

VENEZUELAN DEMOCRACY REVISITED

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- VENEZUELA: POLITICS IN A PETROLEUM REPUBLIC.* By DAVID E. BLANK. (New York: Praeger, 1984. Pp. 225. \$27.95.)
- VENEZUELA: A CENTURY OF CHANGE.* By JUDITH EWELL. (Stanford: Stanford University Press, 1984. Pp. 258. \$22.50.)
- THE CHALLENGE OF VENEZUELAN DEMOCRACY.* By JOSE ANTONIO GIL YEPES. Translated by Evelyn Harrison I., Lolo Gil de Yanes, and Danielle Salts. (New Brunswick, N.J., and London: Transaction Books, 1981. Pp. 280. \$19.95.)
- JUAN VICENTE GOMEZ AND THE OIL COMPANIES IN VENEZUELA, 1908–1935.* By BRIAN S. MCBETH. (Cambridge: Cambridge University Press, 1983. Pp. 275. \$49.50.)
- VENEZUELA: ¿UNA ILUSION DE ARMONIA?* Directed by MOISES NAIM and RAMON PIÑANGO. (Caracas: Ediciones IESA, 1984. Pp. 579.)
- TUTELARY PLURALISM: A CRITICAL APPROACH TO VENEZUELAN DEMOCRACY.* By LUIS J. OROPEZA. (Cambridge, Mass.: Harvard University Center for International Affairs, 1983. Pp. 127. \$15.75.)
- LATIN AMERICAN DEMOCRACIES: COLOMBIA, COSTA RICA, VENEZUELA.* By JOHN A. PEELER. (Chapel Hill and London: University of North Carolina Press, 1985. Pp. 193. \$24.00.)

The books under review here explore two major themes. The first is the question of the nature, potential, and limits of the Venezuelan democracy. A second locus of attention is the actual functioning of the Venezuelan system, from both historical and more contemporary perspectives. My discussion will consider the ways in which the works at hand examine these broad questions.

What makes democracy possible? What conditions facilitate its emergence? What factors favor its maintenance? These are the questions addressed by Luis José Oropeza in *Tutelary Pluralism: A Critical Approach to Venezuelan Democracy* and by John Peeler in *Latin American Democracies: Colombia, Costa Rica, Venezuela*. Oropeza's short book offers an insightful analysis that owes much to his long political experience. His main argument, simple and straightforward, begins with the observation that Venezuela shares with its Latin American neighbors the

same mestizo culture and Hispanic legacy and did not experience “the process which leads to a liberal and pluralist social tradition . . . [but] followed, instead, the Iberian tradition, in which the spirit demanding reformist change is absent. The liberal order of the nineteenth-century constitutional state managed to establish itself, but did not uproot the centralist and absolutist components in the organic conception of the state inherited from Spain” (pp. 20–21).

But alongside the Hispanic authoritarian tradition there emerged a liberal democratic tradition, the one underlying the present democratic system. This liberal tradition is fragile and requires constant nurturing to prevent the authoritarian legacy, which persists up to the present, from reawakening “ancient Iberian cultural temptations encapsulated in the national soul” (p. 21). Venezuela is, then, a deeply divided society, but the salient cleavage is not race, religion, language, or class but “the cultural dualism of democratic pluralism and military autocracy” (p. 33).

The means of reconciling this dualism and ensuring the hegemony of democratic pluralism over military autocracy is, in Oropeza’s view, tutelary pluralism, a Venezuelan “sui generis form of political democracy” (p. 34). Tutelary pluralism consists of elite-controlled popular participation that leads to limiting the opportunities for conflict and enables the system to strike a balance between excessive concentration of power on the one hand and chaotic popular participation on the other. The ideology of tutelary pluralism is that of pragmatic accommodation and consensus for the purpose of enacting legislation.

Tutelary pluralism is imposed by the tutors of pluralism, that is, the elites, or more specifically by the political parties Acción Democrática (AD) and the Comité de Organización Política Electoral Independiente (COPEI). AD and COPEI have played crucial roles in routinizing democratic values and procedures and in reducing the possibilities for the reemergence of that hidden, but ever-present, “innate and genuine historical vocation for despotism” inherited by Venezuelans from their Spanish ancestors (p. 39). Certain leaders and their qualities of leadership have also played key roles. Foremost stands Rómulo Betancourt, but Rafael Caldera also contributed to the consolidation of tutelary democracy.

