

Democracy from Below: Decentralized Political Opposition in Bolivia and Venezuela

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ABSTRACT:

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The degree of pluralism within government is often attributed to the weakness of opposition parties themselves and their inability to bring a diversity of political ideas to the decision making table. I argue that it is diverse experiences with decentralization that account for the organizational cohesion and sustainability of opposition parties and therefore the level of pluralism in government. Through an in-depth analysis of decentralization and opposition groups in Bolivia and Venezuela, I find that Bolivia's history of regional decentralization and local empowerment contributed to opposition group strength while Venezuela's delayed and partial decentralization led to a weak and fragmented opposition. This disparity has widespread implications for pluralism and democracy in each case.

Bolivia and Venezuela are frequently linked in both scholarly literature and the popular press as cases of populist regimes with questionable democratic qualities. Both Hugo Chávez in Venezuela and Evo Morales in Bolivia are labeled as populist, left leaders wielding power over semi-democratic regimes. In scholarly literature, Venezuela and Bolivia are categorized as delegative democracies. This term, as defined by Guillermo O'Donnell, refers to non-institutionalized democracies in which leaders rule with few constraints and little accountability (O'Donnell, 1994: 60). The popular press has linked Chávez and Morales since Morales' election in 2006, even going as far as to say that "it is sometimes difficult to tell where one government begins and the other ends."ⁱ

Although Bolivia and Venezuela are often cited as having many governmental similarities, there is great disparity in their opposition dynamics. Bolivian opposition parties have been able to gain representation and influence on both the subnational and national levels while Venezuelan opposition parties are weak and have little influence on politics at either the national or subnational level. Opposition party strength is an indicator of the strength of democracy due to the impact opposition party presence has on the plurality of ideas represented in government. This paper will investigate disparities in opposition party strength and pluralism, and it will demonstrate, in contrast to scholarly literature and the popular press, that successful decentralization has empowered opposition groups and increased pluralism in Bolivia. Failed decentralization has weakened opposition and hindered pluralism in Venezuela.

As previously noted, scholarly literature frequently lumps Venezuela under the leadership of Hugo Chávez and Bolivia under the leadership of Evo Morales as cases of delegative democracies. As defined by O'Donnell, delegative democracies are differentiated from representative democracies because they haven't achieved institutional progress and are often

plagued by clientelism and corruption (1994: 59). As a result of institutional weakness, democratically elected presidents in *delegative democracies* can typically govern however they please, unconstrained by institutional checks and balances. Delegative democracies possess vertical accountability, which is accountability to voters via the ballot box, but lack horizontal accountability, which is accountability at the institutional level (O'Donnell, 1994: 61).

Venezuela and Bolivia fall between political democracy and authoritarianism. Both are ruled by radical presidents whose policies are seen by many scholars and politicians as the impetus behind a possible democratic backlash (Nilsson, 2009: 101).

In addition to comparisons in terms of democratic credentials, scholars have lumped these Latin American countries according to both the nature of populism and the presence or absence of resource windfall gains. For the purpose of this study, populism is defined based on political and economic criteria. Populist economic strategies include the redistribution of income and the nationalization of natural resources and populist political strategies include attempts to gain votes using antiestablishment and antisystem appeals (Madrid, 2008: 482). Windfall gains refer to economic benefits reaped from natural resources. The nature of populism and the presence of resource windfall gains have provided explanations for the strength of opposition parties in Latin America. The two most prominent scholarly arguments attribute opposition strength to the nature of populism or to the presence or absence of resource windfalls.

Raúl Madrid focuses on the role of populist parties in delegative democracies and draws links between ethnic relations and the strength or weakness of political parties. He seeks to find an explanation for the rise of indigenous-based parties in Latin America. Madrid attributes the strength of Latin American indigenous-based parties to low levels of ethnic polarization and high levels of ethnic fluidity that enable ethnopopulist parties to garner support through inclusive

appeals (Madrid, 2008: 480). He focuses on Bolivia and Ecuador, which have both experienced ethnopopulist party strength, as the case studies for his argument. Evidence for his argument rests largely on the accomplishments of the *Movimiento al Socialismo* (Movement for Socialism, MAS) in Bolivia, which Madrid argues was able to gain political power through its inclusive ethnic appeal. In addition to ethnic inclusivity, Madrid argues that the MAS was able to gain political power through its inclusion of non-ethnic issues in its party platform, such as the nationalization of natural resource industries. Madrid attributes the failure of ethnopopulist parties in Venezuela to the relatively small indigenous population, which made inclusive appeals unsuccessful and contributed to the strength of populist leaders with radical economic and political policies.

Other scholars attribute opposition strength to the presence or absence of natural resource windfalls. Kurt Weyland in “The Rise of Latin America’s Two Lefts: Insights from Rentier State Theory” argues that the presence of resource windfalls explains the rise of the radical left in parties of Latin America’s rentier economies, which are economies based on natural resource wealth (2009). Weyland uses the natural resource rich cases of Venezuela, Bolivia and Ecuador to demonstrate that the prospect of windfall gains leads to radicalism. Weyland argues that as a result of the windfalls experienced in natural resource rich Latin American countries, leaders in these cases have a high propensity towards risk-taking (Weyland, 2009: 151). Products of this tendency towards risk-taking include large investment projects and widespread social programs using the projected future income from resource windfalls, despite the fact that much of this income is unearned and may not be stable or guaranteed (Weyland, 2009: 152). Yet because of the expectation of future windfall profits, rentier states, such as Bolivia and Venezuela, are unlikely to make constrained or moderate policy decisions (Weyland, 2009: 156). Weyland

categorizes rentier states as risk accepting and non-rentier states as risk averting. He warns that risk-taking on the grounds of oil rentierism is not a viable long-term strategy because commodity busts are inevitable and will lead to economic crisis in rentier states where risk-taking is the norm (Weyland, 2009: 159). Weyland determines that countries without resource windfalls and whose governments enact risk-averse, gradual reforms are more likely to achieve sustainable progress than the risk-taking, radical left governments of Latin American rentier states.

Given the delegative democracies and resource windfalls categorizations of Latin American countries, one would expect Venezuela and Bolivia to have similarly omnipotent, radical leftist governments. Yet, in contrast to these theories, Bolivia has a significantly more powerful opposition than Venezuela, which constrains the Morales government. Furthermore, Madrid's ethnopopulist explanation for the strength of political parties does not fit with the proven strength of subnationally based opposition parties in resource-rich Bolivian departments.

This paper provides an alternate explanation for opposition dynamics that explains the great disparity in opposition strength between Bolivia and Venezuela. I argue that it is the role of prior state reform in the form of decentralization, an omitted variable in the current literature on opposition party dynamics in Latin America, that explains the difference in opposition dynamics in these two cases. Successful decentralization in Bolivia enabled opposition groups to develop cohesive policies at the subnational level and advocate for these policies and economic and regional power at the national level (Roca, 2008: 65). In contrast, failed decentralization in Venezuela prevented opposition parties from gaining strength at the subnational level and hindered the opposition from gaining influence at the national level (Buxton, 2001: 123).

The independent variable-decentralization-is measured by the success and sustainability of these state reforms. The dependent variable is the strength and political power of opposition

parties. Opposition parties are defined as political parties at either the national, regional, or local level that aim to contest the party in control of the central government and its policies. The use of opposition dynamics as a proxy for political pluralism is inspired by Merilee Grindle's *Audacious Reforms: Institutional Invention and Democracy in Latin America*. In this work, Grindle argues that when regional political actors gain power they contribute pluralistic opinions to political debates and thus enhance the quality of democracy (Grindle, 2000: 102). Additionally, Grindle argues that efforts of the national government to limit opposition party power, specifically at the regional level, prevent regional political actors from gaining a voice, thus weakening democracy (Grindle, 2000:42).

The methodology I employ allows me to investigate the effects of attempts at decentralization on opposition party strength and level of pluralism. The operationalization of the independent variable, level of decentralization, is valid because it takes into account the process, trajectory and impact of policy-making decisions in both Bolivia and Venezuela. Successful and sustainable decentralization is defined as decentralization reforms that transfer political, economic and administrative power to the subnational level. Additionally, the operationalization of the dependent variable is valid because it examines opposition parties on the local, regional and national level and their ability to effect political change, gain support and enhance democracy. This is precisely what defines the strength of a political party.

Bolivia and Venezuela are investigated in this study because of their political and economic conditions. Both Bolivia and Venezuela are natural resource rich delegative democracies that had previous experiences with decentralization, yet they diverge when it comes to the strength of opposition parties. Bolivia derives its resource wealth from natural gas and Venezuela benefits from its supply of oil. Respectively, Venezuela and Bolivia have the first and

second highest proven reserves of oil or gas in Latin America (Lehuocq, 2008: 115). As a result of the natural resource wealth in each nation, using Venezuela and Bolivia as case studies controls for resource windfalls.

Both Hugo Chávez in Venezuela and Evo Morales in Bolivia are categorized as charismatic, populist left leaders wielding power over semi-democratic regimes. Chávez and Morales fall into the populist category because their policy platforms are founded on achieving a more equal distribution of political and economic power, thus using these two cases controls for populism (Seligson, 2007: 82).

Venezuela and Bolivia enacted decentralization reforms, the explanatory variable of this study, during the same period between 1989 and 1995. Decentralization includes political, fiscal, and administrative aspects (Montero and Samuels, 2004: 5). There is a high level of variation in the independent variable among the cases I investigate, particularly in terms of regional fiscal empowerment, incentives for decentralization and the nature of policy implementation.

The case study methodology previously outlined demonstrates that Bolivia and Venezuela had drastically different experiences with decentralization. Bolivia's 1994 Law of Popular Participation (LPP) and subsequent legislation successfully decentralized significant political and economic power to the departmental level. The departments that have control over natural resource reserves in Bolivia have tremendous power because the central government is beholden to their interests. As a result of this opposition power that has been cultivated at the local level, there is a heightened level of pluralism (Eaton, 2007: 81). In contrast, attempts at decentralization were made in Venezuela beginning in 1989 but, due to the lack of economic and political power transfer, Chávez was able to recentralize the state (Grindle, 2000: 37). This recentralization of power gave Chávez complete control over oil resources and silenced the

already weak voices of the opposition, which led to low levels of pluralism in the Venezuelan national government (Eaton, 2007: 81).

In this paper, valid causal links are drawn between efforts at decentralization and strength of political opposition because of variation in the explanatory variable, time order and controlling factors that span the cases. The impact that opposition party strength has on pluralism will be investigated to shine light on the widespread political implications of the findings. This demonstrates that successful decentralization led to opposition party strength in Bolivia and failed decentralization led to opposition party weakness in Venezuela.

Opposition Dynamics Compared: Bolivia and Venezuela

Evaluation of the strength of opposition parties and groups can be broken down into a variety of factors and determinants. The most influential of these opposition characteristics are regional power, national power, support bases, ideological cohesion, patterns of political participation, and the nature of the party system. Bolivia and Venezuela vary evident in each of the aforementioned characteristics of opposition party strength.

Regional opposition is defined as subnationally based political organizations or parties that differ from the party that dominates at the national level. In Bolivia opposition groups hold power in both wealthy and non-wealthy departments or regions. The strength of opposition parties at the departmental level in Bolivian constituency-level elections for 1989 and 2002 are depicted in Figure #1 and #2 respectively. It is evident from these maps that opposition party strength at the subnational level increased dramatically between 1989 and 2002. The Santa Cruz Department is the pocket of regional opposition in Bolivia most frequently referenced because of its campaign for regional autonomy. The department and the Pro-Santa Cruz Committee (CPSC), the representative body of the region, are able to threaten autonomy as a powerful opposition

group because of the fiscal power they derive from natural gas reserves. In 2000, Santa Cruz, with less than a quarter of the population, produced 40 percent of export revenue and 42 percent of tax revenue (Eaton, 2007: 76). Additional pockets of regional opposition strength can be found in the departments of Pando, Beni, and Tarija, which along with Santa Cruz constitute the *Media Luna* (Half Moon) (Lehuocq, 2008: 118).

Political opposition groups have also gained regional power in less resourced areas. For example, in the municipality of Curahuara de Carangas, which is located in Oruro, local politicians have gained power and use their town hall to make decisions and come to a consensus (Laserna, 2009: 134). Power has developed in this municipality despite the fact that it consists of only 6,000 people in 3,000 square kilometers.

In Venezuela there is little opposition strength at the subnational level. The share of the vote of opposition parties at the district level in Venezuelan constituency-level elections for 1988 and 2005 are depicted in Figure #3 and #4, respectively. It is evident from these maps that opposition party strength at the subnational level remained relatively stagnant between 1988 and 2005. Despite the general weakness of opposition parties at the subnational level, *la Causa R* (the Radical Cause, LCR), one of the most prominent opposition parties in Venezuela, gained some support at the regional level beginning in 1983. Much of the support for LCR was initially concentrated in the district of Bolívar. In 1983 LCR obtained 7.96 percent of the vote in municipal council elections and by 1984 increased its share of the vote to 17.11 percent, which enabled the party to earn four municipal council posts (López-Maya, 1997: 134). In the 1988 election, LCR continued to gain power and won seats in Bolívar, the Federal District and the district of Miranda (López-Maya, 1997: 130). Although LCR achieved success, few other opposition parties gained any power between 1988 and the election of Hugo Chávez in 1999,

which demonstrates the overall weakness of subnational opposition strength in Venezuela during this period.

Venezuelan opposition parties lost four mayoralties in the 2004 regional elections, demonstrating that opposition parties have difficulty sustaining power. One of the greatest barriers to opposition strength at the regional level in Venezuela comes from Chávez's rationing of candidates from his coalition across districts (Corrales and Penfold, 2007: 101). Recently, the opposition in Venezuela has achieved some success but it has not come easily. Much of this limited success is evidenced by the 2008 regional elections when the opposition was relatively organized. In this contest, opposition parties gained two governorships and the mayoralty of the Caracas metropolitan area, an important political position (Hidalgo, 2009: 80). This was a bittersweet victory for the regional opposition groups because Chávez was able to deprive mayors and governors of significant power in response to the opposition's limited success (Hidalgo, 2009: 88).

The disparity between opposition dynamics Bolivia and Venezuela is evident in Figure #5, which compares the number of seats held by the majority party in the lower house of congress in Bolivia and Venezuela. As the graph shows, the Venezuelan majority party's congressional dominance has increased dramatically since Chávez's election in 1999, whereas the percent of lower house congressional seats held by the majority party in Bolivia has stayed relatively constant at about 30 percent since 1998. This demonstrates that opposition parties have been able to sustain a presence in the Bolivian national government but that opposition parties in Venezuela have been pushed out of the national government. In Bolivia, Evo Morales faces opposition in congress from conservative party members hailing from the natural resource rich eastern lowlands of Santa Cruz and Tarija, who seek greater control over resource windfalls

(Gordon and Luoma, 2009: 106). In response to a 2007 move by congress to reduce the share of revenues from special energy taxes transferred to the departments, the opposition-dominated eastern departments held several illegal autonomy-seeking referendums between April and June of 2008. This caused the National Electoral Court to delay the proposed constitutional reforms that would have weakened the departments (Lehuocq, 2008: 121).

While opposition parties in Venezuela have gained some power it has not been sustainable or effective. For example, in the 1993 presidential election, LCR vote share increased to 21.9 percent a dramatic rise from the 1 percent the party received in 1988. In the same election, LCR increased their number of representatives in the Chamber of Deputies from 3 percent to 30 percent and gained representation in the Senate for the first time, winning nine seats (Buxton, 2001: 132). Despite the national-level electoral victories of LCR in 1993, the party had difficulty agreeing on a candidate for the 1998 presidential election. Ultimately, LCR put forth Alfredo Ramos, the leader of a Venezuelan telecommunications union. This was done only four months before the election, which was not enough time to run an effective campaign (Buxton, 2001: 189).

As a result of the weakness of Venezuelan subnational opposition parties, Hugo Chávez has dominated politics since his election in 1999. Shortly after his election, Chávez held a popular referendum on the creation of the Constituent Assembly. The referendum passed and Chávez's party won 125 seats while the opposition won only six seats. Despite the power that Chávez was able to secure his supporters only won 53 percent of the vote. Yet Chávez's supporters were able to secure 94 percent of the seats because of his carefully orchestrated rationing of candidates throughout the districts and his use of prearranged ad-hoc lists. (Corrales and Penfold, 2007: 101). The Venezuelan opposition attempted to gain control in 2002 by

staging a coup but it failed and Chávez was able to regain power in less than 48 hours (Weiss, 2009: 91). The weakness of opposition parties at the national level in Venezuela enabled Chávez to strip them of nearly all of their power.

Opposition parties in Bolivia, which are subnationally based, possess strong support bases, while the national level opposition parties in Venezuela are plagued with unstable support bases. In Bolivia, regionalism has been on the rise and opposition parties typically have a wider support base and are more inclusive than in Venezuela. Regionalism has been accompanied by increasing advocacy around local interests. The departments of Santa Cruz, Tarija, Beni, Pando, Chuquisaca, and Cochabamba have all experienced inclusive opposition movements centered on the promotion of local interests against the party in power at the national level, which is concentrated in the capital of La Paz. Many of these opposition movements are based around advocating for fiscal policies that will benefit regional interests and benefit from the support of both rank and file voters and the political elite (Roca, 2008: 65). For example, although the Pro-Santa Cruz Committee is led by elites, the Santa Cruz department business leaders have made a successful attempt to include non-elites within the department in their political base. As a result of these efforts, lowland Bolivians are referred to as *camba* (lowlander), which refers to lowland Bolivians regardless of their ethnic, economic, or linguistic status. The Pro-Santa Cruz Committee uses *camba* to unite the interests of all Bolivians in Santa Cruz against the interest of the *collas* (highlanders) (Eaton, 2007: 91). The Committee fights to keep the profits reaped from the department's natural resources in Santa Cruz. As is evidenced by the strength of departmentally-based opposition groups, political allegiance is more contingent on location than socioeconomic status in Bolivia (Eaton, 2007: 75). As a result of this regionally-based support, opposition parties that are typically linked to the elite class have gained the support of the middle

class, many of whom had previously voted for Morales but backed opposition parties for departmental governor positions. Although Morales was elected to the presidency in December 2005 with 54.7 percent of the vote, departmentally based opposition continues to increase its support base, particularly from middle class voters displeased with the political agenda of Morales (Fuentes, 2007: 97). This indicates that the support base of the opposition in Bolivia, which is founded on the subnational level, is strong whereas Morales' support base, which draws power from the national level, is unstable.

The little semblance of an opposition that exists in Venezuela is exclusive and has a weak support base. Unlike in Bolivia where the opposition appeals to middle sectors, a phenomenon of middle class alienation has emerged in Venezuela. Since 2002, Chávez's presidential approval rating has remained below 50 percent (Weiss, 2009: 88). As a result of low presidential approval ratings and a weak opposition, the majority of the middle class neither identifies with Hugo Chávez nor with the elite based opposition (Weiss, 2009: 89). Additionally, the opposition has fragmented support bases with candidates falling along the full range of the ideological spectrum. This fluidity prevents the Venezuelan opposition from developing a permanent base from which it can draw support (Weiss, 2009: 94). For example, Henrique Salas Römer, the opposition presidential candidate in 1998, fell on the right of the ideological spectrum while Francisco Arias Cárdenas, the opposition presidential candidate in 2000, fell on the left of the ideological spectrum. Despite the ideological differences between the opposition presidential candidates of 1998 and 2000, they both drew support from the upper socioeconomic brackets (Cannon, 2004: 293). As illustrated by the 2005 Latinobarometer public opinion survey, 68 percent of surveyed Venezuelans had little or no confidence in political parties and 47 percent had no confidence in congress (Latinobarometer, 2005). This lack of confidence in government

does not bode well for the establishment of a strong support base for opposition parties in Venezuela.

The cohesion of opposition groups, in terms of ideology and policy platform, is a key determinant of their success. Opposition groups in Bolivia are far more cohesive than opposition groups in Venezuela. The Pro-Santa Cruz Committee, one of the strongest opposition groups in Venezuela, has a clearly outlined and easily understood policy platform. Their demands include jurisdiction over all elections, regional control over natural resources, control over 2/3 of all tax revenues generated in Santa Cruz, and the power to set up all policy except for defense, currency, tariffs, and foreign affairs (Eaton, 2007: 76). Other subnationally based opposition groups in Bolivia have similarly high levels of ideological cohesion unifying the supporters of the opposition around a common set of goals.

In contrast to high levels of ideological cohesion seen in Bolivian opposition groups, Venezuelan opposition groups suffer from ideological fragmentation or, at times, a complete lack of ideology. Many opposition groups from a variety of ideological perspectives were united in 2002 through *la Coordinadora Democrática* (the Democratic Coordinator), an umbrella coalition. The driving force behind the creation of this coalition was the desire to overthrow Chávez. Despite the organizational capacity of *la Coordinadora Democrática*, it ultimately dissolved in 2004 because of its lack of ideological unity (Hellinger, 2007: 160). There is great diversity of ideology amongst Venezuelan opposition parties. For example, *la Causa Radical* (the Radical Cause, LCR), *Movimiento al Socialismo* (Movement for Socialism, MAS), and *Bandera Roja* (the Red Flag) appeal to the working class and fall left of center on the ideological spectrum. Other parties such as *Acción Democrática* (Democratic Action, AD), *Partido Social Cristiano de Venezuela* (Social Christian Party of Venezuela, COPEI) and *Primero Justicia*

(Justice First) don't appeal to a particular class base and fall right of center on the ideological spectrum (Cannon, 2004: 299). This demonstrates that opposition parties in Venezuela are highly fragmented.

Individual opposition parties in Venezuela are prone to low levels of internal cohesion. This is particularly evident in LCR, which split in 1993 into a radical faction and a more moderate faction. The split was attributed to organizational and ideological contradictions (Buxton, 2001: 167). Although LCR was the only party to officially split, AD, COPEI and MAS also experienced schisms, which had debilitating impacts on their political agendas (Buxton, 2001: 179). The effect of internal ideological cohesion on opposition party strength is evident in the disparate opposition dynamics of Bolivia and Venezuela.

High levels of abstentionism are frequently interpreted as dissatisfaction with the politicians in government accompanied by a lack of desirable opposition candidates on the ballot (Power and Roberts, 1995: 816). The difference between levels of abstentionism in Bolivia and Venezuela is shown in Figure #6. Although both Bolivia and Venezuela continue to experience declining abstentionism, this graph indicates that abstentionism has been higher in Venezuela than in Bolivia since the early 1990s. In Bolivia, abstentionism in the 2005 presidential and legislative elections was under 16 percent of registered voters (Laserna, 2009: 136). Low levels of abstentionism in Bolivia suggest that those who disagree with the policies of the politicians in government are heading to the polls to exercise their right to vote.

Elite political strikes are important to analyze in the Venezuelan case. The 2005 National Assembly election was boycotted by many members of the opposition, who left the chamber when it fell under the complete control of Chávez supporters (Cannon, 2004: 297). The opposition's decision to boycott the 2005 election was intended to demonstrate that the

government had lost legitimacy but ultimately further weakened opposition parties (Hellinger, 2007: 158). High levels of abstentionism is not a new phenomenon in Venezuela, abstentionism reached its peak in 1993 and over half of the electorate abstained from three sets of regional elections from 1989 to 1994 (Buxton, 2001: 130). This trend is not only a product of individual level dissatisfaction but has in fact been a political strategy of some Venezuelan opposition parties. For example, the *Movimiento Bolivariano Revolucionario-200* (the Revolutionary Bolivarian Movement-200, MBR-200) adopted an abstentionist strategy from 1993-1995 (Buxton, 2001: 185). The high level of abstentionism has implications for the meaning of an electoral victory, particularly when it comes to the proportion of the population that has endorsed the winning candidate (Buxton, 2001: 208). It is evident from the political implications of abstentionism in the Venezuelan case that abstention is often an ineffective political protest strategy (Hellinger, 2007: 169).

The final factor that affects the disparity in opposition dynamics in Venezuela and Bolivia is the nature of the party system. Beginning in the 1960s, Venezuela had a two party system dominated by AD and COPEI. Today, there are many Venezuelan political parties, which have contributed to a fragmented opposition. This shift was caused by a party system breakdown that accompanied the 1993 national elections (Weiss, 2009: 136). The decline of the Venezuelan party system not only led to popular hostility towards the traditional parties but also continues to prevent minor parties from gaining a following and representation in government (Buxton, 2001: 78). In contrast, the multi-party system that exists in Bolivia makes it difficult for any political party to determine political outcomes (Eaton, 2007: 134). The nature of the Bolivian party system has contributed to the weakness of national level political parties and the necessity for coalition building to gain seats at the national level (O'Neill, 2005: 134). The system favors

subnational opposition parties because candidates that tend to gain political support are those that run anti-party campaigns at the departmental level and vow to enact significant political and economic reform that promote regional interests. This strategy was successfully employed by Manfred Reyes Villa, the former Mayor of Cochabamba, who was able to garner support for his newly founded party, *Nueva Fuerza Republicana* (New Republican Force, NFR) (Gamarra, 2003: 290).

The implications of the Bolivian and Venezuelan party systems for the effective number of parties by votes and by seats in the lower house of congress are depicted in Figure #7 and #8 respectively. As illustrated by Figure #7, since Hugo Chávez's election in Venezuela in 1999, Bolivia has maintained a higher effective number of parties by votes in the lower house of congress than Venezuela. With respect to the effective number of parties by seats in the lower house, as shown in Figure #8, Bolivia has maintained a greater effective number of parties by seats in the lower house of congress since 1997. These findings demonstrate that although both Bolivia and Venezuela have multiparty systems, a greater number of opposition parties have been able to gain representation and power in the national government of Bolivia than Venezuela.

Given the description of opposition dynamics in Bolivia and Venezuela in terms of regional power, national power, support bases, ideological cohesion, political participation, and the party system, it is clear that the populist and windfall gains arguments for opposition dynamics are not valid explanations for the disparity between Venezuela and Bolivia in terms of opposition party strength. Thus, there must be an alternate explanation for the dramatic difference in opposition party strength in the two cases addressed in this study. The causal alternative argued for in this paper is that successful decentralization reforms empowered

opposition parties in Bolivia while failed attempts at decentralization in Venezuela weakened opposition parties.

The Impact of Decentralization Attempts on Opposition Dynamics: Bolivia and Venezuela Compared

Both Bolivia and Venezuela experienced decentralization reforms during the same period yet these attempts at reform had drastically different outcomes in each case. Successful decentralization in Bolivia, which began in 1994, provided the conditions necessary to empower opposition parties and increase national political pluralism. Unsuccessful attempts at decentralization in Venezuela led to a weak and fragmented opposition, which limited the degree of pluralism at the national level. A detailed analysis of both the Bolivian and Venezuelan experiences with decentralization is necessary to understand the disparity between opposition dynamics in both cases.

Bolivia

Political parties provided the impetus for decentralization in Bolivia because they saw decentralization as a way of increasing access to political power at the subnational level (O'Neill, 2005: 36). The 1994 Law 1551 (Law of Popular Participation, LPP), as designed by National Revolutionary Movement (MNR) president Gonzalo Sánchez de Lozada, created an institutional framework for local government in Bolivia. The LPP included the creation of over 300 municipalities as the basic level of government, the direct election of municipal councils and mayors and the transfer of 20 percent of government revenue to the municipalities (Kohl, 2006: 314). The transfer of revenue to the municipalities in Bolivia increased over time and allowed municipalities to exercise the jurisdiction mandated to the municipal level by the LPP. As a result of the successful fiscal decentralization in Bolivia, a large portion of income from natural

gas goes directly to subnational governments (Gordon and Luoma, 2009: 193). The effective revenue transfers that accompanied decentralization reforms increased opposition party strength because politicians that gained power at the subnational level had heightened economic power (Laserna, 2009: 142).

One of the primary aims of the decentralization reform was to improve political representation and efficiency. The LPP was successful in achieving this goal and political participation has increased at the local level (Laserna, 2009: 126-127). Furthermore, electoral reforms were incorporated into the LPP that mandated direct elections for half of municipal deputies and party list elections for the other half. These reforms served to empower opposition parties by increasing the political power held at the local level and the accessibility of elections for opposition parties (Laserna, 2009: 136).

Prior to enactment of the LPP, the Bolivian central government had total control over local politics. Afterwards, municipalities gained economic, political and administrative power. In conjunction with the LPP, the government enacted constitutional reforms, which helped to ensure the permanency of decentralization efforts (O'Neill, 2005: 37). These constitutional reforms included the implementation of barriers to future constitutional changes that might recentralize power (O'Neill, 2005: 61). The permanency of decentralization reform as guaranteed by constitutional reforms, ensured that politicians at the subnational level would not be stripped of their power by recentralization efforts.

Decentralization in Bolivia was deepened further by the 1995 Law 1654 (Law of Administrative Decentralization), which assigned specific administrative powers to the departments and created official links between municipal, departmental and national governments (Grindle, 2003: 321). The LPP and the Law of Administrative Decentralization

brought participatory democratic structures to even the furthest reaches of the country and gave these regions additional fiscal powers as well, including the power to raise taxes. The Law of Administrative Decentralization had an important impact on strengthening opposition parties because elected politicians from opposition parties at the subnational level have official avenues to influence national politics and increase political pluralism.

Although there have been attempts to reverse the decentralization reforms, these attempts have not been successful. Effective decentralization had a significant, positive impact on Bolivian opposition dynamics because opposition parties have been able to gain influence at the subnational level and then influence politics at the national level. The effects of decentralization on the strength of opposition parties at the subnational level is illustrated in the contrast of Figure #1, which depicts the percent of the vote going to opposition parties in the 1989 Bolivian constituency-level elections prior to decentralization, and Figure #2, which depicts the percent of the vote going to opposition parties in the 2002 Bolivian constituency-level elections after decentralization. It is evident from the contrast between these maps that the strength of opposition parties at the subnational level in Bolivia increased dramatically after decentralization.

Venezuela

A widespread crisis within the Venezuelan party system, that resulted from accusations of corruption in both AD and COPEI, provided the impetus for national elites to enact decentralization legislation. Venezuelan President Jaime Lusinchi created la *Comisión Presidencial para la Reforma del Estado* (the Presidential Commission on the Reform of the State, COPRE) shortly after his election in 1984. COPRE's initial set of recommendations noted the alienation of Venezuelan citizens from the political system and the deficiency of arenas for

political expression, which were seen as having major implications for the democratization process (López-Maya, 1997: 118). The remedies proposed were internal party reform and electoral, political and administrative decentralization at the municipal and regional level. Lusinchi's recommendations were opposed by AD because the party feared that devolution of power would weaken the party as a whole. As a result of the lack of support from AD, Lusinchi rescinded his recommendations and they were not implemented (Penfold-Becerra, 2004: 159).

The election of AD president Carlos Andrés Pérez in 1989 did little to further decentralization immediately. Only after the *Caracazo* in 1989, which were a series of massive protests against rising transportation and gasoline prices in Caracas, did AD broaden decentralization reforms (Penfold-Becerra, 2004: 161). Following the *Caracazo*, Pérez enacted *la Ley sobre Elección y Remoción de los Gobernadores de Estado* (the Law for the Direct Election of Senators), which mandated the direct election of elections of mayors and state governors. The law allowed for a 2/3 vote in state legislative assembly or presidential approval combined a 2/3 vote in the Senate to oust elected state governors, which made a state governorship a vulnerable position. Between 1989 and 1994, 13 state governors were threatened with impeachment by state legislative assemblies and the Senate (Buxton, 2001: 113). The national-level and state-level checks put in place on state governors along with decentralization reform hindered opposition parties because opposition party governors were frequently threatened with impeachment and as a result could not cultivate power at the subnational level.

Additionally, Pérez separated national and regional elections to prevent local issues from taking precedence at the national level. For Pérez, decentralization reform was a self-interested endeavor because he saw it as a way for AD supporters to gain political power at the subnational level and dominate politics throughout Venezuela (Buxton, 2001: 45). This weakened opposition

parties because there was little opportunity for politicians from parties other than the dominant party to win subnational elections.

La Ley Orgánica de Descentralización, Delimitación y Transferencia de Competencias del Poder Público (Venezuela's Organic Law on the Decentralization, Delimitation, and Transference of Competencies of the Public Power), which was enacted in 1989, delegated concurrent powers to the national and state governments. The Venezuelan decentralization law did not give the departmental governments complete jurisdiction over any policy areas, which left control largely in the hands of the national government (Buxton, 2001: 114). This severely limited the power of opposition parties and their ability to challenge the status quo because if they attempted to defy the policies of the dominant party, they would be subject to checks from the national government.

Initially, 1989 decentralization reforms had a positive influence on opposition parties. The institution of regional elections allowed LCR and MAS to compete against AD and COPEI at the regional level in the December 1989 regional and municipal elections, which were held only ten months after the decentralization reform (López-Maya, 1997: 133). In addition to facilitating minor parties' strength at the regional level, decentralization reforms enabled new AD and COPEI politicians to gain power at the regional level (Buxton, 2001: 51). This created a power struggle within both AD and COPEI between party members who drew their power from the national level and those that drew their power from the subnational level (Buxton, 2001: 52). As a result of the decentralization reforms, the 1993 presidential and congressional elections were incredibly complicated because both established political parties and new sub-nationally based parties participated. The previously noted shift from a two-party system to a multi-party system in Venezuela can be attributed to the 1989 Decentralization Law due to the influx of new

parties that were empowered by decentralization. This radical shift in party system dynamics led to a breakdown in the party system and, as a result, the 1993 elections reflected a high level of political fragmentation (Buxton, 2001: 55). The weakness of the party system prevents opposition parties from gaining power because there is no formal avenue for gaining political power in Venezuela.

COPRE failed in its attempts at decentralization because it was a presidential program rather than an institutionally supported program. This lack of support for decentralization in Venezuela led to aspects of the proposed reforms being vetoed by congress, particularly those proposals that would devolve economic power to the regional level (Buxton, 2001: 111). State governors were hesitant to seek more complete political decentralization because there was no guarantee of fiscal decentralization accompanying that political decentralization (Buxton, 2001: 115). Thus, the lack of fiscal power transfer with decentralization reforms in Venezuela had a negative impact on opposition parties because those opposition candidates that managed to win elections could not effect political change without economic power.

During AD President Ramón Velásquez's short term in office from 1993 to 1994, he introduced a decree that would have allowed states and municipalities to raise their own taxes. Furthermore, Velásquez created *el Fondo Intergubernamental para la Descentralización* (the Intergovernmental Fund for Decentralization, FIDES), designed to allot a portion of the value-added tax collected at the national level to further devolution of political power to the subnational level. These proposals were shelved or delayed after COPEI president Rafael Caldera took office in 1994. The Caldera government did not institute Velásquez's decree and also postponed the appointment of the FIDES board for two years, which left FIDES powerless and without leadership (Buxton, 2001: 116).

Decentralization reforms were further hindered and ultimately reversed with the election of Hugo Chávez in 1999. The historically weak and reversible decentralization legislation enabled Chávez to recentralize administrative and political authority in Venezuela (Banko, 2009: 161). The constitutional reforms enacted in 1999 foreshadowed Chávez's recentralization of power with their creation of the unicameral National Assembly and elimination of the Senate. The elimination of the Senate in Venezuela ended state representation at the national level, which had devastating effects on the strength of opposition parties at the national level and the level of political pluralism in Venezuela (Banko, 2009: 169). Figure #3 and Figure #4 depict the strength of opposition parties at the subnational level in prior to decentralization in 1988 and following both decentralization and recentralization in 2005 respectively. It is evident from these maps that decentralization had little effect on the strength of opposition parties at the subnational level in Venezuela.

Bolivia and Venezuela Compared

It is clear that neither Madrid's ethnopopulist argument nor Weyland's rentier state argument explains the differences between opposition dynamics in Bolivia and Venezuela. The impact of decentralization attempts on opposition dynamics in Bolivia and Venezuela is evident when comparing the factors and determinants of opposition strength in both cases. As previously discussed, the most significant opposition characteristics are regional power, national power, support bases, ideological cohesion, patterns of political participation, and the nature of the political party system.

The disparity in decentralization reforms between Bolivia and Venezuela and the impact this has on opposition dynamics is most evident in the strength of opposition parties at the regional level. Successful decentralization in Bolivia devolved administrative, political and fiscal

power to the subnational level, which empowered politicians and ultimately opposition parties. The strength of opposition parties in Bolivia, as a result of decentralization, brought pluralism to the political landscape. In contrast, weak attempts at decentralization in Venezuela led to only partial transfer of administrative and political power and little transfer of fiscal power to the subnational level. This partial decentralization was eventually reversed under Hugo Chávez. Weak decentralization in Venezuela hindered the development and empowerment of a regionally based opposition because subnational political entities lacked power and remained unstable.

Furthermore, successful decentralization in Bolivia and failed decentralization in Venezuela continues to have widespread implications for opposition parties at the national level. In Bolivia, opposition parties that developed at the subnational level, as a result of decentralization, have gained representation and influence at the national level. Failed decentralization in Venezuela has hindered opposition parties because not only were they unable to gain strength at the subnational level but more recently subnational political actors have been completely pushed out of national level politics with Chávez's elimination of the senate.

Decentralization has played an integral role in the development of support bases for opposition parties in Bolivia and Venezuela. Opposition parties in Bolivia, at both the national and subnational level, draw much of their political support from municipalities and states, which were politically and economically empowered by decentralization. Opposition parties in Venezuela have faced many obstacles in their attempts to develop strong support bases because weak decentralization reforms failed to create effective subnational political units from which opposition parties can draw support.

The level of decentralization success has a direct impact on the ideological cohesion of opposition parties in Bolivia and Venezuela, a key determinant of opposition party strength. In

Bolivia, as a result of successful decentralization, opposition groups were able to create specific policy platforms at the departmental level and bring those policies and demands to the national level. As a result of failed decentralization in Venezuela and the negative impact this had on opposition parties at the subnational level, the opposition must be ideologically cohesive to gain any power at the national level. Unfortunately, failed attempts at decentralization left few avenues for opposition parties to organize and develop ideological cohesion (Hidalgo, 2009: 80).

In both Bolivia and Venezuela, decentralization reforms had an impact on political participation at the national and subnational levels. As previously discussed and as displayed in Figure # 6, following decentralization, abstentionism in presidential elections increased dramatically in Venezuela yet stayed relatively stable or declined in Bolivia. This can be linked to decentralization because when effective political units are created at the subnational level, citizens are encouraged to participate and bring a plurality of ideas to the political sphere.

Diverse experiences with decentralization shaped the nature of the party systems in Bolivia and Venezuela. Decentralization in Bolivia has given subnational actors the power to determine the candidates that run for legislative office. This leads to an enhanced presence of opposition parties at the national level. Although decentralization strengthened opposition parties in Bolivia, their party system has been able to adapt to these changes. In Venezuela, decentralization and party system collapse occurred simultaneously. This hindered opposition parties because of the weak subnational political units created by failed decentralization and the lack of an effective party system for opposition parties to participate in.

It is evident from the divergent experiences of Bolivia and Venezuela with attempts at decentralization that successful decentralization in Bolivia strengthened opposition parties and failed decentralization in Venezuela weakened opposition parties. The implications of this

relationship for the level of pluralism in both Bolivia and Venezuela are important because political pluralism has been associated with the effectiveness of democracy.

