

## ***Introduction: The Chávez Revolution in Perspective***

This book spotlights one of the most sweeping and unexpected political transformations in contemporary Latin American politics. President Hugo Chávez Frías, in office from 1999 until his death in 2013 (reelected in 2000, 2006, and 2012), transformed a frail but nonetheless pluralistic democracy into a hybrid regime, an outcome achieved in the context of a spectacularly high oil income and widespread electoral support. Hybrid regimes are political systems in which the mechanism for determining access to state office combines both democratic and autocratic practices. In hybrid regimes, freedoms exist and the opposition is allowed to compete in elections, but the system of checks and balances becomes inoperative. More specifically, such regimes display the following features:<sup>1</sup>

- Government negotiations with opposition forces are rare.
- Die-hard loyalists of the government are placed at top-level positions in state offices, such as the courts, thereby undermining the system of checks and balances.
- The state actively seeks to undermine the autonomy of civic institutions.
- The law is invoked mostly to penalize opponents but seldom to sanction the government.
- The incumbent changes and circumvents the constitution.
- The electoral field is uneven, with the ruling party making use of sinecures that are systematically denied to the opposition.

## 2 Introduction

Undeniably, the rise of a hybrid regime in Venezuela occurred in the context of significant electoral support. Venezuela under Chávez conducted plenty of elections—seventeen at the time of his death—and *chavista* forces prevailed in all but one. This widespread use of elections is certainly impressive, and many consider it a sign of democratic vitality, even though electoral institutions have been openly manipulated. This electoral majoritarianism was used by the president to justify concentrating a broad array of institutional power, including ending term limits. As a result, Chávez’s “Bolivarian Revolution” (so-named by Chávez after Simón Bolívar, the Venezuela-born South American liberator) reduced accountability, limited alternation in office, and expanded the powers of the executive like few other electoral regimes in Latin America.

These are all typical features of an “electoral autocracy,” a term that became popular early in the new century to describe hybrid regimes in which one dominant party or ruling coalition overwhelms the rest.<sup>2</sup> Scholars have noted a rise of hybrid systems across the globe in the latter part of the 2000s: the Chávez regime represents the most pronounced case of hybridity to emerge in Latin America since the 1980s. Other nations in Latin America have in the recent past lived through somewhat similar experiences. Oftentimes labeled “neopopulist,” majoritarianism combined with weak political parties has led to strong personalistic rulers as recently as Alberto Fujimori’s regime in Peru during the 1990s.<sup>3</sup> But *chavismo*, the term that is conventionally used to denote the methods and goals of Chávez’s particular type of hybrid regime, exhibited three additional features that are less typical of other similar experiences in Latin America.

First, there was a heavy and unconcealed militaristic bent, far greater even than under Fujimori. The military was present in the cabinet, in the management of the ever-growing number of state-owned enterprises, and in running subnational government programs. *Chavismo* essentially contravened and maybe even ended the trend in Latin America until the late 1990s of containing rather than expanding the role of the military in governance and spending in areas that have little to do with national security.

Second, in terms of economic policy the regime was heavily statist. Other than offering a major fiscal stimulus and cheap imports, the state did little to promote private investments and imposed some of the most severe regulatory restrictions in the world. State control expanded in basic industries ranging from power and electricity to telecommunications and

ordinary sectors such as cement and hotels. Expropriations expanded from a few abandoned pieces of property to major profitable industries.

Third, the regime adopted a distinctive foreign policy: an active commitment to balance the influence of the United States and to export a somewhat radical political ideology of statism across the region. Chávez became one of the world's closest allies of Iran (which is one of the world's leading buyers of weapons from Russia) and one of the world's most openly confrontational leaders, not just toward the United States but toward any head of state whom he disliked.

