

Democratization



Year 1, Issue 2

The gradual nature of the dismantling
of the rule of law in Venezuela

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Anomie, State and Law in Venezuela

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Economic structure in Venezuela
and its path to democracy

Ángel Alvarado

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Economic structure in Venezuela and its path to democracy

Ángel Alvarado

The road to democracy in Venezuela in the last 100 years cannot be understood without understanding oil and the economic structure it generates. The “exceptionality”¹ of the Venezuelan political phenomenon in the twentieth century is the “exceptionality” of the immense mineral resources and the type of economic institutions that organize such activity. Analyzing the economic structure allows shedding light on the “convoluted” transit from nineteenth-century authoritarianism, characterized by *caudillismo*², to democracy (1936-1958); as well as the democratic reversal and resurgence of authoritarian leadership in 1998.

As has been described in other studies³, it is not Venezuela’s income that has weakened democracy but the changes in the economic structure that have originated over time (1975 and 2007). This recent history will be reviewed to describe the democratiza-

1 “Después de una centenaria sucesión de dictaduras, se ha podido lograr la permanencia de un régimen de democracia pluralista y abierta excepcional en América Latina” Arturo Uslar Pietri *Medio Milenio de Venezuela* (Caracas, 1986), 250.

2 *Caudillismo*: despotic leadership in which the armed group is used as an element of power.

3 See Ronald Balza and Humberto García Larralde (Coordinadores), *Fragments de Venezuela* (Caracas, 2017): *Elementos para la Narrativa venezolana*.

tion process and the Venezuelan democratic reversal, as well as its relationship with economic and political institutions. The way in which the autocratic resurgence at the end of the 20th century has originated not only extractive but predatory and gangster economic institutions that have generated an unprecedented economic collapse will also be explained. Finally, the course of the economy today and the possibilities of democratization that it offers will be analyzed.

A little history

Venezuela was democratized in the second wave during the twentieth century between 1943-1962⁴. This process began at the end of the 20s, coinciding with the oil exploitation and the important income that the Venezuelan State received during those years.

From the 1930s Venezuela became an exceptional oil actor, which allowed the State to significantly expand access to education and health among the population, as well as to develop modern national infrastructure. While society grew economically, political actors pressed for free and democratic elections⁵.

4 In what Samuel Huntington called the second wave of democratization. Samuel Huntington, *The third wave* (Norman: University of Oklahoma Press, 1991).

5 This process began in February 1928 with student protests. It strengthened again in February 1936 with street protests and the oil strike organized by the unions. Political parties began to form. In 1945 a democratic revolution was organized by *Acción Democrática* and the young leaders of the Armed Forces that promoted the creation of a new Constitution and free elections in 1948. Despite the mistakes of said period and a new organization in the Armed Forces this process was delayed until January 1958.

In 1949 Venezuela was the 2nd richest country in the world⁶. The sustained accumulation of wealth (1928-1983), the successful distribution of agricultural land⁷, and the growth of an educated and modern middle class allowed to consolidate a stable democracy in Latin America. The exceptional level of wealth that the country had during this period was due to oil exploitation.

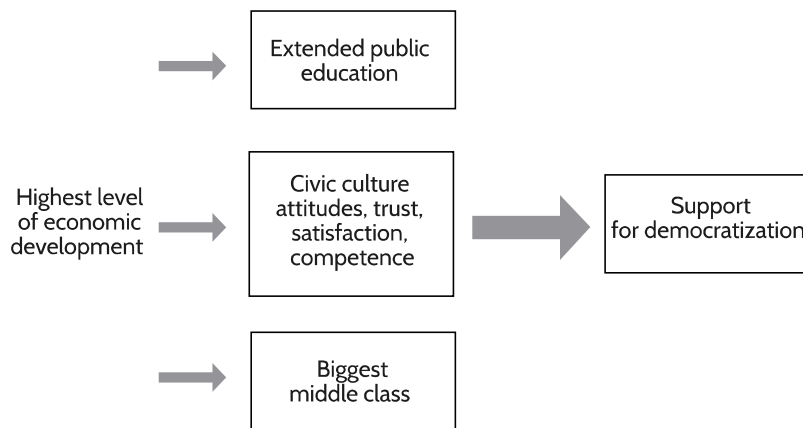


Figure 1: Influence of economic development on democratization

Figure 1 shows a democratizing scheme developed by Huntington. It shows how the economic structure influences democratization through access to education and the consolida-

6 See Data by Angus Maddison <https://www.rug.nl/ggdc/historical-development/maddison/original-maddison> for a time series of Gross Domestic Product by countries.

