

Chapter 9

International Response to Democratic Crisis in Venezuela

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Venezuela's image abroad was transformed from a model of democracy during the Cold War years, to an unstable democracy in the 1990s, to a crisis-ridden and polarized country in the 2000s. Opinion was split over whether the election of Hugo Chávez in 1998 and his subsequent Bolivarian Revolution was deepening and transforming democracy, or eroding democratic institutions and political rights in a backsliding trend.

The clearest sign of crisis and international response was the coup removing President Chávez from power in April 2002, only to be reversed within 48 hours. The stark evidence of the severe divisions within the country led President Chávez to invite Jimmy Carter, and later the Organization of American States (OAS) and United Nations Development Program (UNDP), to facilitate a dialogue to help reconcile the country. That invitation led to two years of intensive involvement by the three organizations, as well as a Group of Friends of six countries, to help resolve the conflict and prevent violence in Venezuela. The international efforts spawned a new dialogue personally led by the Secretary General of the OAS for seven months, and the monitoring of a ten-month electoral process representing the world's first presidential recall referendum. The international involvement persisted through various manifestations of the conflict in Venezuela, from massive marches and counter-marches, to a two-month petroleum strike that paralyzed the country, an open military rebellion in a four-month "sit-in" by active military officers, and social mobilization at different levels across the country seeking both to exacerbate and defuse the conflict.

This paper examines the unraveling of the Punto Fijo model of representative democracy, the rise of Hugo Chávez and evolution of his Bolivarian Revolution, and international efforts to promote

democracy and prevent the political conflict from escalating into violence.

Consolidation and Unraveling of Venezuelan Representative Democracy

Venezuela was viewed as a “model democracy” in the hemisphere for four decades prior to the election of Lt. Col. Hugo Chávez in 1998. After a history of strongmen, violence, and a short-lived attempt at democracy 1945-48, Venezuelans forged a representative democracy under the banner of the Pact of Punto Fijo in 1958.¹ Through a series of accords, Venezuelan economic and political elites, the military and the labor unions agreed on a political and economic model based on the distribution of externally-derived rent (oil revenues), consensus-seeking mechanisms, and centralized political control under a strong presidential system. Crushing both a leftist insurgency and rightist military uprisings in the 1960s, by 1975 the new democracy faced no serious threats. Its continued success rested in no small part on the unprecedented income that the Venezuelan state received from the international sales of petroleum after 1973.² In late 1982, however, the price of crude oil began a decline that lasted, except for a brief period during the Persian Gulf War of 1990, until early 1999. During that seventeen year period, the political regime initially forged at Punto Fijo began to unravel.³

Clear signals of the unraveling erupted with the protests known as the Caracazo in February 1989, when the government of Carlos Andrés Pérez attempted to raise gasoline prices as part of an IMF package in the face of serious government international and domestic debt. The consequent rise in bus fares unleashed spontaneous riots across the country, during which a heavy-handed military and National Guard killed 300 (official count) to 1000 (human rights

¹ The Pact of Punto Fijo was a power-sharing agreement among Acción Democrática, Copei, and Unión Revolucionaria Democrática in December 1958 at the house of Copei leader Rafael Caldera, called “Puntofijo.”

² Although the percentages vary by year, roughly the oil sector has accounted for 25 percent of Venezuela’s GDP; 50 percent of its export earnings; and 75 percent of the government budget.

³ For an analysis of the unraveling of the Punto Fijo representative democracy and the rise of the Bolivarian Revolution, see McCoy, Jennifer and David Myers, eds., *The Unraveling of Representative Democracy in Venezuela* (Johns Hopkins University Press, 2004).

group estimates) protestors. The Pérez government's politically inept attempt to open up the economy further alienated the protected business class and contributed to discontent within the military.

On February 4, 1992, a secret club of mid-ranking military officers called the Bolivarian Revolutionary Movement (*Movimiento Bolivariano Revolucionario*—MBR-2000) attempted a coup against Pérez. The coup was put down by loyal generals and the leader, Lt. Col. Hugo Chávez Frías, arrested. Pérez permitted Chávez, though, to first make a statement calling on his comrades to lay down their arms. His 30 seconds of live television time made him a hero to millions of disgruntled Venezuelans as he criticized the corrupt democracy and uttered his famous line that he and his followers would put down their arms “for the moment” (*por ahora*).