Implications for Democracy

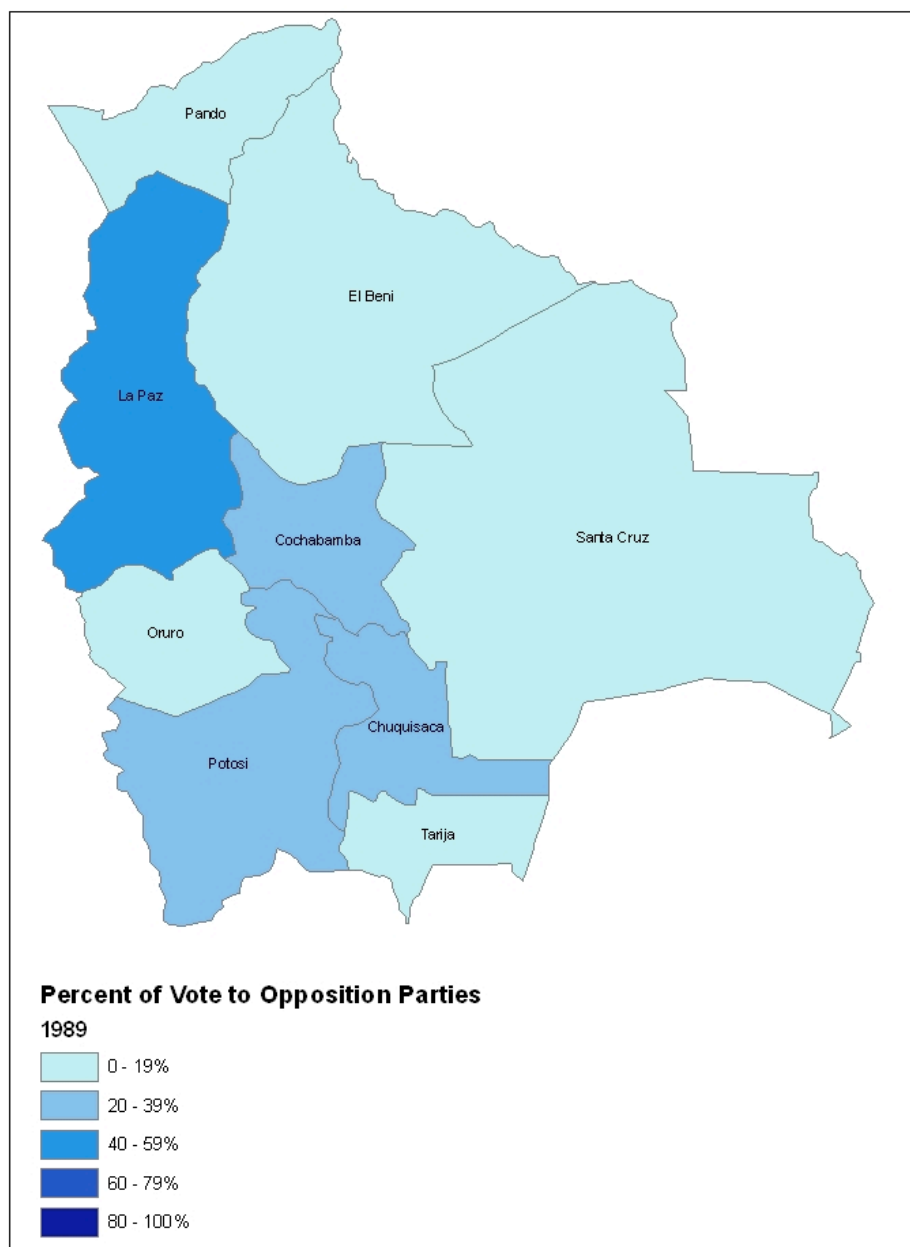
In contrast to Guillermo O'Donnell's delegative democracies theory, which categorizes both the Venezuelan and Bolivian governments as being unconstrained by institutional checks and balances, this study argues that Bolivia and Venezuela differ in terms of their democratic credentials. The disparity in level of democracy is attributed to the diversity of experiences with decentralization in Bolivia and Venezuela because successful decentralization in Bolivia empowered opposition parties and failed decentralization in Venezuela weakened opposition parties. The strength of opposition parties has implications for the level of political pluralism. The more political opinions are voiced in government, the greater the level of pluralism.

As Luz Paula Parra-Rosales writes, "democracy will be consolidated when common citizens see themselves as political subjects, who are convinced that democracy is the best system of government" (Parra-Rosales, 2009: 110). Under these criteria, Bolivia is categorized as a consolidated democracy because successful decentralization brought effective democratic political structures to the departmental and municipal levels, which encourage citizen participation. The effect that the success of decentralization had on consolidating democracy in Bolivia is evident in the impact decentralization had on strengthening opposition parties.

Criticism of Venezuela in terms of its democratic credentials is justified by the lack of a consolidated democracy. Barriers to democracy were put in place by the failure of decentralization reform, which prevented opposition parties from gaining political power and suppressed the degree of political pluralism in Venezuela. Hugo Chávez was able to recentralize Venezuela, further concentrating political power and threatening democracy.

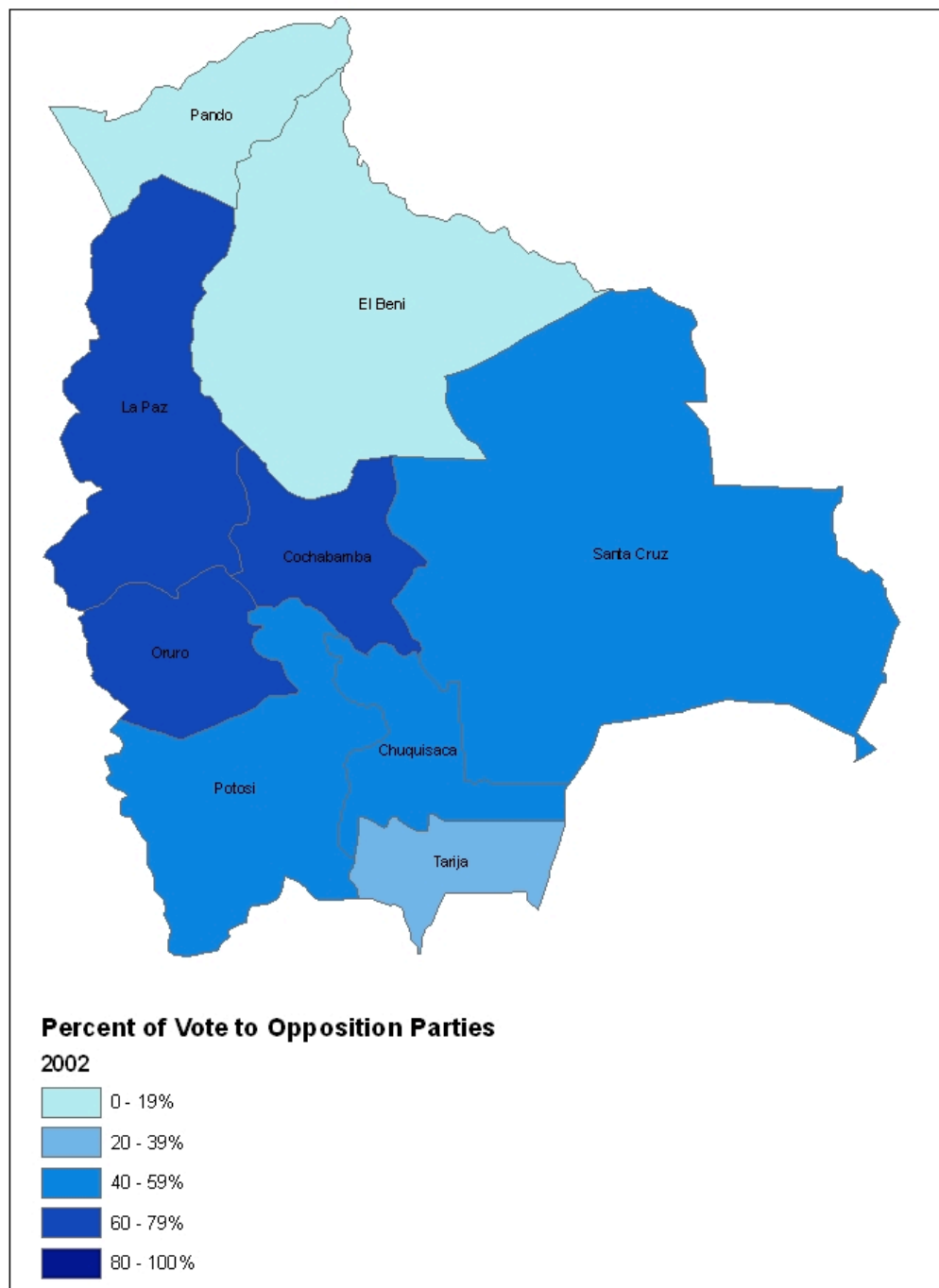
This study has implications for democracy in both Bolivia and Venezuela and the type of reforms, if implemented properly, that can strengthen democracy. When looking to implement decentralization reform, governments, especially those in Latin America, should look Bolivia as a model of effective reform and Venezuela as a case where failed decentralization continues to have negative political consequences.

