Voting Behavior in Venezuela
(1958-2013)

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A Thesis submitted to

The Faculty of
The College of Professional Studies
of The George Washington University
in partial fulfillment of the requirements
for the Degree of Master in Professional Studies

January 31, 2014

Thesis directed by

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Abstract of Thesis

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After defeating the dictatorship of Perez-Jimenez in 1958, Venezuela

consolidated a bipartisan democratic model ruled by the Constitution written in 1961

and the *Puntofijo* pact. In 1998, Hugo Chávez came to power by winning a

presidential election and remained in power between 1998 and 2013 when he died.

During his presidency, Chávez rewrote the Constitution in order to concentrate

all political authority and power in the figure of the president and took control of all

check-and-balance institutions including the National Assembly. He also introduced

the possibility of indefinite reelections and was the first president reelected for three

consecutive terms in democratic elections.

Chávez won seven of eight national and decisive elections, including four

presidential elections, a recall election and a referendum for a Constitution

Amendment. The last one was the presidential election of 2012 that he won with 55

percent of the votes and a 10 percent point gap over the opposition leader Henrique

Capriles.

The purpose of this thesis is to answer the question: *What variables influence*

voting behavior in Venezuela? In particular, I use a voting behavior model to explore

how a set of political and economic variables affects the vote in Venezuela. I explore

the differences between the Chávez era (1998-2013) and the era before Chávez (1958-

1998). I also explore how Chávez took advantage or changed voting behavior in Venezuela to remain in office for 14 years until he died.

The results of this Thesis could be particularly important for the future of *Chavismo* as a political movement in the absence of Chávez and the future of Venezuelan opposition with regards to future campaigns: 1) Voters look at the economic performance as a whole but depending on the moment they look at different variables. 2) Incumbency is a disadvantage for the incumbent party. On the contrary, having Chávez as candidate was an advantage. 3) Chávez was more effective managing clientelism than other presidents in the past. 4) Chavez's popularity was also more effective than concentration of power and the political changes he achieved to remain in power.

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Chapter 1

Introduction

Between 1958 and 1992, Venezuela's democracy was considered the strongest of all Latin America countries. During this period, a bipartisan political model ruled by the social-democrat party (AD) and the social-Christian party COPEI was consolidated. After Pérez Jimenez's dictatorship was defeated in 1958, political parties signed the *Puntofijo* pact to create the foundations for a democratic government. The *Puntofijo* pact and Venezuela's democracy were used as examples to construct democracies in Spain (*La Moncloa* Pact) and Chile (*la concertación*).

But in 1992 a military insurrection changed the course of history in Venezuela. One would think that a coup attempt in the strongest democracy in Latin America would have been rejected. Instead, the coup attempt was enthusiastically endorsed by a significant portion of the Venezuelan population. Moreover, the leader of the coup became a democratically-elected president just six years after the coup. His message focused on radical change was successful in winning the elections in 1998 and in defeating the consolidated bipartisan model.

Chávez was the President of Venezuela from 1999 to 2012, and was reelected for the period 2013-2019 with 55 percent of the vote, but he died on March 5, 2013. There are many possibilities to explain why Chávez was able to stay in power for 14 years in a country whose Constitution allowed only one 5-year term.

Chávez changed the Constitution and introduced reelection for a second term in 1999, and later in 2009 the possibility of being reelected indefinitely. He also created new institutions and took control of check-and-balance institutions to facilitate his permanency in power. But Chávez also enjoyed an oil prices boom that allowed him to control the flow of revenue into the economy and to nationalize key large corporations. During his presidency, Chávez also created the so-called "*misiones*" or social programs to establish a *clientelism* link with the voters. Finally, it is known that Chávez enjoyed a high level of popularity based on his charisma and authority. He was an excellent candidate and a master of sentiments who could maintain high levels of popularity during his permanence in power. His presence as candidate was determinant for *Chavismo* to win 6 out of 8 national elections between 1998 and 2013.

Problem Statement

Voting behavior has been little explored in Venezuela. The Chávez era (1998-2013) has been completely different when compared to the previous era (1958-1998). Particularly between 1958 and 1998, two political parties alternated presidential office every 5 years, while between 1998 and 2013 Chávez remained in office until his death.

Purpose of this Study

Based on a voting behavior model, the purpose of this study is to analyze how political and economic variables influence the vote in Venezuela, which of them

allowed Chávez to remain in power for 14 years, and what lessons the opposition can learn from the results.

This study uses an ordinary least square model (OLS) to evaluate how a set of political and economic variables can affect the incumbent party's share of the two-party votes in Venezuela. Indicators that measure economic performance and consolidation of power of the incumbent party compose the set of political and economic variables.

In addition, this study compares the voting behavior in the "pre-Chávez period" (1958-1998) and "during the Chávez period" (1998-2013).

Study Overview

The main research questions for this study are:

- Which variables affect voting behavior in Venezuela?
- Which of these variables are more significant for Chávez permanence in power?

In Chapter Two, I will review the literature with respect to voting behavior. In Chapter Three, I explain how I decided on the particular variables for the model and the data used to measure each. In Chapter Four, I explain the structure of the final model and how it emerged from the other runs. In Chapter Five, I analyze the results and present the conclusions and recommendations.

Chapter Two

Literature Review

In this Chapter, I will review the literature with respect to voting behavior and how I will incorporate those lessons into the model.

Since Kramer's work of 1971, there have appeared several influential papers on voting behavior that have concluded that votes depend on economic events in the year of the election. [1] Other papers have measured the influence of political variables like incumbency or attrition-of-power. Social programs and gratitude as a result of response to a natural disaster also could influence the result of an election.

In 1978 Fair introduced the following model:[2]

$$V = \alpha_1 + \alpha_2 t + \alpha_3 I + \alpha_4 DPER + \alpha_5 g \cdot I + \alpha_6 p \cdot I + \mu$$

Where V is the Democratic party's share of the two-party vote; t is a time trend that takes a value of 8 in 1916, 9 in 1920, and so on; I is 1 if Democrats are in the White House at the time of the election and -1 if it is the Republicans; $DPER$ is 1 if the president himself is running and is a Democrat, -1 if the president himself is running and is Republican and 0 otherwise; g is the growth rate of real per capita

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[1] Kramer, Gerald H., "Short-Term Fluctuations in U.S. Voting Behavior, 1896-1964", *American Political Science Review,* 1971, 65, 1313-43.
[2] Fair, Ray, "Econometrics and Presidential Elections". *Journal of Economics Perspectives.* Volume 10, Number 3, summer 1996, 91.