In short, in terms of policy and discourse toward his detractors—at home and abroad, in good times and in bad times—the Chávez administration was nothing less than a fire-breathing dragon in the tropics. Latin America has seen few comparable political dragons emerge in its recent history. To be sure, many of the region's leaders have deployed some of these practices, but none undermined checks-and-balances institutions and co-governed with the military to the extent that Chávez did in Venezuela. A number of countries have veered to the left in economic policy, especially when compared to the 1990s, but none has achieved the same degree of state control of the economy as in Chávez's Venezuela.<sup>4</sup> And although some countries have abandoned the policy of close rapprochement toward the United States that prevailed at the close of the twentieth century, none since Cuba during the cold war has embarked on such a world campaign as has Venezuela to counter American influence in this hemisphere and elsewhere.<sup>5</sup>

The chapters that follow provide an in-depth review of how this major political transformation took place in Venezuela. We chiefly synthesize studies produced by both of us over the past fifteen years. As academics, both of us have focused primarily on the study of Venezuela. We both wrote doctoral dissertations on Venezuelan politics prior to the “Bolivarian revolution” from a comparative perspective (Corrales compared Venezuela to Argentina, Penfold to Colombia). After Chávez came to office and in the course of his presidency, we separately and jointly published academic journal articles, book chapters, and newspaper op-eds and commissioned reports. With this book we seek to summarize a number of key thoughts generated in our research and policy experience, render them accessible to a less specialized audience than that for our earlier writings, and update them to take into consideration new developments and research.

## **Explaining *Chavismo***

We have several goals in mind. One is to provide an explanation for Venezuela's political overhaul. Conventional accounts of the Chávez regime generally focus on some combination of three principal factors: the role of (decaying) liberal democracy since the 1970s, (failed) economic reforms in the 1990s, and (overpriced) oil in the 2000s. Some scholars have argued that Venezuela's legendary democracy—one of the first successful “pacted” transitions in Latin America—turned into a rigid “partyarchy” in the 1980s. During this period, two parties, Acción Democrática (AD) and the Social Christian Party (originally Comité de Organización Política Electoral Independiente, or COPEI), dominated the political field. Far too many actors across all income categories were excluded by an agreement among these parties' leaders that over time restricted access to democratic institutions and failed to manage economic development once fiscal resources flowing from oil started to decline. This led to demands for new and more participatory political institutions, a tide that brought “revolutionary” Chávez to the fore.

Others have argued, instead, that Venezuela's experiment with market economic reforms in the 1990s led to harsh austerity policies that expanded poverty without restoring growth, leading to a demand for a more leftist-populist-nationalist type of economic development. Finally, a new wave of high oil prices in the early 2000s supplied the means for the Chávez regime to deliver on these society-demanded changes. In a nutshell, many scholars think that the failure of liberal democracy and economics explains the demand for the type of regime now in place, while oil provided the figurative and concrete fuel.

We offer a slightly different interpretation of events. First, on the role played by political institutions, we don't dispute the degree of exclusion that preceded Chávez, but we contend that it was the dramatic institutional opening in the 1990s, rather than continued institutional closure, that created the opportunity for regime change. In the 1980s the old pacted democracy entered into a deep social and political crisis, leading to political decentralization and reform, which allowed for more than twenty governorships and more than 300 mayors to be directly elected by the people by 1989. Political decentralization triggered two profound political earthquakes: it allowed new political forces to emerge and capture state office—especially Causa-R at the outset of the 1990s and Chávez's own Movement of the Fifth Republic (Movimiento Quinta

República, or MVR) in later years—effectively ending the country’s stale “partyarchy.”<sup>6</sup> Decentralization also eased the stranglehold of the leading traditional parties, AD and COPEI, thereby ushering in an unprecedented party fragmentation. We are convinced that the wedge opened by decentralization and party fragmentation was one of the most important underlying institutional explanations for why Chávez—a consummate newcomer—managed to win state office in 1998 and easily overwhelmed the political system in a matter of a few years. The main point is that greater democratization rather than less democratization made possible the entry of new political actors; and party fragmentation permitted this new political force, once in office, to consolidate power in a short period of time.<sup>7</sup> Without decentralization (which opened the doors) and party fragmentation (which cleared the path), Chávez would have faced possibly insurmountable obstacles at election time and, certainly, as a policymaker.