Before the attempted coup, the apparent consolidation of control over the political system by the main political parties, *Acción Democrática* (AD) and Copei, left many Venezuelans extremely dissatisfied with their leadership, but unable to visualize an alternative. The overwhelming majority wanted “democracy,” but were split between those supporting a democracy with AD and Copei and those supporting one without them. Studies of Venezuelan public opinion at that time reveal that most Venezuelans viewed the two dominant political parties as corrupt and incompetent. They also blamed them for the country's economic decline. For decades, petroleum fueled growth and the middle class grew, with per-capita income peaking in 1978. Then came a sharp and persistent drop in real per-capita oil revenues, a poverty rate that shot up from 25 percent in the 1970s to 65 percent in the 1990s, and the massive disappointment of middle-class aspirations.⁴

Institutionally, the democratic political regime had remained highly centralized, with an ineffective Congress, a weak civil society penetrated by the political parties, and policymaking dominated by a powerful president who occasionally consulted labor and business in devising a state-led development strategy based on external rents, protection of domestic interests, and burdensome social commitments to the lower

⁴ The steepest rise in poverty occurred during the 1990s: the percentage living on less than \$1 per day increased from 12 percent in 1989 to 23 percent in 2000; and estimates of those living under the national poverty line doubled from 31 percent in 1989 to 67 percent in the late 1990s (UNDP *Human Development Report 1999*; World Bank website; CIA website).

and middle classes. The early priority given to political stability and democratic survival through consensus-based mechanisms eventually gave way to concern with political survival of individual political parties and leaders. At the same time, the centralized system of political decision-making failed to incorporate new groups that gained influence as economic and political modernization unfolded. These groups, which included the urban poor, intellectuals, emerging middle class civil society movements, and junior ranks of the military, became increasingly resentful and eventually found a voice, with important sectors deserting the Punto Fijo political regime completely.

Decentralization pushed by the neighborhood associations and new civil society movements in 1989, combined with political errors of elites, led to a fragmentation of the political party system in 1993, when for the first time, AD and Copei lost the presidency and achieved less than 50 percent of the congressional vote.⁵ This “deinstitutionalization” of the party system also opened space to charismatic leaders and led to the personalization of the new competitive political parties, particularly evident in the 1998 elections with the emergence of Irene Saez (IRENE party), Henrique Salas Romer (Proyecto Venezuela party), and Hugo Chávez (the Fifth Republic Movement, MVR) as leaders of new personality-driven party vehicles.

By the 1998 elections, real per capita income had eroded to the same level as in 1963, representing a one-third drop from the peak in 1978. Few Venezuelans recognized that oil revenues per capita had dropped precipitously. Instead, they continued to view Venezuela as a rich country.

Rise of Hugo Chávez Frías

President Rafael Caldera (1994-99) released the failed coup leader from prison and restored his political rights. While in prison, Chávez had become acquainted with intellectuals and politicians from the old Venezuelan Left who saw a chance to emerge from their long marginalization. On his release, Chávez quietly organized his own political party and prepared to run for the presidency. Caldera’s victory in 1993 and the perception that AD and Copei could be beaten were important in establishing anti-party candidates as viable challengers.

⁵ Ironically, a founder of Copei left the party to run and win the elections—Rafael Caldera.

Chávez's anti-elite message capitalized on Venezuelan frustrations and blame of the traditional political class for the slide in living standards in the 1980s and 1990s. He campaigned on a promise of radical change—to rewrite the constitution (a symbol for a political overhaul) and to eliminate the corruption of the “oligarchs” who had “stolen” the country's riches. He mercilessly attacked the traditional political parties, and eventually defeated his primary opponent, Henrique Salas Romer, who also promised radical change but who at the last minute received the endorsement of AD and Copei. Before that, Irene Saez had led in the polls until she accepted the backing of Copei. Thus, Venezuelans' deep desire for change did not necessarily mean that Chávez would be the one to carry it out. Chávez won when his competitors' acceptance of support from the traditional parties signaled to the populace that they would not, after all, represent a clean break with the past.

Chávez received 56 percent of the vote in an election endorsed by the OAS and the Carter Center. That vote was not only from the poor, however: while 55 percent of the poor voted for him, so too did 45 percent of the non-poor.⁶ Chávez was able to mobilize large sectors of the lower classes who felt excluded by established parties and did not possess institutionalized forms of political expression.