7 "In Venezuela in the 1960s, democratically elected government redistributed a tenth of the country's farmland-half from expropriation and half from state land-to a quarter of the landless poor. At the time, the country was transitioning from largely agricultural economy to an urban economy based on oil exports" Walter Scheidel, *The Great Leveller* (Princeton, 2017), 353.

tion of a middle class that, combined with certain cultural and civil values, make democracy possible. Therefore, democratization⁸ is the result of various factors.

However, Venezuelan “exceptionalism” must be pointed out: *oil revenues allowed us to exceed the threshold of Latin American democratization faster than neighboring countries*⁹. Just as oil is often conceived as a lever of economic development, it should also be seen as a lever for the democratization of a country¹⁰ when there is a certain level of social pluralism, intermediate societies, political questioning and social homogeneity¹¹.

Democratic reversal

In 1999, Venezuelan faced a crisis¹². What looked like a consolidated democracy¹³ began its dismantling with the National Constituent Assembly that replaced the 1961 Constitution¹⁴ by

8 “Democratization is a way of transferring political power to the majority of the citizens” Daron Acemoglu & James Robinson *Economic Origins of Dictatorship and Democracy* (Cambridge, 2000), 174.

9 Samuel Huntington, *The third wave* (Norman: University of Oklahoma Press, 1991).

10 “Romulo Betancourt and others design a type of pacted democracy that depended on oil rents and thus reinforced petrolization” Terry Lynn Karl *The Paradox of plenty* (Los Angeles, California), 225.

11 Samuel Huntington, *The third wave* (Norman: University of Oklahoma Press, 1991).

12 Precisely at a time when the world lived in democracy “The 1990-2015 is easily the most democratic quarter in world history” Steven Levitsky and Daniel Ziblato, *How Democracies Die* (New York, 2018), 205.

13 “More specifically, Linz (1978, p.50) proposed that democracy collapses because a failure of democratic politicians to solve political problems” Daron Acemoglu and James Robinson *Economic Origins of Dictatorship and Democracy* (Cambridge, 2000), 76.

14 “For demagogues hemmed in by constitutional constraints, a crisis represents an opportunity to begin to dismantle the inconvenient and sometimes threatening checks and balances that come with democratic

unconstitutional mechanisms. Hugo Chávez, commanding his Bolivarian Revolution, made a new Magna Carta to suit him¹⁵.

Many pages could be written on how Venezuela came to this situation. This analysis will be circumscribed to the economic perspective. The virtuous circle that oil exerted on the economic and political development of the country was truncated 1975¹⁶. The level of economic development stagnated¹⁷ and reversed from that moment on¹⁸.

In 1975 Venezuela changed its economic structure¹⁹. In the first presidency of Carlos Andrés Pérez, the State took control of the oil industry and the exploitation and exclusive monopoly of oil were abrogated. This shift in the institutional framework shook

policies. Crisis allow autocrats to expand their space to maneuver and protect themselves from perceived enemies” Steven Levitsky & Daniel Ziblato, *How Democracies Die* (New York, 2018), 3.

15 “More often, though, democracies erode slowly, in barely visible steps” Steven Levitsky & Daniel Ziblato, *How Democracies Die* (New York, 2018), 3

16 “Between 1929 and 1976, it had the highest per capita income on the continent” Terry Lynn Karl *The Paradox of plenty* (Los Angeles, California), 234.

17 “Most death of democracy are accompanied by some economic crises” Przeworski, Adam; Michel Alvarez, José A Cheibub y Fernando Limongi, *Democracy and Development: Political Institutions and Material Well-Being in the World: 1950-1990*, Nueva York (2000).

18 This change in property rights had a great impact on the economic performance of the national oil industry. North et al. state that “Success has been a consequence of the reorganization of **property rights** in those countries (Netherland and England). The failures-the Iberian Peninsula in the history of the western world, and much of Latin America, Asia and Africa in our times-have been a consequence on inefficient economic orrrganization” Douglass North and Robert Paul Thomas, *The Rise of the Western World, A new Economic History* (Cambridge, 1973), 157.

19 “Growth wil simply not occur unless the existing economic organization is efficent” Douglass North & Robert Paul Thomas, *The Rise of the Western World, A nwe Economic History* (Cambridge, 1973), 2.

society. The level of investment did not recover the successes of previous decades. The economic growth rate was declining, the quality of the currency was lost, the public debt and the fiscal deficit became unsustainable and the country experienced the first maxi devaluation of its currency in February 1983.