GDP over some specified period prior to the election; and *p* is the absolute value of the inflation rate over some specified period prior to the election.[3]

Fair's results "supported the view that voters look only at the economic performance of the current party in power, not also, for example, the performance of the opposition party the last time it was in power".[4] Fair ran four version of the equation: the original and three updates. The results showed that the growth rate is always significant but the inflation rate is not, even when the coefficients on the inflation rate do have the expected sign. The variable *DPER* that reflects if the president is running for reelection is also significant.[5]

In 1992, Fair updated the equation. He included a treatment of the third-party votes as consequence of Perot's participation in that election. Fair included a "good news" variable called *n* that represented the number of quarters of the first 15 quarters of each period of a presidential administration in which the growth rate is greater than 2.9 percent (which is the value that gave the best fit).[6]

The coefficient estimates for growth rate, the inflation rate and *n* are all significant and of the expected sign: growth rate has a positive relation, inflation a negative sign, and *n* positive. Thus, in Fair's model, growth rate inflation and "good news" are variables that can explain the vote.

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[3] Ibid.
[4] Ibid, 89.
[5] Ibid.
[6] Ibid.

Incumbency and Reelection

Incumbency variables are also important. Fair included again the variable *DER* and included a new incumbency variable called *DUR*. This variable can be 0 if the incumbent party has been in power for only one or two consecutive terms, 1 [-1] if the Democratic [Republican] party has been in power for three consecutive terms, *1+k [-(1+k)]* if the Democratic [Republican] party has been in power for four consecutive terms, 1+2k [-(1+2k)] if the Democratic [Republican] party has been in power for five consecutive terms, and so on.[7]

Job approval.

Before Fair, Tufte used as independent variable the standardized midterm vote for the political party of the incumbent President in the ith midterm congressional election *Y: Y = V – T*; where V is nationwide share of the two-party congressional vote received by political party of the incumbent President in the ith midterm; and *N* is the normal congressional vote for the political party of the incumbent President at the time of the ith midterm. In his model, Tufte included the percentage of the sample in Gallup poll of the month of September prior to the ith midterm that approves the job the incumbent President is doing; and the yearly change in real disposable personal income per capita between the year for the midterm and the previous year. The results indicated that 1) a change in presidential popularity of 10 percentage points in the Gallup poll is associated with the national change of 1.3 percentage points in the national midterm vote for congressional candidates of the President's

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[7] Ibid, 95.

party; 2) a change of $100 in real disposable personal income per capita in the year prior to the midterm election is associated with a national change of 3.5 percentage points in the midterm vote for congressional candidates of the President's party.[8]

Tufte fundamental finding is that the vote cast in midterm congressional elections is a referendum on the performance of the President and his administration's management of the economy. The model indicated that the aggregate midterm outcomes from 1938 to 1970 are explained by and predictable from the economic conditions and the level of approval of the President prevailing at the time of the election.[9]

Electoral control or reelections.

Barro wrote an early paper that considers formally how the possibility of reelections may induce an incumbent to act in the interest of the voters rather than in his own interests.[10] The model analyzes the electoral process as a mechanism that can be used to move the officeholder toward a position where the advancement of self-interest approximates the advancement of the interests of his constituents. In the absence of electoral control,[11] the officeholder presses government expenditure

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[8] Tufte, Edward, "Determinants of the Outcomes of Midterm Congressional Elections. *The American Political Science Review,* Vol. 69, No. 3 (Sep., 1975), pp. 817.
[9] Ibid, 825.
[10] Barro, Robert, "The Control of Politicians: An Economic Model", *Public Choice,* Vol. 14, (Spring, 1973) pp. 19-42.
[11] Barro defined electoral control, as the restrictions on length of tenure in office are outside of the officeholder's control. In this sense, the officeholder has to deal with the administration of the electoral process such electoral rules as the frequency of election. Barro, Robert, "The Control of Politicians: An Economic Model", 22.

beyond the level desired by the public. Acting out of self-interest will not automatically select activities in the public sector in accordance with the desires of his constituents.[12] With electoral control, even with a competitive supply of potential officeholders, electoral control is only partially effective as a mechanism for inducing the officeholder to advance the interest of his constituents. "The extent to which this control is effective turns out to depend on the potential for political income as well as on some elements of the political structure, such as the frequency of election and political salary".[13]

In the case of Ferejohn's model of electoral control, the voter employs a retrospective voting rule in that his vote depends on past-observed performance. According to him, "from the standpoint of the electorate, control of politicians requires more than simple retrospective voting. It seems to require, as well, a refusal to vote selfishly. This result, while perhaps surprising at first encounter, may offer hope of explaining heretofore puzzling empirical findings in the vote-behavior literature that suggest the widespread use of sociotropic rules rather than more selfish forms of retrospective voting".[14] Ferejohn formalizes the idea that retrospective voting strategies can have a discipline effect by showing that if voters use expected aggregate output as their voting criterion, then each voter acts as if he were the representative. "There appears to be significant evidence that voters do vote retrospectively on the basis of aggregate macroeconomic performance. A number of

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[12] Ibid, 22.
[13] Ibid, 23.
[14] Ferejohn, John, "Incumbent Performance and Electoral Control", *Public Choice*, Vol. 15, No. 1/3, Carnegie Papers on Political Economy, Volume 6: Proceedings on the Carnegie Conference on Political Economy (1986), 23.

researchers, starting with Fair for the United States, present evidence that aggregate economic conditions strongly affect voting in presidential and legislative elections".[15]

Reelections and political business cycle.

In the Nordhaus political business cycle model, the objective of the policymaker is to maximize his probability of reelections, where voting behavior is retrospective, in that it depends on economic performance under the incumbent past. Economic performance in a period is measured by the behavior of inflation and unemployment, so that voter dissatisfaction in any period can be represented by a lost function.[16] To remain in office, the incumbent stimulates the economy via expansionary monetary policy, unemployment falling due to high-unanticipated money growth[17].

But according to Drazen, "a serious problem with the Nordhaus model is its reliance on *irrational* behavior on the parts of voters".[18] The voter will know that the pre-election periods of low inflation and low unemployment will be followed by a post-election period of both high inflation and high unemployment. If voters are not fooled into voting for a policymaker who chooses short-run stimulation, policymakers will not engage in such policies and the electoral business cycle disappears.[19]

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[15] Drazen, Allan, *Political Economy in Macroeconomics.* Princeton University Press. 229.
[16] Ibid, 233.
[17] Ibid, 236.
[18] Ibid, 237.
[19] Ibid. 237.

Alesina and Roubini found that (a) the "political business cycle" hypothesis formulated by Nordhaus on output and unemployment is generally rejected by the data; (b) "inflation tends to increase immediately after elections, perhaps as a result of pre-electoral expansionary monetary and fiscal policies"; (c) evidence of temporary partisan differences in output and unemployment and of long-run partisan differences in the inflation rate as implied by the "rational partisan theory" of Alesina[20],[21]; (d) no evidence of permanent partisan differences in output growth and unemployment.[22]

Drazzen says: "my reading of the results suggests there is some econometric evidence of opportunistic behavior in policy instruments, especially in fiscal transfers, so that, on the whole, the evidence for opportunistic manipulation of macroeconomic policy is stronger than for macroeconomic outcomes". Then he suggests: "to better understand the nature of the tests of the model and their results, and why there are significant differences in opinion about how much empirical support it receives, it is useful to divide these studies into those concerning outcomes (such as disposable income, unemployment, or inflation) and those concerning policy instruments (such as transfers, other fiscal instruments, or money growth).[23]

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[20] Alesina's rational partisan theory suggests that i) at the beginning of a right-wing (left-wing) government output growth is below (above) its natural level and unemployment is above (below); ii) after expectations, prices and wages adjust, output and unemployment return to their natural level; after this adjustment period, the level of economic activity should be independent of the party in office; (iii) the rate of inflation should remain higher throughout the term of a left-wing government.