In *Tutelary Pluralism*, Oropeza attempts to combine a Huntingtonian framework (which emphasizes the tension between political institutionalization and political participation as well as the need to strengthen institutionalization) with the culturalist perspective later developed by Howard Wiarda and his followers. At first glance, Oropeza’s arguments seem solid and convincing. On closer examination, however, their fundamental weakness becomes apparent. His excessive emphasis on the alleged cultural dualism seems to create a quasi-meta-

physical setting for a far more practical political dilemma. It was the confrontation between AD and its political rivals and socioeconomic elites—not an abstract conflict between a liberal tradition and an “innate vocation for despotism”—that largely explains the failure of the *trienio*. By the same token, it is the ability of the main political, military, and socioeconomic actors to develop and strengthen a consensus about political rules of the game that explains Venezuelan democracy today.

Finally, it is a pity that Oropeza ignores some of the most relevant English-language literature on Venezuela politics. A discussion of Daniel Levine's *Conflict and Political Change in Venezuela* and David Blank's *Politics in Venezuela*, both published more than a decade ago, would have enriched his analysis considerably.

John Peeler's *Latin American Democracies: Colombia, Costa Rica, Venezuela* explores the same questions as Oropeza's study but within a comparative framework seeking relevant evidence from three of the most stable Latin American democracies. Peeler attempts to identify the basic set of elements present in these three countries and absent in other Latin American nations that would explain the emergence of democracy in Colombia, Costa Rica, and Venezuela. He concentrates on the emergence and maintenance of democracy as well as its future in these three contexts.

Have Colombia, Costa Rica, and Venezuela developed their democratic systems in a similar manner? Have their progressions toward democracy shared common elements? Peeler argues that overall the differences outnumber the similarities. The Colombian pattern has been one of gradual democratization of an elitist two-party system that emerged in the 1840s. This process underwent three distinctive transformations. First, in the late 1880s, there was a shift away from elite adversarial behavior toward a coalescent behavior that strengthened a proto-democratic system. Second, partisan violence and acute polarization recurred in the 1930s and 1940s, partly as a result of the enfranchisement and increasing political participation of the lower classes. Third, with the Frente Nacional and beyond, the Colombian process of democratization achieved a new formula of elite accommodation based on political demobilization and the strengthening of elite control over the populace.

Costa Rica, in contrast, lacked the strong parties that characterized the Colombian pattern. The political process was controlled by the *cafetalero* elite until President Tomás Guardia broadened it in the 1870s by including the banana export sector and other groups. Urbanization and the enlargement of the electorate in the 1930s and 1940s brought about significant changes. President Rafael Calderón, supported by the Communists, enacted social legislation that alienated the conservative elite. He also allowed corruption and heavy-handed political tactics that

aroused the opposition of emerging social-democratic sectors aligned behind José Figueres. The result was the Revolution of 1948 that did away with the Calderonistas, the Communists, and the army and laid the foundations for Costa Rica's present democratic system.

In Venezuela the hegemony of the caudillos lasted until 1935. After the failure of the democratic interlude of 1945–1948, the harsh military dictatorship of General Marcos Pérez Jiménez forced significant changes in elite behavior. A spirit of accommodation followed his overthrow in 1958 and still underlies the current Venezuelan democratic system.

In general, Peeler affirms, all three countries were characterized by a coffee economy, at least minimal export capacity by 1900, great inequalities in land tenure patterns and income distribution (although not as extreme as elsewhere in Latin America), and a system of "patrimonial hegemony." But the emergence of liberal democracy, Peeler points out, is related to more recent developments, not to these historical factors. The first steps away from patrimonial hegemony toward "masked hegemony" (liberal democracy) were taken more recently and with explicit elite accommodation in a context where the armed forces were unavailable as power contenders, either because they had been eliminated (in Costa Rica) or were discredited and eager to abandon the political arena. Overall, Peeler finds little evidence that economic or social conditions played a major role in the emergence of democracy. He concludes instead that political factors, chiefly elite accommodation, explain the emergence of liberal democracy in the three countries.

The maintenance of democratic regimes is the second aspect Peeler examines. In this section, however, he briefly reviews political participation (especially voting participation and electoral systems), policy processes, degrees of political freedom, the nature of executive power, the realization of honest elections, the armed forces, and the inability of liberal democracy to deal with poverty and social needs. Only near the end of the section does Peeler directly address the problem of maintenance, arguing that the "accommodation between competing elites" is the factor that has allowed these three countries to maintain liberal democratic governments.

In the final section of *Latin American Democracies*, Peeler indicts liberal democracy as basically a system of masked hegemony that does not address the social problems of poverty and inequality. He points out that the neoconsociational democracies of Colombia, Costa Rica, and Venezuela exhibit a pattern of "immobilism [that] must be seen as defending social injustice by making it virtually impossible to bring about fundamental change" (p. 153). He then speculates on possible avenues for democratizing liberal democracies, including coups d'état, elections, and full-scale revolutions. None of these alternatives

seem very promising, however, because “it is hard to destabilize a working liberal democracy” (p. 163). Finally, Peeler discusses how a real Latin American democracy should look. He emphasizes egalitarianism through “the organization of the economy for efficient participatory management” (p. 168), which would allow the existence of a democratic polity. He also supports the “replacement of the existing elite corporatism by a popular corporatism based in the decentralized and participatory economic system” (p. 169).

