

**Venezuela's
Legislative and Regional Elections:
Assessment Report**

November 23, 1998

I. Introduction

A decade of electoral reform and political change is drawing to a close in Venezuela. Elections were held November 8 for every legislative post in the country — including the Senate, the Chamber of Deputies, and all the state legislatures — as well as all 23 governorships. The electorate's view of the November 8 balloting will have a profound impact on the conduct and the outcome of the December 6 presidential vote.

Venezuela's electoral system has undergone major changes in the past year. The new election law promulgated in December 1997 and revised five months later called for the use of automated voting machines, an expensive and complex initiative that had mixed results on November 8. In addition, the new law mandated that pollworkers and many other election officials would be selected at random from the voter registry, ending the traditional practice of recruiting political party representatives to administer the vote.

However, the political upheaval facing Venezuela is even more dramatic. Opinion polls have shown Hugo Chávez, the former army officer who launched a coup attempt in February 1992, leading the pack of presidential candidates for months. The November 8 elections underscored Chávez's appeal as voters made his disparate alliance of 14 mostly left-of-center parties the largest faction in Congress. Polls indicate that presidential candidate Henrique Salas Römer, a former governor of Carabobo state, has partly closed the gap, but pundits agree that Chávez remains the leader.

Perhaps most surprising, however, is the decline of Venezuela's traditional political parties, the center-left Acción Democrática (AD) party and the social Christian party known as COPEI, which garnered just 24 percent and 12 percent of the vote in Congressional balloting. Polls suggest that neither party's presidential candidate will receive more than 10 percent of the vote on December 6.

IRI regards the current electoral cycle as critical to Venezuela's democratic development. Beginning in 1994, IRI committed itself to the long-term objective of strengthening Venezuela's democratic institutions and values. IRI and two Venezuelan civic groups are working to increase youth participation by organizing a series of candidate forums and by conducting a "get out the vote" campaign.

This report is based on information gathered by a nine-person assessment mission during November 1-10, 1998. (See Appendix I for a list of delegation members.) Like IRI's effort to increase youth participation in the elections, this assessment mission was funded by the National Endowment for Democracy. The mission had two goals: (1) to assess the pre-election environment and the electoral system; and (2) to observe the November 8 legislative and regional elections. Separately, IRI has obtained funding from the U.S. Agency for International Development to dispatch an international observer delegation to monitor the December 6 vote.

The IRI delegation met with representatives of key institutions in Venezuelan society, including members of the National Electoral Council (CNE) and their professional staff; candidates for the presidency and for legislative offices; representatives of the armed forces; leaders of business organizations; civic and community leaders; and private citizens. In addition, the delegates deployed to observe the November 8 elections in the Federal District and in six states: Anzoátegui, Bolívar, Miranda, Sucre, Vargas, and Zulia. The IRI delegates were accredited as official observers by the CNE.

This report addresses the electoral process in detail, reviewing key aspects such as recent electoral reforms, the voter registry, voter education, the organization of voting centers, voting machines, the vote count, and procedures for resolving electoral disputes. The report also examines the election environment, focusing on the media, campaign finance, and the role of the security forces. The final section addresses the political situation and attempts to place this election in its historical context.

II. Election Administration

Recent Electoral Reforms

President Rafael Caldera signed Venezuela's Organic Law on Suffrage and Political Participation on December 13, 1997. The new election law introduced two sweeping changes in the way elections are administered. First, it called for the use of voting machines to automate the upcoming elections. Second, the law curbed the influence of political parties within the country's election institutions.

Over the past year, automation has been the top priority of the CNE. As early as 1996, the electoral council issued a report calling for automation of the entire voting process using a machine that would (1) verify the voter's identity, (2) allow the voter to cast an electronic ballot, (3) tally the votes cast, and (4) send the totals electronically to a central counting facility. In the event, the CNE has opted for a less ambitious alternative: automation of the vote count (steps 3 and 4 in this list).