[21] Alesina, Alberto, "Macroeconomic Policy in a Two-Party System as a Repeated Game", *Quarterly Journal of Economics,* 102, 651-678.

[22] Alesina, Alberto and Nouriel Roubini, " Political Cycles in OECD Economies", *Review of Economic Studies,* (1992) 59, 663.

[23] Drazen, Allan, Political Economy in Macroeconomics, 231

According to Drazen, "Lewis-Beck argues that though economics influences are important, individuals do not appear to vote on the basis of their own personal economic situation but rather on the basis of national economic performance (sociotropic voting)".[24]

In Nadeu *et al*, the "Economic and Elections" model of Lewis-Beck is revisited. They found that economic perceptions are formed from economic reality, and importantly influence vote choice. They first estimated a simple logistic regression based on four surveys from 10 countries (Denmark, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Spain, and the United Kingdom).[25]

$$Vote = b_0 + b_1 Class + b_2 Religiosity + b_3 Ideology + b_4 Economy$$
$$+ b_5 Months + b_6 Country + e$$

Vote = 1 if the respondent intends to vote for a party in the government coalition, 0 otherwise; ideology = self-placement on a 7-point scale (from left to right, rescaled 0-1, and first multiplied by -1 [then+1 added to it] if the government is left-wing); class = subjective identification (working class, lower middle class, middle class, upper middle class, upper class, rescaled 1-0, and first multiplied by -1 [then +1 added to it] if the government is left-wing); religiosity = service attendance (no religion, never once a year, few times a year, once a week, several times a week, rescaled 0-1, and first multiplied by -1 then +1 added to it] if the government is left-wing); economy = sociotropic evaluation (worse, same, better for 1988, 1994, 2004 rescaled 0-1; and

[24] Ibid. 231.
[25] Nadeau, Richard et al, "Economics and Elections Revisited", *Comparative Political Studies*, 46(5) 551-573.

dissatisfied, somewhat dissatisfied, somewhat satisfied, very satisfied for 1999, rescaled 0-1); months = months from the last election; country = (G-1) country dummies; e = error.[26]

The sociotropic retrospective observed that its coefficient firmly registers statistical significance, with $p<.01$. With respect to non-economic variables, they are as expected: "higher social class standing significantly increases vote for an incumbent, when it is on the right. More intense religious practice yields the expected positive sign for incumbent right support and is statistically significant. Left-right ideology itself easily achieves statistical significance, with right-wing identifiers much more likely to favor a ruling coalition".[27]

In 2009, Batool and Sieg found that each percentage point of per capita real disposable income growth sustained over the legislative term yielded approximately two percentage points of votes in Germany. According to them, no economic variables add value or significantly perturb the coefficients of their model. However, they found that attrition of power reduced the vote share in election years 1661, 1994 and 1998. To demonstrate the attrition-of-power effect they use the *DUR* variable as a dummy that equals 1 only I f the chancellor is seeking reelections for the third time and 1.25 if the chancellor is seeking reelections for the fourth time.[28]

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[26] Ibid, 555
[27] Ibid.
[28] Batool, Irean and Gernot Sieg, "Bread and the attrition of power: Economics events and German election results", *Public Choice,* 154.

Auberger built a model that highlights the influence of the popularity of the Socialist party and the partisan variable in the explanation of the second-round vote for the candidate of the left in the French presidential elections.[29]

Bechtel and Hainmueller exploited "the massive policy response to a major natural disaster, the 2002 Elbe flooding in Germany, to provide an upper for the short –and long-term electoral returns to targeted policy benefits". They estimated that the flood response increased vote shares for the incumbent party by 7 percentage points in affected areas in the 2002 election. Twenty-five percent of this short-term reward carried over to the 2005 election before the gains vanished in the 2009 election. They concluded that policymakers could generate voter gratitude that persists longer than scholarship has acknowledged so far.[30]

Clientelism.

Respect to clientelism and voting behavior, Wantchekon argued that credibility of clientelist appeals and accessibility of clientelist goods greatly influence voting behavior.[31] According to him, "incumbent candidates have the means to make clientelist appeals more credible by delivering a part of promised goods before the election".[32] On the other hand, "opposition candidates can take advantage of the revealed incompetence of the incumbent in providing the public goods during the

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[29] Auberger, Antoine, "Popularity and Vote: Forecasting the 2007 French Presidential Election", *Canadian Journal of Political Science,* 125.
[30] Bechtel, Michael and Jens Hainmueller, "How Lasting Is Voter Gratitude? An Analysis of the Short- and Long-Term Electoral Returns to Beneficial Policy". *American Journal of Political Science,* Volume 55, No. 4, October 2011, 852.
[31] Wantchekon, Leonard, "Clientelism and Voting Behavior: Evidence from a Field Experiment in Benin", *World Politics,* 55 (April 2003), 399-422.
[32] Ibid, 421.

previous electoral cycle to make its public goods-type promises more appealing and more credible".[33]

Social funds and clientelism in Venezuela.

In the case of Venezuela, Penfold found that the resources for the *misiones* were allocated according to different political rationales. "According to the results, a one percent increase in the number of votes Chávez obtained in the 2000 presidential election seems to have increased by 0.79 percent the number of scholarships at the municipal level. The results for this program confirm that the allocation of scholarships was directly linked to the percentage change in the number of voters supporting Chávez. In other words, Chávez government seems to have used this program both to buy votes and to distribute oil income".[34]

According to Penfold, Chávez designed the *misiones* under pressure to win the recall referendum activated by a popularly-mobilized political opposition in 2004, and financed them by diverting PDVSA revenues to a fund that was directly controlled by the presidency. The oil windfall that Venezuela received after 2003 allowed the government to expand widely the scope of these programs over a short time.

Penfold concluded "empirical evidence on the distribution of resources for the different *misiones* at the subnational level shows that they were politically driven. This result confirms the theoretical argument that politicians tend to promote

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[33] Ibid, 422.
[34] Penfold, Michael, "Clientelism and Social Funds", 78.

clientelism among the population of lower income, given that poor people can derive a higher marginal utility from these programs".[35]

In addition, according to Drazen, "there appear to be many indicators that politicians often try to manipulate the economy to improve their electoral prospects. Tufte presents a good bit of case-study type evidence on the timing of transfer payments, with government moving the distribution of checks one or two months forward in election years to arrive just before the election".[36]

Chavez's popularity and political changes in Venezuela.