In 1973 a Venezuelan university professor earned US\$ 9,722 per month²⁰. A decade later, their income dropped to US\$ 2,000 on average. The accelerated impoverishment of the population diminished the middle class. Then, in February 1989, the country experienced a social outbreak and political instability from 1992 to 1993. Democracy had to be saved and the process of democratic reversal had begun.

Although oil remained abundant in the Venezuelan subsoil, the economic structure had changed in 1975²¹, and the right to private property in the most productive sector was not provided for in the new institutional framework. The economic performance derived from the new institutional structure was far from its previous performance (1930-1975).

Aristotle said that democracy requires a large middle class to stand. An economic structure that exacerbates inequalities leaves society at the mercy of demagogues, populists, and revolutionaries who find fertile ground in such a situation to subvert the democratic order. *The distance that time offers allows us to affirm that the institutionality inaugurated by President Pérez in 1975 did not*

20 Francisco Contreras data in his article *El exterminio de la Condición Humana y docente del profesor y profesor universitario en Venezuela*, Mérida, 2019.

21 The increase in oil prices induced changes in the previous notions of property rights, in the relative power of groups and organizations and in the role of the State (...) This institutional change subsequently affected State income, especially tax structure (...) A new trajectory of diverse development began. Terry Lyn Karl.

provide incentives for the acquisition of knowledge, learning, innovation or taking risks in creative activities. On the contrary, it exacerbated the Petro State²² and its despotic potentialities that weaken society.

Bolivarian Revolution and the populist advance

In 1996, President Caldera initiated an oil opening process for private equity companies that survived the first years of the Bolivarian Revolution and extended until 2006. However, that year Hugo Chávez managed to reverse the reforms in the energy sector and monopolized the sector in the hands of the State yet again.

The effects on the economy were swift. However, high oil prices and an aggressive indebtedness policy hid the collapse that had begun since expropriations in 2007²³.

The expropriations²⁴ soon spread to all sectors of the economy. Banks, industries, agricultural land, and urban real estate, among others, passed into the hands of the State for “strategic reasons”. It

22 “In the maner of a Petro-State, rent-seeking had become the central organizing principle of its political and economic life, and the ossified political institutions in existence operated primarily to perpetuate an entrenched spoils system” “ Terry Lynn Karl *The Paradox of plenty* (Los Angeles, California), 184.

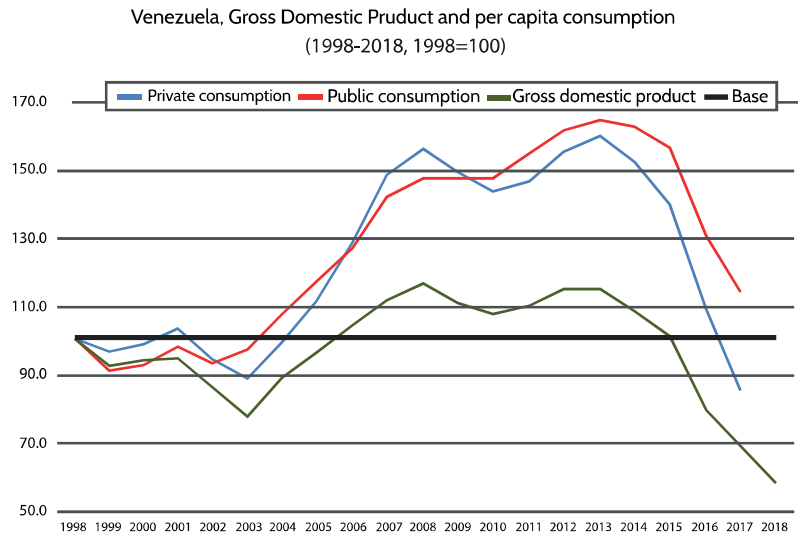
23 By the time Hugo Chávez came into power, the Venezuelan External Debt was about \$ 22MM. When Maduro arrived to power, it amounted to about \$ 150MM and continued to grow.

24 This process, although called “expropriations”, were mostly illegal, irrespected the procedural legal limits, and failed to comply with fair payment for the assets to previous owners. Technically, yet unofficially, these were illegal occupations of private property by the Venezuelan State.

is estimated that more than 5 million hectares of agricultural land were affected and more than 1600 assets.

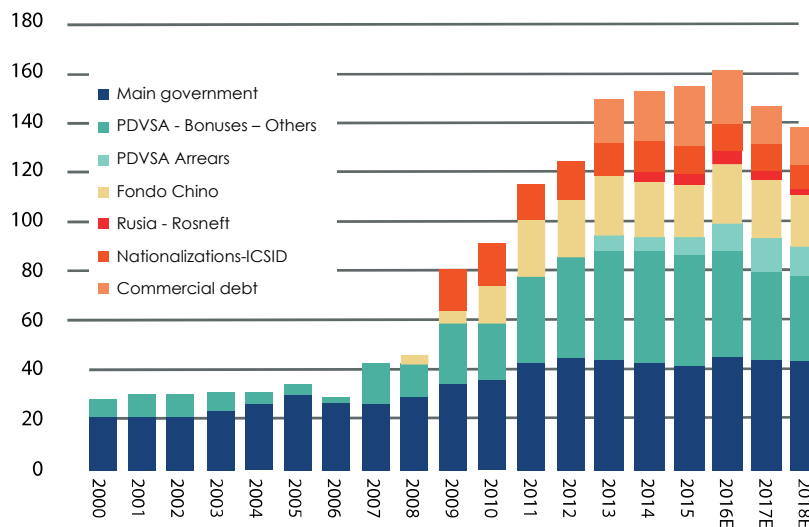
As a consequence of this policy, there was a significant fall in the agricultural, industrial and energy sector, although GDP continued to grow (Graph 1). This peculiar phenomenon is explained by the large increase in oil prices that the economy experienced and by the massive indebtedness contracted by the State (Graph 2). Both variables –high oil prices and indebtedness– allowed Venezuela to import goods and services at subsidized prices. It was a Ponzi scheme that sooner or later revealed a collapsed and ruined the economy. Consumption was unsustainable once the indebtedness was transformed into spending and corruption rather than productive assets.

This unleashed a collapse that could managed to be “disguised” until 2013. That year the economy was marked by back to back trimesters of sustained economic contraction. The illusion of bonanza and stability fell: *between 2013 and 2018 the Venezuelan economy lost 50% of its production*, according to the Central Bank of Venezuela itself. Estimates from the Finance and Economic Development Commission of the National Assembly offer a more devastating scenario: *64% of GDP had fallen in the first half of 2019.*



Graph 1: GDP, Private and Public Consumption.

Sources: Central Bank of Venezuela (1950-2015), International Monetary Fund (2016-2018), Harvard Kenney School.



Graph 2: External Public Debt.

Sources: Econalítica

Economic collapse: socialism and corruption

Our economic catastrophe is unprecedented in the region. This economic cataclysm is only overcome by Liberia, Georgia, and Tajikistan, which experienced the collapse of the Soviet socialist regime (Georgia and Tajikistan), or a long and cruel civil war (Liberia) of more than 20 years.

The destruction of wealth and capabilities of the Venezuelan economy is only attributable to those who, from positions of power, have been determined to impose an unsustainable socialist model. Oil production collapsed as a result of corruption, mismanagement, and politicization of the industry. The Bolivarian revolution destroyed the main source of wealth for Venezuelans.

Between 1999 and 2018, the Bolivarian Revolution gathered more than US\$ 1,500,000,000,000.00 in oil revenues and more than US\$ 120,000,000,000.00 through public debt. These resources were destined for the maintenance of an inefficient system of public companies, clientelistic social programs, corrupt exchange control, and public works of infrastructures with high embezzled commissions.

This boosted a corrupt elite that enriched itself with public wealth in intricate schemes of import corruption, allocation of public works and equipment purchases, financing to state-owned companies using disadvantageous exchange differentials for the State while extremely profitable for lenders that left large commissions to the officials who assigned them the contracts.

It is estimated that more than US\$ 450,000,000,000.00²⁵ of these active corruption products are tax havens, on behalf of third parties or that have been laundered around the world and in Venezuela.

This hatched into a kleptocracy that has lived on income and pillage and has also organized politically around power. This economy around oil income is a predatory economy in which private businessmen, compliant with the guidelines from the high rankings of the State, participate.

Predatory economy

The factors that led to the collapse of the Venezuelan economy can be summarized in

- i) The destruction of the economic rights of Venezuelans: property rights and the right to free initiative;
- ii) The over-indebtedness of the State, in which the funds were used to feed corruption schemes and unsustainable social programs; and
- iii) The destruction of the national oil industry through its politicization, mismanagement and corruption.