Inaugurated on February 2, 1999, Chávez' approval rating topped 80 percent and he enjoyed support across all classes and sectors. During his first year in office, he moved decisively to consolidate political power. Fulfilling his campaign promise, he held a referendum April 1 to approve the election of a Constituent Assembly to write a new constitution. The electoral formula selected to choose the members in July, with the approval by all of the parties, disadvantaged the disorganized opposition and gave the advantage to the governing coalition, which gained control of 94 percent of the seats. This same Assembly dissolved the Congress elected in 1998 and removed many justices from the courts.

Despite opposition from the private sector and the Catholic Church to welfare provisions and abortion rights, a referendum in December 1999 approved the new “Bolivarian” Constitution. The constitution both reassured and alarmed people, as it was less radical

⁶ Canache, Damaris, “The Urban Poor” in McCoy and Myers, *Unraveling*, 2004.

than expected, yet brought important changes. The Bolivarian Constitution extended the presidential term from four to six years, with immediate reelection; gave the president more direct control over the military while reducing Congressional oversight; changed the name of the country to the Bolivarian Republic of Venezuela; and strengthened the power of the national executive at the expense of the legislative and judicial branches. It eliminated the Senate, created two new public powers (an electoral power and a citizen's power to control corruption), and provided for more direct democracy through the creation of popular referenda with the power to revoke legislation and recall elected officials. It continued the pro-state approach to economic affairs while protecting private property.

Chávez decided that all elected positions should be “relegitimated” under the new constitution, and so ran again in the “mega-elections” of July 2000, securing almost sixty percent of the vote (3.9 million votes)—similar to the number of votes he won in 1998—3.66 million. His main opponent was a former comrade in arms who had become a popular governor—Francisco Arias Cardenas. The political coalition supporting Chávez' candidacy overwhelmingly defeated the candidates of AD and COPEI for seats in the National Assembly, and captured all but five of the 22 regional governorships. Similar results in the municipal and neighborhood council elections of December 2000 completed the marginalization of the traditional political parties.

The new National Assembly was charged with appointing the members of the electoral and citizen's branches, and the Supreme Court. Previously, a small committee from the Constituent Assembly was designated to make temporary appointments to these branches, which it did without following the constitutional procedures, but also designating individuals perceived as Chávez sympathizers. When the newly elected National Assembly simply reconfirmed the appointments to the Court and the citizens branch, confidence in the independence of the public institutions and their ability to serve as a check on presidential power was seriously eroded.

Meanwhile, the military mission was expanded. Chávez favored the military as an institution over what he saw as the inefficient and corrupt public bureaucracies and political parties. He therefore enlisted military officers as top-level decision-makers in his government, employed the military in massive disaster relief and development pro-

grams, and intervened in the promotion process, promoting loyal officers ahead of more senior officers. These practices led to growing tensions within the military, between generations and between Chávez loyalists and opponents, which played out in dramatic terms in 2002.

After two years of pragmatic economic austerity and courting of foreign investment necessitated by low oil prices,⁷ Chávez moved to make economic changes in late 2001. Near the end of a year-long Enabling Law in which the legislature granted legislative-making powers to the president,⁸ in December 2001, Chávez announced forty-nine decree laws, without prior consultation to economic sectors or political parties, that reformed such sensitive areas as hydrocarbons, fishing rights, and land ownership. The outcry that followed resulted in an unprecedented joint call by labor and business for a national strike on December 10.

National divisions deepened in 2002 as more actors spoke out against the president. Splits within the MAS (*Movimiento al Socialismo*—Movement to Socialism), his coalition partner since the 1998 election campaign, reduced the president's strength in the National Assembly below the sixty percent majority that he needed to approve organic laws. Cracks in his own MVR (*Movimiento V República*—Fifth Republic Movement) threatened to reduce his supporters to minority status in the Assembly.

When the president's popularity dipped below 30 percent (in early 2002), his political opponents began to explore the feasibility of using constitutional devices such as the revocatory referendum to remove him by legal means. Even inside of the military, the very institution whose support President Chávez claimed as critical to carrying out his Bolivarian revolution, opposition crystallized.

In January and February of 2002, several active military leaders called for Chávez to resign; plans for a reported coup attempt in February were apparently postponed; the president's chief political strategist and close confidant, Luis Miquelena, left the government; and the CTV and Fedecamaras issued a joint call in March for the president

⁷ From a low of \$11 per barrel in 1998, the average price of oil rose to \$16 in 1999 and \$27 in 2000, with a subsequent decline in 2001.

