



CANVAS Analytic Department
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SUBJECT: Analysis of the situation in Venezuela, September 2010. (DRAFT)

INTRODUCTION: This analysis tends to cover **Situation (I), Pillars of Support (II) Key Opposition Stakeholders and their allies (III), List of potential issues in the campaign (IV)** in Venezuelan Society in the face of forthcoming parliamentary elections in September 2010, and it is based on Strategic Estimate performed by CANVAS and its Venezuelan partner 2006, series of independent, academic and institute analysis in 2006-2009. as well as opinions from relevant international analysts in January 2010. Its goal is to provide basis for more detailed planning potentially performed by interested performers and CANVAS. The follow up of this analysis will appear in Plan Format later during the process after consultations with stakeholders.

BRIEF ANALYSIS:

Elections in 2010 are perceived as important by majority of Venezuelans. This is the first opportunity for the opposition to get back into a position of power, or at least get the electoral seats (after boycotting last parliamentary elections of 2005) in the legislature. The move essentially handed the government to Chavez, who proceeded to centralize state apparatus under himself, including uniting the disparate left-leaning parties into the Unified Socialist Party of Venezuela (PSUV). Since then the government has survived all attempts by the opposition to challenge Chavez's power. This has in part been because Chavez maintained sufficient popularity to gain a majority in recall referenda and elections. The first point of weakness appeared in December 2007 when a constitutional rewrite proposed by Chavez was rejected in a referendum (all or nearly all elements of the proposed amendments were later enacted by the National Assembly without voter approval).

Since then Chavez has continued to score more victories -- including the elimination of term limits on politicians -- however, Chavez has been losing popularity in part due to the decline of the economic situation and growing crime rate and in part because his authoritarian measures have caused skepticism. Nevertheless, the regime is highly offensive in nature with regards to the largely fragmented and strategically divided opposition. The political organizations left over from the fragmented democratic system that controlled the country prior to Chavez form the core of the Venezuelan political opposition, however, their success has been limited by the lack of unity, sound strategy and variety of their individual goals.

As a result of the failures of the entrenched political parties to unite into a strong opposition front to Chavez or offer an alternative political model, non-formal opposition groups to the regime are gaining more support. At this point it is unclear whether they would be capable to influence 2010. election results. The key to the election results therefore, may lie in the question whether the Student Groups and other "non-formal actors" are capable to build their infrastructure and exploit their legitimacy, work on wider coalition among themselves, create and develop sound strategy for the elections with its partners, develop cooperation with prominent opposition leaders in order put a pressure on opposition parties to unite in forthcoming elections, carry on mobilization and "Get out to vote campaign", repeat successful attempt to monitor and report on the results from last referendum, and mobilize people to defend electoral results in the case of election fraud by the regime. Nevertheless, the aggressive patterns of the Chavez administration make it likely that there will be attempts to undermine opposition politicians as much as possible, including the possibility that some of most prominent opposition individuals will be barred from campaigning -- a tactic that has been utilized with efficacy in the past.



A key to Chavez's current weakness is the decline in the electricity sector. There is the grave possibility that some 70 percent of the country's electricity grid could go dark as soon as April 2010. Water levels at the Guris dam are dropping, and Chavez has been unable to reduce consumption sufficiently to compensate for the deteriorating industry. This could be the watershed event, as there is little that Chavez can do to protect the poor from the failure of that system. This would likely have the impact of galvanizing public unrest in a way that no opposition group could ever hope to generate. At that point in time, an opposition group would be best served to take advantage of the situation and spin it against Chavez and towards their needs. Alliances with the military could be critical because in such a situation of massive public unrest and rejection of the presidency, malcontent sectors of the military will likely decide to intervene, but only if they believe they have sufficient support. This has been the pattern in the past three coup attempts. Where the military thought it had enough support, there was a failure in the public to respond positively (or the public responded in the negative), so the coup failed.