After a long and controversial bidding process, the CNE reached agreement on June 10 with a Spanish firm, Indra, to automate the vote. Caracas newspapers reported that Indra's initial bid of \$262 million was the most expensive of those received, but later reports indicated the fee (and the scope of work) was reduced to approximately \$175 million. Nonetheless, other firms underbid Indra by tens of millions of dollars; Unisys, for instance, placed a bid for \$132 million, though its proposal covered a smaller geographical area. Under its contract, Indra is managing the voting machines (which the CNE chose to buy rather than lease) and providing technical assistance for both the November 8 and December 6 elections. In addition, Indra will probably be invited to provide assistance to the CNE for Venezuela's June 1999 municipal elections.

The second major innovation mandated by the new election law is the depoliticization of the election administration apparatus. Previously, Venezuelan leaders had worked to ensure fair elections through multi-party representation in all election institutions, from the Supreme Electoral Council (as the CNE was known until December 1997) to the six-person teams that staff the voting tables where ballots are cast. In this respect, Venezuelan elections were similar to those in several other Latin American countries (e.g., El Salvador).

Under the new system, Congress elected the seven members of the CNE in early 1998. In practice, the parties with the largest representation in the legislature reached consensus on the composition of the electoral body. In accordance with the election law, none of the seven is affiliated with a political party. However, commentators have been critical of the lack of experience of most of the council members, though many of the CNE's 2,000 staff members have spent years with the institution.

Citizens were selected at random from the voter registry to serve as members of the 23 State Electoral Councils (*Juntas Regionales Electorales*) and the 333 Municipal Electoral Councils (*Juntas Municipales Electorales*). The same method was employed to choose pollworkers for the country's 20,201 voting tables. Educational requirements were instituted; for instance, an effort was made to choose at least one lawyer for each State Electoral Council, and illiterates were excused from electoral service. However, complaints about the lack of professional qualifications among the members of the state and municipal councils have been common, and more than a few illiterates wound up staffing voting tables.

A third major change to the electoral system came on May 28, when Venezuela's Congress amended the new election law to separate the upcoming elections into three rounds in an effort to simplify the voting process. Prior to this amendment, balloting was to be held on December 6 for every elected office in the land, with a total of 3,362 posts to be filled. After a month of debate, however, both chambers of Congress offered broad support for electoral reforms advanced by the Convergencia party and supported by deputies from AD and COPEI. Elections were held November 8 for the entire Congress (189 deputies and 48 senators), 23 state governors (including Vargas, a new state carved out of the Federal District), and state legislatures (a total of 374 state deputies). The presidential vote will be held December 6, and elections for mayors and other municipal officials are now slated for June 1999.

Some of the smaller parties and independent candidates objected to the change in the electoral calendar, saying the proposal to separate the national and local elections came too late and was designed to strengthen AD and COPEI. They argued that if the elections were held as planned, the traditional parties would lose seats in Congress

as well as several important governorships and mayoralties. Other analysts have warned that voter turnout may plummet — especially for the municipal elections — as citizens are faced with three major elections over an eight-month period.

The Voter Registry

Voting is mandatory in Venezuela, and citizens are automatically inscribed in the voter registry (*registro electoral*) upon obtaining the official identification card (*cédula de identidad*). During the registration period that ended July 26, the CNE added 900,000 new voters (mostly Venezuelans who had recently reached voting age, which is 18) to the 11 million names on the registry. The CNE also eliminated from the list the names of 500,000 people who had either died or moved.

Nonetheless, the CNE's registration effort — and the voter registry itself — has been subject to intense criticism. It is widely agreed that as many as two million citizens are unregistered. In addition, commentators writing in leading newspapers repeatedly charged that the CNE, allegedly influenced by representatives of the traditional political parties, purposefully limited its registration drive to prevent pro-Chávez voters from participating in the upcoming elections. Underscoring the CNE's poor record keeping in this department, newspaper reports in early November indicated that six dead people appeared on the ballot as candidates.

The *cédula de identidad* — either current or expired — is the only form of identification accepted at polling stations. Without it, a citizen is not permitted to vote. In addition, if a person's name does not appear in the voting center's list of registered voters (*cuaderno de votación*), he or she will be barred from voting. Venezuela's election law includes no provisions to allow a person who is away from home on election day to vote at a voting center other than the one indicated by the voter registry.