Figure #1: Percent of vote going to opposition parties in Bolivian constituency-level elections 1989



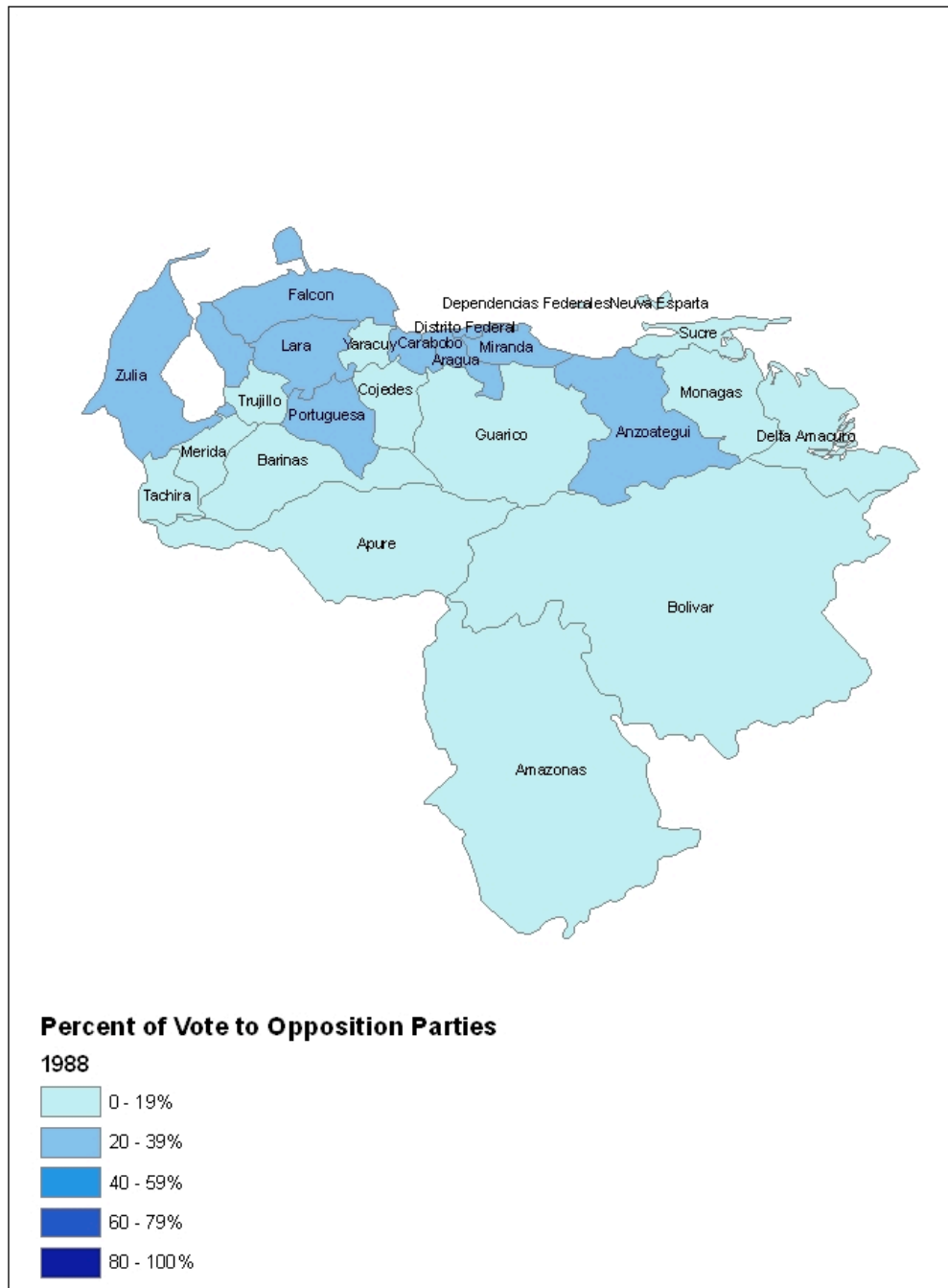
Data Source: Brancati, 2007.

Figure #2: Percent of vote going to opposition parties in Bolivian constituency-level elections 2002



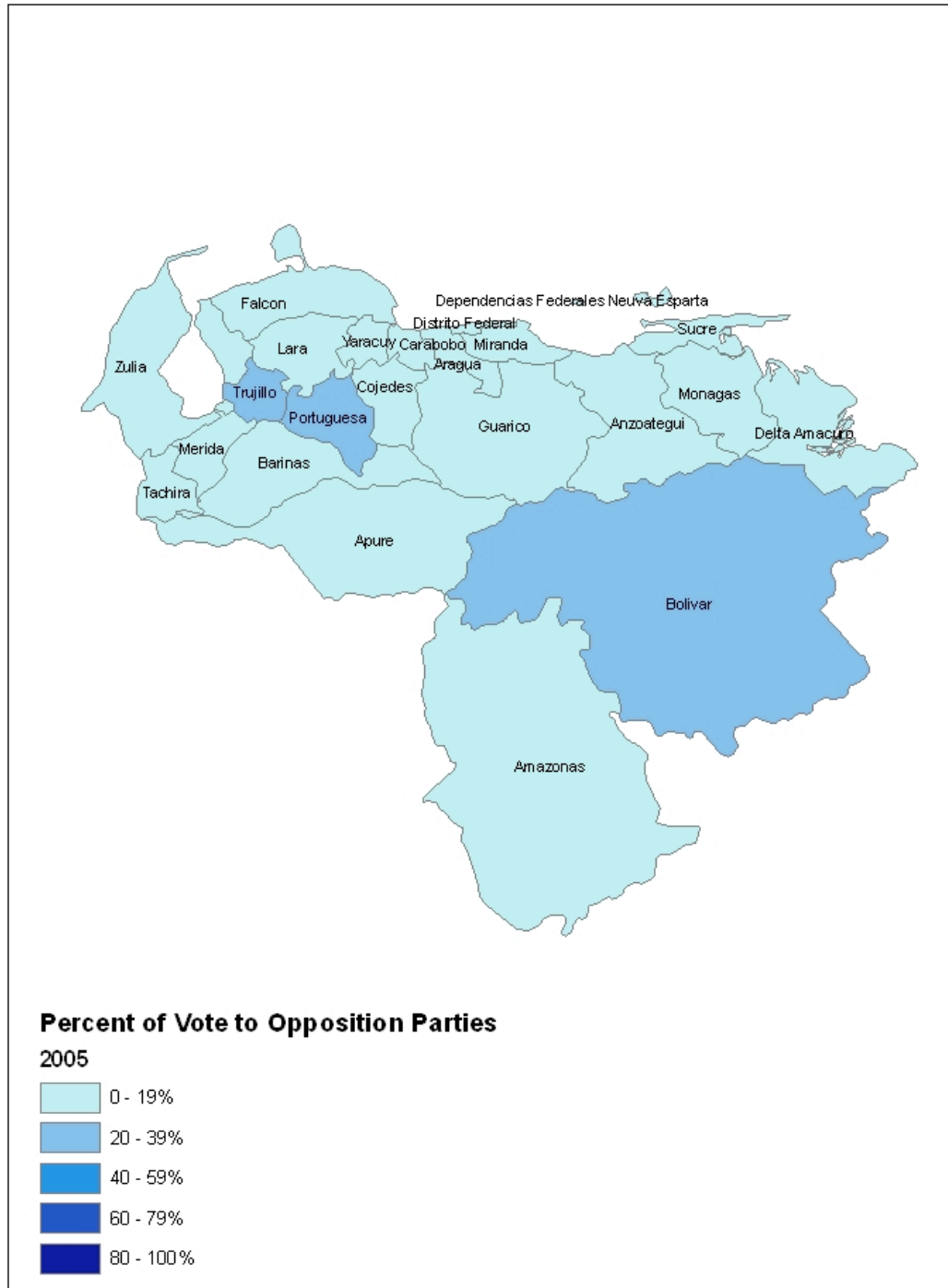
Data Source: Brancati, 2007

Figure #3: Percent of vote going to opposition parties in Venezuelan constituency-level elections 1988



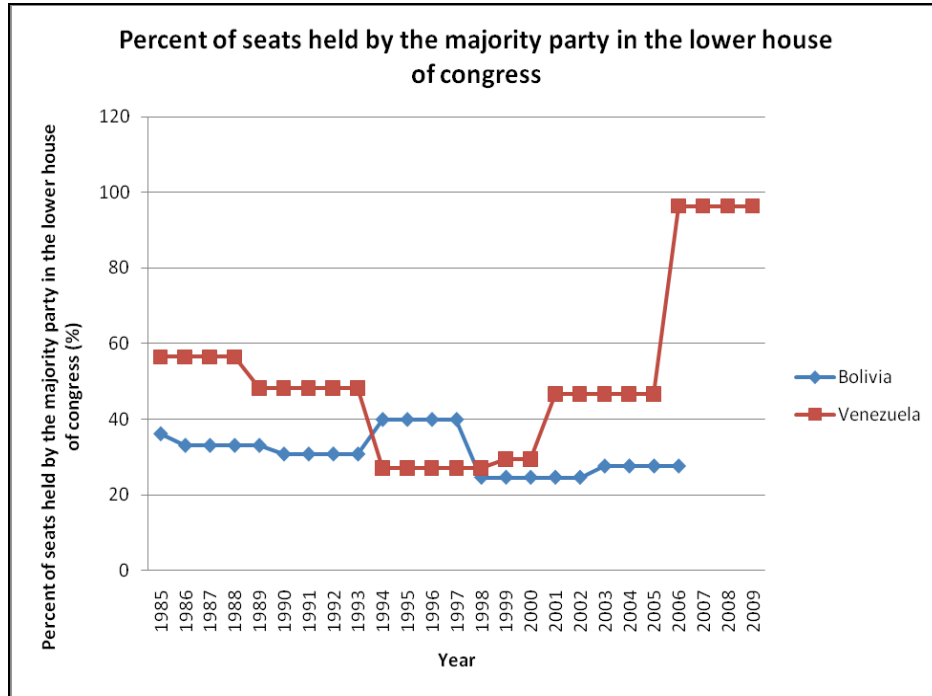
Data Source: Brancati, 2009.