The transformation of the former income hunter elite into a new “predatory” elite is a commonplace among those three factors.

²⁵ Only for the Control of Change (CADIVI) plus 220,000,000,000, see Ecoanalítica work for Transparency International. <https://transparencia.org.ve/project/impactos-de-los-incentivos-de-la-corrupcion-analisis-cuantitativos-de-las-principales-actividades-economicas-ilicitas-en-venezuela/>

The absence of institutional controls and the colonization of all instances of the State since 1999 allowed Chavism to act on State Enterprises without restrictions. *Thus emerged a predatory economy.*

This economy is characterized by the devastation of a sector that produces nothing at the expense of another that produces everything and is progressively annihilated. This corrosive process began with the socialist model that destroyed economic rights with the confiscation of 5 million hectares of land and 1,600 productive enterprises, as well as with the imposition of controls on the economy to strangle it (exchange and price controls) and extract the “surplus value” of the “bourgeoisie”.

The predatory voracity of kleptocracy has been insatiable. So much so that it had to resort to monetary financing from the Central Bank due to the unsustainable fiscal deficit caused by the depredation of state companies. This has generated a hyperinflation or inflationary tax that has brought the minimum wage of the Venezuelan to less than two dollars a month, and whose most perverse expression is a “working class” sheared by predators who act in their name and defense.

As consequences of this phenomenon, the life of the population has become extreme with the following manifestations:

- Hyperinflation: The collapse of the State relaxed controls on fiscal accounts leading the government to contract debts of its public companies with the BCV, violating constitutional norms and parliamentary controls. This source of financing expanded the money supply above

200% year-on-year in March 2017²⁶. This generated a currency collapse until reaching a price variation of 2,600,000% year-on-year at the beginning of 2019.

- Migration crisis: This situation triggered a massive migration of Venezuelans who saw their lives radically impoverished: no social protection system and at risk of dying due to lack of food. This has triggered a flow of more than 5 million Venezuelans refugees.
- Complex humanitarian emergency: According to the 2018 Living Conditions Survey, 92% of Venezuelans live in poverty, 80% of children in popular areas suffer from malnutrition risk; 92% of mothers stop eating to feed their children and 74% of Venezuelans lost 8.4 kilos on average in 2018 (Caritas Venezuela 2017 Report²⁷).
- Inequity: According to the National Survey of Living Conditions 2018, this has generated the most unequal society in the world. The Gini index is 0.68. Such income differences are due to the fact that one population has access to healthy currencies while others continue to live with monthly salaries of \$2 in bolívares.

The economic devastation has created the conditions for inexpensive social control mechanisms: the CLAP food bag (valued at \$5-10), or money transfers “not conditioned” by political fidelity (\$2-4), or a bottle of subsidized gas (\$15)²⁸. Moreover, death

26 It should be noted that the sanctions affecting the use of the financial system began in August 2019. The monetary collapse had already begun long ago.

27 Nutritional Status Monitoring of Children Under 5. Abril-Agosto 2017.

28 The article: “La tecnología como mecanismo de control social y opresión en Venezuela” by Edward Pérez, published in the magazine *Democratización* (Septiembre 2019) is recommended.

squads (FAES) were created to suppress protests in poor areas of the country.

Transition to an Authoritarian "Capitalism"

The Bolivarian Revolution began a process of economic easing (Venezuelan perestroika) after a year in hyperinflation and contraction of 50% of Gross Domestic Product. Four measures are identified that account for this measure:

1. The rigid exchange control was lifted and the dollarization of the economy was promoted.
2. Price control was lifted.
3. Oil contracts were made more flexible. Partners in joint ventures were allowed to operate their businesses and market their products duty free.
4. Product imports with fixed tariffs at 8% were allowed through door-to-door customs schemes.

These reforms occurred silently so as not to injure certain sectors of Chavismo that sadly see the dismantling of the socialist model. This has not implied a shift towards greater legal certainty or clarity in the rules of the game. It is a process that advances in hiding, with little government propaganda and perceived as reversible by some economic actors.

The reformist will, forced by the economic collapse, is a tactical withdrawal to reach higher levels of governance. It cannot be ensured that they are sustainable over time. Far from seeking the empowerment of society, the "predators" opened space for their commercial operations of which the rest of society participates by accident.