Members of the armed forces on active duty may not vote. Prisoners who are awaiting trial may vote if they advised the CNE officials overseeing the voter registry of their status before July 26. Relatively few did so. Foreigners living in Venezuela for more than 10 years can vote in municipal elections, such as those due in June 1999, but not in legislative or presidential contests.

Voter Education

The CNE's voter education efforts were also widely criticized, in part because cost overruns in areas such as automation delayed and reduced funding. It was only in October that the CNE began airing spots featuring a young woman known as Danielita urging Venezuelans to vote. Only a few of the spots provided information on how to fill out a ballot (*tarjetón*); none mentioned that Venezuelans would have the opportunity on November 8 to vote in six separate contests using two ballots. IRI assessors found that CNE posters providing detailed instructions on the voting process were on display in just half of all polling stations; in Sucre state, the posters were still in storage at the offices of the State Electoral Council on election day.

The CNE's critics have highlighted the need for better voter education because of the complexity of the two ballots in use on November 8. On the ballot for Congressional posts, voters were instructed to fill in one oval indicating their party preference for the Senate, a second oval indicating their party preference for the Chamber of Deputies, and a third oval by the name of a candidate for the Chamber of Deputies standing in the voter's district. On the ballot for state offices, voters were to fill in one oval indicating their preference for the governorship, a second oval indicating their party preference for the state legislature, and a third oval by the name of a candidate for the state legislature standing in the voter's district. (In an odd twist, the results of the Congressional balloting were used to elect Venezuela's delegates to the Andean Parliament and the Latin American Parliament, a fact unknown to all but a handful of Venezuelans.)

The ovals need not be entirely filled in, but the ballots' failure to specify the number of ovals that should be marked left many voters understandably confused. Moreover, the ballots failed to identify the office being contested in the case of the Chamber of Deputies and the state legislatures. The percentage of spoiled ballots (*votos nulos*) in the legislative contests ranged from 10 to 20 percent nationally, though it was below 10 percent in some larger cities. About five percent of ballots were spoiled in the gubernatorial contests. While these figures underscore the need to design a simpler ballot, they are comparable to those in previous elections: in 1993 and 1995, the proportion of spoiled ballots in legislative contests varied from 17 to 24 percent. Ironically, CNE officials purposefully avoided

improving the overall design of the ballots used in previous elections: only the ovals were new.

Nonetheless, the percentage of spoiled ballots is likely to be much lower on December 6, as it typically has been in presidential elections. IRI assessors saw sample copies of the presidential ballot and judged it to be much easier to understand than those in use on November 8.

Voting Centers

Electoral districts (*circunscripciones*) are divided into precincts (*vecindades electorales*), most of which have between 300 and 2,000 registered voters. All the voters in a given precinct cast ballots at a single voting center (*centro de votación*). Voting centers with more than 500 voters feature multiple voting tables (*mesas electorales*), each of which services an average of approximately 700 voters.

A total of 16,738 of the country's 20,201 voting tables — 83 percent — were equipped with voting machines on November 8, a figure likely to be matched on December 6. The percentage of voters using voting machines was higher, however, as most of the 3,463 manual voting tables were in remote locations with fewer voters per voting table. Most automated voting centers featured at least three voting tables, with voters from as many as three tables using a single voting machine. It is common for a voting center to feature six tables and two machines, for example.

The phrase used to describe the duty of citizens to serve as pollworkers — obligatory electoral service (*servicio electoral obligatorio*) — is reminiscent of that used in Spanish to describe military conscription. Under this new system, each voting table is staffed by six people, two of whom (including the president) are chosen randomly from a list of local educators. Two more (including the secretary) are selected randomly from a list of local students, and the final two are drawn from the voter registry itself. Twelve more people are chosen from these lists as alternates to serve as pollworkers in the event one or more of the six principal members fails to show up. If an adjoining voting table has unneeded alternate pollworkers, they may be required to stand in for an absent principal member. A quorum is achieved with a simple majority of the members (i.e., three).