Several of the arguments advanced by Peeler are persuasive or plausible. His basic contention that the Colombian, Costa Rican, and Venezuelan democracies have a common consociational mold is unobjectionable. In the case of Venezuela, Oropeza argues strongly along the same lines and demonstrates how such a political arrangement results in a pattern of policy restraint (pp. 58–70, 86–88).¹ Yet Peeler’s argumentation is weakened by a rather superficial analysis and the scant evidence on which it is based. Whatever advantage in scope may have been added by comparing three countries is counterbalanced by the loss in depth of analysis. No hard data or evidence is presented and the general discussion is at times highly impressionistic. This tendency is particularly troublesome when dealing with some of the main arguments of the work, such as Peeler’s contention that liberal democracies have not improved the lot of the poor. For example, he emphatically argues that “the presence of stable liberal democracy has done nothing to reduce inequality or eliminate poverty” (p. 121) in these three countries, but he provides not a single piece of evidence to support his claims except general comments seemingly based on travel reports. For instance, he casually observes, “One does not find quite the depth of squalor among the poor of San José, as compared with Caracas . . . [although] most [of the inhabitants] are poor” (p. 119). He even contradicts himself a few pages later, when he acknowledges some progress but affirms that social conditions have only been “ameliorated,” not radically changed, by liberal democracies (pp. 122, 125).

Another key element in his argument that is treated with surprising superficiality is the area of voting qualifications and legislation. In the case of Costa Rica, Peeler asserts that until 1949, “the right to vote was normally restricted by literacy and property requirements, and the right to hold public office was restricted by higher property requirements” (p. 61). The meaning of the word *normally* and the specific property requirements alluded to for voting and running for office are not discussed. Isolated references to voting qualifications in Colombia and Venezuela are equally vague. Data concerning the evolution of voting participation as a percentage of total population, or total male population, are neither presented nor discussed. A detailed analysis of similarities and differences in voting legislation and the evolution of the

process of enfranchisement, between and within countries, is also conspicuously absent.

The problem of substantiation aside, some conceptual ambiguity mars Peeler's main argument. Peeler uses notions such as "patrimonial hegemony" and "popular corporatism," whose meanings are not fully explained. He also asserts that stable liberal democracies are possible because of elite accommodation resulting in power sharing and policy restraint, an argument similar to that developed more than twelve years ago by Daniel Levine in a work ignored by Peeler. One problem with this line of argument, however persuasive it may appear, is that it defines rather than explains. What is democracy if not a set of rules (about voting rights, honest elections, and substantial political freedoms) that consecrate accommodation?

The question that needs to be addressed is not so much whether elite accommodation is present, but what determines it. Furthermore, because all democracies presuppose some degree of elite accommodation but not every pattern of elite accommodation evolves into a democratic regime, one should also identify the conditions favoring the development of a pattern of accommodation that facilitates the emergence and maintenance of liberal democracies. Also, in view of the breakdown of the Chilean and Uruguayan democracies in the early 1970s, are "centrifugal democracies" that include a larger degree of elite adversarial behavior still possible in Latin America? Concomitantly, and of far-reaching practical implications, is neoconsociational democracy the only viable alternative left to Latin American nations still struggling to democratize or redemocratize?

Three alternate paths of analysis can be pursued in exploring these questions. One evolves along the lines of a political economy approach, emphasizing the interrelationship between political developments and social class formation. A promising line of research focusing on the importance of timing in this context has already produced valuable findings.² Another avenue that could be pursued is that of stressing the study of political engineering or statecraft.³ Finally, the utility of certain political approaches not hitherto applied to the analysis of democracy in Latin America, such as game theory, could also prove useful.⁴

These fresh approaches to the study of democracy could yield significant theoretical (and, one hopes, practical) gains and also free the literature from the cultural and racial determinism embodied in approaches like that emphasizing the so-called Iberic-Latin-corporatist tradition. For example, both Peeler and Oropeza speak of the unfortunate "inhospitable soil" for democracy that "Hispanic" forebears seem to have wickedly bequeathed to Latin Americans. Increasingly, such pseu-

do theories are assumed to be established scientific truths when they are indeed mere speculations without firm foundations. Yet in the absence of solid analyses, as the works of Peeler and Oropeza demonstrate, one is tempted to fall into the trap of ceaseless cultural or racial stereotyping.⁵

Despite the problems discussed, the works by Peeler and Oropeza make useful contributions to understanding democracy in Latin America. Their insistence on the study of political matters such as elite behavior is stimulating. Their answers are unsatisfactory, but the fact that these books raise relevant questions and attempt to respond to them is useful in stimulating a fruitful exchange of ideas. The military coups of the early 1970s in South America generated a considerable body of literature on the issue of the breakdown of democratic regimes. With that trend happily reversed, one can hope that Oropeza's and Peeler's timely contributions signal an emerging concern with analyzing the issues of democracy, democratization, and redemocratization.