⁸ This delegation had been used previously in Venezuelan democratic history, but the granting of power was more extensive in the economic arenas in 2001.

to resign. The catalyst for the greatest turmoil, however, was Chávez's replacement of the president and board of directors of the national oil company, PDVSA, in February in an attempt to gain more political control over the independent board and its spending decisions. The response was a series of clashes and work stoppages between the new board and PDVSA managers and workers that culminated in a strike by white-collar petroleum workers beginning April 4. Five days later, the CTV and Fedecamaras joined the petroleum strike in solidarity while the government declared the petroleum strike illegal and interrupted private television broadcasting of the strike with mandatory government announcements. The demands of the strikers escalated from reinstating the previous PDVSA board and fired workers to a call for Chávez' immediate resignation.

On April 11, the third day of the nation-wide strike, a large group of protest marchers in Caracas diverted their planned route and approached the Presidential Palace, where pro-government demonstrators were gathered. A confused hail of bullets resulted in 19 deaths and over 100 wounded. The night of April 11, military commanders reportedly asked the president to resign in light of the order to implement the Plan Avila.⁹ In another confused series of events, the Commander of the Armed Forces, General Luis Rincon, announced that the President had resigned and removed his entire cabinet, while hours later the Attorney General Isaias Rodriguez announced that the resignation letter was a fake, and the president's wife announced from Cuba that Chávez was being held prisoner at Fort Tiuna in Caracas.

With an apparent vacuum of power and no available succession (based on the presumed resignation of the president and his cabinet), the military swore in the president of Fedecamaras, Pedro Carmona, as the new president of the republic. Carmona immediately dismissed the National Assembly, announced that he would not recognize the 1999 constitution, named a new cabinet, announced that new elections would be held within a year, and began to arrest Chávista governors, legislators, and ministers. The country and the world were shocked at the clearly undemocratic moves.

Within 48 hours, the tide had changed as international condemnation of the authoritarian moves of Carmona reinforced the outpouring

⁹ The contingency plan for the security forces to provide order during public protest.

of Chávez supporters in the streets. The military reversed course and reinstalled Chávez to the presidency.

International Reaction to Democratic Crisis

The implosion of the Punto Fijo model of representative democracy in Venezuela generated very little international reaction. Even international scholars were slow to catch on. By the early 1990s, however, the warnings were clear and some North American scholarly analysis began to appear.¹⁰ International assistance for democracy promotion, on the other hand, did pick up in the 1990s as the party system unraveled, with the National Endowment for Democracy providing \$2.3 million in grants between 1993 and 1998. The election year of 1998 garnered the largest grants with \$600,000 devoted to democracy assistance that year.

The initial reaction to the Chávez electoral victory in 1998 was positive. The international financial community and investors heard positive messages from the new president, and the diplomatic community adopted a policy of “engagement” and “wait-and-see.” As the new government fulfilled its campaign promises of writing a new constitution and began to consolidate power through the Constituent Assembly, on the other hand, there was virtually no international response, even to the interventions in the judicial system and the adoption of legislative powers by the Constituent Assembly (displacing the elected Congress). Democracy promotion grants continued through the NED, however, both directly to Venezuelan NGOs and labor organizations, and indirectly through U.S.-based NGOs.

The clearest international response to political crisis came in reaction to the April 11, 2002 coup against Chávez, though that response was as confused, and divided, as the events on the ground. Leading up to the April events, in February and March, the Inter-American Commission on Human Rights had reported that press freedoms were endangered and the U.S. government had expressed concerns about democratic erosion in Venezuela. After Chávez’s detention, on April 12, the Rio Group of Latin American countries meeting in Costa Rica

¹⁰ See McCoy, Jennifer, et al, *Venezuelan Democracy Under Stress* (University of Miami: North-South Center, 2005); and Goodman, Louis, et al, *Lessons of the Venezuelan Experience* (Johns Hopkins University Press, 1995).

“condemned the interruption of the constitutional order” and called for new elections (assuming that Chávez’ resignation was a *fait accompli*) and a special session of the OAS. In contrast, the initial U.S. reaction was to recognize (and nearly applaud) the transitional government, asserting that “[T]hough details are still unclear, undemocratic actions committed or encouraged by the Chávez administration provoked yesterday’s crisis in Venezuela.”¹¹ A joint U.S.-Spain statement hoped that the “exceptional situation Venezuela is experiencing leads in the shortest possible time to full democratic normalization,” but did not recognize an alteration or interruption of democracy.

