

OLD AND NEW POPULISM IN VENEZUELA THE CONSTRUCTION OF A POLITICAL ORDER

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I.- SETTING THE PROBLEM

In current political language the term populism designates a form of politics which emphasizes the virtues of the common people against the double-dealing to be expected of political oligarchies and their intellectual helpers. It can take a variety of forms: revolutionary intellectual populism, peasant populism, farmer's radicalism, populist dictatorship, populist democracy, reactionary populism, and politicians' populism¹. On the one hand, populist leaders are those who wish to solve all political problems by appealing to the “will of the people”, believing the people to have instincts and reactions that, if properly tapped, will alone be sufficient to provide legitimacy to power. They believe the people to have some special role in the process of political evolution. Populist parties, on the other hand, often look for the roots of their doctrines in the spirit of a people thought to be deeply and inarticulately loyal to its main provisions and needs.

Despite the obvious importance of populism in the study of political parties, ideologies, and movements, the phenomenon has not been the subject of rigorous theoretical analysis. To start, let me outline some of the most adequate working definitions for understanding it. Latin American populism is mainly defined in two ways: as a specific political mobilization and as an ideological discourse. 1- The analysis of populism from the crucial concept of political mobilization implies the consideration of variables such as popular mobilization, reformist programme, the use of the neo-evolutionist tradition/modernity dichotomy, the emergence of urban conditions, and finally the abrupt way in which the masses entered the political arena in many Latin American countries (specially if this is compared to similar processes of political mobilization and integration in West European development)². 2- From the ideological/discursive point

¹ These are the seven different types of populism identified by Margaret Canovan. See, **Populism**, Junction Books, London, 1981.

² Earlier theories of populism in Latin America have been developed through the concept of political mobilization as presented by political scientists like Deutsch (1961), D. Apter (1965) and P. Nettl (1967).

of view populism invokes two things: first, an appeal to the obviously vague term “the people” and its discursive construction as the historical subject to oppose the “fragmented power-bloc”; second, an antagonism manifested through the massive rejection of the traditional system of norms, prestige criteria, and leadership roles, breaking with the previous dominant ideological system. It is associated with a greater concern about national-popular and democratic-popular “interpellations”³.

This is not the place to discuss the complex problems of the relationship between nationalism, populism and democracy, and the further connections in Latin America between these notions and that of socialism. However, as I shall later suggest, in analysing the Venezuelan case, populist leaders/parties very often equate the terms national and democratic with popular. New solutions, new forms of articulating social and political forces are sought but still with ambiguous perceptual clarity about the frontiers between politics and ideology. This articulation⁴ does not result from the autonomous organizational power of popular sectors (either urban working class/peasantry or non-working class sectors). As a consequence there is an ambiguity in the tasks of the organization that is solved by loyalty to a charismatic leader or a new-fashioned “*caudillo*”. Even populist movements with a strong grass-roots organisational base are characterised by an immediate rapport between the populist leader and “his people”. The populist follower enters into a state of political availability, having rejected or often simply lost his/her old world and not yet comfortably adapted to the new surroundings.

The second approach attempts to construct a more general definition in order to account for the various types of populism (from Hitler via Perón and from Mussolini via Vargas to those of Betancourt, Cárdenas or Gaitán)⁵. Despite the different content of Laclau’s (theoretical), Di Tella’s (functionalist) and Canovan’s (descriptive) explanations of the

See, for instance, the seminal works of G. Germany, **Política y sociedad en una época de transición: De la sociedad tradicional a la sociedad de masas**, Paidós, Buenos Aires, 1962; and T Di Tella, “Populism and Reformism in Latin America”, in C. Véliz (ed.), **Obstacles to Change in Latin America**, OUP, Oxford, 1965, pp. 47-74. The latter has defined populism “as a political movement which enjoys the support of the mass of the urban working class and/or peasant...” (p. 47)

³ This concept, as developed by Althusser from Lacanian psychoanalysis and adopted by Laclau, infers that the factor common to all ideologies/discourses is the portrayal of individuals (which, in reality, are mere “bearers of structures”) as autonomous subjects. See E. Laclau, **Politics and Ideology in Marxist Theory**, New Left Books, London, 1977, p. 101 ff.

⁴ By “articulation” I define any practice which establishes a certain unity between dispersed elements.

⁵ For Laclau the most essential characteristic of populism is its antagonistic articulation of popular-democratic interpellations: “Our thesis is that populism consists in the presentation of popular-democratic interpellations as a synthetic-antagonistic complex with respect to the dominant ideology”, p. 173.

meaning of populism, they all seem to agree on the core element of populism, namely: an appeal to the people and anti-elitism (e.g., Laclau's popular interpellations against the power bloc, or Di Tella's popular support "upholding an anti-*status quo* ideology"). In addition, after examining the seven different types of populism proposed by Canovan, she concludes that "all forms of populism without exception involve some kind of exaltation of and appeal to the people and all are in one sense or another anti-elitist".⁶

It is not my intention to deal with the concept of populism or with a theoretical analysis to explain it. In this paper I will attempt to delineate the main elements through which a political populist order was constructed in Venezuela. I will do that, firstly, by looking at the period 1945-1948 (better known as the *trienio*), the "golden years" of Venezuelan populism. Like its populist counterparts --Vargas, Perón or Cárdenas-- the *trienio* regime had enormous popular appeal. I will argue that the arrival of Accion Democrática (AD) in power meant: change of the terms of political discourse, articulation of new social relations and constitution of new political identities. That is, the construction of the old populist order. Then I will turn to Carlos Andrés Pérez's second government (1989-1993) which tried to disarticulate the old populist order. The argument there will be that Pérez strategy to seize power was in the very classical/old populist fashion, supported by the same AD party, but once in power he changed his discourse, and sought to reconstitute politics and reshape political identities following neo-liberal ideology. In so doing, he tried to adapt his political discourse, around his own charismatic figure and articulating to the state new financial and technocratic sectors, to the changing circumstances of the country, which proved to be short lived.

APPEAL TO THE PEOPLE, DISCOURSE, STRUCTURE AND INSTITUTIONS

Let me go briefly through the key analytical issues employed in this paper. The advent of mass party politics in the 1930's and 1940's in Latin America, with the inherent national-popular and anti-*status quo* political discourse, demanded strategies of mass mobilization where the common element was a direct "appeal to the people". Although clearly this notion of the people is no stable ground on which to erect a new language and style of politics, it is the field of contention for legitimate popular-democratic representation. The rhetorical force of the appeal to the people informs the widespread

⁶ Canovan, **Populism**, p. 294.

populist parties in the region. This appeal is essential both to its substantive political/ideological project from within which it is made, and to constitute the identity of the people. That is, the subject constituted by this appeal. In fact, we can measure the power of this people by the extent to which it exceeds the status of an object of dispute and emerges instead as the subject uniquely capable of articulating political (and national) unity against traditional oligarchy.