Venezuelans met Hugo Chávez in February 4, 1992 when he led the coup attempt. Chávez assumed the responsibility for the failed coup in a 72-second appearance on national television, followed by his subsequent imprisonment, marking the beginning of his transformation into a leader of the masses.

According to Canache, during the period 1992-1993, opinion polls conducted four months after the failed coup showed that 67.4 percent of the people in Caracas had a positive image of Hugo Chávez. In mid 1993, Chavez's approval rating was about 55 percent. Public opinion data for 1994-1996 reflect a decline in Chavez's initial popularity.[37]

[35] Ibid.,80.
[36] Drazen, Allan, 231.
[37] Ibid, 75.

In a survey conducted in 1995, Chávez appeared as the third most influential person. According to a multivariable analysis from Canache, Chávez supporters were ambivalent or negative toward democracy.[38] That means Venezuelans who were not committed to democracy as a form of government and Venezuelans who viewed political violence favorably were relatively likely to view Chávez as personally and nationally influential.[39]

Chávez polarized the 1998 presidential race with another anti-establishment candidate: Henrique Salas-Römer. Just a few days before the election, the boards of AD *(Acción Democrática)* and COPEI announced the endorsement of Salas-Römer. As a result, Salas-Römer lost his anti-establishment status. He received the endorsement thinking that the traditional political machinery would help him to victory, but the voters were decided to vote for a radical change. Post-election focus groups conducted by Datanalisis confirmed that Salas-Römer's decline was attributable largely to rejection after he received the endorsement of AD and COPEI.[40]

"Chávez won 56.2 percent of the vote in Venezuela's December 1998 presidential election. At most, 40 percent of Venezuelans were ambivalent toward

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[38] Two items on the 1995 survey tapped levels of support for democracy: The first item asked "In general, what type of government do you prefer, an elected government, a government imposed by force, or are they about the same?" The second question was, "In your judgment, what is the best form of government: democracy dictatorship, or a revolutionary government?" Canache, Damarys, "From Bullets to Ballots", 76.
[39] Ibid.
[40] Gil Yepes, J.A., "Public Opinion, Political Socialization, and Regime Stabilization", 258.

democracy at this time ". [41] He won the election by assembling a starkly divided electoral coalition; half of Chavez's supporters were indifferent toward democracy as a form of government and half valued democracy. But these voters had in common a disdain for the status quo and s willingness to hand the reins of government to a man who had attempted to topple democracy in Venezuela less than seven years ago. [42]

Uzcátegui says that Chávez was a magician of emotions and attributes his political triumph to a combination of psychological and sociological elements that created a political climate favorable to the diffusion and reception of the message of the young, charismatic leader. [43] Chávez mixed expectation, hope, illusions, fears, doubts, worries and emotions in a population profoundly disenchanted with the existing political regime. [44]

Voters were looking for a change and that is why the central contenders were precisely those candidates not affiliated with traditional parties. According to Gil Yépez, the most salient explanation of Salas-Römer's defeat lay on the attitude of the overwhelming majority that the time had come to gamble in voting for the candidate most hostile to the existing status quo. Chávez personified rejection of post-1958 democracy as it had evolved under the tutelage of AD and COPEI. Voters perceived Salas-Römer as located in the center, a moderate option that the intensely dissatisfied electorate rejected. Instead, they embraced Hugo Chávez, the failed *golpista.* [45]

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[41] Canache, Damarys, "From Bullets to Ballots", 75.
[42] Ibid, 83.
[43] Canache, Damarys, "From Bullets to Ballots", 71.
[44] Ibid., 71.
[45] Gil Yepes, J.A., "Public Opinion, Political Socialization, and Regime Stabilization", 260.

Chávez promised a profound transformation of the political system in the midst of a combination of dissatisfaction with a stagnant economy, the decay of traditional partisan identities, and the perception of rampant corruption in the nation's major political parties.[46]

According to Canache, the voters concluded that Chávez had undergone a political conversion, transforming him from a violent militant in 1992 to a democratic reformer in 1998. In addition, Canache concluded that the voters were not committed to democracy as a form of government. "Chávez won a democratic election in which the advocates of democracy opposed him by a margin greater than 3:2; he was able to do so because of his strong appeal to Venezuelans who were indifferent to democracy. These voters provided nearly half of the votes for Chávez. Without their backing, the best Chávez could have achieved would have been a narrow victory over Salas-Römer".[47]

According to Corrales, Venezuela in the 1990s developed one of the most unstable and fragmented party systems in Latin America. [48] As mentioned by him, some explanations include the parties' excessive penetration of civil society until the 1980s, which suffocated citizens and excluded new entrants; the decline of oil revenues, which undermined the capacity of old parties to broker privileges among a rent-seeking citizenry; the repeated failure of parties to consolidate economic reforms,

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[46] Canache, Damarys, "From Bullets to Ballots", 71
[47] Ibid, 85.
[48] Corralesl, Javier, "Strong Societies, weak parties: Regime Change in Cuba and Venezuela in the 1950's and Today". *Latin America Society* (Summer 202), 102.

which made citizens tired of false promises; and the parties' lack of internal democracy that avoided a renewal of leadership and ideologies[49].

Just few days after his inauguration, Chávez moved to replace the party system and reshape institutions in order to keep power by taking control of the check-and-balance institutions and the economy's revenue flow. With the legal support of the former Supreme Court of Justice (later called Supreme Tribunal of Justice after the constituent), in 1999 Chávez approved a presidential decree to call for a referendum on whether a constituent assembly with original and absolute powers should be elected. In April 1999, 81 percent of voters approved the initiative. While *Chavismo* managed a coalition, the opposition was totally disarticulated, with no leaders and no message. "

*"Thanks to the strong coordination of the *Chavista* vote and the lack of unity among opposition forces, Chávez won 96 percent of the seats with only 53 percent of the vote. Taking advantage of his qualified majority, Chávez forcefully negotiated with politicians from the opposition to allow a voluntary recession of the existing Congress and to appoint a loyal Supreme Court and Electoral Council. In less than three months, a new Constitution was drafted. It provided the president with strong legislative and non-legislative powers".*[50]

Chávez used his mass appeal to undermine democratic norms and rules, obtaining approval of a new Constitution in 1999 that reinforced presidentialism,

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[49] Ibid.

[50] Penfold, Michael, "Clientelism and Social Funds: Evidence from Chavez's *Misiones". Latin America Society,* Vol. 49, No. 4 (Winter, 2007), 69.

weakened the legislature (abolishing the Senate), and reduced parliamentary controls of military promotions. This Constitution was drafted with minimum input from the opposition (only 5 of the 195 delegates to the Constituent Assembly).[51]

The most important changes embedded in the new Constitution were the extension of the presidential term from five to six years and the possibility to be reelected for a second term. The previous Constitution of 1961 allowed just one term of five years for presidency. The new Constitution also allowed Chávez to call for elections and elect a new Congress or National Assembly members. The new members of the National Assembly also named the new members of the National Court, the Comptroller General of the Republic, and the Attorney General of the Republic. The new Constitution also eliminated the Senate from Congress and established a unicameral National Assembly integrated by 165 deputies.