On April 13 at midnight, the OAS extraordinary session invoked the Inter-American Democratic Charter and condemned the “alteration of the constitutional regime,” calling on the Secretary General to conduct a fact-finding mission in order to restore the democratic institutional framework (CP RES 811). At dawn on April 14, Chávez was brought back to Caracas from the island to which he had been flown, and sworn back into office later that afternoon.

A few days later, OAS Secretary General César Gaviria reported on his visit to Venezuela, concluding there was an urgent need for dialogue, to end military political statements, to investigate the violence of April 11-14, and to guarantee the separation of powers and checks and balances.¹² The OAS resolution the same day expressed satisfaction with the restoration of Chávez and endorsed the government’s initiative to call a national dialogue (AG/RES 1; 39-E-02). The U.S. backedpedaled in its support to the Carmona government, but continued to assert that Chávez did as much to undermine democracy in Venezuela as his opponents who had tried to overthrow him.¹³

At the OAS General Assembly on June 3-4, 2002, the United States attempted to gain approval of a resolution calling for OAS facilitation of a national dialogue through the Inter-American Democratic Charter. Annoyed by the clumsy attempt of the U.S. after showing up late

¹¹ Statement by Department of State Deputy Spokesman Reeker, April 12, 2002.

¹² Report Pursuant to Resolution Cp/Res.811(1315/02) Situation In Venezuela, April 18, 2002 (AG Doc 9, April 18, 2002).

¹³ Remarks by National Security Advisor Condoleezza Rice, April 29, 2002, Johns Hopkins University-SAIS. Secretary of State Colin Powell’s speech at the April 18 OAS meeting also contended that the problems leading to the removal of Chávez had begun long before that day and he implied that Chávez’s own actions were in large part responsible.

for the negotiations, the Latins rebuffed the effort and instead approved a declaration reiterating an offer of OAS assistance for dialogue and reconciliation should the Venezuelan government require it, and welcoming all international assistance to Venezuela (AG/DEC 28 (XXXII-O-02)).

The April events weakened the presidency, discredited the opposition leaders most closely linked to Carmona, and horrified foreign investors. Chávez immediately made conciliatory gestures, acknowledging that divisions in the country needed to be addressed, reinstating the PDVSA board of directors, and ending subsidized sales of oil to Cuba. The National Assembly, meanwhile, announced it would review many of the 49 decree-laws and establish a Truth Commission to investigate the violence and nearly 60 deaths of April 11-14 (which involved both pro and anti-government demonstrators). The Supreme Court ordered the release from house arrest of four high-ranking military officials who participated in the April 11 removal of the president.

In June 2002, Chávez invited Jimmy Carter to facilitate a national dialogue and by August, Carter had proposed, and the government and opposition had accepted, an International Tripartite Working Group composed of the OAS, UNDP, and the Carter Center. The formal dialogue began in November 2002, amid high tensions. The following month, the opposition launched a devastating two-month national strike including the oil sector. Finally, a formal agreement was signed in May 2003 opening the way for a presidential recall referendum. Along the way, a Group of Friends of the Secretary-General formed to support the dialogue process.¹⁴

International democracy assistance continued, primarily to opposition civil society groups and labor organizations. In a rather clumsy effort in August 2002, the U.S. opened an Office of Transition Initiatives to be able to funnel democracy assistance more rapidly to civil society groups, given the lack of a USAID mission in this oil-rich country.

The opposition gathered signatures in November 2003 with the OAS and Carter Center monitoring the process in a joint mission. The observers monitored the five-month verification of signatures in an unprecedented observation role, and mediated disputes over the

¹⁴ Composed of the governments of Brazil (chair), United States, Chile, Mexico, Spain and Portugal.

rules along the way. Finally, the recall was announced in June and scheduled for August 15, 2004.

The Carter Center and OAS completed their role as facilitators by monitoring compliance with the May accord—namely the carrying out of the recall referendum. They jointly conducted a number of tests and a post-election audit to verify the results of the electronic voting machines. Despite numerous allegations of fraud by the opposition, the observer missions found no evidence of electronic fraud and endorsed Chávez' defeat of the recall.

In summary, the two-year international effort at conflict prevention and reconciliation in Venezuela was unusual in many ways:

- First, it was a conscious attempt by the international community to try to defuse a social and political conflict *before* it erupted into full-scale violence.
- Second, it represented an unusual alliance between two inter-governmental organizations (OAS-UNDP) and a non-governmental organization (The Carter Center).
- Third, the conflict within Venezuela was multi-level and multi-sector, lacking clear dominant cleavages based on ethnicity, race, religion, or class (although some of those elements were also present as part of the conflict). The Carter Center and UNDP conducted peace-building and mediation initiatives at several levels and with several sectors in addition to the high-level dialogue effort.¹⁵
- Fourth, it involved significant personal effort by many world leaders (e.g. Jimmy Carter, Lula da Silva, Alvaro Uribe, Fidel Castro and other Latin American leaders) and especially by the OAS Secretary General, César Gaviria, to mediate the conflict, as well as navigate complex relationships within the international arena.