What is the force of the people as agent of national representation and unity? Populist discourse owes its power (and perhaps its ambiguity), as Laclau has shown, to its potential transformation into an antagonistic class agency of political as well as cultural change. Despite its generality, Laclau's argument has the theoretical advantage, in that he refuses to reduce the "popular" to a free floating signifier (a "notoriously vague term", used by some authors) that can be filled with any content to achieve political ends. Rather, he insists that the appeal to the people, as it appears in the populist discourse, is grounded in the contradiction between the claims of different classes to transcend class. Populist discourse cannot be reduced to a particular "class expression", but neither can it transcend class conflict.⁷

The question remains, however, of the constitution of the people as a fundamental agent or subject of populist discourse. Rousseau was the first, as far as I know, to explicitly conceive the question of "what makes a people a people"⁸. The answer is related to another point --as I said-- how are individuals made into subjects, or, in other words, how the determinate is falsely presented as the determinant. Although this occurs through interpellation that forms the axis and organizing principle of all ideological discourse, we must also identify the complex network of symbolic and institutional organization that makes appeals to the people both successful and problematic. It is necessary, therefore, to link the populist appeal to the people with other key analytical issues. There is a definite link between the goals and ideologies of movements called populist and their institutional and discursive structures. To substantiate this link, I shall argue that we cannot possibly restrict the analysis of populist movements to the ideological level. As Paul Cammack rightly points out: "we should pay as much

⁷ **Politics and Ideology**, pp. 173-175

⁸ JJ Rousseau, **The Social Contract and Discourses**, Everyman, 1993 (1913), pp. 217-224

attention to its institutional implications as to its structural and discursive content; a full analysis will operate at the three levels of structure, institutions, and discourse”⁹.

The appeal to the people presupposes, as a result, a process of discursive articulation of popular demands and disarticulation of what is deemed to oppose or oppress it. Thus when analysing old and new populism in Venezuela I will take into consideration four key categories: 1- General historic context; 2- Social and political institutions through which populism operates; 3- Specific conjuncture where populism arises; 4- Finally, substantive political/ideological project from within which an appeal to the people is made.

II.- THE HISTORICAL CONTEXT OF VENEZUELAN POPULISM

- To understand the specificity of Venezuelan populism, as emerged *prima volta* between 1945 and 1948, it is necessary to map some historical and institutional trends since the regime of Juan Vicente Gómez (1908-1935).

Like other strong, centralized dictatorships in Latin America at the time, the Gómez regime was successful in consolidating the modernizing process¹⁰ initiated since the prolonged autocracy of Antonio Guzmán Blanco from 1870 to 1886. The urgency to generate social and economic forces capable of sustaining and driving the modernization of the country prevailed in Venezuela during the latter part of the XIXth century. Guzmán Blanco knew quite well that this project could not be fully realized unless it became possible to launch Venezuelan society on a course of economic and cultural strengthening. Therefore, in his opinion, the decision to open the doors to the foreign (European) capital was as necessary for the progress of that society as it was lucrative for his own personal interests. The autocratic exercise of power stressed the need to claim priority for material progress, justifying the abandonment of all other dimensions of progress.

During the Gómez regime that material progress arrived brought about by the advent of petroleum.. Some of the features of Gómez achievements can be summarized in the following points: 1- Consolidation of the centralized liberal state; 2- Pacification of the

⁹ **What Populism Was, What Neo-Populism Is**, paper presented at the “Workshop on Old and New Populism in Latin America”, Institute of Latin American Studies, London, 24 November, 1995, p. 1.

¹⁰ This term meant --during the latter part of the XIXth century-- transformation inspired by the European industrialized countries, namely: urban development, education, cultural and material progress, social and economic well-being, and integration into the advanced capitalist world.

country through the end of XIXth century caudillos' war¹¹; 3- Creation of the basic modern institutional state framework which permitted further modernizing policies -- i.e., public finances, fiscal, education, foreign investments; 4- Gave rise to the modernizing development of the internal power structure through the creation of a professional army and reshaping political power channelling the basic social conflicts. With Gómez, “the founder of national peace”, the existence of the national-state in Venezuela was reaffirmed. For the first time in its Republican history, the central government's authority was imposed on all the national territory. Thus the political and institutional conditions were created which made it possible to begin to talk about the existence of certain national interests around the centralized liberal state. In this way, the country that had struggled between “barbarism” and “anarchy” from the days of its Independence (as usually happened in Latin America), found in “*Gómez Unico*” the great caudillo --“the Democratic Caesar”-- who consolidated the path of “Order and Progress”. Positivism was the philosophical/ideological influence that systematized both elements into a homogeneous whole¹². Therefore, Venezuela, under the autocratic exercise of power, attained political unity, a peaceful social order, and strengthened economic modernisation that formed the main “preconditions” to later articulation by the populist parties on the popular-democratic discourse.

The exploitation of oil started in the 1920's, and by as early as 1928 oil exports displaced traditional agricultural exports. Oil would quickly become a common fund of economic, political, social and cultural features in Venezuelan society that would reinforce its fragile national unity, the structure of the state and give a decisive impulse to the modernizing process. In just a decade, Gómez's government achieved the structuration of the political and juridical framework to articulate the oil industry to the nation¹³. Effective legal and political institutions were established which whilst allowing the control of oil capital activities, also created the necessary conditions for the nation to take maximum advantage of the industry operated by foreign companies.

¹¹ Peace under the Gómez regime was not only the fruit of the imposition of power and the use of the armed forces, but more importantly that which comes from the “free and firm will of the people to maintain it”. See “Mensaje del General JV Gómez, Presidente de la República, al Congreso Nacional en 1909”, in **Mensajes Presidenciales**, vol. III, 1891-1909, Caracas, 1970, p. 396.

¹² LB. Guerrero, **Introducción al positivismo venezolano**, Caracas, 1956; N. Harwich, “Venezuelan Positivism and Modernity”, **Hispanic American Historical Review**, vol. 70, No 2, May, 1990, pp. 327-344.

¹³ For the constitution of this juridical framework, see the well-documented work of B. Mc Beth, **Juan Vicente Gómez and the Oil Companies in Venezuela**, CUP, Cambridge, 1983, especially, pp. 5-69.

The logic which was established was: “to look after national interests without damaging in anyway the developers”.¹⁴

OIL RENT AND THE VENEZUELAN STATE

If one of the common elements in populism is --as I said earlier-- the appeal to the people, the question that arises is the status of this appeal in the context of the institutions and society like Venezuela. This specific context is not only as a peripheral capitalist country, but rather to be an oil-exporting society in the capitalist system. Thus, Venezuela’s contemporary politics poses a different problematic from those predominating in the literature both on democracy and populism. Let me point out briefly some of the further problems presented by being an oil producing country.

I shall argue that the nature of an oil economy has some institutional effects on the substantive political/ideological populist project. Some questions are pertinent: What is it an oil exporting society? How does the capitalist state work in an oil producing country? How do populist parties work? It is commonly agreed that the main institutions of Latin American populism are the state and the mass political parties from within which social organization comes. However, the content and form changes from context to context. Let me start by analysing the nature of the Venezuelan state.