The selection process described above was subject to numerous delays in the weeks before the November 8 vote. With a total of 18 names drawn per voting table (six principal members and 12 alternates) and over 20,000 voting tables in the country, over 360,000 citizens should have been trained to staff the voting tables. However, the CNE sent just 233,000 citizens the official notification telegram advising them of their selection for electoral service. Many of those chosen learned that their names had been drawn by word of mouth on the eve of the election. In addition, the delivery of pollworker credentials — a simple letter from the CNE — in most areas did not begin until the afternoon of November 6, just two days before the election. Many pollworkers received their credentials on the day before the election, or even in the pre-dawn hours of November 8.

Delays also were evident in pollworker training, which consisted of a single three-hour class in which a video was presented. The entire training effort was executed by Simón Rodríguez University. According to a report issued November 7 by the university's rector, Andrés Pastrana, only 176,000 of those chosen for electoral service had received training by the day before the election. The CNE and Simón Rodríguez University extended training classes until the evening before the vote, and IRI assessors were informed that this last-minute effort would push the total number of trained pollworkers above 200,000. This figure suggests that an average of 10 pollworkers were trained for every voting table — short of the 18 prescribed by the election law but well above the six required.

Whether a sufficient number of trained and credentialed pollworkers would report for work on election day was a matter of some concern in the days before the November 8 vote. If a vacancy has yet to be filled at 10 a.m., the election law instructs pollworkers to incorporate party pollwatchers (*testigos*) as accidental members (*miembros accidentales*) of the voting table. Prior to the November 8 vote, many Venezuelans expressed worries that the voting tables would be staffed largely or even exclusively by party pollwatchers. This concern was voiced with particular vigor by representatives of the smaller political parties, which deployed fewer pollwatchers across the country. Nonetheless, IRI assessors found that less than 20 percent of all voting tables incorporated party pollwatchers as members, and in most of these cases only one or two pollwatchers were required to give the voting table its full complement of six pollworkers.

The complexity of the voting process meant that people took longer to vote than anticipated, creating long lines outside voting centers. While polls may close as early as 4 p.m., the election law requires voting centers to stay open as long as people are standing in line to cast ballots. IRI observers across the country saw hundreds of people (over one thousand, in one case) standing in line at 4 p.m. on November 8, and most voting centers were obliged to stay open until at least 7 p.m. At a few locations, people were still voting as late as 11 p.m.

Despite delays in the selection, accreditation, and training of pollworkers, IRI assessors found that most of these citizens performed their duties with a laudable sense of responsibility. Like the voters who waited hours in line for the opportunity to vote, most pollworkers responded to mechanical difficulties and the generally slow pace of the voting process with a mixture of good will and stoicism.

The same citizens who staffed voting tables on November 8 will report for electoral service again on December 6. Their experience with the relatively complex voting procedures in place for the legislative and regional elections may allow the balloting in the presidential contest to proceed more smoothly.

Voting Machines

The voting machines were manufactured in the Philippines by an Omaha-based company, Election Systems & Software. Each of the 7,000 voting machines cost \$5,500. Under its contract with the CNE, Indra is responsible for providing a trained technician to run the machine at each voting center during both the November and December elections. Regulations stipulate that the technician is the only person allowed to touch the machine.

Each machine comes equipped with a pair of keys which must be turned simultaneously to start the machine and to perform other operations, such as transmitting results. CNE and Indra officials indicated that one key is for the technician and the second is for one of the voting table presidents, but IRI assessors noted on November 8 that many technicians either kept both keys or gave one to the senior military official providing security for the voting center.

The election law stipulates that voting should begin at 6 a.m., but IRI assessors found that problems with the voting machines delayed the opening until at least 9 a.m. at most voting centers (and as late as 11 a.m. in a few). One common problem sprang from the Okidata printer attached to the voting machine, which in many cases balked at printing the official opening document showing that no votes had yet been registered. Once this document had been printed, most machines accepted ballots easily.

One unforeseen problem arose when the ballot box (*urna*) under some voting machines was filled to capacity late in the day. Some pollworkers responded by rocking the ballot box back and forth in an effort to force the ballots to settle to the bottom. In at least one instance, IRI assessors saw pollworkers remove ballots from the ballot box, a violation of norms that was nonetheless performed without ill intent. This problem is less likely to arise on December 6, when voters will use just one ballot instead of two.

