d'état in 2002 and a recall referendum in 2004. As demonstrated in Chapter Five, by the end of 2004 President Chávez had survived these challenges to his government's legitimacy and had successfully consolidated his power domestically.

Building on legitimisation and consolidation of the Chávez regime, empirical inquiry moved on to the emergence of radical foreign policy-making in Venezuela under the Fifth Republic. This topic was divided into two chapters. Chapter Six examined

Venezuela's contemporary foreign policy initiatives in a regional context and Chapter Seven focussed on Venezuelan foreign relations in the wider international community. Each chapter sought to uncover the processes leading to construction of a radical foreign policy framework aimed at redefining Venezuela's role regionally in Latin America and more broadly in the international community.

Chapter Six on regional relations began by outlining President Chávez's concept of a 'multipolar world', which underpinned the overarching framework of Venezuelan foreign policy in the second phase of the Fifth Republic. Central to this concept of a 'multipolar world' was the establishment of a new and radical foreign policy framework that supports a move away from traditional and historical policy priorities and alliances. It established unique and at the same time radical policies aimed at new modes of regional cooperation, integration and solidarity. Examples of these included the establishment of ALBA, PetroCaribe and the Bank of the South. A further issue with regional implications identified in Chapter Six was the turbulent relationship between Venezuela and the neighbouring country of Colombia. During the second phase of the Fifth Republic, this relationship grew increasingly fragile due to a series of disagreements in relation to each country's differing international outlook. Key events in recent relations such as the 2008 Colombia–Ecuador crisis demonstrated President Chávez's dominant role in the decision-making process of Venezuela's foreign policy response to specific events. Moreover, these events exemplified the way in which President Chávez assumed personal and sole responsibility for defining the content of important foreign policy issues and the actions to implement them.

The final data chapter of this thesis addressed Venezuela's Bolivarian approach to foreign policy-making in the context of redefining relationships and alliances with countries outside of Venezuela's immediate sphere of influence. During the Fifth Republic, Venezuela sought to dismantle important historical relationships with countries especially the United States (US), and look toward other nations in the international community to establish political and economic alliances. Of particular significance, during the second phase of the Fifth Republic, Venezuela increasingly developed and consolidated its economic and political relationship with Cuba. This was in stark contrast to Venezuelan foreign policy under the Betancourt Doctrine during the Fourth Republic when Venezuelan was closely tied to the US and

trumpeted anti-communist rhetoric. The Chávez era in Venezuelan foreign policy-making also saw the development of closer relations with non-traditional allies such as China, Russia, and Iran, resulting in multiple bilateral agreements ranging from Chinese oil exploration in Venezuela to joint military operations with Russia.

The final section of Chapter Seven discussed the issue of President Chávez's use of social diplomacy, mainly giving foreign aid, as part of his Bolívarian approach to foreign policy. This strategy has attracted both praise and criticism from the international community. Some critics have argued that President Chávez's use of social diplomacy is based on a desire to legitimise and gain support for his power base and personal agenda in domestic, regional and international affairs. In contrast, others have pointed to a deeper motivation rooted in the historical legacy of Simón Bolívar and his vision of an independent Latin America. Venezuelan foreign policy during the second phase of the Fifth Republic focussed on redefining Venezuela's alliances in the international community. President Chávez reorientated the policy-making process to become increasingly centralised to the point that the president's own personal preferences dictated Venezuela's foreign policy priorities. This method produced a process of unique policy choices that aimed to systematically move away from traditional norms with previous foreign policy choices. Newly emerging relationships with countries such as Cuba, China, Russia, Iran and Belarus all formed part of Venezuela's goal of fostering a 'multipolar world.' Moreover, in seeking to create new alliances, Venezuela also attempted to minimise, at least rhetorically, the importance of the historically close and cooperative relationship with the United States established during the Fourth Republic of Venezuela.