The Rentier State- One key concept to understanding the particular condition of this state is that of oil rent. That is, the price paid to the state by oil companies for the right to explore and develop national oil resources¹⁵. In this sense, oil rent is a unilateral and international transfer which implies two relationships of the utmost importance: 1- At the origin, there is the state (acting as landlord and sovereign for taxation purposes) and foreign capital/oil companies (acting as tenants who lease the use of an object belonging to another). Here, a very important point is raised: How to fix the oil rent? In political terms, this is the relationship between the nation and oil imperialism. And since the rule of Gómez this revolved historically around state appropriation of excess profits generated by the oil industry. Between 1920 and 1935, the underlying discourse of “the supreme interests of the nation” was built from the state vindicating the nation’s ownership of the oil. So, then, a rentier state emerged, through attracting abundant resources dependant upon international oil capital and not on the sectors that make up

¹⁴ G. Torres, **Memorándum**, Tipografía Central, Caracas, 1930.

¹⁵ For information on the theoretical background of oil rent, taxes and other specific conditions operating in the oil industry, see B. Mommer, **La Cuestión Petrolera**, Tropikos, Caracas, 1988.

the state. As a matter of fact, it is a state whose principal function would not be to redistribute the wealth generated socially in the internal production process, but to distribute its own income. Thus nationally owned oil property and anti-imperialism occupied important positions in modern Venezuelan political discourse. 2- Regarding the second relationship, the point is the final destiny of oil rent. The most notable feature to which I refer is the political ability of the state to distribute it among different internal social and political forces. There were three decisive elements: **a.** The different positions and discursive strategies of the leaders of the state concerning the use of oil rent¹⁶; **b.** The correlation of forces between the state and other social and political forces; **c.** The expression of this correlation within the political system.

This double relationship established the nature of the state, one of the main institutions -and social agent- in an oil exporting country such as Venezuela. More important for our purposes, it also shows the role of the state articulating those political antagonisms derived from the entrance of the masses in the political arena, and the emergence of Accion Democrática populist politics.

- The two regimes that followed Gómez (López Contreras, 1936-41; Medina Angarita, 1941-45) formulated and developed the first state plan for economic and social development, and also initiated a democratic opening. This plan (to industrialize the country, modernize agriculture, strengthen education, housing, roads, to improve health, creation of public services...) was based on state's share of surplus profits from the oil industry (oil rent, as I defined above) and its distribution in the country¹⁷. The *mot d'ordre* in a type of metaphor that synthesised the modernizing project was **SOW THE OIL**¹⁸ which meant investment of oil rent in productive activities in society. With the thrust of the oil industry came the development of the middle class, the organisation of the working class, and the state was provided with the resources --both material and human-- and power necessary to shape a democratic and modern society. From 1936 the institutionalization of the democratic liberal state began enabling the organization of society and politics into the parties, peasant leagues and labour unions. The struggle for freedom of information and thought also began. And the conditions for the emergence

¹⁶ For the historical discussion about the destiny of oil rent, see A. Baptista and B. Mommer, **El Petróleo en el Pensamiento Económico Venezolano. Un Ensayo**, IESA, Caracas, 1987.

¹⁷ See E. López Contreras, "Programa de Febrero", 21.2.1936, in N. Suárez (comp.), **Programas políticos venezolanos de la primera mitad del siglo XX**, vol. 1, UCAB, Caracas, 1977, pp. 123-134.

¹⁸ See "'Sembrar el petróleo': un editorial, un programa", 14.7.1936, Ibidem, pp. 163-165.

of the main political/ideological forces were created (Christian Democrats, Social Democrats, Liberals and Orthodox Marxism). Medina widened this democratic opening and instituted a landmark revision of the petroleum laws in 1943. Under the petroleum reform of 1943, oil rent was raised gaining a 50% share of industry profits for the nation; imports for the oil industry were made subject to customs duty; and, most important, profits became liable to taxation. All these gains achieved in the favourable circumstances created by the Second World War, were supported by a popular mobilization organized by Medina's government¹⁹.

Between 1936 and 1945, the state assumed the role of an agent promoting democratization and modernization, with its political will making up for the still notorious lack of social, economic, and cultural structures and substituting for them in the establishment of goals. The main power factors sustaining the state were the Army and the technocratic/liberal elite who controlled it and its institutions. On the other hand, the state improved its juridical organization as sovereign in two respects: first, accomplishing oil exploitation and exports; second, the regulation of relationships between the nation and the oil companies. Nonetheless, we must make no mistake when evaluating this extensive (and intensive) function of the state. The very historical process of the consolidation of the Venezuelan modern state shows two things: *In the first place*, the role assumed by the state, as the main agent promoting democratization and modernization, found an echo and enjoyed the support of society which legitimized the exercise of power itself. *In the second place*, throughout this period democracy was connotatively articulated to economic development and material progress as positive ideological values. In this sense, we can understand how it was possible to reconcile the goal of establishing a democratic society in the absence of the social structures necessary to it. The state assumed a guiding and substitutive function. As historian Carrera Damas rightly points out, given the economic and organizational power of the (rentier) state, "the end results being that whoever controls the state controls society". And this statement is not mere platitude when "control" is not only interpreted as

¹⁹ For a very interesting review article examining some non-orthodox scholar literature on these years, and on Accion Democrática's historical role, see D. Hellinger, "Populism and Nationalism in Venezuela. New Perspectives on Acción Democrática", **Latin American Perspectives**, II, 4, Fall 1984, pp. 33-59

“rule”, but essentially as the power to shape society, because the latter still lacks the ability to manage its own affairs.²⁰

“THE PARTY OF THE PEOPLE” AND “THE SOUL OF THE NATION”

In Venezuela, it is possible to trace the beginnings of the populist party and ideology back to 1928, when a group of students --known as the “Generation of 28”-- rebelled against the autocratic regime of JV Gómez. The discontented students --who themselves formed a new middle sector urban elite-- were motivated by their belief that in the country there existed favourable conditions to organize the backward popular sectors into socialist and anti-imperialist causes. To accomplish this the creation of a modern political party was necessary --structurally different to the so-called Historic Parties that existed in Venezuela during the XIXth century.²¹

In 1928, some Venezuelan Marxists, who had organised from exile in Mexico the *Partido Revolucionario Venezolano* (PRV, 1926), expressed that “... the defeat of Gómez cannot be achieved except by a movement led by a Party...” For the PRV leaders, this movement would need to gain strength inside the country, and the fight had already begun with the student movement of 1928²². The question is then: What type of modern political party, which ideology, which structure, which organization, should be created? This question acquires even greater importance if we think that in Venezuela since 1936 parties would be the architect *par excellence* of the popular identities and ideologies that define populist politics. That is to say, the architect of that complex of interpellations constituting popular subjects in their opposition to the power bloc.

Rómulo Betancourt, a member of the “generation of 28”, and future founder of Acción Democrática, soon became one of the Venezuela’s outstanding populist leaders who understood the transitional condition of the country. Although a believer in Marxist-Leninist politics, from the beginning Betancourt questioned the viability of a working class party because “... our industrial proletariat is very deficient both numerically and

²⁰ G. Carrera Damas, “Venezuelan Democracy in Historical Perspective”, in Joseph S Tulchin and Gary Bland (eds.), **Venezuela in the Wake of Radical Reform**, Woodrow Wilson Center, Current Studies on Latin America, Lynne Rienner Publishers, 1993, p. 27.

²¹ Hence Steve Ellner rightly stresses that Venezuelan populism “arose from the disjuncture between intellectual desires for change and labor union backwardness”, see “Populism in Venezuela, 1935-1948: Betancourt and the Acción Democrática”, in M. Conniff, (ed.), **Latin American Populism in Comparative Perspective**, University of New México Press, Albuquerque, 1982, p. 135.

²² “La necesidad de un partido”, **Libertad**, No 2, México, June 1928, p. 3, in **Prensa Política Venezolana del Siglo XX**, vol. 2, Caracas, 1970.

organisationally”²³. He would insist on a “minimum programme” with democratic objectives to achieve power. Betancourt invoked Lenin’s strategy that in countries whose economies were dominated by foreign capital, the establishment of a “national bourgeois” government committed to industrialization and democracy had to precede socialist transformation²⁴. Once this had been achieved, it could move on to the execution of a maximum socialist programme. Instead, he proposed a multiclass party whose cadres could represent the interests of a variety of social groups, including the national bourgeoisie,

“a party capable of shaking and taking the great national questions to their furthest point... linking the democratic political vindication with exclusively economic ones; thus, it would manage to capture the solidarity of the masses so quickly, that the reaction .. would have to support us and be disposed to fight the decisive battle”.²⁵

Briefly, by subordinating ideology to practical strategies, based on the particular Venezuelan conditions, Betancourt’s discursive positions displayed --as Ellner correctly observes (p. 137)-- three characteristics that were trademarks of Latin American populism, namely: nationalist/anti-imperialist positions, encouragement of a multiclass party and engagement of democratic/electoral practices to interpellate (and constitute the identities) popular subjects against the power bloc: Gómez’s former associates (*gomecistas*) and the new technocratic-liberal elite who controlled power for the next ten years.

As a way of differentiating themselves from traditional politicians, populist leaders (*betancourtistas*) adopted an intransigent position towards the regimes of López and Medina. Betancourt tried to convince popular sectors that these were both autocrats masquerading as liberals. In this way, he identified them with their precursor JV Gómez. However, it was just a political argument. Far from demonstrating autocratic intentions, the decade 1936-1945 brought democratic liberties and political tolerance. In his inaugural speech upon taking office (5.5.1941), Medina defined as his main objective: to progress towards “the consolidation of the liberal principles”, and the firm

²³ Letter from RB to V. Rodríguez, dated 15.8.1932, in **Libro Rojo del General López Contreras**, 1936, 3d ed., Centauro, Caracas, 1975, p. 177.

²⁴ S. Ellner, op. cit., p 136; see also LR Dávila, **Language and Nationalism. Political Identities in Contemporary Venezuela**, forthcoming, The Studio Academic Press, London, 1997, especially, pp. 144 ff.

²⁵ Letter cit., *ibidem*.

aim of permanently achieving all the norms of “true democracy”²⁶. Although the content of these statements was democratic, in practice there was still a resistance from the regime to granting universal suffrage to elect both Executive and Legislative powers. Populist leaders found in that resistance a powerful argument for building a system of differences towards the government. They gave a voice to popular sectors around the demands for universal suffrage as the only way of obtaining the “true democracy” claimed by Medina.

On 13 September 1941, populist leaders held the first Public Assembly that formed the new party (Acción Democrática, AD). The moment has arrived, said Betancourt, “to appear before the tribunal of Venezuelan opinion”. The pattern of the new discourse was the establishment of a rupture with the political past. This occurred through a discursive strategy of the greatest importance and effectiveness to constituting popular-democratic identities. The discourse of historical rupture presented the function of AD as the beginning of the “Second National Independence”²⁷. The effects of such a metaphor on the beliefs and representations of the Venezuelans were powerful for the two reasons: 1- The link with the symbol of Independence was maintained, with all that that implied for the collective mythology of the country; 2- AD emerged as the element of rupture with the Republican political tradition. The new populist party was born equipped with

“... a programme that interprets the necessities of the country, of the nation, of a realistic Venezuelan programme taken from an open analysis of our problems” (Idem).

The programme of AD was nationalist, anti-imperialist, multiclass (“search for harmony between the classes”) and democratic. The symbolic references were presented in a variety of discursive forms. The new party “will help the nation to rediscover itself” (Betancourt²⁸); The AD, “alert vanguard of the nation”, which “aspires to be, and will be, the cement that bonds all Venezuelans... the cement that bonds... the immortal soul of the nation”²⁹. The foundation of the AD has been expressed as the “... co-ordination of the national spirit” (AE Blanco³⁰). The reference to the historical argument could not

²⁶ See text of the speech in Suárez, N., op. cit., vol. 2, p. 8.

²⁷ See Betancourt’s speech in AD first Public Assembly, 13.9.1941, in *ibidem*, p. 21

²⁸ “Acción Democrática hará historia”, *Ahora*, 5.9.1941, p. 1.

²⁹ Betancourt’s speech, 13.9.1941, cit., pp. 23 and 31.

³⁰ Blanco’s speech, 13.9.1941, in *Documentos para la historia de AD*, Centauro, Caracas, 1981, p. 321.

be left out. Betancourt, more than any other, was convinced that “this Party was born to make history” (p. 21). In constituting a unified language, the AD started to articulate popular-democratic interpellations into its political discourse. In addition, the AD established a solid national organization, under the watchword: “Not a single district, not a single municipality without its party organization”. The democratic demands of the popular sectors and the ideological symbols that represented them were less and less absorbed by the liberal regime, to a point where the scission between Medina’s government and the masses became complete.

By examining the main institutions of Venezuelan populist politics (the rentier state and the popular party, “the party of the people”, AD), we are able to understand the construction of the new political order --the very real populist order-- when the AD meets the state in October 1945. Now it is possible to grasp why control of the state apparatus by the AD was the mainstay of an appeal to the people that assured its political expansion. As I argued earlier, whoever controls the state controls the power to shape society, and it is particularly true when this power is exercised in the name of a people who still lack the ability to manage its own affairs. Let us then move one step further: to when the populist party seizes power.

III.- OLD POPULIST POLITICS: THE REVOLUTION OF EXPECTATIONS

On 18th October 1945, the government led by General Medina Angarita was taken by surprise and defeated by a *coup d'état* led by a group of army officers and leaders of Acción Democrática. Such an event would constitute the first rupture in constitutional continuity in the XXth century Venezuela. It would also signify an important historical event for Venezuelans which although short-lived (it would end on 24th November 1948 with the defeat of the government of the novelist Rómulo Gallegos by practically the same military officers who brought down Medina), meant an attempt to construct a new political order. Thus the period between these two events became commonly known as the "*trienio*". During this time a type of discourse charged with new symbols, values and representations, as well as a type of practice charged with new forms of political action was constituted, which would inevitably modify the political horizon of the country.

An event like the "October Revolution", which replaces one political order with another, produces a fragmentation of social interests and identities that need to be

rebuilt in order to be able to constitute popular subjects as the determinant force of the new political order. The discourse of the *Junta Revolucionaria de Gobierno* (JRG) would do this by at least three mechanisms: The constitution of popular identities, the institution of "effective democracy" and "economic nationalism". In order to limit the length of this paper, let me explore in the following pages the mechanisms through which the constitution of popular-democratic identities and the appeal to the people was made.