This study takes models and theories from a review of the literature to develop a model and explore voting behavior in Venezuela by means of the research questions and hypotheses discussed in the next section.

Research Questions and Hypotheses

Based on the literature review, this study's research questions and hypotheses are as follows:

Which variables affect voting behavior in Venezuela?

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[51] Corrales, Javier, "Strong Societies, weak parties", 103.

Hypotheses 1: voters look at the economic performance of the current party in power.

In the U.S., when Fair updated the model in 1992 he found that the coefficients estimated for the growth rate and the inflation rate are significant and of the expected sign: growth rate has a positive relation and inflation a negative. Hypothesis 1 seeks to confirm Fair results in Venezuela.

Hypothesis 2: incumbency is an advantage

Fair also found that if the president is running for election, that is also significant. Drazzen also found evidence "of opportunistic behavior in policy instruments, especially in fiscal transfers and evidence for opportunistic manipulation of macroeconomic policy is stronger than for macroeconomic outcomes". In this sense, to remain in office, the incumbent stimulates the economy via expansionary monetary and fiscal policies through unanticipated money growth and practices clientelism to assure votes from the beneficiaries of from these practices. Alesina and Roubini found that inflation tends to increase immediately after elections, perhaps as a result of preelectoral expansionary monetary and fiscal policies"[52]. The possibility of expansionary monetary and fiscal policies is closely related to clientelism. As mentioned before, according to Whantchekon "incumbent candidates have the means to make clientelist appeals more credible by delivering part of promised goods before the election"[53].

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[52] Alesina, Alberto and Nouriel Roubini, "Political Cycles in OECD Economies", pp 59.
[53] Wantchekon, Leonard, "Clientelism and Voting Behavior", 55.

Hypothesis 2 states that in Venezuela there is an opportunistic behavior, preelectoral expansionary monetary policy and clientelism, and these can be an advantage for reelections

Which of these variables were more significant for Chávez permanence in power?

Hypotheses 3: Chávez was more effective managing clientelism than other presidents in the past.

Penfold found that Chavez's government seems to have used social programs both to buy votes and to distribute oil income.[54] He also confirmed that Chávez promoted clientelism among lower-income population.[55]
Clientelism existed before Chávez, but no political party during the period 1958-1998 could remain in power because of clientelistic practices.

Hypothesis 4: during Chávez era, voters valuated Chavez's popularity more positively than his economic performance.

Chávez enjoyed an important oil boom that allowed him to expand social programs and achieve economic growth. But for 14 years, the economy suffered highs and lows. However, hypothesis 4 states that Chávez always enjoyed a high level of popularity over his economic performance.

Hypothesis 5: Chavez's popularity was more effective to remain in power than political changes and concentration of power.

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54 Penfold, Michael, "Clientelism and Social Funds", 78.
55 Penfold, Michael, 80.

Chavez's popularity allowed him to attain political changes to remain in power. Hypothesis 5 states that his popularity was more effective to win elections. As a result, hypothesis 6 states:

Hypothesis 6: these political changes to remain in power will not be as effective for Chavez's successors.

These changes may not be as effective for his futures successors if they do not have the same level of popularity because voters will look to evaluate economic performance over other variables.

Chapter Three

Methodology

Research Objective

In this chapter, I will specify the voting behavior model and the economic and institutional variables considered for the model.

Study Sample.

In order to have enough number of observations, I will analyze the voting behavior of 1958 and 2013.

Table 3.1

National elections in Venezuela (presidential and referendums) 1958-2013

Year	Events	Incum_vote	Opposition	Gap
1958	Presidential Election	34.61	49.18	-14.57
1963	Presidential Election	32.81	20.19	12.62
1968	Presidential Election	28.24	29.13	-0.89
1973	Presidential Election	36.7	48.7	-12
1978	Presidential Election	43.31	46.64	-3.33
1983	Presidential Election	34.54	56.72	-22.18
1988	Presidential Election	52.89	40.4	12.49
1993	Presidential Election	23.6	30.46	-6.86
1998	Presidential Election	39.9	56.2	-16.3
2000	Presidential Election	59.8	37.5	22.24
2004	Recall Election	59.0	40.0	19
2006	Presidential Election	62.8	36.9	25.9
2007	Constitutional Referendum	49.3	50.7	-1.4
2009	Constitutional Amendment	54.0	45.0	9
2012	Presidential Election	55.0	45.0	10
2013	Presidential Election	50.7	49.1	1.59

Table 4.1 shows the national elections between 1958 and 2013. There have been 13 presidential elections, two referendums (2007 and 2009) and one recall election (2004). The table also shows the votes of the incumbent party, the opposition party votes and the gap.

Research Design

I will use an econometric model. The model I will specify is as follows:

$$V = \alpha_0 + \alpha_1' POL + \alpha_2' ECO + \alpha_3' CONT + u$$

Where: $V:$ is the incumbent party's share of the two-party votes; POL is a set of political variables; ECO is a set of economics variables; CONT is a set of control variables and u is the error. In the model I will combine different variables among the political, economic and control variables in order to find the most significant variables that can affect voting behavior.

In the sense used by Fair, the hypothesis behind the model is that the voters evaluate the past economic performance of the incumbent party and decide to vote for it if the incumbent party can provide the highest expected future utility.[56] This economic performance can be measured in economic growth, inflation or other economic variables. However, Venezuela is an oil-exporting country and the voters expect to benefit from the oil revenues. The government can take advantage of high

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[56] Fair, Ray, "Econometrics and Presidential Elections", 89.

oil prices by introducing social programs or creating jobs in the public sector. It is assumed that the beneficiaries of the social programs or public sector workers would vote for the incumbent party to remain in power on account of gratitude or clientelism.

In the model I will also includes the political changes introduced by Chávez after he came to power in 1998 to measure if these changes helped Chávez to remain in power.

Variables

Dependent Variable.

The dependent variable I will use is: incumbent vote V. This variable represents the incumbent party's share of the two-party vote as shown in Table 3.1. Source: *Consejo Nacional Electoral*.

Political Independent Variables.

Chávez: The Chávez variable is a dummy variable that takes the value 1 if Chávez is directly involved as a candidate and 0 otherwise. For example, in the national referendums of 2007 and 2009 and in the presidential election of 2013 Chávez was not a candidate. The 2004 recall election involved Chávez directly. I expect this dummy variable to represent a proxy of Chavez's charisma.

Power Consolidation: In order to test a metric of power consolidation to measure the changes introduced by Chávez in the political and electoral system, I will alternative test CONSTITUTION, POLCON and/or POLITY IV.

Constitution: The Constitution is a dummy variable that controls the Constitutional change of 1999. The value is 0 between 1958 and 1998 and becomes a value 1 after 1999. This variable not only represents power consolidation, but also the introduction of reelection for a second term, which was not allowed in the Constitution of 1961. Between 1958 and 1998 a 5-year presidential term was established and the president had to wait ten years (two presidential terms) to be allowed to run for president again. Rafael Caldera who finished his 5-years presidential term in 1974 ran for president again 1983 without success. Caldera was reelected president later in 1993. Carlos Andrés Pérez finished his presidential term in 1979 and was reelected in 1988 for the 1989-1993 period.

Political Constraint Index (POLCON): POLCON is an index created by Witold J. Henisz "from a simple spatial model of political interaction that incorporates information on the number of independent branches of government with veto power and the distribution of preferences across and within those branches".[57] It is an internationally comparable measure of political constrains. Henisz focused on two elements: the number of independent veto points over policy outcomes and the distribution of the preferences of the actors that inhabit them.[58] Higher levels of POLCON represent higher levels of political constraints on executive discretion and

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[57] Henisz, Witold J., "The Institutional Environment for Economic Growth", *Economics and Politics,* Volume 12, March 2000, N° 1, 1.
[58] Ibid, 5.

more credible institutional environments. Lower levels of POLCON score represent more power concentrated in the government. Between 1998 and 2013, POLCON score for Venezuela experienced deterioration. I expect a negative relation between POLCON and incumbent party vote *V*.

Polity IV: Polity IV is a continuation of the Polity research tradition of coding the authority characteristics of states in the world system. The Polity project focuses specifically on the more or less institutionalized authority patterns that characterize the most formal class of polities, that is, states operating within the world's state system. Polity's conclusions about a state's level of democracy are based on an evaluation of that state's elections as to competitiveness, openness and level of participation. For each year and country, a "Polity Score", ranging from -10 to +10, is determined with -10 to -6 corresponding to autocracies, -5 to 5 corresponding to anocracies[59], and 6 to 10 to democracies.[60] I expect a negative correlation between Polity IV and *V*.

Economic Independent Variables.

Inflation: This refers to the inflation rate the year of the election according to statistics of the Central Bank of Venezuela. A negative relationship between *V* and inflation is expected. A high inflation rate will affect the likelihood of voters to vote for the incumbent party.

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[59] An anocracy is a regime-type where power is not vested in public institutions but spread amongst elite groups who are constantly competing with each other for power. Available at: http://en.wikipedia.org/wiki/Anocracy
[60] http://en.wikipedia.org/wiki/Polity_data_series

GDP per capita growth rate: Real GDP per capita growth rate the year of election. A positive sign in the model is expected. If the GDP per capita grows during the election year the voter will likely vote for the incumbent party. GDP per capita was the result of own calculations based on statistics of real GDP growth rate from the Central Bank of Venezuela and of population from the National Institute of Statistics (*Instituto Nacional de Estadísitica, INE*).

Number of government workers as % of the workforce: This variable serves to measure *clientelism*. According to official statistics of the National Institute of Statistics (INE) persons who benefit from the *misiones* are counted as public sector employees. The statistics also includes employees that work in corporations expropriated by the government, so they switch from private to public sector. A positive sign is expected.

Oil Prices: Price of the oil the year of the election. Higher level of oil prices can stimulate an expansion in public spending. A positive sign is expected.

Devaluation: Devaluation of the official exchange rate the year of the election. A negative sign is expected. A devaluation of the official exchange rate turns into deterioration of the consumers purchasing power.

Real money growth (M2): Real money growth is the amount of money circulating in the economy to determine if this growth has an effect on voting. It reflects political business cycles. The government is supposed to increase the quantity

of money before elections to increase public spending. Source of the data is the Central Bank of Venezuela.

Control of Independent Variables

"Swing": It takes the value 1 if the incumbent party wins and -1 if the opposition party wins.

Third Party Votes: It takes the value 1 if there are more than two strong parties, candidates or coalitions in the race, and 0 otherwise.

Incumbent Party in the Race: It takes the value 1 if the incumbent party is not in the race and 0 otherwise. In some elections, like 1998, the incumbent party *Convergencia* was not in the race.

Data Analysis.

The data was exported from Microsoft Excel to statistical software Stata. Ordinary Least Square (OLS) based on the combination of variables was used to conduct data analysis.

Chapter Four

Results

In this chapter, I will analyze the results obtained by the model. As explained before, the structure of the model is as follows:

$$V = \alpha_0 + \alpha_1' POL + \alpha_2' ECO + \alpha_3' CONT + u$$

Based on this structure I ran five models with combinations of the different variables in order to find some variables that could explain voting behavior in Venezuela. In Table 4.1 I present the results. The small number of observations is a potentially problem. Coefficients are presented in the first line and t-student above the coefficient.

The models combine the following set of variables:

Model 1

Political Independent Variables: Chávez, Constitution

Economic Independent Variables: Inflation, GDP growth, Clientelism (government workers) and oil prices.

Control Independent Variables: incumbent party in the race.

$$V = 43.37929 + 7.235551 * \text{Chávez} + 14.62109 * \text{Constitution} + 0.0083617$$
$$* \text{Inflation} + 16.09843 * \text{GDPgrowth} + 40.60096 * \text{Gov}_{\text{Workers}}$$
$$- 0.0015394 * \text{OilPrices} - 13.48636 * \text{IncumbParty}$$

Model 2

Political Independent Variables: Chávez, POLCON

Economic Independent Variables: GDP growth, Clientelism (government workers) and real money growth

Control Independent Variables: Third party votes and incumbent party in the race.

$$V = 52.4062 + 9.732083 * \text{Chávez} + 9.526001 * \text{POLCON} + 40.26837$$
$$* \text{GDPgrowth} + 22.55694 * \text{Gov}_{\text{Workers}} + 0.0000000756$$
$$* \text{RealMoneyGrowth} - 15.83887 * \text{ThirdParty} - 23.171$$
$$* \text{IncumbParty}$$

Model 3

Political Independent Variables: Chávez, POLITY IV

Economic Independent Variables: Real money growth

Control Independent Variables: Third party votes and incumbent party in the race.

$$V = 48.05652 + 13.25604 * \text{Chávez} + 0.8771503 * \text{POLITYIV} + 0.0000000682$$
$$* \text{RealMoneyGrowth} - 13.80926 * \text{ThirdParty} - 17.13435$$
$$* \text{IncumbParty}$$

Model 4

Political Independent Variables: none

Economic Independent Variables: Real money growth

Control Independent Variables: Third party votes and incumbent party in the race.

$$V = 71.99899 + 0.0000000786 * \text{RealMoneyGrowth} - 16.72404 * \text{ThirdParty}$$
$$- 30.91293 * \text{IncumbParty}$$

Model 5

Political Independent Variables: Constitution

Economic Independent Variables: Real money growth

Control Independent Variables: Third party votes and incumbent party in the race.

$$V = 69.76071 + 21.24312 * \text{Constitution} - 0.0000000345$$
$$* \text{RealMoneyGrowth} - 13.15456 * \text{ThirdParty} - 30.00211$$
$$* \text{IncumbParty}$$

Table 4.1.

Results for models 1 to 5.