According to Juan Navarro, the director of Indra's election operations in Venezuela, 537 of the 7,000 voting machines in place on the morning of November 8 failed to function properly. This figure represents just under eight percent of all voting machines and conforms closely to observations of IRI's assessors. Ten percent of the voting machines monitored by IRI on November 8 either failed to perform or ceased functioning during the course of the day, obliging pollworkers at those voting centers to switch to manual voting. Eladio Hernández, the CNE official in charge of the automation program, suggested that a poorly trained Indra technician was probably to blame in most of these cases, a comment echoed by some IRI assessors.

Vote Count

As noted above, the complexity of the voting process meant that people took longer to vote than anticipated, forcing some voting centers to remain open as late as 11 p.m. Nationally, turnout was 55 percent; it seems very likely that many citizens returned to their homes without voting rather than wait in line for hours under the hot sun. While the relative simplicity of the ballot to be used in the presidential election should speed the voting process, the expected high turnout will probably keep voting centers open well after 4 p.m.

When a voter inserts a marked ballot into the voting machine, it records the vote electronically and stores this information for transmission later in the day. A single voting machine can be programmed to receive ballots from up to three voting tables, but each machine is programmed to accept only ballots from those specific tables. While ballots from as many as three voting tables are mixed in the ballot box under the machine, the machine's electronic records are sufficiently sophisticated to generate separate official tally documents (*actas de escrutinio*) for each individual table.

Official closing procedures indicate that the voting table president and the Indra technician must simultaneously turn their keys to allow the machine to transmit the results. The actual transmission of results via modem requires less than a minute once a satisfactory connection is made. IRI assessors found that repeated attempts to achieve a connection were necessary, but in the end the transmission of results proved to be easier than indicated by trial runs during the week before the vote. Results are transmitted to the corresponding State Electoral Council's counting center (*centro de totalización*), and thence to the CNE's central counting facility in Caracas.

Once the results have been transmitted, the voting table president and the Indra technician are instructed to turn their keys again to allow the machine to print the official tally document. Each machine prints two original copies of each voting table's tally document, each of which produces four carbon copies (for a total of ten per voting table). This process is repeated for each voting table at the voting center. Copies are provided for the CNE, the State Electoral Council, the voting table president and secretary, and accredited political party pollwatchers. IRI assessors saw several voting center closings at which these ten copies proved insufficient given the large number of party pollwatchers, leading to a number of acrimonious exchanges.

Only after results are transmitted and official tally documents are printed is the ballot box opened and its contents transferred to an official storage box. Copies of the various official documents produced during the day, including the official tally document, are placed in a pair of envelopes together with the machine's Flash Card, the storage device upon which the machine electronically records election results. At this point, military personnel assume responsibility for transporting the election materials to central collection facilities at the state and national levels (see "Election Environment: Security Forces," below).

IRI assessors were told before November 8 that some party pollwatchers would demand that ballot boxes be opened and the ballots counted manually if the percentage of spoiled ballots (as indicated on the official tally document) was particularly high. However, pollworkers and Indra technicians were instructed that such a move is not permitted unless mechanical failure prevents the machine from transmitting results electronically or printing an official tally document. While manual counts were conducted at two voting centers observed by IRI assessors where the voting machines stopped functioning during the day, at no voting center closing was a manual count performed after a successful automated closing.

As noted, Venezuelans voted manually at some 17 percent of voting tables — representing roughly 10 percent of the electorate — on November 8 and will do so again on December 6. By all accounts, the procedures for counting ballots manually are slow and tedious. This is largely because the marked ballots, which are identical to those used at automated voting tables, are difficult for the human eye to read. The political party officials who spoke with IRI assessors before the November 8 vote suggested that fraud is more likely at manual voting centers.

The fact that many voting centers remained open late forced the CNE to delay the release of its first bulletin until 11:30 p.m. On a positive note, the CNE continued to compile results in the intervening hours, and the bulletin presented election returns representing fully 45 percent of ballots counted.