I: SITUATION

Key Elements of Actual Situation (political, Soico/economic, International and military):

a) POLITICAL:

1. Chavez offensive vs. defensive opposition and partly active (but mostly REactive) civil and students groups and individual subjects in bussines and media.
2. Existence of "Democratic façade": through increased concentration of the public powers and institutions. Even in highly centralized system elections for parliament in 2010 are perceived "important" or "very important" by the majority of population.
3. Regime putting most of the resources to re-assure reelection through direct control over electoral power, use of state propaganda and abusive use of the legal apparatus (including restrictions on potential opposition candidates some of which will be banned from running on the elections.
4. Opposition parties: perceived is weak, working for their own interests, related to former economic elites, unarticulated, unclear and with weak leadership, without ideas and credibility. Political parties and civil society's inactive and immobilized. Keeping opposition running in "many lines" on September elections will enable regime candidate's easy victory. There is space for new ideas and political movements.
 - a. Chavez has repeatedly presented opposition parties as weak, self-interested institutions that are financed by the United States and Colombia. He has said the opposition feels "emboldened" by the Colombian base agreement and proposed that opposing parties' power be limited through legislation. He did not specify what this legislation could be. Chavez has denounced alleged coup plots by opposition leaders, presenting himself as the only defense against bloodshed and exploitation if the opposition returns to power. Chavez is careful to present opposition victories as aberrations, such as after the Dec. 2007 constitutional referendum.
 - b. Opposition members claim that they have been the targets of government led harassment in the past. Accion Democratica (AD) Secretary General Henry Ramos Allup has said federal investigative agents have followed him and Globovision president Guillermo Zuloaga claimed



the government considered arresting him to silence his TV station. Up to 27 persons were arrested due to a Nov. 2009 bank intervention and nationalization, including former Chavez ally Ricardo Fernandez Barrueco and Arne Chacon, brother of former government minister Jesse Chacon. There are also concerns about the potential redrawing of electoral districts in several states to favor government candidates ahead of the 2010 parliamentary elections. The criteria for defining electoral districts in some states for the 2010 elections have not yet been defined. The undefined states potentially affected by this redistricting are Anzoátegui, Aragua, Barinas, Bolívar, Carabobo, Guárico, Lara, Miranda, Táchira, Zulia and the capital district of El Libertador. Up to 28% of potential voters are located in the districts that are currently up for revision.

5. “Winner’s - Loser’s Perception”: Even the victories of the opposition, like those on Referendum on Constitutional changes and winning the seats of Mayors and Governors in local elections are efficiently undermined by regime, who is still perceived to have upper hand. There is a strong “intangible factor” element among Venezuelan voters to “support the winner”,
 - a. President Chavez has publicly called for opposition to be limited in upcoming elections, but has remained silent so far on exactly what the means to achieving this will be. The Venezuelan Comptroller General released a list of 153 persons that, for different crimes or infractions, have been forbidden from running for or holding public office. The list spans the period from 2002-2009, with two former governors of Guarico and Miranda states receiving 15-year bans from political life. It is uncertain why most of the persons are on the list, as the official document does not state the reasons for their political bans. Zulia governor Pablo Perez has publicly stated that the list is nothing more than a method to weaken non-PSUV parties ahead of elections. The PSUV leadership has stated that it expects most of its 141 legislators to be reelected in the Sept. 26 parliamentary elections.
6. Key Opponents: Among institutions not-aligned with government Students Movement and The Church are perceived as credible, and show stronger support rating by the people that most of governmental institutions and opposition parties.
 - a. The student movement has participated in several public hunger strikes, most recently in Nov. 2009 in front of the Caracas headquarters of the Organization of American States. The student movement also allies itself with other sectors of society in protests, backing groups such as the Aragua legislative council employees on strike. Government actions against the student movement include attempts to criminalize protests and the occasional shooting deaths of students, events that have prompted massive protests in the past -- including a Zulia student leader in 2008 and a Tachira student was also shot by unknown gunmen at a protest in Dec. 2009. Student movements loyal to the government also exist, such as the Frente Universitario Socialista de Tachira, these groups are known to receive active government support, and often demonstrations designed to counter opposition protests will involve the government bussing pro-government students to stage the demonstrations. Chavez has dismissed anti-government student movements as “opposition cannon fodder”



and has backed claims by pro-government students that paramilitaries are infiltrating the student movement. The student organizations remain perhaps the best opportunity to present a united front against the regime.

b. The Church. The Church was finally took stance. Archbishop Roberto Luckert said that the Church cannot remain indifferent; country is heading towards September elections and situation is critical. Growing violence in the country, corruption, inflation are some of the problems Venezuelans should face. Venezuelans society is seriously under threat, certain values and principles of the human being are under question, and number of young people who are looking opportunity outside Venezuela is growing.

7. Chavez enjoys hard-core popular support by mostly the poor and low educated people, as well as state employees. There is a strong element of indoctrination of followers - Chavistas are continuously fed state propaganda in order to keep them bold and ready to act – including the physical activity against opposition groups.

a. This may be changing recent (and as yet unreleased polls) show that Chavez's popularity has declined dramatically in the wake of the electricity crisis.