Model	1	2	3	4	5
Const	43.37929	52.4062	48.05652	71.99899	69.76071
	1.79	2.69	2.29	10.8431	8.69
Chavez	7.235551	9.732083	13.25604		
	0.92	1.52	3.22		
Constitution	14.62109				21.24312
	1.65				3.32
POLCON		9.526001			
		0.39			
Polity IV			0.8771503		
			0.47		
Inflation	0.0083617				
	0.04				
GDP per capita (real growth %)	16.09843	40.26837			
	0.29	0.85			
Government workers (as % of work force)	40.60096	22.55694			
	0.24	0.16			
Oil prices	-0.0015394				
	-0.01				
Devaluation					
Real Money Growth		7.56E-08	6.82E-08	7.86E-08	-3.45E-08
		0.9	1.84	2.65	-0.85
Swing					
Third Party Votes		-15.83887	-13.80926	-16.72404	-13.15456
		-2.61	-2.58	-2.49	-2.59
Incumbent Party in the Race	-13.48636	-23.171	-17.13435	-30.91293	-30.00211
	-1.01	-1.94	-1.9	-3.0	-3.94
R-squared	0.7424	0.8318	0.8198	0.6329	0.8169
Adj R-Squared	0.5169	0.6846	0.7298	0.5411	0.7503

The model with higher R-squared is the second that combines: "Chávez", "POLCON", "GDP per capita", "government workers", "real money growth" (or political business cycle), "third party votes" and "Incumbent party in the race". But the models with more significance number of variables are the third and the fifth. The third combines "Chávez", "Polity IV", "real money growth", "third party votes" and "Incumbent party in the race". The fifth combines "Constitution", "real money growth", "third party votes" and "incumbent party in the race".

When eliminating the Chávez variable, the R-squared and Adjusted R-squared decreases markedly, except in model 5.

Structural changes in voting behavior

Finally, I ran two models dividing the periods: before Chávez (1958-1998) and during the Chávez era (1998-2013). In the two last models, inflation is significant and negative (as expected) during the Chavez's era. Therefore, inflation is a potential problem for *Chavismo's* survival. Before Chávez, inflation was not significant for voters. GDP per capita is significant at 27 percent. This result confirms that concentration of power does not necessarily affect voting behavior; however, economic growth can affect the votes of the incumbent party positively.

Table 4.2

Results for models 6 and 7

Model	6	7
	1958-1998	**1998-2013**
Const	32.25518	31.79735
	1.21	1.43
Inflation	0.1876055	-0.8449214
	0.74	-2.54
GDP per capita (real growth %)	256.4892	32.76706
	1.36	1.36
Polity IV		
Oil	0.5313056	-0.3205785
	1.34	-2.26
Government workers (as % of work force)	-92.7173	397.6159
	-0.4	1.83
R-squared	0.3598	0.8028
Adj R-Squared	-0.2804	0.5398

Hypotheses 1: voters look at the economic performance of the current party in power.

Voters look at the economic performance of the current party, but they look at different variables depending on the moment. For the first five models that encompass the period 1958-2013, real money growth was the economic variable with better performance in the models, so there is evidence that governments print money during election years to create a sense of welfare in the economy in order to influence the vote, and this has a positive effect in voting behavior. The other economic variables did not show significance in any model and government workers, as percentage of the work force, were not significant either. However, it has the expected sign.

When I divide the periods before and during Chávez, the results are different. Before Chávez, inflation was not significant. During Chávez, inflation affected the

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voter of the incumbent party negatively. Economic growth proved to be significant and positive before and during Chávez, as expected.

Oil prices were significant in both periods but they have a different sign in each period. They are positive (as expected) for the period 1958-1998 and negative for the Chavez's period. It is possible to interpret that the first oil booms during the seventies created more positive expectations in the voters than the oil boom that Chávez managed. Voters had more expectations about Chávez than about oil prices.

Hypothesis 2: incumbency is an advantage.

We measured party incumbency in the race as a dummy variable. The variable is always significant but contrary to expectations; "Incumbent party in the race" has always a negative sign with respect to the incumbent party vote. A candidate in the race that is supported by the incumbent party does not have an advantage. That explains why between 1958 and 1998 AD and COPEI alternated the presidency and only in two occasions could AD could a presidential period.

On the contrary, the variable "Chávez" is a strong variable in the model. As a consequence, incumbency was an advantage only for Chávez and not for his political party. The absence of Chávez in 2013 affected negatively the results for the PSUV party and its candidate Nicolás Maduro.

Hypothesis 3: Chávez was more effective managing clientelism than other presidents in the past.

Clientelism is measured as the percentage of government workers in the total workforce. In model 6 (1958-1998), clientelism is not significant, but during the Chávez era (1998-2013), clientelism is positive and significant, which means that an increase in the number of workers in public administration increases the incumbent's party vote.

This result coincides with Penfold's research[61]. This could mean that Chávez was more skillful managing clientelism compared to his predecessors.

Before Chávez, political parties practiced clientelism by increasing the number of government workers and taking advantages of the boom in oil prices. However, this practice was not effective to remain in power. For example, between 1963 and 1968, the government of Raul Leoni (*AD*) increased the number of government workers and the percentage of the work force grew from 12 percent to 15 percent. But in 1968, the opposition's candidate Rafael Caldera (COPEI) won the race. Between 1978 and 1983, Luis Herrera (COPEI) increased the number of government workers and the percentage of the work force grew from 13 percent to 17 percent, but in 1983 the candidate of his party (COPEI) lost against Jaime Lusinchi (AD). Lusinchi did not increase the proportion in 17 percent between 1983 and 1988, but the candidate of his party won the election and the incumbent party (AD) remained in power.

In Chávez era, the number of government workers as a proportion of the work force increased from 14 percent to 19 percent. The model proves that the emergence

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[61] Penfold, Michael, "Clientelism and Social Funds",

of Chávez represented a change in voting behavior, particularly, in the managing of clientelism or gratitude, which could have been influenced by his charisma.

Hypothesis 4: during Chávez era, voters valuated more positively Chavez's popularity than his economic performance.

As mentioned before, the "Chávez" variable is always positive and it is significant in the first, second and third. Its t-student is always higher than any economic variable such as inflation, GDP Growth or even clientelism.

Having Chávez as candidate in the election was always a great advantage. It is important to say, however, that between 1958 and 2013, Chávez was the only candidate who was enabled to run for consecutive reelection. Consecutive reelection can also be an advantage. Before the Constitution of 1999, a president could only be reelected after an interval of two presidential terms of five years. Carlos Andrés Perez, who finished his first term in 1979, was reelected for five more years in 1989. Rafael Caldera was president for two terms, the first between 1969 and 1974 and the second between 1994 and 1999.

But definitely, it can be interpreted that Chavez's presence and incumbency in an election was a guarantee of victory. This might be explained by his charisma. As showed in chapter three, Chávez enjoyed high levels of popularity during his 14 years as president.