With respect to economic reforms, we agree that poverty and erratic economic performance prevailed in the 1980s and 1990s, but we disagree that “neoliberalism” was the key culprit. Market economic reforms never really took hold in Venezuela. Attempts to open the economy by Carlos Andres Pérez in 1989 and, after some delay, by Rafael Caldera in 1996 faced formidable political roadblocks that prevented deep implementation. Other than trade liberalization and a few privatizations, most economic activities, especially on the export side, remained largely statist. Moreover, there is no evidence that the majority of the population repudiated market economic reforms as vehemently as Chávez did when he gained power democratically.<sup>8</sup> We are persuaded that Venezuela’s economic ailments resulted from factors other than “neoliberalism,” namely, the persistence of dependence on oil, which caused macroeconomic volatility; political party fragmentation, which triggered policy incoherence and infighting; government mismanagement of the economy, which led to greater contraction of the private sector in the 1990s; and the Asian crisis of 1997, which devastated Venezuela’s economy just around the time that Chávez ran for president. To blame market reforms for Venezuela’s economic ills up to 2003 is an exaggeration; other, more serious, economic ailments mattered more.

Our position on oil is a bit more complicated, so we devote an entire chapter to this topic. We do not dispute the growing consensus in development studies that high dependence on mineral or land-based natural resources generates multiple forms of political and economic

distortions—the so-called resource curse, or “paradox of plenty,” arguments. But we think that oil alone fails to explain the recent course of Venezuelan politics, and even less, the direction of regime change. Oil has been the key economic factor in Venezuela since large-scale production started in the 1920s, and in subsequent decades the country experienced all forms of political regimes (dictatorships, democracies, and semi-autocracies), institutional arrangements (unipartisan, bipartisan, multipartisan, antipartisan), and economic policies (import-substitution industrialization in the 1950s and 1960s, heavy investment in large utilities in the 1970s, unorthodox economic adjustment in the 1980s, aggressive market reforms in the early 1990s, timid reforms until 2003, and aggressive fiscal spending since 2003). Oil has been invoked over and over again to explain the status quo, even though the status quo has changed repeatedly during the last 100 years.

We propose instead that the explanation for the rise of Chávez’s regime lies in what could be called an “institutional resource curse”: oil, certainly, but in combination with a number of institutional arrangements, is what explains key regime change. In particular, Chávez was able to obtain direct political control of the state-owned national oil company, *Petróleos de Venezuela, S.A. (PDVSA)*—which reflected the erosion of checks and balances already under way prior to the Venezuelan oil boom from 2003 to 2008. This institutional grab by the executive branch allowed it to distribute oil rents to the population without any intermediation from other political actors after 2004. Without this prior institutional change, which also involved deep constitutional reforms that strengthened presidential powers, the oil boom in Venezuela under Chávez might have had a different political effect, one less empowering of the president and less detrimental to the opposition. Our focus is therefore on identifying the type of institutions that, in combination with oil dependence, led to a transformation of regime type and policies after Chávez came to power.

A focus on oil and related institutions, rather than oil alone, is a departure from the common treatment in current (generally quantitative) studies of the resource curse, but it continues a venerable tradition in research on Venezuela and in qualitative studies of development in general. For instance, some of the best works on whether countries succumb to or escape the resource curse—however it is defined—tend to stress variations in institutional features among petro-states.<sup>9</sup> Likewise,

some of the best studies of Venezuelan politics over the years emphasize the role of institutions, not just oil, to explain the origins of democracy in the late 1950s, policy incoherence in the 1980s, and regime change in the early 2000s.<sup>10</sup> All of these studies consider variations in state-based variables, party-based variables, or both. This book builds on the tradition of examining oil and institutions interactively rather than separately.