Figure #4: Percent of vote going to opposition parties in Venezuelan constituency-level elections 2005



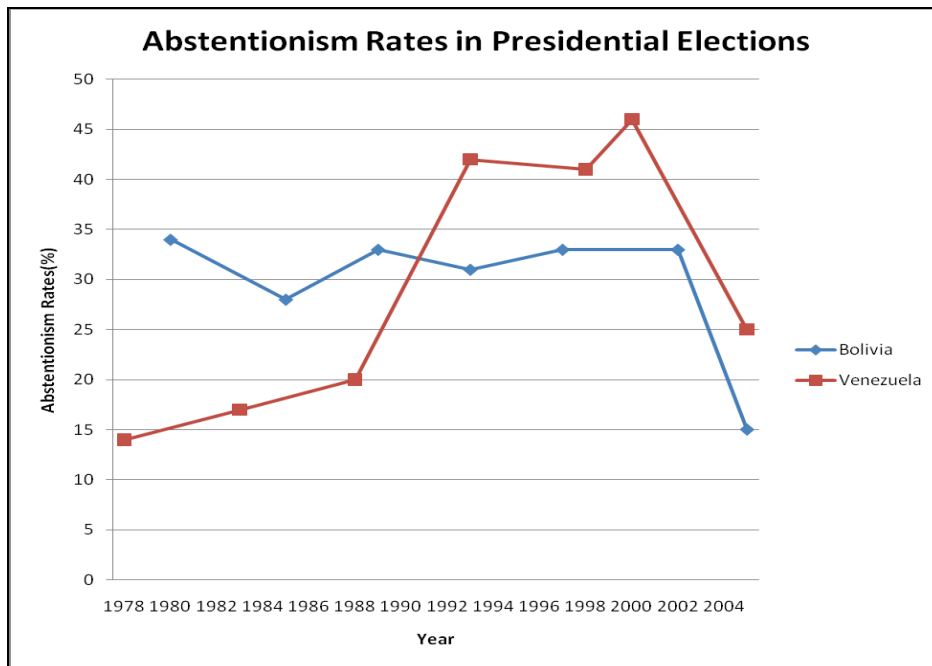
Data Source: Carr, 2009.

Figure #5: Percent of seats held by the majority party in the lower house of congress



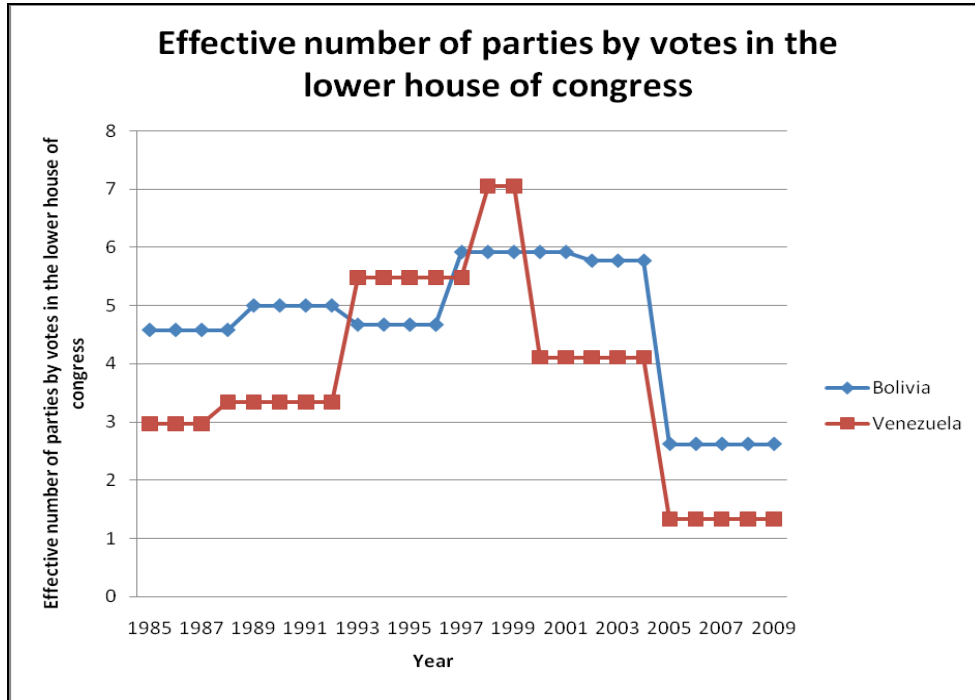
Data Source: Nohlen, 2005.

Figure # 6: Abstentionism rates in presidential elections



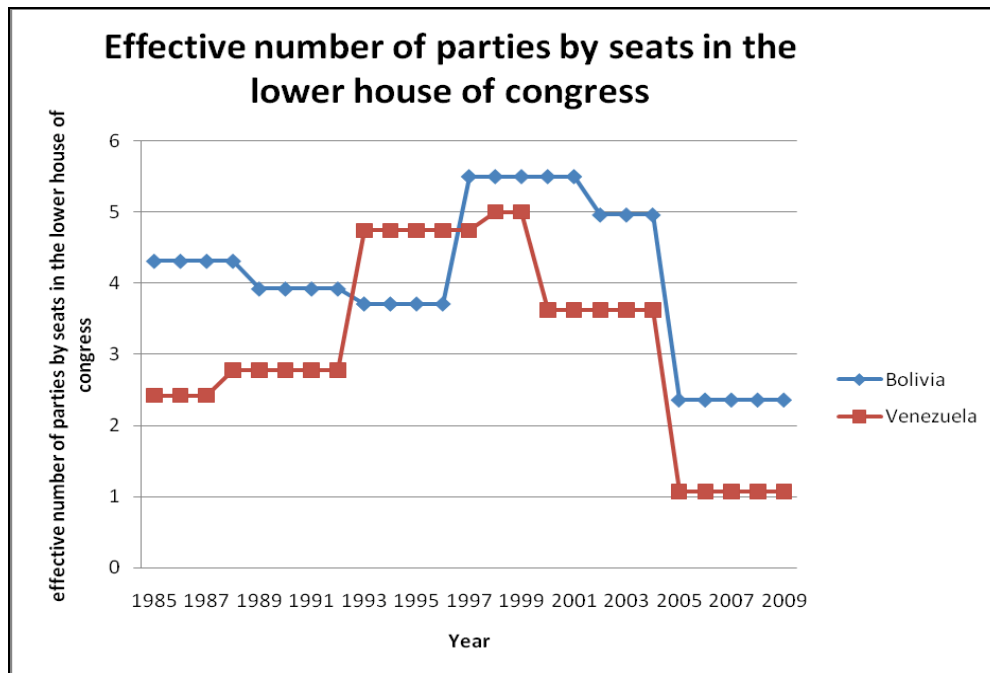
Data Source: Nohlen, 2005.

Figure #7: Effective number of parties by votes in the lower house of congress



Data Source: POSC 322 (Fall 2009) Common Dataset.

Figure #8: Effective number of parties by seats in the lower house of congress



Data Source: POSC 322 (Fall 2009) Common Dataset

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ⁱ Jose de Cordoba and David Luhnaw. "Left Face: New President Has Bolivia Marching To Chavez's Beat; Venezuelan Populist Pushes Anti-U.S. Latin Alliance; Has He Gone Too Far?; Cuban Doctors in the House," *Wall Street Journal*, 25 March 2006, p. A1.