The five remaining books under review can be grouped into three categories. In the historical category are Judith Ewell's *Venezuela: A Century of Change* and Brian McBeth's *Juan Vicente Gómez and the Oil Companies in Venezuela, 1908–1935*. Moisés Naím and Ramón Piñango's *Venezuela: ¿Una ilusión de armonía?* is a collective work that explores many aspects of contemporary Venezuela and concludes with a vigorous attempt at identifying the crucial components of Venezuelan politics. Comprising a third category, José Antonio Gil Yepes's *The Challenge of Venezuelan Democracy* and David Blank's *Venezuela: Politics in a Petroleum Republic* go farthest toward constructing a theoretical model that would explain Venezuelan reality and also provide clues as to probable future developments.

Venezuela: A Century of Change is a well-written history covering the 1890s through the early 1980s. Ewell's analyses are cogent and well documented, examining in detail not only the customary political and socioeconomic issues but often neglected cultural aspects. A concern with theoretical explanations, however, is largely absent. Ewell's history is nonetheless valuable in integrating into a relatively small volume a useful analysis of many relevant facts, processes, and trends.

McBeth's *Juan Vicente Gómez and the Oil Companies in Venezuela* is a major contribution to the literature based on careful study of an impressive array of primary and secondary data. But the author's basic contentions that "Gómez sought by all possible means to increase the return from the industry" and that "he established an effective framework to control and supervise the industry" are questionable on at least two grounds (p. 214). For example, McBeth mentions that the retained value of oil in Venezuela as a percentage of the total value of oil was 27.7

percent for the period from 1922 to 1935. But he also notes that in Mexico "from 1926, \$2 were retained for every \$3 received for its oil" (p. 117). Similarly, the fact that Gómez succeeded in extracting some revenues cannot obscure the fact that subsequent administrations extracted much more. According to one estimation, for example, while between 1917 and 1935 Venezuela obtained an average of 0.40 *bolívars* per barrel of exported oil, that share increased to 0.86 *bolívars* during the regime of General Isaías Medina Angarita and to 1.78 *bolívars* during the *trienio*.⁶ Experts may disagree about the relative value of any set of statistics, but McBeth's failure to place his figures into a broader context leaves the reader with no basis of comparison. Despite these doubts about McBeth's generalizations, his in-depth examination of the relations between Gómez and the oil companies will be required reading for anyone interested in the evolution of the oil industry in Venezuela or the history of Venezuela during the first decades of this century.

El caso Venezuela: ¿Una ilusión de armonía? includes articles on such diverse topics as changes in the national character of Venezuelans over the last four decades, demography, technological policies, oil, education, urbanization, media, foreign policy, politics, labor unions, military theory, economics, agriculture, geography, industrialization, private and state enterprises, and employment.

Some contributions deserve special mention. Diego B. Urbaneja's analysis of the political system, which is based on a mixture of neo-Marxist and neofunctionalist premises, yields interesting insights. Eva Josko de Gueron's study of foreign policy contributes significantly to a field that has received little attention so far. Two chapters on the economy of Venezuela are also valuable additions to the literature. In "Más allá del optimismo y del pesimismo: las transformaciones fundamentales del país," economist Asdrúbal Batista traces the basic transformations experienced by Venezuela in the last few decades. His data reveal that between 1920 and 1977, the Venezuelan economy grew faster than those of the industrialized democracies and Latin American countries as a whole. Another contribution is Batista's examination of income distribution. He finds a slow decrease in the income inequality gap in the last years, although Venezuela does not fare well when compared with other Latin American countries. There are several problems with his comparative exercise, however, and hence the meaning of his findings is not altogether clear.

In "El laberinto de la economía," economist Gustavo Escobar offers a succinct analysis of the evolution of the Venezuelan economy over the last thirty years. Escobar demonstrates that the recent economic crisis resulted not only from external factors (declining oil prices

and high interest rates) but also from the domestic economic policies enacted by the administration of Luis Herrera Campins. Escobar highlights the manner in which the *enfriamiento* of the economy, based on the diagnosis that the economy was *recalentada*, unintentionally exacerbated the worst economic crisis ever faced by the Venezuelan democracy. The monetary contraction imposed by the Herrera administration placed tight constraints on the availability of credit, which encouraged extensive borrowing abroad despite high active interest rates. Simultaneously, keeping the passive rates of interest lower than in the international market led to capital flight of unprecedented magnitude. When the rates were finally freed in 1981, capital flight continued because of the uncertainty generated by erratic government economic policies. Combined with the oil glut, this capital flight of an estimated eight billion dollars forced the government to establish exchange controls and devalue the *bolívar* in February 1983.

Sergio Bitar examines the “rara industrialización venezolana” and concludes that two basic alternatives exist for the future. On the one hand, Venezuela could follow the path of Argentina and Chile in the late 1970s and early 1980s with an economic liberalization that would virtually dismantle local industry. On the other hand, a more viable path would be to reformulate industrial policy by emphasizing selected sectors where Venezuela enjoys considerable advantage, such as agribusiness and energy-related industries. This option would imply a gradual lowering of tariff protection and a push in those sectors that could expand Venezuela’s export capabilities.

An especially welcome contribution is Janet Kelly de Escobar’s “Las empresas del estado: del lugar común al sentido común.” This well-documented analysis should put to rest many misperceptions of the state sector of the economy. First, Kelly de Escobar demonstrates the essential diversity of the 390 state enterprises normally lumped together as if they were all comparable. These enterprises include not only the better known industrial and financial concerns, such as the Fondo de Inversiones de Venezuela (FIV), Petróleos de Venezuela (PDVSA), Aluminio del Caroní (ALCASA), and Siderúrgica del Orinoco (SIDOR), but also universities and foundations. Furthermore, one-fourth of them are completely autonomous of government control while others are mixed enterprises in which the state owns 25 to 50 percent of the stock.

Lack of knowledge about the state sector has led to great exaggerations of both its importance and its inefficiency. Including the oil industry (nationalized in 1976) in the calculations has produced especially misleading statistics. When the oil industry is included, figures show that the state enterprises’ share of GDP rose from 3.2 percent to

29.4 percent. But when oil is excluded, the state enterprises share of total GDP rose only from 3.2 percent in 1970 to 7.2 in 1982. This increase is still inflated by the oil revenues channeled into the Banco Central and the FIV. If only nonoil and nonfinancial state enterprises are considered, their share of the nonoil GDP rose slightly, from 4.1 in 1970 to 5.6 percent in 1982. Regarding the alleged inefficiency and astronomical losses of the state enterprises, Kelly de Escobar argues that although nonoil and nonfinancial enterprises produce overall deficits, in many instances that is the case by definition because their roles have been defined from the beginning as subsidies. She affirms that solid evidence on the inefficiency of the state enterprises is lacking.

Another myth-destroying chapter is Gustavo Prieto Cohen's "La agricultura: revisión de una leyenda negra." This timely essay challenges the prevailing views about the Venezuelan rural sector. Presenting a persuasive body of evidence, Prieto Cohen demonstrates that the growth of the agricultural sector far exceeded what conventional wisdom has led researchers to believe. Between 1960 and 1970, agricultural production increased at an annual rate of 5.8 percent in Venezuela, as compared with 2.2 percent in low-income countries, 3.5 percent in middle-income countries, and 1.4 percent in the industrialized world. In the following decade, the rate of growth was 3.8 for Venezuela, 2.2 for low-income countries, 2.9 for middle-income countries, and 1.4 for the industrialized world. Venezuela, however, imports close to 50 percent of the foodstuffs it consumes. Yet food imports already accounted for as much as 30 percent of total consumption in 1950. The current high levels of imports reflect not low growth rates in the agricultural sector but a historical trend, rapid population growth, and increased income. Between 1958 and 1978, for example, the net weight of foodstuff available to every Venezuelan rose by 30 percent, and the total consumption increased two and one half times. Prieto Cohen estimates that 60 percent of this growth is due to population increase, 20 percent to higher income levels, and 20 percent to the combined effect of these two factors.

Moisés Naím and Ramón Piñango wrap up the volume with an intelligent essay on the nature and challenges of the Venezuelan political system. They argue that during twenty-five years of democracy the basic premises of Venezuelan political life were that everything was possible and that enough resources were available to meet almost any demand. What followed was a chaotic pattern of activities and the multiplication of agencies that displayed little sense of what is possible, and even less sense of priorities. The authors believe that although the abundance of resources facilitated this pattern, it was not the actual cause. They relate the emergence of this chaotic pattern instead to the

“missing link” of Venezuelan politics, namely the obsession with avoiding the conflicts inherent in any attempt to establish priorities and the consequent pursuit of multiple and even conflicting goals. Thus the wealth of the Venezuelan state, which allowed it to meet the demands of every influential group, and the obsession with not allowing conflicts to run their full course constitute the twin elements underlying the Venezuelan political system. The authors point to the collective memory of the dictatorial era and a fear that the system could not cope if conflict were unleashed to develop unrestrained as two causes of that tendency to avoid conflicts.

Naím and Piñango undoubtedly identify important aspects of the Venezuelan polity. What is less clear is whether elements missing from their discussion are not equally or more important. For example, their emphasis on the availability of resources ignores the fact that the first and most difficult fifteen years of democracy were achieved without the benefits of exceptional oil revenues. Similarly, stressing conflict-avoidance also underestimates the conflicts that did exist, like those revolving around the tax reforms of 1966, 1970, 1978, and the integration decisions of 1966 and 1973. Perhaps one should speak of excessive compromise in conflict-management rather than of strict conflict-avoidance.

Some of the general implications that Naím and Piñango attach to their basic argument are also questionable. For example, they blame this conflict-averse behavior for the lack of leadership, a situation they describe as “muchos corruptos, pocos líderes” (p. 560). Yet Venezuelan political leadership has demonstrated consummate skills, as has been proven by twenty-nine years of uninterrupted democracy. As for corruption, it is no greater in Venezuela than in many developed nations. Likewise, the overall indictment of institutions such as the judiciary (inefficient and politicized), the press (prejudiced and unprofessional), and the congress (politicized) seems to lack a sense of proportion in failing to recognize that these developments are not uniquely Venezuelan phenomena nor do they affect Venezuela to a larger degree than other countries. Congress is politicized everywhere, and nowhere more than in developed nations because that is the purpose of a congress. The single-member district system mentioned as a possibility by the authors could be better or worse, but it would not avoid politicization, as the U.S. Congress eloquently demonstrates. The judiciary system is also politicized everywhere, and its politicization in Venezuela has at least avoided its being used as an instrument of political persecution. In other words, while Naím and Piñango rightly assert that the contributions to *El caso Venezuela* indicate “el notable crecimiento que ha vivido el país en todos sus sectores y actividades” (p. 541), they never-

theless tend to underestimate the fact that this growth was made possible by even greater political achievements.

All in all, in spite of inevitable unevenness in the quality and rigor of the contributions, *El caso Venezuela* is a useful collection of articles. The editors as well as the contributors deserve to be commended. The questions the volume raises, and perhaps more important, the analysis and refutation of some old clichés, make this book a source to be consulted by anyone interested in contemporary Venezuela.

The originality of José Antonio Gil Yepes's *The Challenge of Venezuelan Democracy* lies in its study of the policy-making process, an aspect that has so far received scant attention. The theoretical framework of this Venezuelan sociologist mixes interest-group theory and elite theory with a tradition-modernity dichotomy inspired by Talcott Parsons's pattern variables. At the heart of Gil Yepes's argument are three contentions: first, that Venezuelan political, military, and business elites are divided; second, that the dilemma they confront is access or revolution; and last, that the Venezuelan polity exhibits basic traditional (or ideological and thus "strategic") characteristics combined with some incipient modern (or "programmatic") features. Although none of these assertions is new, as the author notes, their application in analyzing the policy-making process yields useful insights.

Utilizing Charles Anderson's policy-making typology, Gil Yepes characterizes Venezuela as a democratic-reformist regime because it attempts both to develop the modern sector of the economy and to reduce the gap between that sector and the traditional one. But the author observes that Venezuela is not a pure type of democratic-reformism because of the persistence of premodern "strategic" traits within its political elites. These traditional traits are in turn associated with lust for power and Marxist or neo-Marxist rhetoric: "The national political scene is still affected by excesses in the search for power or by extreme ideas leading to strategic proposals . . . usually based on leftist utopias" (p. 149). Hence the policy-making process "oscillate[s] between effective pluralism . . . and [a] limited pluralism" entailing a high level of centralization around the executive branch, state paternalism, relatively weak mechanisms to counterbalance power, the politicization of interest groups, a reactive role for interest groups, the prevalence of a dogmatic ideological philosophy, and stagnation in the policy-formulation process (p. 153).