The parliamentary elections in September should be considered as very important from another point of view- Chavez will not be on the ballot. Of course, Chavez will be trying to personalize elections as much as possible, but opposition will have an opportunity to attack the regime without confronting Chavez directly. In that way, opposition could provide a better position for the presidential election 2011, if they come out unified in September and take over some of the 100% Chavistas controlled parliament. Opposition will have to provide a political alternative, to be unified, and connected to the people. Popularity of Chavez politic is lowest in past seven years; just 36 percent of Venezuelans approve his performance. These elections are hard to predict because there is a large number of undecided voters, about ¼ of voters don't know for whom they will vote for and they could be moved by last minute event. Opposition needs to win 53-55% of the vote to win 50% of the seats, and anything is possible.

b) SOCIAL AND ECONOMIC:

1. Oil based economic resources, used for covering basic needs and social control shows its weakness as prices of oil continue to fall on world Market. This produces plenty of difficulties for the almost exclusively Oil based economy. Critics accuse Chavez's government of severe incompetence and corruption, and many people are unhappy that Venezuela's oil-driven economy remains in a recession while all other South American countries are seeing growth
2. High inflation rate causes economic decline, which is reflected in growing dissatisfaction among people. But, Chavez irresponsible politics is not recognized as a main reason for failed economy, and majority of the population are accusing corrupt ministers, bureaucrats, and foreign powers. If opposition could change this widespread opinion, it would attract the poor and low educated people who are the Chavez's strong support.



2. Violent crime is very common in Venezuela.
 - a. In the first 11 months of 2009, Venezuela had 12,257 homicides. Earlier this month, Interior and Justice Ministry director of security and surveillance Haitam Sabeck was shot six times in an apparent theft. Kidnapping is also a major and growing problem, though the exact numbers are not known due to widespread underreporting. This crime situation is exacerbated by the failure of the law enforcement to act, and in many cases law enforcement officials are actually the perpetrators of the crimes.
3. Continuation of “Nationalisation” carried by state against domestic and international business sector deteriorates the situation in economy. More firm proofs that “The State is in fact very bad manager” are “spin” by state propaganda but consequences are getting recognized by employers.
4. Increase of use of “Coercive Pillars” by the regime: Use of fear and economic dependency as tools for social control. Pressure towards Business and Union Associations, along with the Church, Enactment of repressive laws, Human Rights are violated and not guaranteed. There is a rising level of Discrimination against dissidents
 - a. Two main methods by which the climate of fear and dependency are created is through the fabrication of the threat of international invasion, and the use of economic pressure. The possibility of attack from the United States and its ally Colombia are constantly being raised by Chavez and his government. In August 2009, he said that the military needed to be ready for a confrontation with Colombia, because the US plans to expand their presence there posed a threat. Businesses are threatened and frequently nationalized. Threats on business are rife, as Venezuela has used the nationalization of banks in the country to arrest wealthy bank owners (although there are indications this was related to a personal vendetta). Chavez also recently threatened to seize businesses that raised prices after the devaluation of Venezuela’s currency.
 - b. Pressure on dissidents comes in a number of different forms. The government has violently broken up protests and rallies, as have pro-government groups. Additionally, opposition groups and politicians are harassed in a number of ways. Chavez has accused the opposition governor of Tachira of secessionism and attempted to remove him from office. The opposition mayor of Maracaibo, Manuel Rosales, was forced into exile.
 - c. The Venezuelan Episcopal Conference (CEV) seems to be the religious institution most opposed to the government in Venezuela. CEV leaders have criticized the government for its mishandling of social problems such as crime and its attempt to outlaw public protests. CEV has publicly sided with persons affected by bank nationalizations and with political prisoners. The Christian Democratic party COPEI is another source of religious opposition and is linked to the Democracia Cristiana Universitaria movement in the universities.



COPEI has most recently attacked government monetary devaluation, claiming it will be used to finance revolutionary projects in Nicaragua instead of benefitting Venezuelans. COPEI is a self-described Christian Democrat and centrist party.

5. Mass Media under censorship and a self-inflicted censorship. Limited freedom of expression. Continuous crackdown on private media in order to narrow the political space available for the opposition.
 - a. Globovision television was attacked by supporters of the ruling party in August, which the director of Globovision blamed on Chavez. The government revoked the licenses of 240 radio station in July, in a move that was seen as an attempt to silence voices critical of Chavez.
 - b. In January 2010. RCTV, