

Understanding why Hugo Chavez obtained political power in Venezuela: Would Hugo Chavez exist without the oil windfall?

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Understanding why Hugo Chavez obtained political power in Venezuela: Would Hugo Chavez exist without the oil windfall?

This paper seeks to examine the relationship between existence of “*chavismo*” and oil revenue. I will try to show how Hugo Chavez use oil windfall to augment its support among the population. Moreover, I will show that Hugo Chávez decided to implement social programmes when the recall referendum was activated by the opposition. Social funds is not a new invention of the “chavismo” in Venezuela. However, Chávez has quite well known how to publicize public expenditure for his own interests. Moreover, I will describe, why Chávez used social funds without budgetary control in order freely to dispose of more resources. I am going to begin my thesis reviewing the circumstances that facilitated “chavismo”. Finally, I will answer the question about if, could Hugo Chávez exit without windfall oil?

I. Historical elements

The 27th February of 1989 is a key date to understand recent Venezuelan history. The “*caracazo riots*” was a proof that unequal social circumstances were worse than it was perceived. After the inauguration of Carlos Andres Perez, he applied all the economic advice given by multilateral organizations. These liberal economic reforms were like a shock treatment as they differed quite significantly with the policies of previous political regimes in Venezuela. Before 1989 Venezuela was considered as an example of democracy for Latin American countries. At least Venezuela had regular elections, alternation of political parties in power and respect for civil rights. Both Carlos Andres Perez and Rafael Caldera turned to neoliberal during their terms. Some social groups reacted against these policies. Finally, peaceful demonstrations converted into uncontrolled riots. The army was called to break up people on the streets. After the riots, the political scene was ready for the arrival of new politicians to the scene. (Ellner, Steve and Daniel Hellinger, 2003)

II. Chavez and the “Chavismo”

There is no clear consensus among scholars on how to label the Chávez administration. Some attempted labels include populist, revolutionary, participatory, socialist, authoritarian, statist-protectionist, oil-addicted and cesaristic. (Ellner, Steve and Daniel Hellinger, 2003, Blanco, 2002)

We could define *Chavismo* as a political alliance of radical leftist civilians and the military. While such an alliance was inconceivable elsewhere in the region, it was somehow possible in Venezuela. Nonetheless, it has not been an easy task. There has been clear friction inside the coalition since Chávez took over in 1998. Significant numbers of non-left leaning components of the military has either abandoned the government or were purged after the coup d'état of 2002. The military support has been strong despite the fact that it still might be the cause that some military oppose, albeit silently, Chávez government. (Buxton 2005, Ellner 2003)

In the other hand, political support is solid. It would be necessary to analyse the collapse of the previous political regime. The “*Punto Fijo*” regime collapsed for its extremely exclusionary politics: political life was becoming too inflexible to allow the entrance of new political forces and those who were being excluded from public affairs were getting upset. Moreover, the old political class system was too inefficient to propose and bring about the necessary reforms. The non-dominant opposition forces slowly obtained access to power under the previous regime and this produced an induction of new forces and actors in the political arena. Left wing politicians did not get any power until the early 1990's.

Trying to outline the profile of the first set of leaders in an election provides a window into both the groups that support a new leader and the sectors that the new leader draws allies from. The *Elite dirigente chavista* come from different backgrounds. Table 1 shows the political and professional background of every delegate who participated in the Constituent Assembly. The three largest professions represented were: University professors (25), professional politicians (24), individuals with military careers (19), and lawyers (15). (Corrales 2006) See Table 1.

Table 1: Professional Profile of Delegates to the 1999 Constituent Assembly (Corrales 2006)

	<i>I-Chosen</i>	<i>O forces</i>	<i>Indigenous</i>
Attorneys	15	2	1
General	7	1	1
Professional Politician	6	1	
Elected Politician	2		
Economista (E)	1	0	0
Economist, Elected Politician (EPE)	0	1	0
Former Guerrillas (G)	3	0	0
Journalists (P)	4	1	0
Journalist, Elected Politician (PPE)	1	0	0
Medical Doctors (M)	3	0	0
Military	19	0	0
Golpista 4F/27N (MG)	9		
Golpista Retirado (MGR)	2		
Retirado (MR)	7		
Sublevado '60 (MS)	1		
Others	19	0	0
President's relatives (F)	2	0	0
Professional Politicians	24	1	1
General (PD)	10	1	1
Elected	14		
University Professors	25	0	1
General	13		1
Professional Politician	6		
Attorney	4		
Attorney and Political Leader	2		
Union Leader (S)	5	0	0
Union Leader, Elected Politician (SPE)	2	0	0
Total	123	5	3

Upon the examination of this table, we see two sectors with low-representation: labour leaders and economists. In contrast, there were so many university professors, military personnel,

and politicians which show that Chávez's social support does not allow for newcomers or non-elites (In this table we see a large number of career politicians, attorneys, high-ranking soldiers and university professors). University support for Chavez while great, is not overwhelming. Curiously some of these groups were quite protected and benefited from institutions set up during "*Punto Fijo*" regime.

III. Explanations for the Changes

A. Poverty

The simpler explanation on how Chávez seized political power focuses on the difficulties of the poor. We could enumerate these problem from 1982 in this way: 1) economic poverty , 2) growing inequality, 3) expansion of the unstable labour market, 4) lack of representation of workers by the trade union. All of these factors worked together to materialize the rise of a leftist substitution. The levels of poverty have been growing since 1980's. Ironically, it is the votes of the poor which often decide the outcome of an election. The novel thing about Chávez is that he developed leftist policies and propaganda but maintained support from a social cluster which was protected by "*Punto fijo*" regime. (Blanco, 2002)

B. Institutional Behavior

Why did traditional political parties collapse in the political arena in the 1990's? The answer to this question would help us understand the success of Hugo Chávez. Moreover, the alliance with consolidated political figures such as Rafael Caldera was a intelligent movement which captured the discontent of the people with the traditional political system. Curiously the Caldera was closed to Opus Dei, not a radical leftist, as Chávez wanted to show himself. This first political movement continued with some proximity to military figures such as Hugo Chávez which explains the origin of the political alliance between the leftists and military personnel. However, it does not explain the collapse of "*Puntofijismo*".

As in other Latin-America countries, the traditional economic model crashed during the 1980's (Piñango 1984). Moreover, political parties were not able to renew themselves and to offer a satisfactory response to the economic collapse. (Kelly and Palma in M&M 2004). All of these conflicts in countries where some sector of society enjoyed special privileges clearly displayed the inequality of the situation. (Hellinger in E&H 2003). Naturally, the Latin American voters blamed political institutions (Gil Yepes in M&M 2004). The greatest beneficiaries of the social unease were the smaller parties, which were all on the left. They made use of the feelings of the people to further erode the credibility of the previous regime.

Generally, I must say that the rise of Chávez was a consequence of some key factors: the rise of marginal parties at the expense of traditional parties and the important rise of anti-traditional party system organizations (which promoted anti-partisan movements in society). These social organizations promised to force changes in cooperation with other factual powers like the army. Chavez harvested support from these two new societal groups.

These previously commented points are not enough to explain the failure of traditional parties to offer solutions for the economic crisis. It considers that traditional political parties did not have enough internal democracy in order to generate new ideas and new blood. It made the creation of political oligarchies possible, which could not be adapted to the political process in the 1990's (Corrales 2002).

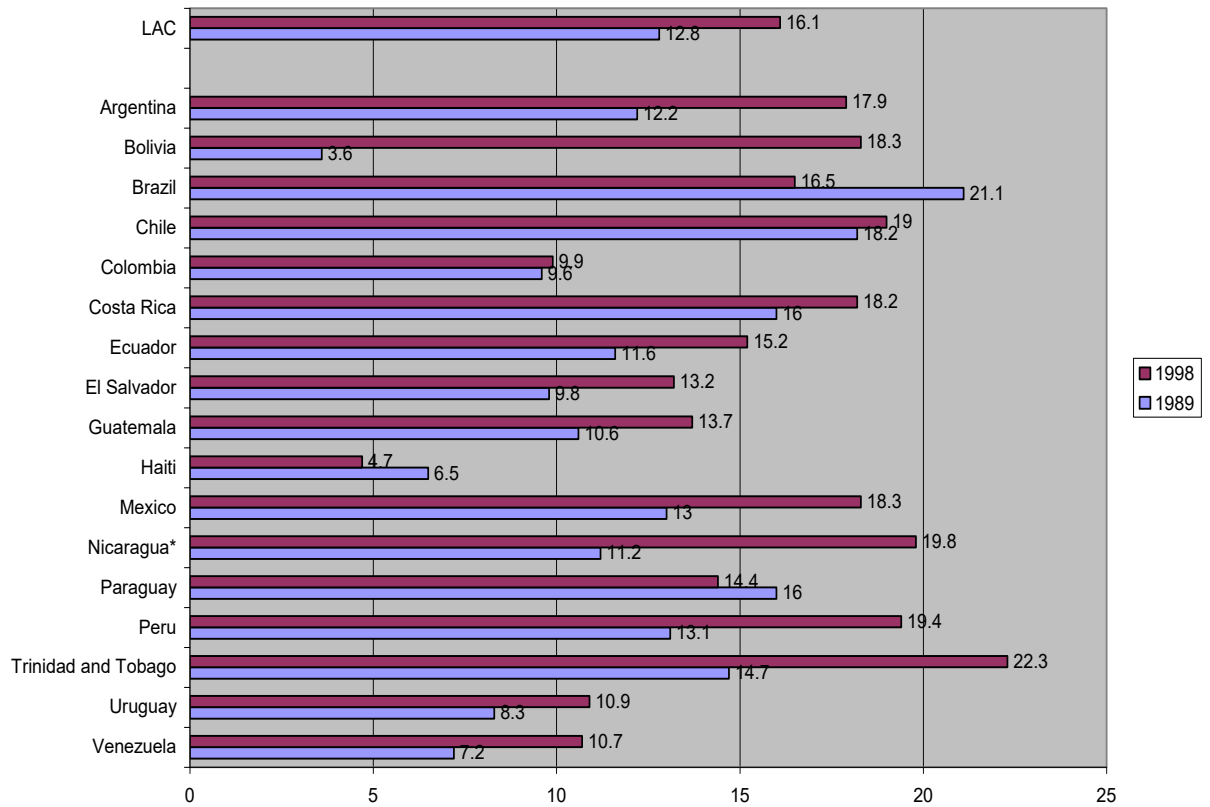
In order to justify the weakness of the Rafael Caldera administration, I must add a new variable: party fragmentation, or in other words an increase in the number of veto players (Monaldi et al. 2004). It is harder to govern if you have many veto players especially in situations of economy adversity.

C. Neoliberalism

Neoliberalism and its consequences in the 1990's is the third factor supporting the rise of Chávez. *Chavismo* can be easily justified as a consequence of the reaction against neoliberal policies and forces in the 1990's. (Julia Buxton's chapter in E&H 2003). Venezuela made a lot of neoliberal economic adjustments in a relatively short time under the Carlos Andres Perez (1989-1992) and Rafael Caldera (1996-1998) administrations. Leftists considered these reforms responsible for the worsening of the problem of poverty. New de-industrialization policies further destabilized labor markets in Venezuela which became a breeding ground for populism. (DiJohn 2004)

Neoliberal arguments have been to excessively blame the economic crisis. Comparing Venezuela with other Latin America countries (i.e. Mexico, Peru, Bolivia, Chile, Argentina) – where neoliberal policies were more implemented on a broader scale – there is some evidence for this argument. Economic reforms in Venezuela were incomplete, incoherent, and haphazard. Trade was liberalized but the banking sector was still closed. Privatizations were few and far between. Important sectors of society (i.e. pensions, labor market, education) were not modified and so many static structures remained without reform. Private investment could be the key to understanding this process. Private investment in oil was smaller in Venezuela smaller compared to similar types of investment in countries such as Mexico, Ecuador and Trinidad and Tobago, (Figure 2)

Private Investment as a Share of GDP (percent)



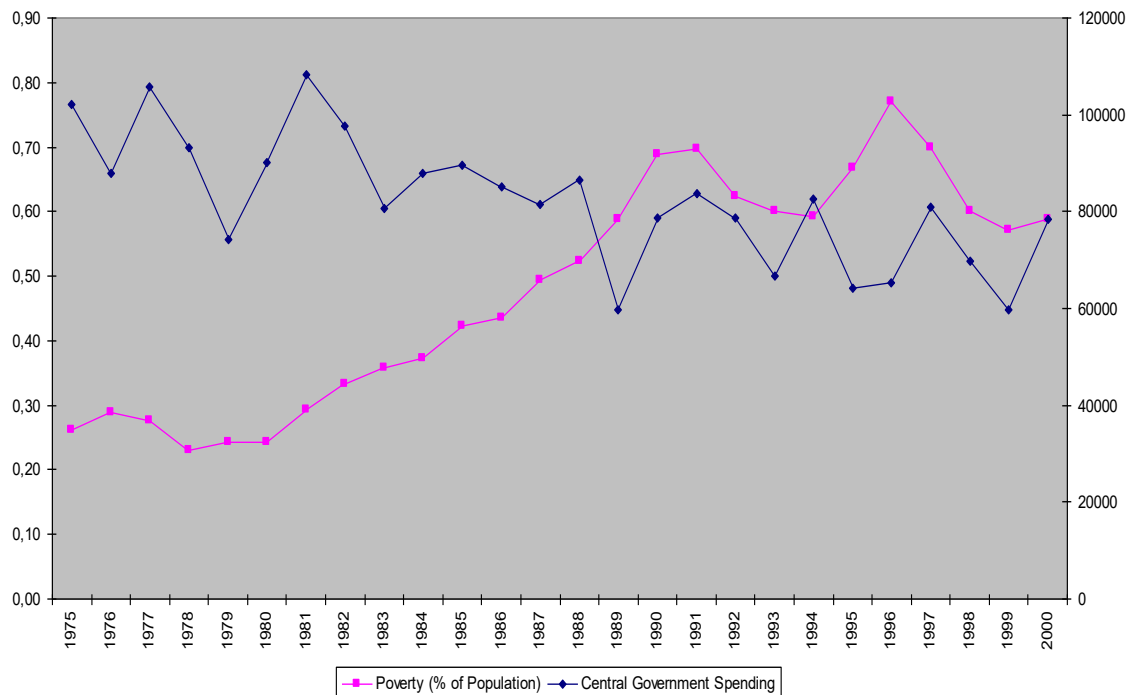
(Corrales 2006) Figure 2

In some aspects, Neoliberal policies produced a decline of private sector investment since its peak in the early 1980's and the inefficiency of public sector investment that generated high unemployment and poverty levels. (Freije in Márquez and Piñango 2003:172). Therefore, other factors were responsible for the economic backlash like the periods of political instability in 1989 and 1992-93; persistent inflation; the banking crisis of 1994-96; and the exogenous shocks of 1997-99. The Perez and Caldera administrations were successful in opening trade and privatization. However, oil dependency tipped the balance in favor of statism, protectionism, fiscal volatility, inflation and inability to stabilize oil incomes. Scholars such as (Nelson Ortiz 2004) argued that the banking crisis (1994-1996) was partly a responsibility of the state. With all these elements we can say that the political economy in Venezuela during the 1990's was a result of statism, incoherent policies and inefficiency to stabilize oil incomes

Others scholar have a different version of the neoliberal argument with regards to who is responsible for the Venezuela crisis. They say that in a short time, the Venezuelan government launched a huge number of drastic measures to relax implementation a few years later which resulted in an economic collapse. They then launched into more severe adjustments to recover control of the Venezuelan economy. In others words, Venezuela found itself in a vicious circle of inefficient market reforms. (Corrales 2000). The period of adjustment impacted negatively on the population group with the lowest incomes. Declining of the social spending, while the subsequent stop of the reforms led to a further deterioration of the economic situation of these low-income groups (greater private investment with a progressive of private sector employment, return of sustained growth, and lower inflation). Figure 3 shows firstly, the instability of fiscal spending during the 1980's (where reforms were aborted again and again) and secondly how poverty improved during the 1990's. The dates in figure 3 suggest that if the programs begun by Pérez and Caldera to diversify Venezuela's economy were given enough time, some good may possible have come out of them.

Jorge Olavarria published in 1996 an interesting book called "El efecto Venezuela". Olavarria defines in his book this effect is: "The Venezuelan effect is the difference between the national social-human capital characteristics, at a given moment, which add to the country some production capacities. However, the capital that is generated for extraction of a natural resources, which, for its volume and time, when it is produced, exceed the social-human national assimilation capacity of it". This is a quite economic explanation to the economic direction of Venezuela. (Olavarria 1996)

Poverty and Public Spending



(Corrales 2006) Figure 3

The question remains: why was the solution offered by the leftist and military alliance accepted rather than the one of the moderate leftist? To answer this question, I am going to analyze the small political groups in the recent history of Venezuela.

IV. New Political Actors the 1960s

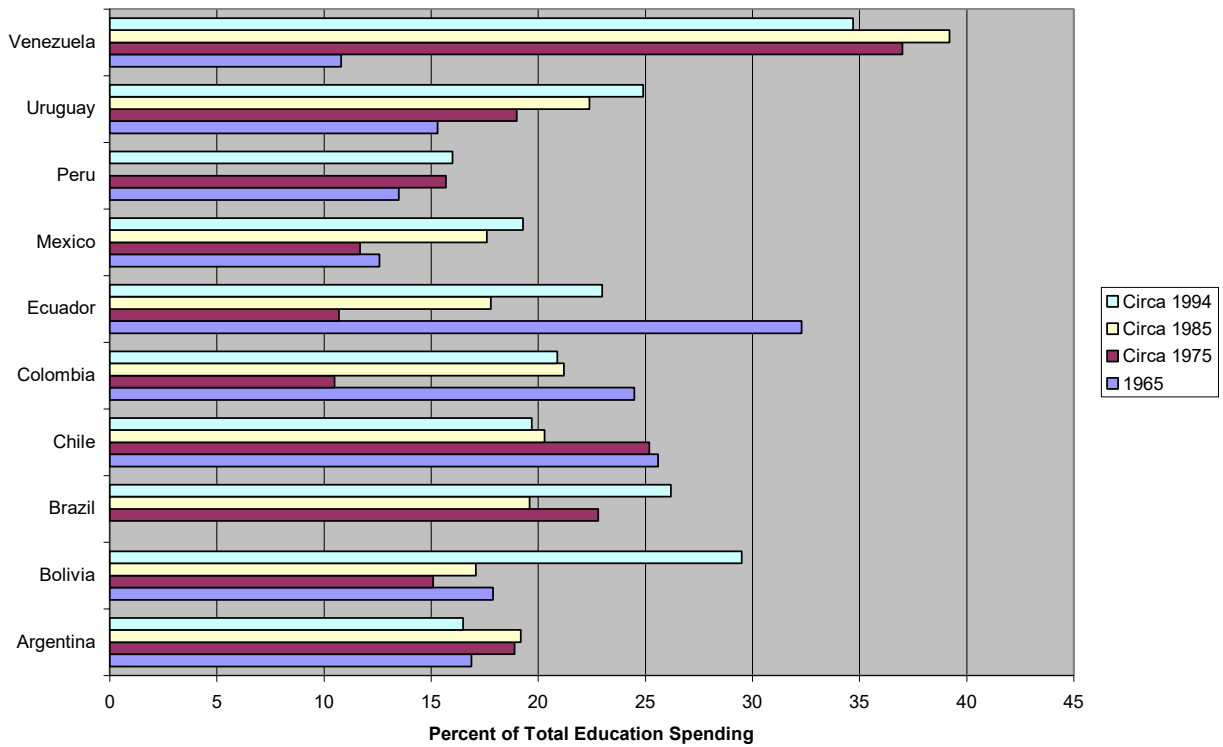
Small leftist political parties have been an insubordinate actor in Venezuelan political life. The “*Punto Fijo*” regime did not include leftists in the foundation of the regime and the promulgation of the constitutional in 1961. This was because leftists were numerically not important in the 1950’s and 1960’s; therefore they did not collect enough support in the election and were not considered to pose a significant threat to the national range parties. Secondly, demands made by leftist politicians were considered to be obnoxious by the large parties. The excuse of anti-communism was frequently used to defeat their political positions. Thirdly, during the cold war, USA did everything it could with the resources at its disposal to separate leftist politicians from power. (Leslie Bethell; Ian Roxborough, 1988)

Radical leftists were excluded by the “*punto fijo*” regime by the founding institutions; some leftist political parties turned to violence and created armed conflict that went on until 1968. At that time, there was much repression and a massive coercion against leftist politicians in many Latin American countries. However, Venezuelan democracy made pacts with the radical left in the late 1960’s, which “legalised” the incorporation of the radical leftist to political life. Despite this incorporation, the main political power was broadly kept in the hands of the large political parties. In other words, left wing parties did not get significant representation while significant numbers of representative charges were reserved for the large parties (Coppedge 1994). Leftists were relegated to small parties and small neighbourhood associations; were only able to use some media venues; could only operate in some regions; and while some leftist influences could be found in the military, these were not at the highest levels. (Ellner 1993). The de-radicalization of the leftists was further encouraged by: economic growth and government-sponsoring of institutional openings. At that time some left wing leaders played important roles in the “*Punto Fijo*” regime.

A. Universities.

Maybe the only social arena where small political parties were successful was the University. Under the “*Punto fijo*” regime, this institution was endowed a lot of financial resources and it became one of the most independent institutions at that time. We can see this in figure 4.

Spending on Higher Education



(Corrales 2006) Figure 4

This figure shows that the public budget for highest education institutions increased by 72 percent from 1969 to 1974 even during the economic crisis of the mid 1990s. Professors generally were paid good wages and the university's modern infrastructure made it a good place for leftists to spread their ideology among students. Radical leftist parties such as Bandera Roja, MEP, MIR, URD, PCV had a high level of representation in the universities.

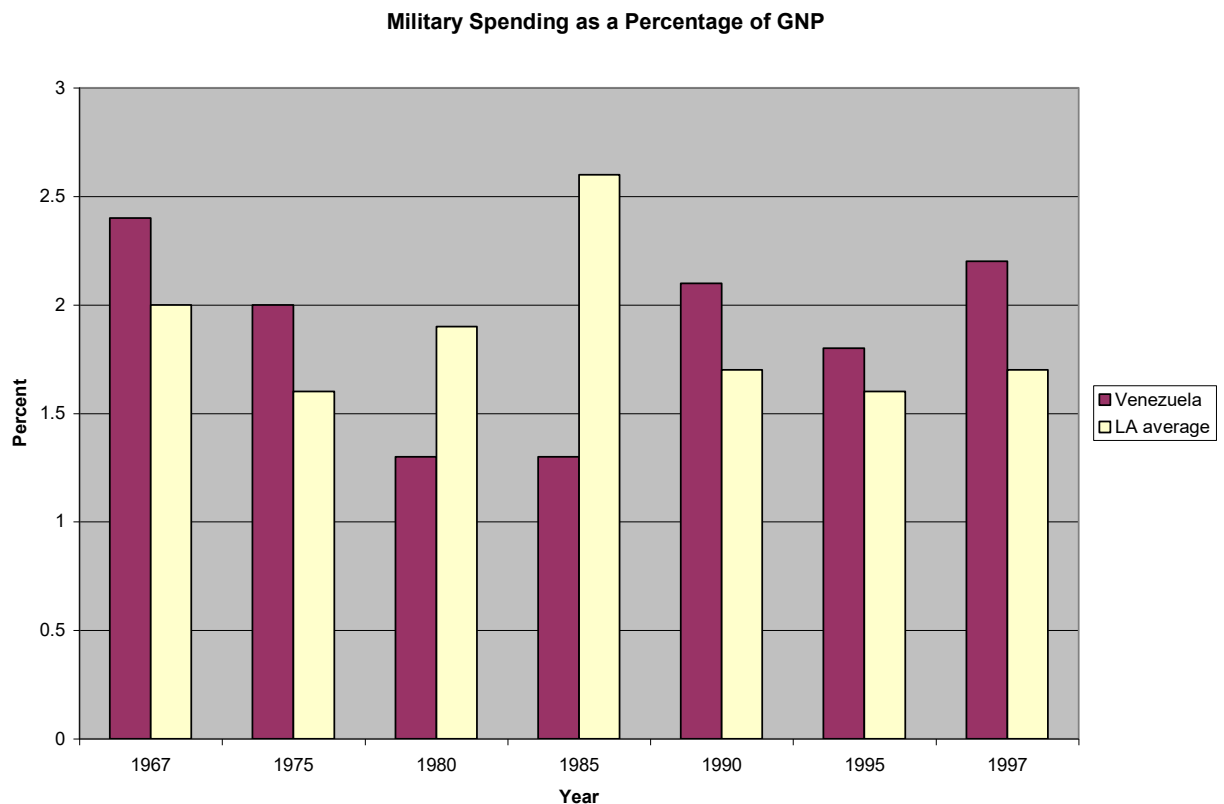
University professors enjoyed a comfortable life. They could retire after 25 years of teaching at a tax-free salary. Many of them usually decide to keep working in other educational institutions. It was not unusual to find professors both a salary and a pension. These dates show us a panorama of Venezuela in times of plenty. At this time, it was common for leftist activists to stay in the university after their graduation to maintain propaganda activities on campus.

B. The Army

Another of the institutions protected by the “*Punto Fijo*” regime was the army, but in this case this protection was mutual because the army was used by the regime to protect itself from the radical left. The regiment was condescending towards them because executive power was left in their hands on defence issues, military budget and opportunities for internal advancement.

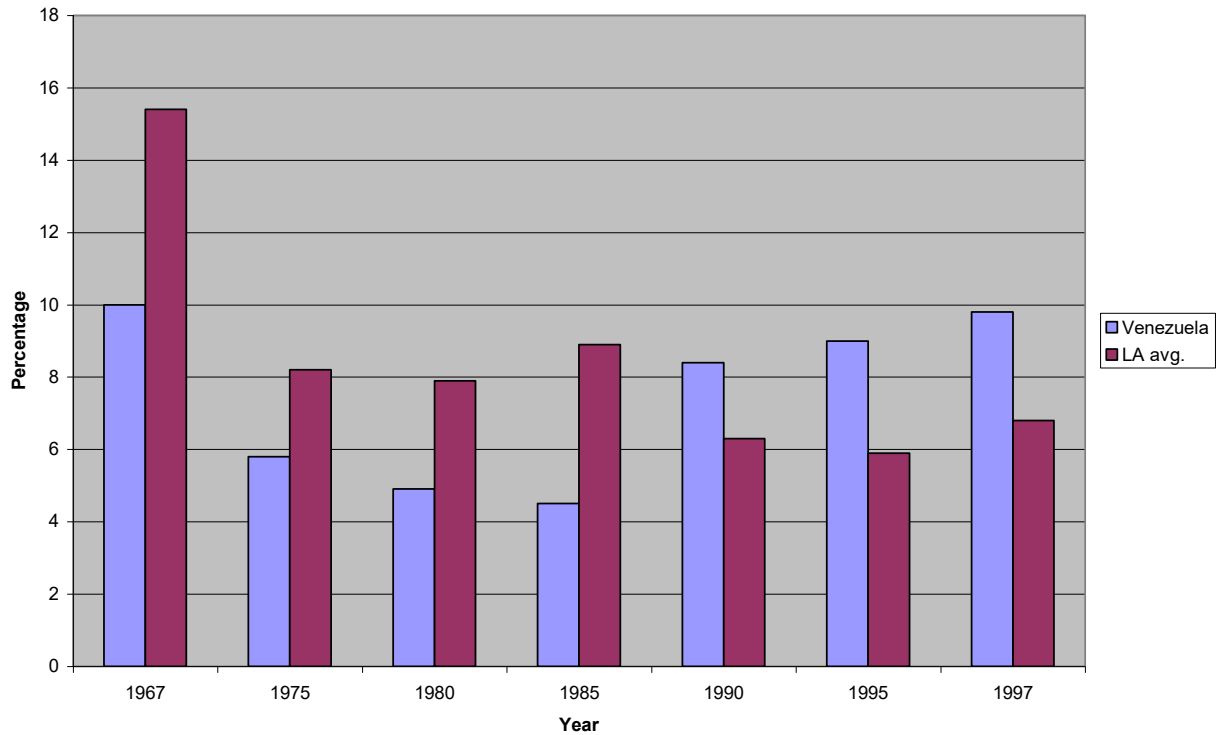
(Trinkunas 2004)

Figures 5 and 6 show how the Venezuelan army received special care from the regime with the exception of the demilitarization period. Military budget, as a percentage of the GDP and total percentage of central government budget continued to expand between 1980 and 1997. In contrast, the funding of other public sectors was cut.



(Corrales 2006) Figure 5

Military Spending as a Percentage of Central Government Expenditure



(Corrales 2006) Figure 6

To be promoted in the Venezuelan army, military personnel had to be obedient to the large parties since promotions had to be approved by the Senate. In the 1980's, the military emerged as another sector protected by the *"punto-fijismo"*, given that they protected the regime from the radical left.

With regards to the military budget, we can see two clear periods in figures 5 and 6. From 1967 to 1980, during a period of de-militarization, expenditures appreciable declined. In the 1980's, this tendency changed in the opposite way. Public budget for military use was expanded between 1980 to 1999 as a percentage of central government expenditure and a percentage of the GDP. This increment was also evident in the number of the members of the Venezuelan army: from 49,000 in 1985 to 56,000 in 1998; a 14 percent increase.

However, at that time some members of the army were against promotion in exchange for party sympathies as some of them were quite hyper-nationalist. A high percentage of the military

personnel subscribed to the theories propagated by leftist intellectuals that the stranglehold of the party system was a national problem. Furthermore, economic reforms which reduced the military budget created discontent within the army. This reduction of resources was enough to enrage the institution but was not enough to weaken them as a political actor

C. Sub-national Politicians and Voluntary Organizations

Another important leftist target was the sub-national politicians (Ellner 1993). Political reforms made the direct election of governors and mayors possible. These actors mobilized new constituencies and diffused political power in an effective way. (Ellner 2003:14) These new political actors made promises to poor people in the urban areas, guaranteeing them that their demands would be represented (Canache 2004) During the 1990's, some regional and local governments were governed by small left-wing parties. All of these parties shared their antipathy for AD and Copei. Scorn for the traditional parties extended among the military, economic elites and the intellectuals. In 1998, only 23 percent of governorships were governed by traditional parties.

Another important change in Venezuelan society during these years was the huge increase in the number of civil societies. They were around 10,000 at the beginning of the 1990's and this figure increased to 54,266 by the late 2000's (Salamanca 2004: 100)

We can conclude by saying that changes among three social actors made possible the Chavez revolution: the Universities in the 1970's, the army in the 1980's and local level politicians in the 1990's. These have been the main areas where a huge number of changes have taken place, partially due to the contribution of the "*puntofijismo*" regime. With the reduction in number of the middle class (in contrast to an increasing low-income sector), it was propitious for the expansion of radicalism. (Hellinger 2003:38, Roberts 2003).

I must say that this situation was possible in part because the old regime became more democratic, at least institutionally. This was crucial for the defeat of the old oligarchy, which transferred political power to the new left-wing parties. (Convergencia, MAS, the PCV, Causa-R and later, in 1998, the MVR)

D. Parties out of the System, Including the Radical Left

Referring to my previous statements about the left-wing prosperity, I must qualify the way in which the radical left prospered. This part of the left inspired the “*ideas setentistas or cincunetistas*”, which is the basis of the “*chavista*” discourse about endogenous development and the concentration of power in the president, who would receive support from the army. During the last two decades of the twenty century, leftists in Latin America accepted private market forces and political power under control of executive or military institutions. Why then could the radical left adapt to rules of democracy?

During the rise of the small political parties, neither these small political parties nor the radical left suffered through the process of adaptation. Burgess and Levitsky (2003:883), defined party adaptation as “changes in strategy and/or structure, undertaken in response to changing environmental conditions that improve a party’s capacity to gain or maintain electoral office.” Components of party adaptation are changes in platforms, affiliates and coalition partners to reflect new economic realities.

An important sector of the left wing political parties were still embracing the old leftist view of democracy that involved privileges, popular mobilization, social participation and deep state participation in public affairs. The modern view of democracy where there is a necessity for the accountability of office holders, civilian control of the military and respect for minority opinion was denigrated.

The preservation of this romantic view of the Venezuelan left was a consequence of the absence of any true globalization. Most of Venezuelan leftist went to Europe and the United States from the period of the 1960’s to the 1970’s. This exodus was crucial in the ideological moderation of the Latin American left. Many of the communists exiled in ex-communist countries abandoned their radical and romantic view of democracy but the Venezuela left did not suffer through this process of living in exile and as a result, they did not become moderate in their political positions. Leftist Venezuelans interacted with their own kind because the country remained free of anti-

communist dictatorships. Table 2 shows us migration to Venezuela from 1961 to 1981. Many from the Southern Cone migrated to Venezuela, escaping from anti-communist repression in their own countries. Southern Cone refugees/immigrants assimilated quite well. A huge number of them worked as professional.

Table 2: Immigration to Venezuela, 1961-1981

	1961	1971	1981	Percent Increase 1961-81
Total	541,563	596,455	1,074,629	198.43
Arg + Chi + Uru	5,531	8,086	43,748	790.96
Colombia	102,314	180,144	508,166	496.67
Europe	369,298	329,850	349,117	-5.46
Other	64,420	78,375	173,598	269.48

Source: Bidegain (1986) (Corrales 2006)

I could say that Venezuelan left was globalized in one single way, interrelating with the leftist element that was coming into Venezuela when escaping from communist persecution in their own countries.

Latin American parties as a whole then suffered internal renovations. They added technocrats to the payroll, who renewed political programmes, party internal structure and made policy tools to deal the crisis of the 1980's. However, AD and COPEI continued to prefer to use technical expertise and modern theories of policy management. Therefore, Venezuelan traditional parties suffered from two main deficits: a representational as well as a technical expertise deficit. The deficit of expertise made the generation of new ideas to deal efficiently with the economic crisis impossible.

All the elements mentioned made Venezuela opportune to remove classical parties from the government by 1993. Moreover, a non-novel force of opposition that enjoyed the new allies and a safe political space, such as Chavez, flowered by the conditions suitable for it. Hugo Chavez rose to power thanks to a large number of pre-conditions which created the environment for it.

V. Interpreting the “Chavismo” Structure

Venezuela has been in a strange paradox with respect to political arrangements; an alliance between the military and the leftists. Venezuela’s attempts to avoid the 90’s crisis were quite inadequate while the democratic institutions in Venezuela i.e. the local level parties, military and university; produced a strong leftist movement. The mixture of a backlash from the economic problems, no ideological globalization created an ideal opportunity for the small opposition forces. (Ellner 1993).

Leftists in Venezuela – as elsewhere in Latin America – were opposed to the social status quo. However, in Venezuela leftists were not persecuted by the government. Curiously and paradoxically, “*chavismo*” is composed of social elements that were protected by the “*punto fijo*” regime. Some politicians have argued that “*puntofijismo*” was exclusionary; this idea could be true just at the level of political parties playing in national politics but not in other levels of society.

The 1990’s offered the best conditions and opportunities to these small, nascent political parties. Chavez’s success was the final apotheosis of all the margined groups, which changed the institutions inherited from the previous regime. The “*Punto Fijo*” regime cohabited with the social and political element, which had the chance to swallow the previous status quo. *Chavismo* is also the result of the absence of ideological globalization during a long period of time in Venezuela because leftists had just received influence from their own type of people who were coming from Southern Cone.

VI. The Missions and The Clientelism.

A. Social Policies in Latin America in a comparative view

The long and difficult journey to market liberalization in Latin America has produced numerous social and political problems in the last third of the twentieth century. Some of the subsequent results of these open economic policies have kept inequality of income high and poverty reduction low throughout Latin America (Behrman, 2001). Trade liberalization is a cornerstone to start reducing poverty. However, these policies can produce the opposite effect at

start of its implementation (Rodrik 1997). The results of these facts in the ballot box in some countries have prompted voters to elect politicians willing to end market reforms (mainly in Venezuela and Argentina). In contrast, the people of Peru, Colombia and Brazil have opted for a government which did not step back the process of opening up their markets. One of the ways to make these abrupt economical changes more palatable to the populace was to assign social funds to it.

The purpose of social funds is to provide social insurance and reduce economic uncertainty in sectors that are more sensitive to economic adaptations to the open market. Social fund must target the poorest people, offering economic resources to compensate for the costs of opening up to foreign markets. Moreover, social funds must provide access for basic goods and services that may be excluded to other sectors of society. I can enumerate these goods as financial services, education and health care. These social funds – if managed in an efficient way – have produced collaboration between administrations at different levels, non-governmental organizations and even the private sector

The risky thing about social funds is that they are easily manipulated by politicians to buy votes in the elections or build to political constituencies to strengthen support for different administrations. Political manipulation is something that can be easily done by dishonest politicians who are willing to use these resources to build clientelistic networks. There are many examples of this corrupt behaviour in Latin American presidents such as Fujimori, Menem and Salinas de Gortari (Schady 2000; Weitz-Shapiro 2005). Others scholars affirm that presidents like Zedillo in Mexico, Cardoso and Lula in Brazil and Caldera in Venezuela designed and used social funds more transparently and not directly targeting them to some political groups (Gonzalez-Pacheco 2001; Draibe 2004)

Economic market reforms have generated a lot social trouble throughout Latin America, mainly in social security (Birdsall and Szekely 2003). Applying measures to open themselves to

foreign trade, they must also reduce public expenditure. The will of the politicians was to cut the social budget to meet fiscal targets.

However, trade integration had changed power resources, leading to a reduction in pensions and others transfers. These are the components of social spending that provide the most direct protection from vulnerability in market forces (Kaufman and Segura-Ubiergo 2001). Trade liberalization has shown more commitment than some other areas that were reformed, such as financial liberalization, fiscal reform, and labour markets. (Lora and Panizza 2002).

Multilateral organizations began promoting the creation of funds aimed at providing social protection and social investment in order to protect human capital, from the effect of adverse economic shocks. Most of these funds targeted sensitive social groups such as women, children and elderly people. Social funds can be defined as “the allocation of resources to support the development of human resources and poverty alleviation by directly targeting the disadvantaged population” (Morley and Coady 2003).

In the history of Venezuela, governments like the Caldera administration designed programs to transfer cash to poor people in cities and rural areas. This programmes promoted school attendance in schools and offered money to poor mothers to keep their children in school. Some other Latin American presidents i.e. Ernesto Zedillo in Mexico, Cardoso in Brazil, or Menem in Argentina implemented these programmes in their government.

Some scholars recently attempted to explain the way social funds work in Latin America. They strongly suggest that funds can be used for the benefit of populist leaders, who push for neoliberal reforms. (Roberts 1995; Weyland 1999). Helping poor people can also be a way to create a clientelism network. This is particularly true when cash transfers are involved. Poor voters are targeted for social compensation. Moreover, they are more politically responsive to these types of rewards. The marginal utility of clientelism is higher among the poorest people, giving a more

secure investment for politicians wanting to buy votes. I want to use the definition used by Magaloni, Diaz Cayeros and Estévez to define clientelism. It is “expenditures in divisible excludable goods delivered to individuals or to organized groups; examples of clientelistic transfer include selective scholarship, credit granaries, and livestock among others” Magaloni, Diaz Cayeros and Estévez (2002, 4). Some of the result of clientelism is vote buying, which has been defined by Brusco, Nazareno and Stokes as, “the proffering to voters of cash or minor consumption goods by political parties in office or in opposition, in exchange for the recipient’s vote”. Brusco, Nazareno and Stokes (2004)

B. How does Clientelism work?

In order to explain how clientelism works , we must understand and analyze the “supply side”. Clientelistic parties have enormous budgets; however the key points are the mechanism to regulate the access to public funds. (Calvo and Murillo 2004, 744). The mechanisms to regulate funding access are related with elections, access to the civil service and budgetary procedures. Social funds can be targeted to the advantage of clientelism purposes, by the way that the supply side is constrained, it might be achieved by the result of two factors: a) whether executive power is constrained for the divided government in Parliament and for the independence of the juridical power, b) whether the president gives a chance for an electoral challenge from the opposition. (Michael Penfold-Becerra 2005). Firstly, the number of seats controlled by the president in Parliament is a good indicator to measure the first variable and the level of independence of the High Court. Secondly, an electoral option available to voters is perceived as a chance for the sitting government to lose power in the next election. A matrix that shows different result could be developed with these variables. (Table 3)

Political Outcomes for Social Funds

	Constrained	Not Constrained
Challenged	<i>Binded</i>	<i>Clientelistic</i>
Not Challenged	<i>Dormant</i>	<i>Innefective</i>

Michael Penfold-Becerra (2005) Table 3

Different political pressures on these different variables may influence how these public funds are being spent. Electoral pressure works in a different way compared to institutional pressure. With these political conditions, social funds will be administrated more transparently when executive power is submits to institutional constrains.

Under electoral pressure a social fund is created. However, institutional pressure will ensure that rational and technical criteria are used. If institutional constrains are removed, politicians will just receive pressure from the electorate and they will deliver social funds to buy votes. In contrast, when politician are free of electoral constrains, social funds will be doomed to create corruption scandals. Finally, having legislative and judicial constrains and not having political rivalry in the parliament will result in ineffective social funds. “dormant”.

With regards to social funds, it is useful to exemplify the intentions of Hugo Chávez in adopting many different political strategies in the same presidential term to achieve the incentives previously discussed.

C. Social Policies of Hugo Chávez

Back to the main topic of this paper: Hugo Chávez Frias and the question asking whether or not he could still be in power without his country’s oil income. He is a member of the military

establishment who was the head of a redistributive social movement and was democratically elected in 1998. He promised the end to – what he referred to as – a corrupt oligarchy, unfair party regime and policies in pro-unsocial capitalism.

One of the first things he did when he became president of Venezuela was to withdraw all the social programmes developed by Caldera’s administration and then created the *Fondo Social Unificado* (FUS), which was managed by the military which was corrupt and inefficient. This final statement would not have been important if not for the fact that Chávez was recalled by a referendum activated by the opposition in 2003. The windfall from oil might be the explanation and the solution that would allow us to understand the way that social funds target social groups. Chavez called these funds *misiones*, using his own rhetorical language to say “missions to save the people”

The missions are programs focused on providing the basic services to the population. For instance, *Mision Barrio Adentro* provided health care services in the poorest areas; *Mision Robinson* offered basic literacy classes for illiterate people; *Mision Ribas* gave the chance for adults to finish high school; many people obtained identity cards to gain access to cash transfers and voting thanks to *Mision Identidad*; subsidized food was distributed to the population by creating discount stores in the country, an initiative of *Mision Merval*; *Mision Vuelvan Caras* was created to create and promote jobs in cooperatives. Money invested in the mission was spent without any budgetary mechanisms, which consisted in the transfer of oil revenue directly from the state national company (PDVSA), which is directly managed by the president. According to the most reliable sources, during 2004 and 2005 more than 2 billion dollars were expended in this initiative (which accounted for 2.5 % of the GDP).

At the time that Chávez starting to implement his missions programs, his popularity was at its lowest level since coming into office (45 % 12 months before the recall referendum). Moreover, an election was impending in 2004 and the polls indicated that he was losing popular support.

D. The Role of the Referendum in changing Chávez's strategy

How did Hugo Chávez turn the situation around and win the recall referendum and presidential election in 2004? The opposition claimed that the missions were used to buy votes from the poorest people and illegal identification cards were used to stuff ballot boxes. The government's reaction was that the programmes were designed to redistribute oil income that was wasted by the previous regime.

One of the polls done before the referendum showed that 68% of the population claimed to support the programs; 44% considered the mission as something interesting that must be expanded on; 24% believed that their outreach should not change; 22% was against the programmes while 10% did not have a clear idea about them.

Whether or not Chávez spent money on these missions to buy votes, it is something interesting that must be studied from a comparative perspective, since in other Latin America countries, these funds have been used as electoral goal. In order to understand Chavez's needs, we need to analyze which factors pre-ruled at that time. We must find out if he is constrained by institutional factors such as a divided government and judicial oversight and if he is perceived to be electorally challenged by an opposition force. The result of putting together these two factors will create diverse incentives for politicians to either use resources to further their own political interest indiscriminately or to follow social criteria to distribute resources. In other words, institutional constraints and electoral competition are the natural limit that a healthy political environment will impose on rational public expenditure. In contrast, in an environment with no constraints and competition, some politicians might use the opportunity to spend public money for their own interests. I will outline how public money was spent to achieve concrete political aims and how Chávez adapted his strategy to institutional constraints and electoral challenges.

Secondly, I have another question to be answered in this paper: whether or not Chávez used the missions as a “gesture politics” to win the recall referendum. With the very serious possibility of being expelled from office by the recall referendum, Chavez probably used these funds surreptitiously while he made a scenographic maneuver of redistributing income to the poorest people. In other words, the missions have proven to be useful for both the buying of votes and the redistributing of incomes. Therefore, the effect of these programmes has allowed Chávez to consolidate himself politically. Furthermore, the missions have produced a new social cleavage which, he is going to keep it in order to maintenance his support source in the short and middle term.

E. “Aló Presidente”

He make extensible use of his communication skills, Chávez, a consummate showman, speaks directly to the Venezuelan public through his Sunday television program, “Aló Presidente”, thereby cementing his bond with the masses. In This TV Programme, Chavez shows the achievements of Social funds in the most propaganda way. Media influence and Chavez communication skills is making an excellent result in order to publish missions programmes among the population. There were symbiotic relationship between “Alo Presidente” and the missions. On the one hand, Chavez needed to show his administration achievement. And the missions were a showcase in this regard. On the other hand, a six hour long weekly show was the perfect publicity place to publish the social programmes.

VI. Electoral Incentives and Institutional Constraints on the Management of Social Funds

In this section, I am going to analyze the administration of social funds in last few decades in Venezuela during the Carlos Andres Pérez, Rafael Caldera and Hugo Chávez administrations. Each one of these governments has had different institutional and electoral constraints. My final purpose will be to demonstrate how Hugo Chavez used social funds maliciously and with specific clientelistic criteria. He was complete unpunished to do it thanks to the lack of institutional constraints. He had the clear aim of harvesting votes from the poorest people. This is political

manoeuvring that is often understood as *vote buying*. It showed up for instance in the recall referendum in 2004.

A. Institutional and Electoral Constraints.

Venezuela suffered an economic and social implosion in the 1980's and 1990's (Hausmann 2003). It happened at the same time that oil prices fell down during the 1980's. Some parameters that shows us the extent of this economic crisis was that the GDP went back to levels of the 1950's(Hausmann 2003). Furthermore, the level of poverty rose to 57.6 % in 1998, and extreme poverty rose to 28.8% in 1998 (Riutort 2002). This crisis gave Hugo Chávez a political advantage as a presidential candidate in the 1998 elections. His presidential candidature was a catalyst which collected popular unease of people in calamitous conditions. During the electoral campaign he accused the traditional parties of being responsible for the economical collapse.

The "*Puntofijismo*" regime which governed Venezuela for decades competed in a political arena with different institutional constraints that Chávez had. Remember that Carlos Andres Pérez won the presidential elections in 1988, but he did not get enough votes to control the parliament. Parliamentary division was such that the Pérez administration had many problems to pass laws which were mainly markets reforms. (Corrales 2002).

*Institutional Constraints and Electoral Incentives
1988-2000*

President	Year of Election	Presidential Election* (% of Votes)	Senate* (% of Seats)	Deputies* (% of Seats)	Judicial Branch (Independence)
Carlos Andrés Pérez (AD)	1988	52,89%	47,8%	48,3%	Low
Rafael Caldera	1993	30,49%	22%	24,6%	High
Hugo Chávez Frías	1998	56,20%	22,2%	22,2%	High
Hugo Chávez Frías	1999 (Constituent Assembly)	---	---	96%	Low
Hugo Chávez Frías	2000	59,76%	---	54%	Low

Source: National Electoral Council (CNE). Own calculations. The 1999 Constitution eliminated the Senate. *It includes share of seats for the President's coalition.

Michael Penfold-Becerra (2005) Table 4

After the 1993 presidential elections, the Venezuelan political arena became quite fragmented with regards to the number of parties in the Parliament; one of the most fragmented in Latin America from 1993 to 1998 (Obuchi, Gonzalez-Pacheco, Monaldi 2004). Another outstanding political phenomenon at this time was electoral volatility (Obuchi, Gonzalez-Pacheco, Monaldi 2004). The number of seats that changed party from 1990 to 2000 was 38 %, while the average of the whole of Latin America was 23%. Many Venezuelans decided to stop supporting the traditional parties. Moreover, political decentralization increased electoral competition and weakened the traditional parties. Caldera's presidency illustrates quite well how difficult it was for him to pass legislation in a fragmented parliament. A data that supports how parliamentary activity was, is that 70% of the laws passed, were initiatives of the legislative power. (Obuchi, Gonzalez-Pacheco, Monaldi 2004)

In this fragmented panorama, Chávez burst in calling for a radical change in Venezuela's political landscape including a Constituent Assembly. Finally, in 1998 Hugo Chávez Frías won the election with 56% of the votes, however with a Parliament that was more fragmented than it was

under Caldera's presidency. Immediately after his appointment, he called for a referendum, where Venezuelans had to vote on whether a Constituent Assembly with original powers should be elected or not. The result of this referendum was that 81% of the voters supported the initiative, and subsequently a Constituent Assembly was elected. In this new assembly Chávez coalition held 96% of the seats with just 53% of the votes. In the short time of three months, a new Constitution was promulgated. After this revolutionary political time, the Supreme Court, Parliamentary power, executive power and a new Constitution facilitated Chávez to govern practically unconstrained. For instance, the presidential term was increased from five to six years with immediate re-election. (Obuchi, Gonzalez-Pacheco, Monaldi 2004)

In 2000, a new Constitution and a new government invested Chávez with full supremacy over legislative affairs. The satisfactory political situation for Chávez made it possible for him to form cabinet of many attributes. Soon, laws that changed owner's rights, the agro-industry, hydrocarbons and other important sections of the economy were changed in a short period by the executive branch.

Political opposition was organised to oppose the *chavismo*. From 2001 to 2003, three general strikes were organized by opposition forces. The consequences of these strikes were considerable for the Venezuelan economy. Oil production was paralysed for two months. This left public coffers in a bad situation. One other important political result of those days was that Chavez was removed from the presidency for three days, after a failed coup d'état. In August 2004, social and political conflicts decreased Chavez's popularity levels despite his effort to maintain it. However he won the referendum with a 59% of the vote despite multiple accusations of fraud by the opposition. (Ricardo Hausmann and Roberto Rigobón 2004).

In the juridical side, the new constitution allowed the new assembly to be ruled by the *chavismo*; to appoint magistrates, including members of the constitutional court. This political intrusion into the juridical branch produced a significant reduction of its autonomy.

B. Discovering the Relevance of Social Funds

During the period of the Perez's administration, social funds were not a priority. His priority was to reduce tariff barriers to promote a more capitalist friendly market for long term investment. Privatization and removing of exchange rate controls were the subsequent economic policies advised by the IMF and the World Bank. All these structural reforms impacted increasing poverty levels as an initial impact. Moreover, the Perez administration did not have a planned social programme for social compensation. As a result of this, the citizens did not understand the need for reforms due to low inflation levels, therefore popular discontent augmented. (Weyland 2002).

The consequence of these technocratic measures produced coordinated movement in the population, which culminated in numerous riots, which began in Caracas. They progressively expanded to other urban areas just some days after Perez was appointed as president. Critics also came from one of the political parties in power, AD. Perez argued that poverty reduction will be the result of high growth rates. It meant that the five year economic plan did not include social measures to reduce the impact of adaptation to the open market economy (Parra and Lacruz 2003). The absence of social funds was radically changed by the government after the failed coup in 1992. Furthermore, low popular support put pressure on the government to set up some social measures. Social funds were targeted to the poorest people. These funds were spent on social programmes managed by the government and non for profit organizations. (Parra and Lacruz 2003). One of methods was to provide subsidized food, which was delivered to public schools. Nursery schools were created to allow poor mothers to get a job, which would increase their income.

Under the Caldera administration, economic measures were partially reversed, since that was part of his electoral programme. Caldera reinstalled exchange rate controls to avoid the total collapse of the banking sector. The Ministry of the Family was created by this administration to coordinate the expenditure of social funds. A programme to spend money on the poorest people under the supervision of a committee in Congress was developed and expanded by the Ministry. Money was being delivered to each family who fulfilled the criteria, such as the number of children attending school. Extremely poor people received subsidized food to supplement their diet.

Objective delivery criteria and the collaboration of non-profit organizations made social fund management quite efficient under the Caldera administration.

C. Creating Ineffective Policies

Chávez was not the first to implement social programmes, nor was he the first to do so inefficiently. However, for as long as the price of oil remains high, inefficient social policies can be hidden by the huge oil windfall. However, when shortage of resources returns, social tensions begin to emerge among the population

The Venezuelan experience of managing social funds was exported to other countries as an example of transparency (Parra and Lacruz 2003;González Pacheco 2001). These programmes were not perceived to be a source of political advantage to be discretionally exercised by the government. However, social policies were not successful enough to eliminate the perception of the failure by the democratic regime to make better standard of living for the populace. Several factors such as lack of trust in the democratic institution, the economic crisis and the lowest price of oil in decades made Chávez start to be considered to be a credible candidate in the 1998 presidential elections. After his appointment as president, his policies produced the idea of a real institutional change among the populace.

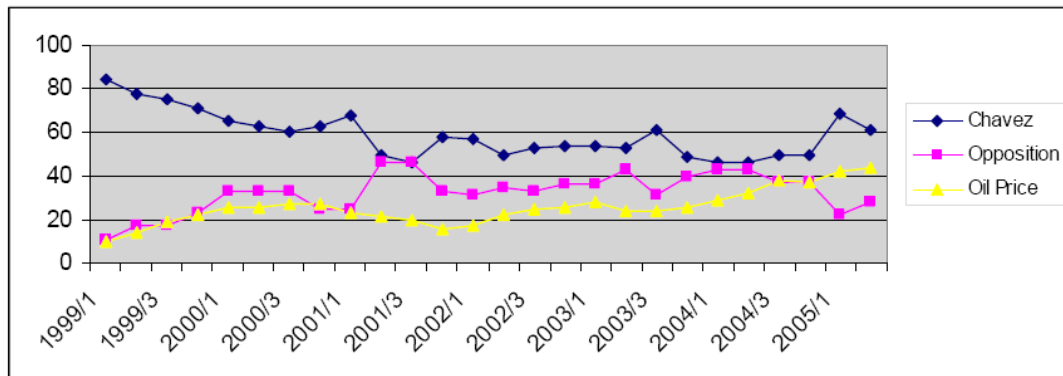
Chávez began by eliminating the Ministry of the Family structure and all of Caldera's social programmes – mainly all of those managed by non for profit organizations – and local or regional government. (González-Pacheco 2004).

Instead, Chávez created a new social programmes to replace every previous one. It was called *Plan Bolívar 2000*, which focused on social housing and building infrastructure in poor areas. This plan was administered by the military. (Trinkunas 2002). Other solution for poverty of the *chavismo* was the creation of Unified Social Funds (FUS). The FUS and the *Plan Bolívar 2000* were crippled by corruption scandals and was unable to address the alleviation of poverty. (Gonzalez-Pacheco 2004; Contraloría General de la República 2002).

D. The Missions as Political Gesture

One year after of the electoral victory of Chávez in 1998, he started to lose popularity. Important sector of the population, which received support from business associations and labour unions called for changes in economic and social legislation that Chávez promulgated under an enabling law approved by the Congress in 2000. (Penfold 2005) Strikes during these months created social tension, riots and also an attempted coup, which removed Chávez from the presidency for three days.

Venezuela's Oil Prices and Popularity for Chavez and the Opposition



Source: Alfredo Keller Consultores (quarterly popularity) and Bloomberg (quarterly prices for Venezuela's oil basket).

Michael Penfold-Becerra (2005) Figure 7

The opposition began to coordinate their actions under the name of *the democratic coordinator*. Finally, Chavez adopted a more conciliatory attitude towards the opposition. Chavez understood that he needed to increase his social support, and his target for this purpose was the poor people. The mission programmes was his political tool for this aim. These would be directly managed by him.

“*Mision Barrio Adentro*” was the governmental social experiment in this new phase of the Chávez era. It consists of health care provided in the shantytowns located in urban areas. These services are provided by Cuban doctors who live permanently in the poor areas. When compared with the collapsed national health service, this programme looked more successful.

“*Mision Robinson*” was a literacy campaign. Cuban literacy methods were exported. The programme includes monetary incentives to motivate adult participation in it. Government made use of this programme to promote themselves. One of the slogans used for this purpose was *Abora Venezuela es de todos* that is *Now Venezuela is for Everyone*.

Democratic opposition organized another strike in December 2002, which stopped the oil industry for two months. The GDP fell by more than 17% in 2003 as a result of the strike. (BCV 2004). The political solution to this catastrophic economic situation was the reintroduction of exchange rate controls to reduce capital flights and to control inflationary pressure.

The opposition began a signature campaign to activate a recall referendum for the presidency. To activate this process, it would be necessary to get 20% of registered voters. Finally, the National Electoral Council allowed the recall referendum on August 15th of 2004. (Kornblith 2005). This encouraged the further expansion of the mission programs. Managing funds directly extracted from PDVSA, rather than through the central government budget; *Misión Ribas* was initiated. This mission offers the chance for poor adults to finish secondary school. Public schools were used in the weekends to provide access to these adult students. These programmes were directed by the Ministry of Oil and Energy. Public money was also used to promote student participation in these programmes. People received this money in bank accounts created in the Industrial Bank which was a state-owned enterprise. For this bureaucratic task, each person needed an identity card. In the past, the process of getting an identity card was a slow process due to corruption. A new mission was created to overcome this problem: it was called *Mision Identidad*. Ambulatory tents were set up in shantytowns to provide identity cards and to register people in the National Identification Database. Therefore, poor people received an ID card and were registered in the national electoral database to vote in the next elections at the same time.

“*Mision Identidad*” was the key that open the access for more social services to poor people as it publicised these services to them. This mission was considered by the opposition to be a clear

way of clientelism, since people were automatically registered to vote through the mission's services.

“*Mision Mercal*” was created to deliver food to the poor. In less than one year, more than 40% of the food in Venezuela was distributed through this mission. Private companies manufactured private brands for *Mercal*. The mission became a very powerful tool to apply influence over the private sector. Moreover, the products packaged by this mission were labelled with propaganda motifs.

When the opposition effectively overcame all the obstacles created by National Electoral Centre to organize the recall referendum in April 2004, most of the missions were consolidated. That meant that his popularity has increased and his supporters publicized the missions all over the country during referendum time.

As I explained before, the absence of institutional constraints allowed the government to manage The National Electoral council and PDVSA in the way and time that was more advantageous to its political and electoral interests.

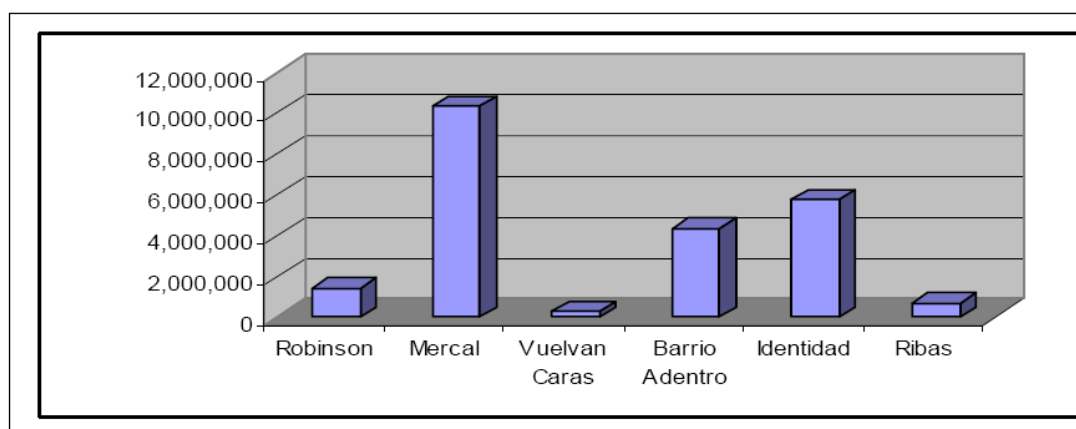
VIII. Redistribution and Clientelism.

The analysis of mission is a hard task for the shortage of information and dates. It is because funds are coming straight from the oil windfall managed by PDVSA, which means that it is not under the direct oversight of either the National Assembly nor the Central Bank. Scholars as Penfold and Obuchi believe that these funds have been used in an illegal way, because it have violated the established budgetary and monetary rules.

Therefore, this pattern can suggest some models to perceive the strategy used by Chávez to employ the missions as a clientelistic practice. Missions such as “*Mercal*” have served to the 42% of the Venezuelan population. “*Identidad*” have benefited more than 5 millions of people. For the

recall referendum in 2004, the National electoral Council registered more than 2 million new voters, the majority of them were registered through the “Misión Identidad”. “Barrio Adentro” served to more than 4 millions of Venezuelans. “Misión Robinson” have alphabetized more than 1.4 million people. In 2004 “Misión Ribas” have helped more than 600.000 people to complete the secondary school; furthermore, more than 190.000 enjoyed financial support. The huge number of people that have used these funds seem as if they have not been used on a discriminatory basis.

Scope of the Missions



Source: Ministerio de Planificación y Desarrollo (2004) Figure 8

Does this evidence imply that the government was allocating cash transfers according to a different set of criteria? Was this criteria political?

To answer this difficult question, I am going to use some graphs made by Michael Penfold. Which show that states where Chávez was a weaker support, had the same access to these goods compared to other locations.

This graph (table 5) exposes the way in which these economic resources served as facilitators for the alphabetization of more people in these poor states of Venezuela. These moderate correlations with poverty levels for the “Mision Robinson” considers that these works contribute to the redistribution of opportunities for the poorest states in the country.

Mision Ribas Scholarships and Electoral Results at the State Level

State	Share of Population with Scholarships	Political Affiliation	Governor's Share of Votes for 2000 Regional Election	Chávez Share of Votes for Recall Referendum
Amazonas	2.9	Chavista	40.47	70.3
Aragua	0.6	Chavista	84.54	67.98
Barinas	1.4	Chavista	52.57	69.21
Cojedes	1.2	Chavista	49.36	66.95
Falcón	0.7	Chavista	48.62	57.24
Guarico	1.0	Chavista	48.10	70.97
Lara	0.7	Chavista	62.07	64.75
Merida	0.5	Chavista	48.47	53.83
Nueva Esparta	0.6	Chavista	49.82	49.96
Portuguesa	0.6	Chavista	50.08	72.85
Sucre	0.9	Chavista	58.16	62.12
Tachira	0.7	Chavista	50.03	50.55
Trujillo	0.7	Chavista	56.91	66.27
Vargas	1.1	Chavista	59.76	64.20
Anzoategui	1.0	Opposition	41.74	54.06
Apure	0.1	Opposition	48.37	67.61
Bolivar*	0.4	Opposition	63.68	66.35
Carabobo	0.5	Opposition	61.04	56.76
Delta Amacuro	0.9	Opposition	63.15	70.36
Dtto. Capital*	0.9	Opposition	64.80	56.04
Miranda	0.9	Opposition	64.81	50.90
Monagas	1.4	Opposition	41.25	60.96
Yaracuy	0.7	Opposition	51.32	60.23
Zulia	0.3	Opposition	51.44	53.14
Average Share in Chavista States	1.0	---	54.41	63.37
Average Share in Opposition States	0.7	---	55.16	59.64

Source: CNE; Ministry for Planning and Development. *Governors initially elected as chavistas but during their terms shifted allegiance towards the opposition.

Table 5

This table shows that states with a “chavista” governor, get more funds to finance students at school, than those states controlled by the opposition. We can see in the table that “chavista” state got a 30% more scholarships. In other words, the states where Chávez had less support, the state tended to get less social funds. The table evidences that cash transfer was sent to the different

states but with different criteria. There are some evidences that suggest that Chavez increased those public funds in the states where he had more electoral support.

Some missions were used in a clientilistic way. Therefore, “Mision Ribas”, mixed publicly excludable goods within the same program. This, helped the government to be able to secure their political investments by making credible their popular appeal, whilst “buying” the support by means of networks. These networks, were developed at a regional level with the support of loyal governors.

In others words, “Mision Ribas” and others ones might have redistributed its income, while they “bought votes”. Some nuances supported the idea that clientelistic actions should be developed when social programmes with excludable goods have been involved.

IX. Conclusions.

In the 90's the most of Latin American countries utilize social funds for poverty reduction. Politicians believed that they could reduce poverty levels targeting marginalized sectors with public Money. Recently, scholar have demonstrated that under certain conditions of lacking of institutional constrains, social funds could be used to bolster political support. Making possible from this way, presidential re-election. Some example could be Fujimori in Peru (Schady 2000) and the PRI in Mexico (Rocha-Menocal 2001)

Social fund are and will be susceptible of manipulation by politician in order to increase popularity, or “buying votes”. However, Social funds can be a useful tool to reduce poverty, provided they are used in the correct way. Political manipulation is happened when institutional constrains or electoral incentives are missed. With lack of institutional constrains, and with electoral pressure are both propitious conditions to flower clientelistic results. However, when there are enough institutional constrains, more institutional pressure, social funds will be used more transparently and successfully.

In my analyses, I try to demonstrate that Chávez strategically employed non-budgetary public money to influence electoral results. I try also to show how Hugo Chávez changed his strategy using social funds based on changes in these institutional and electoral factors. Missions programme was conceived and promoted under electoral pressure to triumph over the recall referendum activated by the political opposition in 2004. The President Chávez needed to win the recall referendum in August 2004, and this political event changed the social policies, extending more their scope to reach poor sectors. This population segment was targeted with these policies in order to support the “chavismo” However, all of this framework was possible thank to the oil windfall that Venezuela started to experience after 2003, which gave to the government a huge number of opportunities to expand these programmes in a short period of time. Moreover, missions depended largely of the control of PDVSA. Governmental direct control on PDVSA made possible to provide the resources to rapidly expand the missions. Chávez addressed directly oil revenues to the “Misiones” without budgetary constraints.

A very important aspect of Chavez strategy was the coordination between the central government and the CNE to constitute “Mision Identidad” in order to guarantee that those voters enjoying social benefits could certainly employ their right to vote. Just to assure that voters would support the regime, the Chavez administration increased the costs, so citizens would cast their vote for the opposition. This, by threatening to loose access to those missions or to those jobs of the public sector. In a nutshell, the missions came to be a provider for Chavez`s regime to redistribute and consolidate his clientelistic networks. Effectively, it is possible to assume that these programmes helped to open himself the way in the middle of society that would continue to be a considerable source of support for Chavez`s political movement in the near future.

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