Challenges

When a political party pollwatcher decides to challenge (*impugnar*) a given aspect of the electoral process or an alleged irregularity, a formal protest document is issued. On election day, challenges issued by party pollwatchers are noted on the official tally document (*acta de escrutinio*) and referred to the State Electoral Council. However, because the people staffing the state election bodies have little election experience or legal expertise, it is expected that most challenges will be referred to the CNE. The CNE's legal investigative chamber (*Sala de Sustanciación*) reviews challenges and makes recommendations to the seven members of the CNE, who may accept or reject its findings. The election law requires the CNE to issue a ruling within 20 days.

III. Election Environment

The Mass Media

Venezuela's mass media are extremely diverse. Four television networks, 30 individual television stations, and 400 radio stations are currently on the air. One television station and one radio station are owned by the state. The largest television network, Venevisión, typically captures over 60 percent of all viewers and exports its soap operas and comedies around the world. The network is owned by Gustavo Cisneros, whose Cisneros Group is also the largest shareholder in Univisión, the leading Spanish-language network in the United States. With holdings in 39 countries, Cisneros is often described as one of the most influential men in Latin America.

In addition, 100 newspapers are currently operating in Venezuela. Two respected dailies, *El Universal* and *El Nacional*, are published in Caracas and enjoy large readerships. While IRI has not conducted a methodical study of the news coverage provided by these papers or by the television networks, both major newspapers print reports on all the major political parties and presidential candidates on a daily basis. Venezuelan newspapers generally do not endorse a specific party or candidate.

Several of the television networks — most notably Venevisión — will conduct exit polls on December 6. However, broadcasters are barred from releasing results of exit polls until the CNE issues its first bulletin. On November 8, the extension of voting hours in some locations to 11 p.m. delayed the release of the CNE's first bulletin until 11:30 p.m. The fact that official results based on a large proportion of the total number of ballots cast were made available at that time rendered exit polls less useful.

Organizations other than parties are also producing television and radio spots to influence voters. One non-governmental organization, known as The People are the Change (*La gente es el cambio*), has aired a series of television advertisements urging caution regarding the Chávez campaign's key proposal to organize a constituent assembly. The People are the Change has reportedly received generous donations from the Venezuelan business community.

On a very different note, IRI and Fundación Participación Juvenil (FPJ), a Venezuelan civic group, are currently conducting a media campaign designed to increase participation by young Venezuelans in the 1998 elections. The project so far has employed television, radio, newspapers, and the Internet, and approximately \$1 million in air time has been donated by Venezuelan television stations to broadcast the campaign's public service announcements.

Campaign Finance

Campaign finance is little regulated in Venezuela. In one of its few specific statements on the subject, the election law prohibits anonymous contributions (article 202). According to Rafael García Borges, the CNE's second vice-president, the intent of this article is to prevent the use of public funds or laundered money in election campaigns. The election law also requires parties to keep records indicating how funds are spent (article 203). These records must be made available to the CNE upon request, though the CNE has rarely audited campaign expenditures in the past.

The new election law promulgated in December 1997 created the CNE's National Office of Finance for Political Parties and Electoral Campaigns and charged it with monitoring compliance with the campaign finance rules laid down by the election law and CNE resolutions. However, a director has yet to be appointed for the office, highlighting the lack of attention paid to the question of campaign finance.

A Venezuelan civic group, Queremos Elegir, recently issued a study of compliance with the election law's campaign finance rules. The study placed particular emphasis on article 212, which limits a candidate to two minutes of television advertising per channel per day. Moreover, the law holds that air time may not be accumulated by foregoing advertising on a given day. According to Queremos Elegir, a number of presidential candidates violated this norm on an almost daily basis during September (though the Chávez campaign did not). However, sources familiar with Venezuela's advertising industry pointed out to IRI assessors that article 212 is widely held to refer to paid advertising, and broadcasters will typically transmit a spot free of charge at least once for each segment

of air time purchased.

Security Forces

The Venezuelan armed forces regularly provide security and logistical support to the CNE. Since 1963, the armed forces have conducted operations under the name Plan República to support the electoral council in administering elections; Plan República VIII is the Venezuelan military's operation to support the December 6 election. The election law stipulates that the CNE is entitled to such support, which is coordinated by the military's highest authority, United Command No. 1 (CUFAN No. 1).