Such an approach to reforms makes it clear that kleptocracy is not intended to be abandoned, rather it is sought to make it more efficient. Once the traditional economy has been plundered, looters must become productive agents to make their operations sustainable and maintain governance.

In this sense, any electoral process must be seen as a threat to pillage, which should be assumed as a controlled risk, especially the presidential election that risks “all” its commercial or financial operation.

It seems that the model in the mind of the elite that usurps Venezuelan power is a system of economic efficiency and a single political party. A model that could generate economic growth and alleviate poverty, but that does not guarantee human rights, freedom of expression, or political rights.

Both the Chinese and the Vietnamese model emerge after the failure of the classic socialist model of price controls and socialization of the means of production. Both countries, without democratic precedents and obtaining the consent of the international community, open their economies after their own failure on private operations, as long as these actors are “obedient” to the party’s guidelines.

Venezuela is hardly in a similar situation. The long democratic tradition of the twentieth century makes a model with these characteristics unacceptable to society. Similarly, the international community considers a transition with such attributes inappropriate due to the destabilizing potential that it could have in the region.

The main obstacle Maduro faces in his “reforms” are the international sanctions that the free world has imposed on kleptocracy

in order to avoid the looting and pillage to which Venezuela has been subjected. Sanctions prevent this economic transition sought by Maduro and his people.

This implies that an isolated economy has little chance of developing its potential or returning to its previous income levels. It prevents the development of a strong private sector, but it does not have to completely annihilate the underground, informal and illegal economy to which the kleptocracy has migrated.

Maduro and his people have migrated to illegal activities (smuggling of gold, oil and narcotics) reporting an income of US\$ 8,000,000,000.00 per year in 2019²⁹. This figure is similar to or greater than the oil bill of 2019 if it is assumed that only 450k bbl of it generates income for the State.

This shows the ability to adapt to generate an economic structure that serves to sustain the system. Although the pool size is reduced for the country, it is kept wide enough for kleptocracy actors through illicit activities.

The actors in these activities are those who have the possibility of changing the *status quo*: the elite (military, intelligence agents, governors, mayors, ministers, *colectivos*, irregular groups) to which a gold mine is assigned, or a trail of smuggling oil as payment to its faithful services for maintaining the *status quo*.

It is difficult to know how long the “predators” will take to deplete the exploited sectors: smuggling gold and oil³⁰ until

29 See study by Ecoanalítica for Transparencia Internacional. <https://transparencia.org.ve/project/impactos-de-los-incentivos-de-la-corrupcion-analisis-cuantitativos-de-las-principales-actividades-economicas-ilicitas-en-venezuela/>

30 One of the reasons why the increase in gasoline has not materialized in Venezuela, which costs Venezuelans billions of dollars, is the impossi-

resources are completely exploited. It should also be determined how much they profit from narcotics traffic routes³¹. Actors' loyalty depends on that, and it might not be enough to sustain Maduro in power, and the breakdown or need for reform may be more imminent.

Movings towards a more efficient model³² is only possible when the predatory economy can be significantly reduced and political rights are restored. As long as this does not happen, the collapse will continue to deepen until the resources are dilapidated.

Repression or democratization

The big challenge is how to democratize an economic structure with extractive institutions, in the presence of great social inequalities (between the elite and the people)³³, with a (gangster) State that profits from the exploitation of primary activities with little intensive use of human capital³⁴. The incentives are aligned for the development of illicit activities among the most unscrupulous in society, where the most successful ones are those willing

bility of losing an important source of income for the groups that hold Maduro in power.

31 Achieving higher incomes would imply moving from charging taxes for narcotics traffic to taking over the routes to North America and Europe. This would imply entering into dispute with the Mexican and Colombian cartels. This looks difficult to achieve given the weakening of the Armed Forces.

32 See Sameul Finer, *The Man on Horseback: The Role of the Military in Politics* (Baltimore, 1976).

33 Democratization only occurs for intermediate levels of inequality. Daron Acemoglu & James Robinson, *Economic Origins of Dictatorship and Democracy* (Cambridge, 2000), 190.

34 The research by Dr. Paola Bautista de Alemán on this subject is recommended. It can be found in this magazine's first and second edition.

to work with international drug trafficking, money laundering, and/or terrorist networks.

The inequalities in this model are exacerbated between those who have access to income, and the majority who live in poverty, in material misery close to starvation, making mass mobilization impossible to generate political pressure for political change.