Next Gil Yepes examines some of the most important policy decisions adopted during the last twenty-five years of democracy and with that material returns to the question of effective pluralism versus limited pluralism. He asserts that the policy-making process resembles more closely a scenario of limited pluralism. The private sector exerts a

“moderate influence” on policy-making, lower during the agenda-setting and evaluation stages and higher during the formulation stage and especially the implementation and policy-mending stages (p. 227). The elites are thus confronted with the challenge of moving away from this “strategic” setting of limited pluralism toward the “programmatically” one of effective pluralism or else perpetuating the vicious cycle of stagnation and endangering the democratic system. Some steps have already been taken, Gil Yepes notes, and nongovernmental elites thus have gained some degree of access to the process of policy formation. But this access “should be perfected, eliminating obstacles in some stages of policymaking [and] thus avoiding ideological distortions of reality in the formulation of public programs” (p. 254).

Gil Yepes’s conceptual framework exhibits several flaws that soon become evident to the reader. His modified dichotomy between tradition and modernity is based on highly questionable premises, not only because the definition of tradition and traditional areas derives from conceptual asymmetry (which Alejandro Portes has adequately criticized⁷) but also because of the implied traits of the self-defined “modern” areas. This problem is further compounded when Gil Yepes superimposes on the modernization framework the strategic-programmatic categories developed by James Payne in his study of Colombian politics.⁸ The resulting hybrid obscures far more than it clarifies. For example, the “strategic” policy-making scenario is said to be filled with politicians seeking power for power’s sake, whereas in “programmatically” settings, they seek power to serve the public. The reader need not guess—Colombian and Venezuelan politicians are the bad guys.

One could also ask why increased business influence would result in better policies, as Gil Yepes assumes. Indeed, for every case in which the alleged lack of participation can be blamed for a policy failure, one could identify another case demonstrating the opposite. Moreover, one could question whether existing levels of private influence are not already too high, or at least sufficient, and whether pluralism is not equally endangered or distorted by the lack of voice or limited influence of the working class and the peasant sector. Interestingly, one could use the same case studies cited by the author to support the opposite argument. Overall, Gil Yepes’s suggestion that the transition from limited to effective pluralism consists of giving greater voice to the business elite is highly questionable, at least.

Finally, it is unfortunate that Gil Yepes does not incorporate into his discussion the literature on corporatist and pluralist systems of interest representation and policy-making. In that context, one could ask whether his insistence on business sector participation on the policy-making process (including agenda setting) outside the parliamentary

and electoral process does not constitute a radical questioning of the basic tenets of liberal democracy.

These criticisms do not detract from the larger value of *The Challenge of Venezuelan Democracy*, which indeed advances our understanding of Venezuelan politics. Gil Yepes's emphasis on policy-making adds new vistas to analyses of one of the most successful Latin American democracies. The questions he addresses, as well as the answers he provides, are likely to remain the focus of much scholarly concern and controversy.

The same preoccupation with developing a conceptual framework is evident in David Blank's *Venezuela: Politics in a Petroleum Republic*, a modified version of Blank's early theses. Blank views the Venezuelan polity as the combination of three parallel subsystems utilizing different political resources, occupying a distinctive space, and generating three political impulses. These three subsystems are representative of populist democracy, planning, and praetorianism. The first subsystem characterizes the central political process, but the more the other two establish positions of dominance, the more the Venezuelan democracy resembles a façade or illusion.

Blank's study focuses on these three subsystems. He also provides two chapters on the management of oil (including a welcome contribution on the period following nationalization) as well as one on management and politics. His bibliography displays a nice balance between the relevant English-language literature and the equally valid, but often neglected, Venezuelan sources, including newspapers and magazines.

Blank's theoretical framework is useful and thought-provoking. Among the questions that should be addressed for further refinement are the conceptual status of the "populist" system, the extent to which praetorianism continues to play an important role, and the nature and future of the planning subsystem. Although Blank avoids treating populism in a pejorative manner, he does not really elaborate its specific meaning and use. Because of the generally negative connotations attached to the word *populism*, one might question the wisdom of using that concept to depict the partisan-based electoral system hailed as the achievement of industrial societies.

The managerial impulse of the planning subsystem, Blank affirms, "results from a recognition of the complex, technical reality of public policy making in the twentieth century rather than from any retreat from democracy" (p. 7). This reality demands a degree of functional representation that cannot be seen as illegitimate or anti-democratic. Although Blank notes that prior to 1976 the business elite sought "to have a technically based, depoliticized planning dialogue

that would become the key arena for public policy" (p. 116), he also argues that more recently the managerial impulse "intervened to try to bring some order to the sprawling state intervention in economic production" (p. 127). Blank therefore concludes, "the managerial impulse is not necessarily antielectoral democracy; it is antipopulist" (p. 131). Nevertheless, although some degree of specialized policy-making outside elected bodies will always be necessary, the business sector's insistence on functional representation reflects a desire to choose the arena that would best advance its interests rather than the technical complexity of the matter under discussion. The existence of this dual arena may thus be seen, as Blank himself notes at another juncture, as "the price that the business elites may have extracted from the system for going along with populist democracy" (p. 114).