We do recognize, however, that regardless of institutions, oil dependence generates a demand for “rentism” on the part of economic agents that is perhaps more pronounced than in other societies.<sup>11</sup> We define “rentism” as the drive of social, economic, and political actors to extract fiscal resources for private rather than public gains through lobbying for lessened competition. This behavior creates a strong bias toward favoring distorted policies aimed at protecting the extraction of these “rents” by a broad array of actors. Moreover, oil is no doubt the fuel that powered the Chávez regime, as it does any incumbent in petro-states enjoying an oil windfall. But again, understanding why the regime took on the shape that it did and, more important, why it moved in a particular direction (why the dragon protected certain political assets and not others, and spewed fire at some targets and not others), requires us to know more than just the fact that fuel was plentiful.

Additionally, focusing exclusively on oil, as the resource-curse literature often does, fails to explain one of the most noteworthy features of Chávez’s policies: the decline in the country’s oil sector under his watch. Considering that both in rhetoric and in practice the Chávez regime places oil at the heart of the country’s development strategy, allowing this sector to decline as much as it has since 1999 is astounding. If anything, one would think that Chávez should have cherished the oil sector unflinchingly. Furthermore, considering the concentration of power in the executive branch, one would also think that he should have had no trouble protecting this asset. Yet most indicators reveal a serious deterioration of Venezuela’s oil economy since 1999. Chávez was not the first president in Venezuelan history to be mesmerized by the promise of oil, but he was the one who allowed the sector to decline the most. The mystery of the Chávez regime is not that it relied on oil as much as it did but that, despite this excessive reliance, Chávez allowed the sector to decay. In our chapter on oil we try to explain this decline: again, to explain this decaying trend in the oil sector (not just in regime change) we propose an “institutional-resource-curse” thesis.

## Politics under *Chavismo*

Another objective of this book is to demonstrate that to understand the political system in Venezuela, it is necessary to look not just at the demand side (namely, citizens' preferences) but also at the supply side: ways whereby strategic actors at the state level managed to manipulate policies and formal rules in order to prevail politically. At its core, *chavismo* could be conceptualized as a political project that sought to undermine traditional checks and balances by building an electoral majority based on a radical social discourse of inclusion, glued together by property redistribution plus vast social handouts extracted from the oil industry. Like previous populist movements in Latin America, *chavismo* was a politically "illiberal" project because it used electoral majorities to erode horizontal and vertical accountability.

Robert Dahl's classic idea of liberal democracy combined high contestation and high inclusion; judged in these terms, *chavismo* may be deemed definitely deficient in the former and problematic in the latter criterion.<sup>12</sup> At the level of contestation, *chavismo* increasingly undermined political competition for office by placing state resources and security services at the disposal of the ruling party while denying them to its rivals. At the level of inclusion, *chavismo* mobilized new and nontraditional actors in the electoral arena (which clearly strengthened democracy), but also deliberately excluded comparatively large segments of society, labeling them "oligarchs," "contemptible," and "enemies of the common people." Judged in terms of accountability and treatment of the opposition, this regime was a long way from Dahl's conception of liberal democracy.

Underlying these changes in contestation and inclusion was the complete erosion of checks and balances. Consider one example of this erosion: very few court cases are known where societal actors have sued the state, let alone won a case against the state. Under *chavismo*, the concept of limits on the power of the majority—which all scholars who study the quality of democracy posit as being a minimal condition that regimes must meet to qualify as such—collapsed in Venezuela.

Authoritarian leaps have always been commonplace in Latin American politics, as elsewhere in the developing world. In the 1980s in Latin America, new checks emerged on these tendencies, and for a while they actually worked. Furthermore, the radical left lost steam with the collapse of European communism, the military retreated from politics and experienced budget cuts, civil society became stronger and drew on



international support, the region's press gained strength and autonomy thanks to new media technology and new markets, and a general climate against mistreating the opposition and respecting human rights prevailed worldwide. Moreover, radical right-wing movements that had sponsored either paramilitary groups or military governments came under increasing scrutiny from human rights organizations. Accordingly, traditional means by which concentration of power imposed itself in the region—coups, insurgency, repression, terror, outright bans on political liberties—were neutralized by these international and domestic barriers.

But the Venezuela case shows that rather than being laid to rest, autocratic impulses can simply adapt to both worldwide and domestic countertrends. Rather than retreat, political movements aimed at concentrating power can discover and conceive new ways to expand, even in the context of seemingly tougher barriers to such expansion. *Chavismo* adapted to this situation, as described in chapter 2, by selectively discontinuing certain institutions, co-opting others, and creating new ones. Hence, we focus significant attention on the regime's clever manipulation of state and civic institutions to show how a project that seemed to be a throwback to Latin America's past overcame adverse circumstances and forged a new future.

## **The Domestic and International Political Economy**

We also want to explore how this new regime requires us to rethink questions not just about radical politics, but also about development in general. Chapter 3 thus focuses on economic development issues—more precisely, on the heavy use of statist policies to manage economic affairs. We argue that even though Chávez brought forth a new form of politics in Venezuela, he recycled old economics. Chávez's political economy until 2008 could be labeled a modified return to import-substitution industrialization (ISI), defined as an attempt to use broad protectionist measures as a way to boost local production. State intervention was maximized, often with the intention of expanding self-sufficiency. As with previous cases of ISI in Venezuela and in Latin America in general, this set of policies led to extraordinary inefficiencies and, once again, to an expansion rather than a contraction of imports. In addition, in an attempt to socialize production, oil rents were used to expand the role of the state through nationalization, often in areas that were well beyond what leftist governments elsewhere in the region were advocating. This modified ISI strategy

in the context of an oil economy—more statist and more favorable to imports than previous versions—allowed the regime to attract voters and build adherence from unexpected sectors and special-interest groups, which helps to explain its electoral successes following 2003. Since 2008, Chávez’s economic policy became more radical, showing more blatant disregard for market forces. Although it is too early to tell what this new economic radicalism will bring, all signs thus far point toward a longer economic crisis than in most other countries in the world affected by the 2008–09 global recession and in all the petro-states affected by the 2014 decline in oil prices.

In chapter 4 we discuss oil policy. Oil was central to *chavismo*, this much is clear. But we go beyond this obvious point to elaborate on two less understood aspects of the role of oil in consolidating this regime. First, rather than accept the point that oil explains the rise of political and economic institutions under Chávez and the features of his regime—hybridity and state-led economic policy—we argue that political institutions shaped the way in which the regime came to use oil to its advantage. More precisely, Chávez’s overhaul of institutions within politics and within the oil sector in the 1999–2004 period, which led to the erosion of checks and balances and the restructuring of PDVSA, allowed Chávez to convert the oil sector into, in essence, the regime’s checking account. Without this prior institutional overhaul, the impact of the 2003–08 oil windfall would have been dramatically different, namely, less beneficial to the incumbent. The second puzzle we discuss in chapter 4 is the decline of the oil sector under Chávez, which is evident from any available indicator. This decline is also the result of new institutions established by Chávez with the purpose of treating the oil sector less as an investment than as a social ministry. But it is also a symptom of the regime’s most important chronic and potentially damaging weakness: the combination of distorted economic policies and ever weaker state capabilities. Oil is the ideal sector to illustrate this process of dwindling administrative competence, precisely because it was the one sector where the process was most salient and also the least expected, given the importance of the oil sector to the government.

In chapter 5 we turn our attention to foreign policy. Except for a plethora of op-eds, not much has been written analytically about the implications of Chávez’s foreign policy. We argue that, to some extent, a key feature of Venezuela’s foreign policy has been “soft-balancing”—countering U.S. influence and playing social power diplomacy. Soft-balancing

refers to nations' efforts, short of military action, to frustrate the foreign policy objectives of other, presumably more powerful nations; a variation of traditional balancing behavior, the concept is a core tenet of realism. Whereas "hard-balancing" involves efforts, typically military in nature, to reconfigure the international system—for example, to end the predominance of a great power—the goals of soft-balancing are less ambitious: chiefly, to raise the costs of action for the more powerful state. However, we insist that not every aspect of Chávez's foreign policy counted as soft-balancing—or *effective* soft-balancing, at least. Some aspects, such as his empty rhetoric, were *too soft*. Other aspects, such as his deals with terrorism-sponsoring nations and organizations or his strong military spending, were *too hard*. Furthermore, he had multiple foreign policy goals (other than challenging the United States) and target states, some of them less powerful than Venezuela itself. Nevertheless Venezuela displayed all the usual signs of soft-balancing the United States, and so it is worthwhile to study lessons about the origins, practice, and effects of this kind of policy in North-South relations. In line with the rest of the book, we discuss how domestic institutions, specifically the decline in accountability and the concentration of powers in the executive branch, interacted with oil to both facilitate and hinder Venezuela's soft-balancing initiatives.

### **The Social Face of *Chavismo***

Without a doubt, the regime's social policy—both at home and abroad—is its most widely discussed feature, yet it, too, is not always fully understood. Many observers find that Chávez's social policies illustrate a democratic commitment rare in Latin America. We disagree. Certainly, there is no question but that poverty at home has declined under Chávez: there are some estimates that the proportion of Venezuelans living in poverty fell from 48.6 percent in 2002 to 27.6 percent in 2008.<sup>13</sup> These declines notwithstanding, our message is that under certain circumstances, aid was disbursed to *some* of the poor, and more gravely, in a way that ended up helping the president and his allies and cronies more than anyone else. Overall, social policy was conceived more as a key instrument to build a radical political coalition both domestically and internationally in order to sustain the electoral support and international legitimacy of Chávez's hybrid regime. This practice is not necessarily felicitous for democracy, although from a superficial perspective it might seem to qualify as progressively distributive.

Nevertheless, beyond a doubt the Chávez regime channeled unprecedented funding toward social programs, exceeding by far what is generally achieved by liberal democracies in developing countries and many paternalistic autocracies, even in petro-states such as in the Persian Gulf. We argue that social policy and funding social programs played a much larger role than is conventionally understood. Essentially, this social dimension played a major role in domestic politics, in economics, in the oil sector, and in foreign policy. Thus, each of our chapters devotes considerable attention to social policy. Whereas a conventional account of Chávez would typically have a separate chapter on social policy, we find it more illuminating to discuss social policy as a factor in each of the various aspects of the regime.

Thus, chapter 2, on domestic politics, discusses how clientelistic practices underlying social policy acted as the regime's co-optation and opposition-disarming tool par excellence. The chapter also offers an explanation for the fact that a regime such as Chávez's—neither fully democratic nor fully authoritarian—generated a higher-than-expected level of spending than many democracies and dictatorships. The type of political competition that is allowed to exist in a hybrid regime triggers an incentive for the government to spend, while the erosion of checks and balances in such a regime permits the state to overspend and to do so in a discretionary way. The combined outcome is a level of state spending that is high, inefficient, and politically biased. Chapter 3, on economic policy, shows that yet another way social spending under Chávez functioned was as a form of permanent economic stimulus package and as a mechanism for generating labor demand for state expropriations (social spending was used to lure workers into welcoming the state takeover of private businesses). Chapter 4, on oil, shows that social spending also played a major role in determining how the oil sector was managed. More specifically, the chapter illustrates that the decision to privilege social spending (essentially, operating expenses in the form of cash transfers and massive subsidies) in determining priorities for the oil sector came with a devastating opportunity cost in the form of forgone investments in infrastructure, technology, and production. Chapter 5, on foreign policy, discusses one of the most innovative uses of social spending under Chávez: as a tool to soft-balance the United States, win allies across the region, and silence criticism of the regime from regional governments and even international intellectuals. In short, oil, and the social spending it made possible, played a major role not just in politics,

but in all the dimensions of *chavismo*. In this sense, social policy became a powerful instrument for political consolidation and not just an objective in itself.