These predatory economic groups survive in the shadow of the State, are mistaken for it and have all the incentives to maintain the *status quo* by forming a gangster State that exerts social pressure through fear and the threat of starvation.

The chances of democratizing through a social revolt are unfortunately precarious when the costs of repression are low for the *status quo*. The credible threat is therefore unlikely once this game becomes repetitive.

It is then necessary to seek *status quo* breakdown by depleting the sources of predation³⁵ or income³⁶ of the gangster State that, together with a certain level of internal and external pressure, generates a democratic opening.

To achieve this goal, work must be carried out in the short term in the fight against drug trafficking and smuggling of gold and oil to close all sources of illicit financing and thus weaken the gangster State, increasing the probability of an internal break-

35 "Creation of democracy in these countries may have coincided with important changes in the elites' assets". Daron Acemoglu & James Robinson *Economic Origins of Dictatorship and Democracy* (Cambridge, 2000), 192.

36 "The ability of the citizens to challenge the system (...) that damages the economic and social interest of the elites who control (...) political power". Daron Acemoglu & James Robinson *Economic Origins of Dictatorship and Democracy* (Cambridge, 2000), 174.

down that will generate a political change³⁷. Similarly, society must be further empowered to achieve higher levels of organization and mobilization, making repression more difficult³⁸.

In the long run, it is essential to return to an economic structure that guarantees property rights that really empower society, effective control of the executive branch and those who exercise it and recover the institutional path that democratized the country in the twentieth century.

37 "No transition can ever be forced by opponents against a regime which maintains the cohesion, capacity and disposition to apply repression". Guillermo O'Donnell & Philippe Schmitter *Transition from Authoritarian Rule: Tentative conclusions about Uncertain Democracies* (Baltimore, 1986), 21.

38 "If civil society is disorganized and ineffective, then it may be difficult to solve the collective action problem to form threats to the existing regime, and any such attempt may be easier to repress". Daron Acemoglu & James Robinson. *Economic Origins of Dictatorship and Democracy* (Cambridge, 2000), 191.

Conclusions

The second issue of the magazine *Democratización* concludes with these ideas. In this edition, we deepen the objective we set out in the previous one: to determine the autocratic nature of the dictatorship of Nicolás Maduro¹. We understand that knowledge itself leads to action, and scholars' duty goes beyond study, they must intervene². We seek to encourage our practical disposition and that of those who read us. This chapter is divided into two parts: (i) Summary of the findings, and (ii) challenges for democratic liberation.

I.

The articles by Juan Miguel Matheus, Rogelio Pérez Perdomo, Ángel Alvarado and Paola Bautista de Alemán –together with those published on our first issue– delve into essential features that shape the current regime and offer a definition of its autocratic nature. We find that the *dictatorship of Nicolás Maduro is a gangster, failed State, and of Marxist rhetoric*.

The efforts to find a true diagnosis for the political illness we suffer allowed us to identify one of its essential components: *Gradualness*, a concept developed by Juan Miguel Matheus in his

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- 1 Just as was explained in the first issue of this magazine “...Following the contributions of Samuel Huntington, it is understood that there may be a relationship between the autocratic nature of political systems and the possible development of a democratization process. In this sense, typifying the Bolivarian Revolution is an indispensable task to advance in the analysis of the process of political change and evaluate the possible outcomes”. “Introduction”, *Democratización*, (septiembre 2019), 3.
 - 2 Tzvetan Todorov, *La experiencia totalitaria* (Mexico: Galaxia Gutenberg, 2014), 68.

article, “The gradual nature of the dismantling of the rule of law in Venezuela”. The term refers to the progressive development of a destruction logic and the autocratic potential of the Bolivarian Revolution, who seek to preserve –or rather abuse– power, simulating renewed forms of legitimacy.

Matheus identifies five elements that define gradualness: (i) as the principle of action of the Bolivarian Revolution, (ii) as disarticulation of the legitimately established legal and political institutions, (iii) as a logic of destruction by degrees, (iv) as a means to preserve power, and (v) as a simulation of renewed sources of legitimacy.

The installation of a *gangster, failed and Marxist rhetoric State* in Venezuela has brought devastating consequences for the country and the continent. The articles by Rogelio Pérez Perdomo and Ángel Alvarado describe this from two complementary perspectives. The former emphasizes the impact on political and institutional culture. Pérez Perdomo offers clues to reflect on the consequences of the dismantling of the State and the emergence of autocracy. The testimony of those who grew up in democracy and have seen the installation of the dictatorship are interesting and enriching. The essay rescues the cultural foundations that can contribute to the reconstruction of the State and the Law in the country. His contribution is hopeful.