Under Plan República, the armed forces coordinate the distribution of election materials and provide security to the CNE, its dependent institutions at the state and municipal levels, and voting centers. On election day, members of the armed forces control access to the voting center to ensure public order, prohibit access to people who lack valid credentials or are carrying firearms, and respond to altercations as requested by voting table presidents. They also ensure that pregnant women, the elderly, the blind, and the handicapped gain immediate access to the voting center. After the polls close, military personnel are instructed to transport the marked ballots and other election materials to designated collection sites and to provide security at the voting center until Indra representatives remove the voting machines.

IRI assessors found that the military personnel placed at voting centers were mostly polite and well informed about their responsibilities. At a few voting centers military personnel displayed a somewhat exaggerated sense of caution, thoroughly frisking everyone entering the locale and temporarily confiscating cigarettes, matches, and cellular phones, though it is unclear whether these items are prohibited. At one voting center IRI assessors were briefly refused access, but the situation was soon remedied.

Reports indicate that the armed forces will be standing ready to respond to any threat to public order on December 6. For example, IRI assessors met with military officials in the large oil-producing state of Zulia, where a close gubernatorial race and heated rhetoric generated worries about possible post-election violence. The official in charge described how the armed forces had devised a contingency plan called Plan Soberanía (sovereignty) to respond to potentially violent public demonstrations after the November 8 or December 6 elections. With military personnel placed at all voting centers and a sophisticated communications system, he said, the armed forces could respond quickly to any disturbance. In the event, election night and the days following the November 8 vote were quiet.

IV. Political Situation

With just days remaining before the December 6 elections, Venezuelans are only now beginning to face the possibility — exciting for some, frightening for others — that Hugo Chávez will be their next elected president. Chávez, who led an armed revolt against the country's democratically elected president six years ago, enjoys a solid lead in the polls, and his Polo Patriótico, a disparate alliance of 14 left-of-center parties, did surprisingly well in the November 8 elections. (See Appendix II for a summary of results.) Venezuelans seem torn between forty years of democratic practice and the former colonel's promises of a new beginning.

When Chávez took the lead in opinion polls in March, many observers of Venezuelan politics predicted that his popularity would be short-lived. They argued that the former military officer would fare poorly against other political outsiders. Indeed, in the last two months Henrique Salas Römer, a former governor of Carabobo state and founder of a new party called Proyecto Venezuela, has risen sharply in the polls, though the latest opinion surveys indicate that he continues to trail Chávez by five to 10 percentage points. Since the time Chávez assumed the lead, however, his share of the electorate has never declined significantly.

On November 8, Chávez's Polo Patriótico captured eight governorships and roughly one-third of the vote in Congressional balloting, a share that made it the largest faction in the legislature. The pro-Chávez alliance fared astonishingly well in the large cities: in Caracas it won every single-member district, garnering twice as many votes as Proyecto Venezuela and four times as many as AD. Perhaps most surprising, however, was the poor showing of Venezuela's traditional political parties, AD and COPEI, which captured just 24 percent and 12 percent of the vote in Congressional balloting.

Irene Sáez, the mayor of the wealthy Caracas district of Chacao, topped polls in late 1997 and early 1998, but by October her support had fallen to single digits. Analysts have suggested that her biggest mistake was her decision to accept the presidential nomination of COPEI. In doing so, Sáez abandoned the stance that made her popular with the Venezuelan public, namely, that of an outsider defying the existing political order. Running an effective campaign without the support of an established political party is an imposing task in a country twice the size of California, a fact which makes Sáez's decision to accept the COPEI nomination easy to understand. However, opinion polls show the erosion of her support accelerating after the May 14 COPEI convention. On November 16, Sáez announced that she would consider dropping out of the race if such a move would assist in the formation of an "alliance of democrats" to oppose Chávez.

For his part, Salas Römer appears to have learned from Sáez's strategic mistake and is not seeking the support of the traditional parties. Salas Römer has benefitted from the decline in support for candidates other than Chávez, but it remains to be seen whether he can be elected without the support of the remaining hard-core supporters of AD and COPEI. Salas Römer's Proyecto Venezuela party came in fourth place in Congressional balloting, and the only governorship it won was in Carabobo state, where his son was on the ballot. On November 16, Salas Römer told the press that the "mirage" created by the legislative and gubernatorial elections would soon fade. He also mentioned internal polls showing he would win the presidential balloting by an ample margin. His campaign continues to advertise extensively on television.