## The Politics of Succession and Economic Collapse

For this second edition, we decided to address an important theoretical question about the study of hybrid regimes that was not germane when we published the first edition in 2011, namely, the politics of succession. How did a regime that concentrated so much power on the office of the presidency and relied so heavily on the personality of the president and the populist distribution of oil rents “survive” that president’s death and the economy’s downturn in 2013–14? This question brought us back to the debate about which is more central, oil or political institutions.

No doubt, oil revenues continued to provide the regime with enough resources to co-opt key groups, especially the military, and thus to contain pressures to change the status quo. But the real reason for the regime’s survival, we argue in two new chapters, had to do with the way the regime manipulated political institutions to its advantage. First, Chávez’s successor, Nicolás Maduro, effectively mobilized the network of institutional ties with external allies that Chávez had created. Maduro was foreign minister prior to becoming president, and so it is no coincidence that Maduro as president knew to activate external ties to his advantage. Second, the institution of the ruling party was selectively accommodated. In a way, the concentration of power that was the hallmark of Chávez’s rule was replaced with a type of collective rule. Different party factions came to an agreement on power sharing that helped to placate some discontent within the top echelon of the party. And third, the regime used the institutions of repression and autocracy, also created under Chávez, to become more repressive vis-à-vis the opposition.

In the first edition we argued that Chávez created a competitive-authoritarian regime. In chapter 8, also new in this second edition, we show that as the regime became *less* competitive, it became *more* authoritarian. This pivot to greater authoritarianism was not foreordained. It occurred mostly because the regime faced the right incentives (internal disputes and rising opposition), the right ideology (a disdain of the opposition for being anti-fatherland), the right legal instruments (autocratic laws), and a new sense of urgency (rising and unified opposition) to become more repressive.

In short, Venezuela's hybrid regime, after Chávez's death, became more selectively accommodating on the inside and more explicitly repressive on the outside. This allowed the regime to survive, but not to thrive. Regime survival was purchased at the cost of policy immobilism. And policy immobilism has left Venezuela with the deepest economic crisis in Venezuela's history.

## Reflections

This book thus examines how oil and institutions have interacted to produce regime change, radical populism, decay of the oil sector, and an anti-United States foreign policy in Venezuela. Our wish is that the book will offer something of value to a broad readership comprising the general public, nonspecialist scholars, and policy wonks.

For Venezuelanists, we offer arguments that deviate from some of the most widely held theories on the rise and effects of *chavismo*. For comparativists, we offer enough material to provoke the question of whether *chavismo* is replicable and could anticipate the future of politics in countries suffering from party decay, chronic weak state capabilities, and economic volatility, or whether *chavismo* is unreplicable because it was either too anachronistic or too reliant on oil. For Latin Americanists, we provide material to fuel a debate as to whether *chavismo* is the wave of the future for the region because it pointed toward a "postdemocratic" regime, as one of Chávez's most influential early intellectual mentors called this political movement, or whether *chavismo* was a dead-end proposition precisely because it was too undemocratic.<sup>14</sup> For those interested in North-South relations, we offer an explanation of soft-balancing that relied more on the political needs of the challenging nation than on the actions of the hegemon. And for those interested in development more generally, we hope to offer some criteria to help assess the conditions under which countries that come to enjoy formidable economic fortunes can actually manage such blessings for the good of society as a whole, not just of the president and his supporters.