Hypothesis 5: Chavez's popularity was more effective to remain in power than political changes and concentration of power.

Regarding consolidation of power, the dummy variable that represents the change in the Constitution in 1998 has a positive relation to the votes of the incumbent party and it is significant in both models 1 and 5. But the variables POLCON and Polity IV, which represent concentration of power, do not have the expected sign. The changes in the Constitution allowed Chávez to be reelected for a second consecutive term, which is definitively an advantage for an incumbent party to remain in power. But, there is not clear evidence that concentration of power can affect voting behavior. Thus, in spite of the political changes introduced concentration of power it is not a guarantee to remain in power. Without Chávez in the race, reelections and changes in the rules do not have the same effect. These results also open the possibility of thinking that political changes introduced by Chávez to concentrate power only worked for him, because they were introduced on the basis of his own leadership and popularity.

Hypothesis 6: political changes to remain in power will not be as effective for Chavez's successors.

Both POLCON and Polity IV were not significant in the models. As a result, the concentration of political power was not an advantage for Chávez. His successors will probably need to control not only the concentration of power but also other variables to remain in power.

In particular, Maduro lost more than 600,000 votes (five percentage points) votes between October 2012 (when Chávez was candidate) and April 2013. The April 2013 presidential election maintained the same number of registered voters with respect to the 2012 election, which means that the people who first voted for Chávez

in October 2012 changed their mind in April 2013 by voting for Capriles instead of

Maduro.

Table 4.3.

Number of swing voters between the 2012 and 2013 presidential elections

Presidential Election	Chavez - Maduro	Capriles
October 2012	8,191,132	6,591,304
April 2013	7,587,161	7,362,419
"Swing" voters	(603,971)	771,115

Source: National Electoral Council.

Chapter 5

Discussion of Findings and Conclusion

The purpose of this thesis was to answer the question: *What variables influence voting behavior in Venezuela?* In this chapter, I will discuss the findings, conclusions and recommendations for the Venezuelan opposition regarding future strategies.

Economic performance of the incumbent party

One can conclude that voters look at the economic performance as a whole but depending on the moment they look at different variables. First, real money growth stimulates the economy and could have a positive effect in the votes of the incumbent party. Second, economic growth also has a positive effect. Third, before Chávez, oil prices used to have a positive effect on the incumbent party's vote, but this effect disappeared during Chavez's era, probably because voters' expectations were greater about Chavez' than the illusion that an increase in oil prices can create. Four, before Chávez, voters did not look at the inflation rate. Between 1998 and 2013, inflation rate has a negative effect on the incumbent's party vote.

Incumbency

Incumbency is a disadvantage for the incumbent party. On the contrary, having Chávez as candidate was an advantage.

Clientelism

Presidents before Chávez practiced clientelism, but his parties (incumbent parties) could not remain in office. On the contrary, for Chávez, clientelism was significant and helped him increase his votes. I can conclude that Chávez was more effective managing clientelism than other presidents in the past.

Chavez's Popularity and Concentration of Power

The presence of Chávez was more significant to remain in power than other economic variables or even clientelism. His popularity was also more effective than concentration of power and the political changes he achieved to remain in power. In fact, this study can conclude that concentration of power is not necessary to win an election. As a result, Chavez's successors will need to control power but also have a better economic performance to remain in power, unless further presidential elections are eliminated.

Conclusion

This study was about *what variables influence voting behavior in Venezuela?* Voting behavior in Venezuela has to be divided into two periods: before Chávez (1958-1998) and during Chavez's (1998-2013)[62]. The presence of Chávez himself as a candidate is more important than any other variable, including economic

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[62] Maybe in the future we can divide voting behavior in three periods: before Chávez, during Chávez and after Chávez.

performance and clientelism. The introduction of political changes such as reelections for a second term in the 1999 Constitution and the amendment in 2009 to introduce indefinite reelections were master political moves for Chávez that could affect voting behavior in Venezuela. But reelections and concentration of power could have worked more effectively for Chávez than for his successors. The political changes introduced during Chavez's regimen are not necessarily guarantee of electoral victory for another candidate other than Chávez. Actually, the incumbent party itself has a negative relation to its possibility of success in a reelection.

Chávez took advantage of his charisma to introduce these political changes that assured his permanence in power. However, the results of the models say that concentration of power was not necessarily an advantage for Chávez.

Chávez won elections because his popularity was more important than his economic performance or concentration of power. There is some evidence that voters looked at GDP growth before and during the Chávez era. From 1958 to 2013, there is also evidence that printing money the year of the election can help the incumbent party remain in power. When dividing the periods, inflation was not significant in the period before Chávez, but it is a significant variable that affects negatively the vote of the *Chavismo*. During Chavez era, voters evaluated economic performance of the government including inflation, GDP per capita growth, oil prices and clientelism.

Implications and recommendations for the Venezuelan opposition

To understand the implications of the results for the Venezuelan opposition, I will analyze the conditions of the April 2013 presidential election. As mentioned before, the results of the election were so close that even at the moment of writing this thesis the opposition candidate has not accepted the results. Just one month before the election, poll firms like Datanalisis, IVAD and Hinterlaces observed a gap of almost 20 points between Maduro and Capriles. But a combination of different variables reduced that advantage dramatically.

First: Chávez was not in the race (and is not going to be racing anymore). Second: total GDP only grew 0.7 percent in the first quarter with respect to the same period of last year. In a country where the population grows at 2.0 percent yearly, it can be estimated that between the first quarter of 2012 and the first quarter of 2013, the GDP per capita experienced a decrease of 1.3 percent. Third: the inflation accumulated between January and April 2013 was 12.5 percent, one of the highest rates in the last years. Fourth: the number of government workers as percentage of the total work force decreased from 19 percent to 18 percent. This election can be explained by model 7.

The opposition always faced the dilemma of whether or not to participate in elections against Chávez. The argument to abandon the elections was that Chávez controlled all the check and balance institutions and he would win the elections anyway. This study found evidence that concentration of power was not necessarily an advantage for Chávez. His presence was more important to win elections. Now that Chávez will not be racing anymore, it is crucial for the Venezuelan opposition to

continue participating in elections. According to the results, the opposition must focus its message on economic performance and mainly on GDP growth and inflation.

Study limitations and future research

It is important to consider some of the limitations of this study. First, the main limitation for this study was the number of observations. In the same sense of what happened with Fair's model, it is important to continue building data and updating the models every new national election. Second, popularity was only measured for Chávez by including him as a variable itself. I could not find any data of popularity for different candidates before 1998. Third, immediate election for a second term is a relative new issue in Latin America. I recommend extending the model with data panel that could include Colombia, Brazil, Ecuador, Nicaragua, Argentina, and Bolivia and to compare these countries to Chile, México, Panamá, Peru, and other countries that do not have immediate reelections for a second term. Four, there have been some countries like Bolivia, Nicaragua and Ecuador that have followed the same pattern as Venezuela in introducing political changes, including a new Constitution. It is important to analyze the effect of these political changes on the voting behavior in these countries.

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