Chávez has proven to be a shrewd political strategist and an electrifying speaker on the campaign trail. His rhetoric, which mixes socialist promises of more generous government handouts and nationalist curbs on foreign capital, clearly has struck a chord among the Venezuelan public. According to U.S. Ambassador John Maisto, Venezuela's middle class has experienced a 70 percent drop in its standard of living in the past two decades. A recent survey by analyst Alfredo Keller found that "more than 85 percent of Venezuelans felt cheated out of the benefits of the oil boom." On the campaign trail, Chávez has tapped into this resentment with promises to renationalize the oil industry and suspend foreign debt repayments, though he has moderated his language when speaking before business groups. His central campaign proposal is to organize a constituent assembly to revise the constitution and to consider — among other proposals — the abolition of Congress.

Chávez frequently tells the press that his supporters will defend his victory. Venezuela's political culture is not immune to sudden outbursts of violence, as witnessed in the 1989 riots that left over 300 Caracas residents dead. Chávez has laughed off persistent rumors that powerful Venezuelan business interests are considering the possibility of "eliminating" him, but his campaign staff recently increased security.

Political observers speculated before November 8 that a Chávez victory in the legislative and gubernatorial elections might prompt Venezuela's traditional parties to form a "national salvation front" against the former colonel. As noted above, Sáez and the leadership of COPEI called for just such an alliance after the legislative and gubernatorial elections, but AD appears to be resisting such a move. AD's candidate, Luis Alfaro Uceró, has fared disastrously in opinion polls, but the party leadership now argues that AD — on the strength of its "win" on November 8 — should form the core of an anti-Chávez alliance. Commentators have suggested that the leadership of AD, which remains the largest single party in Congress, would rather go into opposition than back a candidate from another party.

The international economy has contributed to the recent volatility of Venezuelan politics. The sharp drop in world oil prices this year hit Venezuela hard, leaving the government — which depends on oil revenues for some 60 percent of its revenues — awash in red ink. As a result, Venezuela was more vulnerable than any other Latin American country when the Asian financial crisis spread to Russia and to U.S. financial markets in August. Domestic and international investors, already unsettled by the increasingly real possibility of a Chávez victory, are clearly on edge. On August 20, for example, Bloomberg Business News reproduced an erroneous wire service report indicating that Venezuela had devalued its currency. The ensuing panic generated a small crash in the stock market (which had already lost 70 percent of its value this year) and prompted the government to launch an investigation. Investors were further unnerved by the results of the November 8 elections, which drove the market down by another 3.35 percent.

The pressure on the government to let the *bolívar* float is intense. Venezuela's opinion leaders appear to

believe that a devaluation — which would send prices soaring — would only help the Chávez campaign, but such a move seems bound to come within weeks or months of the December 6 elections. In September, Moody's downgraded its ratings for Venezuela's foreign currency bonds, and Standard & Poor's revised its outlook on the country from stable to negative. As Ramón Espinasa, chief economist at PDVSA, the state oil company, told the *Financial Times*: "Regardless of who wins the elections, Venezuelans ought to brace themselves for a tough year."

Appendix I

Members of the Delegation

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Appendix II

Results of Venezuela's Legislative and Gubernatorial Elections: November 8, 1998

Political Party	Presidential Candidate	Governors	Deputies	Senators
Polo Patriótico (coalition)	Hugo Chávez	8	70	18
Movimiento V República (MVR)		5	49	12
Movimiento al Socialismo (MAS)		3	17	5
Patria Para Todos (PPT)		0	4	1
Acción Democrática (AD)	Luis Alfaro Ucero	8	55	19
COPEI	Irene Sáez	5	27	6
Proyecto Venezuela (PV)	Henrique Salas Römer	1	24	2
La Causa Radical (LCR)	Alfredo Ramos	0	6	0
Convergencia	none	1	3	2
Apertura	Miguel Rodríguez	0	2	1
Others	—	0	2	0
TOTAL	—	23	189	48