1. THE CONSTITUTION OF POPULAR IDENTITIES

Scarcely twenty-four hours after installing the new government and in its first official communications, the "triumph achieved by the army and people united against the sorrowful political regime that was ruling in the country" was announced. What meaning does this announcement contain and what image does it evoke? From this moment --and for many decades-- the people became a transparent social actor (despite the opacity and vagueness of the term). What is its composition? "The determinant majority of Venezuelans" (Betancourt's expression) --students, workers, peasants, teachers, unions, professionals, industrial federations and so on. The identity of this "determinant majority" began to be constituted. The argument was clear from the first moments of power: "we are practising a new political style in Venezuela... the style of sincerity and speaking frankly to our people" (Betancourt, 1948: 8).

The appeal to the people was made then from a collective identity, by diffusing collective symbols. "The people" is converted into the only social actor of the revolution. Not all Venezuelans would lead the way, only some: those of the people, "so that it is their men and women who point out the collective direction".³¹

This first identity of the popular and its relationship with the new political order led to the first block: "THE GOVERNMENT OF THE PEOPLE". Betancourt had long been convinced of his popular affiliation and faith ("I was, I am, I will be with the people and face its historical enemies"), and was the most eloquent diffuser of the discourse about the ability of the until then relegated people to manage their own affairs politically, economically and socially. The experience begun on 18th October showed that: "we are a people that is irrevocably resolved to find its own path, that is disposed to make its

³¹ D.A., Rangel, "La explicación histórica de la revolución en Venezuela", *Cuadernos Americanos*, Vol. XXXIII, No 3, México, May-June, 1947, p. 16

own history"(Betancourt, 1948: 287). This optimistic appeal would be reinforced by two other identities: PEOPLE- PARTY (AD) and PEOPLE-ARMY.

We have seen earlier that from its entrance into the national political arena, the AD was born as the "party of the people". This was not because in reality it was, but rather it stated that it was so by constituting its own political identity. Thus this popular-national identity would be present from the time of the foundation of the party (1941), when it could at last be shown *viva voce* that the people now had their own party. The willpower component would be justified in graphic terms by he who from now on would be its greatest leader: "The Venezuelan-popular, who had been looking for a channel for political expression, has incubated this party and has set it free to walk all Venezuela's roads" (Betancourt, 1941: 1). With this original discursive identity, what could be hoped for now that the populist party meets the state and the leadership of a revolutionary government? From the days of "the Glorious Revolution..." a sort of spontaneous equivalence is created, independent of all principle and doctrine, beyond all reasoning: "THE PARTY OF THE PEOPLE" and "THE GOVERNMENT OF THE PEOPLE", now in charge of both carrying out and defending the nation's new values.

This equivalence symbolically transformed the AD from a minority political organization with relatively isolated militants up and down the country, into an immense collective being --"the party of the people". The other identity referred to is that of the "people-army". Both were leading actors on 18th October. "Against this regime the army and the people rebelled united", this would be a statement that Betancourt would never abandon. In short, this triple identity --"people-government", "people-party", "people-army"-- belongs to the discursive mechanisms constituting popular subjects

2. *THE INSTITUTION OF THE "EFFECTIVE DEMOCRACY"*

Having examined the first part of the discursive and symbolic name given to the events of 18th October --the "popular and democratic revolution"-- let me go on now to the second part of the equation: the democratic component. What are the elements of the popular-democratic interpellation? How is meaning given to the expression "effective democracy" in opposition to the "true democracy" of the *ancien régime*? The three great axes on which the democratic appeal would be made during the "*trienio*" were: universal suffrage, administrative morality and depersonalization of the exercise of

power. These three produce the revolutionary goals needed to reach the country's political, moral and administrative majority. However, we must take up a position away from the idea that these constitute the doctrine of the Revolution. I must reiterate that 18th October was a political action at the service of a doctrine --that of the AD. Let me examine the first axis, the most important for understanding popular-democratic interpellation³².

UNIVERSAL SUFFRAGE. The state's new political organization would rest on the principle of representation of the popular will. This could not be carried out except through the creation of universal suffrage which would also be the revolutionary government's only guarantee of provisionality and the mechanism capable of innovating the duties of the Executive and Legislative power. The question is expressed verbally thus: "This revolution has been created to return sovereignty to the people. We would therefore falsify the historical *raison d'être* of this movement if we tried to artificially prolong the provisional political order existing in the country" (Betancourt, 1948: 6-7). Besides being an obligation of the AD with its militants, or "the country's protest" during the 40's, there is something more. As Castro Leiva rightly interprets it: the universal vote was not only an aspiration that was felt and expressed; it was also a mechanism for the Republic's moral achievement, which would not be so "if it does not rest on the best and general will." (1987: 66)

The revolutionary *mot d'ordre* would be not just to limit the insistence on restoring popular sovereignty to the urban sectors. It would also have to insist, and with much greater force, on the redemption (emancipation) of the rural masses. The revolutionary discourse would boast about this in the following terms:

"The peasant ceased to be a poor farmer and was converted into a victorious union militant because the Revolution went to the gates of his hut to say to him; you are a citizen of Venezuela with as much right to demand vindication and to demand social justice as the most illustrious of the bourgeois."³³

With this discursive interpellation, exactly three years after the 18th October (1948), two things are made clear. 1- The political organization of the peasantry ("victorious

³² For the examen of the other two axis, see LR. Dávila, "Language and Power in the First Venezuelan Democratic Experience, 1945-1948", forthcoming in the **Bulletin of Latin American Research**, 1996.

³³ D.A., Rangel, Speech in the Venezuelan National Congress, **El País**, Caracas, 19.10.1948.

union militant"); 2- The peasant's constitution as democratic-popular subject to whom more "rights" than "duties" were designated. Then this appeal would receive its symbolic touch with the promise of the "redemption of the peasant". The urban and rural people felt "redeemed" by universal suffrage, this became a strategic point of utmost importance to the revolutionaries, and not because winning elections legitimised their power. More importantly, historically they would continue to be the protagonists of this redemption. Certainly, it was the sign of a new spirit of the times, that of political modernity. In this way, the multiple functions of suffrage (the moralization of the political, the democratization of state and society, the incarnation of the general will and the legitimacy of power) would decisively influence the populist order of various generations. The political would be a prisoner of universal suffrage, and in the field of representations, and of rituals and modes of action, the efficiency of this type of suffrage would be revealed.