Ángel Alvarado's findings in “Economic structure in Venezuela and its path to democracy” are in tune with the concept of *gradualness* and with the identification of a “black economy”. The article accurately describes the Venezuelan economic system prior to 1999 and tidily synthesizes the destruction of the oil economy, a fact that opened doors to the predominance of illicit dynamics. Deputy Alvarado points out that the complex human-

itarian emergency Venezuela is currently experiencing, far from being a consequence of economic sanctions, is a product of the destruction of the economic system.

Paola Bautista de Alemán continues the line of research from the first issue of *Democratización*. The author makes efforts to identify the features that define the *gangster State* with the purpose of discovering its dynamics and rebalancing tools of the autocracy. Its main contribution is the preparation of a methodology that allows ordering the data and identifying the relationship between actors, illegal activities and territories that serve as input for political analysis.

The relationship she proposes between the decentralized efforts of power and how this condition generates inequality in the structural collapse of the country, affecting the sense of urgency of political change, is interesting. This finding, together with the concept of *gradualness* and the regime's repressive capacity –official and unofficial–, can help understand why the complex humanitarian crisis has not triggered a social commotion to pursue regime change.

II.

We wonder how the traits identified in our investigation affect the process of democratic liberation in our country. When studying the itinerary of the struggle for democracy in Venezuela in the last two decades, we find that all roads have been traveled and all internal and external means have been used. If we recourse to the studies on the fall and survival of regimes, we find that a dictatorship without popular support, with low economic performance and internationally fenced, should tend either to break or to its internal reform, but not towards stability. However, the Bolivar-

ian Revolution has managed to overcome each crisis and emerge even stronger from the junctures.

The publications that our research accumulates can help understand the capacity of autocratic resilience that the dictatorship has in Venezuela. Thus, two concepts must be highlighted: (i) *gangster State*, and (ii) *gradualness*.

The identification of the gangster State, its bureaucratic structure and the normative preference of its members (Marxist rhetoric) can explain the stubbornness of those currently leading the Bolivarian Revolution. We propose, as a hypothesis, that the dictatorship grant historical and existential dimensions to their political project. They cling to power for reasons that transcend economic benefits and cyclical power. We do not mean to downplay their lucrative advantage, which is the product of corruption and illegal operations. Certainly, in the map of actors of the dictatorship, the degrees of commitment to non-material matters may vary. But we must warn that the *strength* that the system has shown so far may be associated with the non-material values (maybe ideological) of the actors and the *resilience capacity* may be related to the complex bureaucracy that they have developed from within the State to channel the sources of illicit enrichment.

On the other hand, *gradualness* enlightens a pattern of action that has allowed the autocracy to firmly advance despite resistance from society. In Venezuela, this dynamic allowed political actors with autocratic potential to advance their projects without igniting national and international democratic alerts. They propagated with a veil of legality that allowed them to hide their regulatory preferences and simulate renewed forms of legality. It was the *long agony* of institutions and individual freedoms. Our

exhaustion has been so long that it is difficult to determine when democracy died and when we woke up in dictatorship.

The elements pointed out by the author can also explain the difficulties faced by academic, intellectual and political environments to understand and timely identify the autocratic nature of the Bolivarian Revolution. We believe that these findings are of special relevance for the international community –especially for Chile, Colombia, Mexico and Spain– where populist and/or rupturist phenomena threaten to come to power with electoral support in order to gradually dismantle the democratic systems that gave them access to decision-making positions.

The concept identified by Juan Miguel Matheus also specifies the dynamics that allow the dictatorship to adjust to adversities and set the means to achieve its ends. It is what we have called *autocratic resilience*. Under these operating schemes, time tends to play in favor of those who have the ability to strengthen themselves in the face of clockwise progress. Autocracies that progress gradually are like the blades of a well-forged sword: they can bend without breaking. Undoubtedly, this quality represents a challenge for the forces that resist it.

Identifying and describing the gangster State and its gradualness impose challenges on democratic forces. Both phenomena feed the resilience of the regime. Our findings seem to indicate that medium or long-term liberation strategies tend to benefit the dictatorship because they could deplete opposition forces and offer opportunities to rebalance the regime. The challenge is, therefore, to find ways of autocratic liberation that limit the

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regime's resilience and protect the democratic forces from fatigue, not sacrifice, which seems inevitable.