All in all, Blank has done a nice job. *Venezuela: Politics in a Petroleum Republic* is a useful contribution to the analysis of Venezuelan politics. It will be particularly valued for its emphasis on developing a theoretical framework that sheds considerable light on the functioning of one of Latin America's most important and most successful democracies.

Expressions such as the "illusion of democracy," the "failure of the elites," the "exhaustion of the model," the "corruption of the system," the "spoiling of the oil wealth," and many others displaying a similar sense of frustration and disappointment with Venezuela have become increasingly frequent. In a sort of reverse ethnocentrism, Venezuela has come to be regarded as epitomizing an almost congenital inability of Third World countries to deal successfully with the challenges they confront. Everything is seen in a negative light, and "fracasomania" (to use Albert Hirschman's expression) seems to pervade the analysis of failures and successes alike. This attitude tends to be reinforced by explicitly or implicitly comparing the Venezuelan reality with that of advanced industrial democracies. More often than not, the comparison involves a distorted and highly idealized version of First World nations. Not surprisingly, the result of such an exercise seems depressing.

Yet if one puts things into a balanced perspective, the outcome looks entirely different. Venezuela emerges as a country that has performed surprisingly well in the political and socioeconomic arenas. It is now in its twenty-ninth year of uninterrupted political democracy, which was built upon the ruins of a dictatorial tradition. Venezuela has made great strides in education; it possesses a successful and well-managed oil industry, a relatively healthy economy, a strong cultural movement, a good press, a thriving intellectual life, and a high-caliber political leadership. This view does not deny that Venezuela has prob-

lems, shortcomings, or limitations. But if the positive side of the equation far outweighs the negative one, why should the sense of frustration and failure remain so strong? Some of the contributions to Naím and Piñango's collection and Oropeza's book are steps in the right direction. But much more work is needed to bring this corrective view into sharper relief. The pervasive reverse ethnocentric bias should indeed be replaced by a more accurate picture, a precise sense of achievements and needs, and a sober understanding of limitations. Analyses of reality based on these premises should be a potent force for progress. They should also provide a much-needed dose of sense of accomplishment and pride that could dispel the myth of the eternal failure of Venezuela.

NOTES

1. I have found the same to be true in my own analysis of tax reform in Venezuela. See Diego Abente Brun, "Economic Policy Making in a Democratic Regime: The Case of Venezuela," Ph.D. diss., University of New Mexico, 1984.
2. An example is the excellent comparison of the Argentinian and Chilean cases made by Karen L. Remmer in *Political Competition in Argentina and Chile* (Lincoln and London: University of Nebraska Press, 1984).
3. See Terry Karl, *Petroleum and Political Pacts: The Transition to Democracy in Venezuela*, Wilson Center Working Paper no. 107 (Washington, D.C.: Latin American Program, The Wilson Center, 1982).
4. In the case of the neoconsociational democracies under study (especially Venezuela), one could hypothesize the development of elite coalescent behavior in game-theory terms as the result of a change in players' strategies, a shift away from a dominant strategy that consistently yields Pareto-deficient outcomes toward one that is susceptible of producing Pareto-optimum outcomes. One would then have to examine just what generates a shift in political strategies, then how and why such a shift occurs, and hence identify the conditions under which this kind of scenario is likely to emerge.
5. Perhaps even more important than the stereotypes is the subtler epistemological assumption underlying them. In fact, these culturalist perspectives tend to embrace a methodological individualism that reduces the complexities of social aggregates to the inner characteristics of the individual or individual values. Some of the far-reaching implications of this approach are well known, thanks in part to the works of Friedrich von Hayek and Milton Friedman. Less well-known, but equally important, are the political implications of this reductionistic perspective for the understanding of Latin American societies. In this context, methodological individualism tends to provide the theoretical rationale for the simultaneous pursuit of immobilism in the social sphere, "freedom" in the economic realm, and authoritarianism in the political arena—all of these ironically coming from no less than the apologists of the "open society" and their Latin American epigones.
6. Cesar Balestrini, *Los precios del petróleo y la participación fiscal de Venezuela* (Caracas: Facultad de Ciencias Económicas y Sociales, Universidad Central de Venezuela, 1974), 35–36.
7. Alejandro Portes, "Modernity and Development: A Critique," *Studies in Comparative International Development* 9 (Spring 1973):251.
8. James L. Payne, *Patterns of Conflict in Colombia* (New Haven: Yale University Press, 1968). For an excellent critique, see Albert Hirschman, "The Search for Paradigms as a Hindrance to Understanding," *World Politics* 22, no. 3 (Mar. 1970):329–43.