A first axis of "effective democracy" had been drawn --universal suffrage. According to Betancourt, Venezuelans would have the opportunity to appreciate one of its virtues: "To cast aside the hazardous path of the putsches and to solve the power question by the only pacific and civilized route of suffrage" (Speech in the National Congress, 12.2.48). Although it allowed this very important change from the "hazardous path" to the "pacific and civilized route", what has been left unspoken until now is the articulator role that suffrage would play between society and the state. This would turn the mechanism of articulation of the popular sectors into a legitimating obsession. On the one hand, universal suffrage crossed the frontier of its own doctrinal circumstances, because it contributed to the defeat of the evolutionary sociological thesis of previous governments. On the other, universal suffrage guaranteed three things: 1- Legitimation of power; 2- Electoral expansion of the AD; 3- Provision of the effective means to constitute popular-democratic subjects that prevent the return of autocratic governments. Between 1945 and 1948, there were three elections by universal suffrage, and indeed the AD won them all by more than 70% of the votes. As a consequence, the domination of the state and society by the AD was --if I can say this-- totalitarian. The party, the state and society were constituted as a unique entity with tremendous mass appeal. This kind of democratic totalitarianism (confusion between the party and the state) was one of the main criticisms raised by the other political parties in the system -- i.e., COPEI, *Unión Republicana Democrática*, and the Venezuelan Communist Party.

3. THE STATEMENTS OF "ECONOMIC NATIONALISM"

Whilst in power, Betancourt's strident denunciations of the 30's would be moderated in his writings in the press, against the "imperialist exploiters of our country with all their hypocritical and deliberate maxim on 'the well being of humanity throughout the whole world'". The tone of his cries in the public arena on "what the oil companies take away and leave for us" would also soften. To obtain the support of the State Department (USA) and consortiums such as N. Rockefeller's Standard Oil, it was necessary to arrive at comprehensive agreements between the Revolutionary government and the oil industry, in the hands of foreign operating companies. The "*trienio*" was in favour of this kind of arrangement (increase in post-war World oil consumption, increase in national oil production, rises in price and oil revenue) which allowed for a substantial increase in the national budget, and therefore public expenditure. The position of the rentier state, owner of the oil producing subsoil, was then satisfactory. The same could be said of the oil companies.

After October, "economic nationalism" became one of the main statements of the new populist order. Those who would most radically refer to this postulate would be precisely those of the "left" wing of the AD. That is to say, those who saw 18th October as just another link in the chain towards socialism. Betancourt would talk quite calmly about the recuperation of the country's own economy, and of demanding an adequate share in the oil industry for the nation.

But this nationalist image of the AD ("Venezuela first", "the Anti-Imperialist and Democratic Revolution", "for a free Venezuela for Venezuelans") -- a representation of a radical anti-imperialist position-- excites popular passions, and these push towards action. As the great inspiration of the fight and the political banners of the AD and its political ancestors, (from 1931), economic nationalism would not be abandoned by the revolutionary discourse.

What does the populist consist of in regard to economic nationalism? In the representation of a type of relation between the Venezuelan state, under the leadership of the AD, and foreign capital (primordial oil) where the former imposes conditions, and benefits from the latter, due to the strength of its determined nationalist position. In political terms, this was translated into official policy aimed at increasing the nation's share in the profits of the oil companies; whose product was destined to "sow oil". This

added up to project an image to popular sectors about the type of relations that the revolutionary government would define between the state and the companies. Betancourt would talk in a balanced way of a behaviour "of clear nationalist contrasts without irresponsible imprudence". Or with that idiomatic nuance belonging to a Head of State: "a policy of intransigent custody of the national patrimony".

Last but not least, there was the problem of the state's share in the production of the oil industry. This point was most advantageously exploited by the octoberists when it penetrated popular beliefs. Thanks to aggressive and decidedly revolutionary (populist) nationalism, the image that was projected managed to raise considerably the nation's share in the oil business. As is to be supposed, everything in that connection carried out by previous regimes, principally anything undertaken by Medina, was not recognized -- even the important achievements of the 1943 oil reform. It is important to clarify that the mechanisms employed to increase this share during the "*trienio*", on two occasions, until they arrived at the symbolic "fifty-fifty" (50%-50%) formula, had already been designed and implemented by the government prior to 18th October. But this would not be disclosed. The discourse would --accommodatingly-- hide it: if the nation's share grew, it was not because the "regime of infamy" had paved the way; nor was it due to favourable international circumstances. They could not allow this to be believed, "the determinant factor of this phenomenon was the new fiscal policy, guarantor of the national interest, which was put into effect, even when it also influenced the increase in production and the increase in the price of crude and its derivatives" (Betancourt, 1949: 48). Notwithstanding, fiscal policy as well as the means employed to effect were already a *fait accompli* from the 1943 Oil Law: to increase the state's relative share by using the state's sovereign powers of taxation

Meanwhile, what did the companies, those forgotten partners of this nationalist discourse, say? In general, they showed themselves to be very satisfied with this arrangement that forced them to share half their profits. So much so that "the Creole's own tax experts, united with others from the industry, co-operated in the wording of the legislation..."³⁴. And not to evade the symbolic fixation, the same "experts" baptized the new formula as "Mr Proudfit's fifty" (Creole's President in Venezuela). To complement this, they unfolded a diffusing policy that promoted this agreement throughout the Middle East. The essence of this oil happiness came from contractually limiting "future

³⁴ "Creole Petroleum: Business Embassy", in *Fortune*, Chicago, February, 1949, p. 178.

politicians who might have ideas of 60-40 or even 70-30" (Idem). This limitation is part of the populist politics of October and its *trienio*.

In summary, the populist policy of an equal share of oil profits (50/50) --considered discursively as a great victory over "*el imperialismo petrolero*"-- in effect established a limit on the state's share of profits regardless of how much prices and company profits might rise. It may be argued that in spite of nationalist/anti-imperialist positions, the populist policies of the AD were not opposed to the interests of the companies. On the contrary, these policies were consistent with the interests of expanding transnational capital. Such as had happened with the young Betancourt subordinating ideology to pragmatic considerations, nationalist oil positions were pragmatic rather than anti-imperialists. Although in cases like Argentina or Brazil populism was an obstacle to association with foreign capital --because of nationalist orientation-- in Venezuela this association was forged under the guise of populism in the first place. Given the context of Venezuelan populist politics (oil exporting society into the capitalist system), both the AD government and oil capital agreed to soften any radical position. Nonetheless, the AD carried on with a very rhetoric anti-imperialism when addressing to the people. But in truth, anti-imperialism had been replaced by a desire for association with foreign capital (e.g., a very close friendship between Betancourt and Rockefeller blossomed during the *trienio*, in spite of denunciations by the former in the previous decade). As a matter of fact, the peak of populist politics in Venezuela (1945-1948, and then the first Pérez government between 1973 and 1978) coincided with changes in policies and the establishment of institutions -- even the nationalization of the oil industry in 1976, seen by some critics as simply "*un acto imperialista*"-- that have served to deepen rather than loosen links between the state and foreign capital.³⁵

IV.- NEW POPULISM: THE FAILURE OF "THE GREAT TURNAROUND"