Chapter Eight analysed the explanatory powers of the four theoretical frameworks of policy-making against the case study of Venezuela. The chapter began by analysing the utility of society-centred explanations of policy-making. This section identified that society-centred models, in particular the combination of class analytic and public choices approaches, provided the most suitable framework for explaining what factors determined policy content during the Fourth Republic of Venezuela. However, when analysing the Fifth Republic of Venezuela, society-centred models provided inadequate explanations of the influences on the policy-making process. This prompted consideration of state-centred models as possible and more suitable

analytical frameworks for understanding the policy process under the Chávez government. After reviewing the empirical data on policy-making during the Fifth Republic set out in Chapters Five–Seven, state-centred models appeared to present the best explanation for several reasons. First, it was clear that profound changes had occurred in the influences on policy-making and policy content between the Fourth and Fifth Republics of Venezuela. Beginning in the first phase of the Fifth Republic and continuing into the second phase, the policy-making process had become increasingly distanced from societal influences and centralised in the state. In this context, the state interests approach sheds light on the way in which policy-making was undertaken almost exclusively within the state and independent of formerly influential interest groups from society. A further finding from this research was that Venezuelan policy-making during the Fifth Republic went beyond the traditional understanding of state-centred explanations of policy-making. This is best demonstrated in specific policy situations such as the 2008 Colombia-Ecuador crisis when policy was made ‘on the run’ by President Chávez according to his own personal appraisal of the situation. Not only was the state the epicentre of policy-making but more specifically within the state the president assumed total domination. The combination of the centralisation of policy-making within the state, and the fluid and prominent role of the president in the policy process points to the causes of and influences on the emergence of radical policy-making during the Fifth Republic of Venezuela.

The third theoretical framework used in this thesis concentrated on the role of policy transfer in explaining policy choice and policy change in a nation. This explanatory model has enjoyed considerable attention in recent years, especially in its application to developed countries. However, the case study of Venezuelan policy-making under the Chávez government presented some challenges to the utility of this explanatory model. The Bolivarian approach to policy-making has manifested in a series of unique and radical policies at domestic and international level that do not appear to be directly transferred from a foreign model. These are some elements of transfer in the inspirational form, drawn from historic figures such as Simón Bolívar and more contemporary figures and policy systems such as Fidel Castro and the Cuban revolution. However, it was unlikely that these influences have directly affected or caused the specific policy change in Venezuela, as there is no explicit evidence to

support direct policy transfer. Ultimately, President Chávez has sought policy inspiration from endogenous sources, albeit with a propensity for rhetorical displays of praise and frequent reference as a source of legitimacy to these foreign or influences.

The fourth framework used in this thesis concentrated on analysing the role of veto players in a political system and their subsequent effect on the policy-making process of a nation. As outlined in Chapter Eight, one of the limitations of this explanatory framework lies in the assumption that multiple veto players are present at any one time in a nation's political and hence policy-making process. As this thesis identified, one of the first series of reforms introduced by the Chávez government during the Fifth Republic was the complete transformation of the Venezuelan political system involving the elimination of veto players. Therefore, the case study of Venezuela highlighted the great limitations of this theoretical model. However, veto player theory could still complement other analytical frameworks such as state-centred explanations of policy-making, but not in a traditional sense. The veto player model assumes that the presence of veto players will bring stability in policy-making through their maintenance of the status quo as well as their agreement in circumstances where policy change is required. However, it does not seek to address the impact on policy-making in a nation where veto players are not present. In the Venezuelan context, President Chávez's radical approach to policy-making coincided with the systematic elimination of veto players from the Venezuelan political and policy process and therefore potentially pointed to a causal link between the removal of veto players and the emergence of radical policy-making.

Policy is the prime task of government and is important because 'on the preference of policy also hangs the future of the billions of people who inhabit the developing world' (Turner and Hulme 1997, 57). It is therefore imperative for political science to understand the dynamic of policy-making, especially how and why particular policies are made. The dilemma for political scientists is to identify the most appropriate models to answer these questions. The difficulty is that there are different models vying for explanatory supremacy. What the Venezuelan case has shown is that no one model provides adequate explanation of policy-making in this state and that understanding radical policy change requires the recruitment of several models.

While a particular policy-making framework may be persuasive for one set of conditions, it can be inappropriate in changed circumstances. Furthermore, it may be necessary to modify a particular framework by adding novel elements or items drawn from other approaches. Unruly empirical evidence provides complexities that individual policy-making frameworks cannot accommodate. The Venezuelan case study of foreign policy-making has provided insight into the ways in which policy-making models can be applied to illuminate the processes and outputs of policy-making, particularly how radical policy change can be explained.

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