¹⁵ See *The Carter Center and the Peacebuilding Process in Venezuela, 2002-2005*. Available at: www.cartercenter.org/documents/2138.pdf.

International Community Disengages

Following Chávez' resounding victory in the recall vote, the international community essentially withdrew from its previously intensive involvement. Venezuela's Latin neighbors asserted that the voters had spoken, and there was nothing to justify further international involvement. The United States, on the other hand, concerned with the growing concentration of power and Chávez's increasingly vociferous foreign policy, engaged in a rhetorical war with Chávez. The State Department tried to isolate Venezuela in international forums, entering into a 21st-century version of a Cold War competition. Becoming almost a personal contest between George Bush and Hugo Chávez, the two countries supported opposing candidates in the election of a new Secretary-General for the OAS (Venezuela's candidate won), the race for the UN Security Council seat (Venezuela lost), and political endorsements of presidential candidates in several countries (with mixed results). Europe, on the other hand, primarily followed a policy of cautious engagement.

U.S. democracy promotion funds continued. USAID's Office of Transition Initiatives budgeted \$6 million in 2004 and \$4.5 million in 2005 to assist primarily opposition civil society groups. The NED provided another \$1.7 million in 2004-2005. Venezuela, on the other hand, began an aggressive program of petro-diplomacy, offering preferential terms for oil purchases to Caribbean, Central American and Andean countries, and buying Argentine bonds.

Internally, a series of laws curbing political dissent, free speech and the independence of NGOs raised alarms among international human rights groups, and criticism from the U.S. government, but little else. Multilateral international engagement essentially returned to the traditional practice of international election observation, with the European Union and the OAS monitoring the 2005 National Assembly elections (with a last-minute boycott by the opposition) and the 2006 Presidential elections.

Lessons Learned

Those engaged in democracy promotion efforts should first recognize different conceptualizations of democracy. In Latin America, with historic social exclusion, income inequality, and poor government

services, conceptualizations of democracy include governments providing basic welfare. In addition to civil and political rights (liberties), economic and social justice are part of many Latins' concept of democracy.¹⁶

In Venezuela, despite the erosion of procedural democracy, satisfaction with democracy is the second highest in Latin America, after Uruguay, according to the 2005 *Latinobarometro* report. In fact, despite defining democracy primarily in terms of liberty, Venezuelans gave a higher ranking of the "democraticness" of their country than any other country in the region (*Latinobarometro* 2005). The perceptions of inclusion, representation and hope provided by Hugo Chávez to the majority impoverished citizens are a powerful factor often ignored in external evaluations of Venezuelan democracy.

Secondly, in cases of high polarization with new sectors gaining political representation through democratic means, democracy promotion efforts should be all-inclusive, striving to increase the democratic capacities of newly-emerging power centers rather than simply aiding traditional ones. Assisting multiplural groups seeking to open political space and increase tolerance can also help to reduce political polarization.

Third, the case of Venezuela demonstrates that external leverage over a resource-rich state is very limited. Political conditionality of loans and aid is unavailable as a foreign policy tool. U.S. efforts to isolate Venezuela diplomatically have been counterproductive, as Latin neighbors have refused to be forced into a situation of choosing between the U.S. and Venezuela. The initial glee of the U.S. at the coup against Chávez damaged its reputation as a democracy defender, especially when contrasted with the Rio Group condemnation.

Use of "soft power," modelling desirable behavior, is the major foreign policy tool available. In this case, demonstrating to Venezuelans as well as to the rest of Latin America that the U.S. is engaged with their agenda of jobs and personal security, rather asserting a unilateral U.S. agenda, would go much further in building the relationships necessary to have a positive influence.

¹⁶ *Latinobarometro Report 2005* reports that the three primary meanings of democracy for Latin Americas are liberty, elections, and an economic system that provides a dignified income, though the relative weight of each of these factors varies by country. For example, in Brazil, a dignified income ranks the highest, while in Venezuela liberties ranks the highest followed by elections. Available at: www.latinobarometro.org.