- CONJUNCTURE AND ELECTORAL CAMPAIGN

Conjuncture- By the time Carlos Andrés Pérez arrived in power, populist politics was already in crisis. Since the last two governments (Christian Democrat, Luis Herrera Campins, 1978-1983; and Social Democrat, Jaime Lusinchi, 1983-1988), populist appeal ceased to play an important role in Venezuela. Three reasons combine to explain this: 1- Due to the crisis of legitimacy of the political system. The leadership was unable

to generate credibility among society, nobody believed in the statements of the populist discourse any more. Even elections by universal suffrage, as we know, symbol of legitimacy *par excellence* in the old populism, became the business of the media and a rhetorical game of unfulfilled promises. 2- The ideological crisis of the populist parties manifested itself as a lack of a substantive political project. There were just electoral programmes to win elections every five years. In the midst of this conjuncturalism, politics became rather a pragmatic activity than a way to carry on with a long term ideological project, namely: a project to deepen democracy and face the transition from an oil-based society to a post-oil society. Although we all know that there is nothing more difficult to execute, nor more doubtful of success than to introduce a new order of things in society, this will be almost impossible to achieve in absence of ideological criteria. 3- To this, it is necessary to add the specific way through which the process of dismantling the economic power of the rentier state had already started. Transfer of oil rent (that is, public wealth) from the state to private pockets generated a process of corruption that opened new ways for unscrupulous and illicit political behaviour. 4- Finally, it was the crisis of the oil-rent based model. The combination of a political system structured around oil rent distribution and a fiscal and economic crisis has proved paradoxical and extremely inflexible in the face of adversity³⁶. While rentier politics created the important political expectation that the state should function as a repository of rights for the people, these rights were accepted passively, without the active participation of this people. The populist parties dominated political and social life through elections every five years; civil society was weak, and a “client oriented style of politics became the rule”. That is to say, then, the main populist institutions: the rentier state and the party --as seen earlier-- were already in crisis when Pérez took power.

Electoral campaign- Pérez’s 1988 electoral campaign made an appeal to the most traditional populist mechanisms of 1973³⁷. He campaigned in an ambiguous style

³⁵ Daniel Hellinger’s review article develops this argument, op. cit., pp. 42 ff.

³⁶ See TL. Karl, **The Paradox of Plenty: Oil Boom and Petro States**, University of California Press, 1994.

³⁷ Pérez had already been in power between 1974 and 1979 and thus presided over the oil boom of the mid-1970’s with all the influx of massive new revenues after 1973. Pérez and his faction of the AD --opposite to *betancourtistas*-- sought to reduce the power of Congress and to free the hand of the bureaucracy through administrative reform, changes in the planning process, and the so-called Fifth National Plan. These measures --undertaken in the interest of an emerging financial sector (“*los doce*

designed to evoke memories of the old populism and nationalism of his first administration: “optimism and veiled messianism were its chief elements”³⁸. The effects of this style were positive to win elections: “... expectations ran high that a victory of the erstwhile big-spender of the 1970’s, Carlos Andrés Pérez, would somehow herald a return to the ‘good old days’ of his former administration”³⁹. Most of the electorate apparently believed that once in power Pérez would announce his intention to align Venezuela more closely with those Latin American nations pressing for concessions on debt. In consequence, Pérez would pursue more nationalistic policies than his predecessor. Although during the electoral campaign Pérez insisted that profound changes were needed to “modernize the economy”, the style of his discourse ensured that nothing was known with any reasonable certainty about his very real intentions. His statements to win over the electorate were very uncertain and vague. He foresaw the reimplementation of the interventionist policies of his first administration which he claimed had made the prosperity of the so-called “*la gran Venezuela*” of those days. Nonetheless, his electoral manifesto --usually read by very few voters, if any-- set some guidelines such as: a decreased state role, export-oriented economy, decentralizing political reforms, privatizations, continuation of both the reform of the state and the electoral and party system, and so forth.

Pérez assumed the presidency for the second time on 2 February 1989 in the midst of an unprecedented parade of world leaders (among them Fidel Castro and the heads of state of virtually all the major Latin American countries), a clear sign of his new populist style but also of his megalomania. The inauguration ceremony smacked of a lavish use of resources and wealth rather than frugality and economic crisis. He won with around 52% of the vote, and for the first time since the 1978 elections his political party, the AD⁴⁰, lost its majority in both Chambers of Senate and Deputies (48%) as well as a control of many local governments⁴¹. The task of the electoral campaign was a success.

apóstoles”) linked directly with the state oil rent distribution and foreign capital-- made Pérez’s populism appear as a façade behind which the state was centralized and made more bureaucratic and authoritarian.

³⁸ A. Stambouli, “An Evaluation of the First Year of the Government of Carlos Andrés Pérez”, in J. Tulchin and G. Bland, **Venezuela in the Wake of...**, op. cit., p. 119.

³⁹ J.L. McCoy and W.C. Smith, “Democratic Disequilibrium in Venezuela”, **Journal of Interamerican Studies and World Affairs**, vol. 37, No 2, Summer, 1995, p. 130.

⁴⁰ Since restoration of democracy in 1958, the AD became the largest party in the populist system. Betancourt was elected president that year, and the AD’s candidates won four of the six presidential elections between 1963 and 1988, losing only two to the principal opposition party, COPEI.

⁴¹ COPEI won 20 seats in the Senate (43%), and 67 in Deputies (33%), **El Nacional**, Caracas, 7.12.1988, p. D-1.

Most of that 52% of the electorate in fact thought that Pérez was the candidate best qualified to restore prosperity of the “good old days” of his former administration.

- “*EL GRAN VIRAJE*” (THE GREAT TURNAROUND)

According to Moises Naím⁴², there were five areas in which the deepest problems were clearly evident, and for which effective government action was urgently required: Repressed inflation, balance of payments deficit, the budget deficit, financial controls, and finally state intervention. The new policies looked to face these problems in a neo-liberal fashion. By leaving behind the festive atmosphere surrounding the inauguration of power, on February 14, Pérez announced the Adjustment Plan, a series of neo-liberal economic measures that took the country by surprise. “The government acted with dazzling speed” (p. 54). *El Viraje* was announced: the raising of prices hit popular sectors; the freezing of salaries hit middle sectors of the state bureaucracy; petrol prices were to double, to be followed by two more increases in subsequent years; the exchange rate would be unified and allowed to float freely which brought a huge devaluation of the national currency; interest rates would be allowed to rise to market levels (affecting the agricultural sector) after years of control, in an effort to attract foreign investment and to keep more Venezuelan money in national banks; the fiscal deficit would be cut by freezing public employment; a new agreement with the IMF would come later. The president Pérez of the 1970’s, who was the *bête noire* of the IMF, upon assuming office again surprised Venezuelans by announcing IMF-style austerity measures. Actually, negotiations were already well underway, and the package of measures was part of understanding already reached.

Two weeks later, on Monday 27th February 1989, the people of Caracas and several other major cities took to the streets. The violence ended on 5th March. Pérez responded to the violence with political skill. He acknowledged that the rioting was a social response to the austerity measures, and attempted to temperate violence. Later, he announced some immediate concessions for the people. February 27th will probably stand out in new Venezuelan populist politics as a turning point of a longer term historical process of change.

⁴² He was Minister of Industry during the initial two years of Pérez’s administration, and one of the technocrats who launched the reform process in Venezuela. See “Launching Radical Policy Changes, 1989-1991”, in Tulchin and Bland, **Venezuela in the...**, p. 48-51.

The new economic liberalism looked to substitute state interventionism. Market economics were imposed suddenly over the rentier state politics. The new populist government did make an attempt to break away from the oil populist system, however, the internal social and political context in which market-oriented economic reform had to be undertaken was not the best. Moreover, the measures were imposed by a set of conditions --i.e., the impact of the 1986 oil price collapse⁴³-- rather than being the result of deliberate choice guided by a substantive ideological and political project. Furthermore, neo-liberal issues⁴⁴ were designed not for Venezuela -- or by Venezuelans-- but as the “structural adjustment” derived from the “Washington consensus” of the USA’s President George Bush, promoted and developed by the multilateral financial institutions and various multinational agencies. Pérez’s ministers frequently argued the specific conditions of the country’s economy, but typically applied the generic rules⁴⁵.

Although the governing elite argued that the only option to deal with the economic crisis was a (neo-liberal) shock programme (e.g., Naím), it could be also argued that Pérez’s populist campaign rhetoric contributed to the violence of 27th February, by frustrating expectations. He presented a discourse to win elections and another completely different discourse to govern. Those who carried out the new policies tried to justify them by saying that reforms would exacerbate some hardships in the short term, but that the resulting economic growth would benefit everybody in a few years’ time. However, the government never developed adequate policies to cushion the impact of the package on popular sectors, or to distribute fairly the burdens of the sacrifice. As some scholars have argued, the assumption that “social equity is a subproduct of economic growth”, sounds to be just rhetoric.⁴⁶

⁴³ There are many explanations for Venezuela’s economic crisis: dependency on oil; foreign debt; corruption and the bloated state agencies; lack of a transitional coherent project to go from an oil-based economy to a post-oil economic order. Explanations depend on the ideological positions of each social sector and there is no general consensus about them.

⁴⁴ These issues are components of an ideological discourse, and claim that the choice between the state and the market is obvious: there is only one path to development, and it must be followed. And despite each specific conditions. Moreover, even though market ideology now seems to have attained uncontested intellectual hegemony, the virtues of the market are being called strongly into question by recent developments in neoclassical economic theory. For a critic to neoliberal ideology, see A. Przeworski, “The Neoliberal Fallacy”, **The Journal of Democracy**, vol. 3, No 3, July, 1992, p. 46.

⁴⁵ F. Rosen, “The Temperature Rises in the Crucible of Reform”, **NACLA. Report on the Americas**, vol. XXVII, No 5, March-April, 1994, p. 27.

⁴⁶ V. Fajardo, “Colapso del Paquete Económico: Causas, Efectos y Perspectivas, Venezuela, 1989-92”, **Cuadernos del CENDES**, No 20, Caracas, May-August 1992, cit. in *ibidem*, p. 26.

We may conclude by showing why Pérez's new populist strategy failed. I think the reasons lie in the following elements:

1- Pérez's government failed in articulating the state new social relations. As a result he failed to generate either popular support (or at least to maintain that which he had at the elections) for the great turnaround or parliamentary approval for proposals that included a number of far reaching structural initiatives. That is to say, the new populism fell into a neoliberal restructuring plan. Without constituting new popular subjects or without interpellating those already in existence, it lacked an appeal to the people to support politically radical changes. Pérez felt perhaps his personal charisma "could pull the wool over the eyes of the entire nation"⁴⁷. Even if at some point in the adjustment, the AD and COPEI recognized the value and need for macroeconomic measures, and the Venezuelan Workers Confederation (CTV) acknowledged the irreversible nature of the socio-economic direction, Pérez's government was isolated from other powers. It remained alone with a team of technocrats who made little effort or headway in selling these policies politically.⁴⁸

2- It was not clear that changes in the direction of policy, even if justifiable in themselves, as the economic neo-liberals around President Pérez argued, would hold out much hope of success unless it constituted new political identities, and appeals, which support the new terms of political discourse. And Pérez's government failed to do this. At the end it was unable to retain the support of even his own political party, the AD, which bitterly criticised its exclusion from power and anti-popular policies. To the surprise of everyone, including some of the appointees themselves⁴⁹, the cabinet was formed by a group of professionals from the private sector and well-known academics with no party affiliation and politically inexperienced. And that was one of the new populist features, as opposed to old populism which in general used to appoint political activists to the main government posts. Pérez's programme of adjustment may have been technically impeccable, but it ignored popular expectations and the lack of real political consensus. The great turnaround helped to destroy popular-democratic identities that had supported old populist politics without constituting new popular subjects capable of entering into a bond with the power after the announcement of that

⁴⁷ S. Ellner, "A Tolerance Worn Thin. Corruption in the Age of Austerity", **NACLA. Report on the Americas**, vol. XXVII, No 3, November-December, 1993, p. 16.

⁴⁸ McCoy and Smith, "Democratic...", p. 131.

painful transition. Reforms tended to be initiated from above and launched by surprise, independently of public opinion and with a minimal participation of organized political forces.

3- Although after more than a year of government, the economic programme of the Pérez administration was accepted --increasing some statistics, i.e., GDP growth 5.3% in 1990 and 9.2% in 1991(ibid. p. 59)-- the end of the great turnaround was corruption. Where it was more successful was in transferring public resources to private pockets. The package became the business of financial sectors, by means of which the flight of capital from the country increased. Even if Pérez insisted that the neo-liberal model he embraced was a corrective to corruption in high places --i.e., the state-- he himself was accused by the Supreme Court in 1993 of deviating funds amounting to \$17.2 million into personal gain. As a consequence he was indicted and impeached on charges of corruption.

New populism without the constitution of new political and social identities, new popular appeals, without the articulation of new social relations, in the absence of political consensus led inevitably into the chaos. The leaders of the 1992 populist-oriented coup attempts reminded Venezuela's political elite that it was no longer possible to take popular support too much for granted, thus popular-democratic rules in the country had to be redefined⁵⁰. This was demonstrated by the anti-Pérez sentiment at the time of the Supreme Court's decision in 1993. As one of the judges said: the impeachment of Pérez "goes beyond the issue of corruption; it is a repudiation of Pérez the politician".⁵¹

In 1994, Rafael Caldera, one of the founders of old populist system, was elected president of Venezuela for the second time. (He first served from 1969 to 1974). He won the election with about 31% of votes, after running a fiercely anti-neo-liberal campaign⁵². Once in office, he was confronted by an immediate run on the currency, and a bank collapse which forced the government to partially nationalize the banking sector and impose exchange controls. Within weeks, Venezuela was back to its traditionally statist regime of price and import controls and state intervention

⁴⁹ Naím, p. 53.

⁵⁰ G. Philip, "Venezuelan Democracy and the Coup Attempt of February 1992", **Government and Opposition**, vol. 27, No 4, 1992, p. 469.

⁵¹ Cit. in Ellner, p. 16.

⁵² Abstention in these elections was at a record-high level: despite the fact that voting is compulsory, 50% of the electorate did not vote.

throughout the economy. During his electoral campaign, the new president had aligned himself with the old politics of social solidarity. Will old Venezuelan populism having successfully completed its substantive political/ideological project --as argued in these pages-- be equally successful with regard to the constitution of new political and social identities to solve the current economic and political crisis of the system? If the moment of new populism in Venezuela was very brief, in one sense we can say that the reform of old populist politics could arise, phoenix like, from the ashes of the new.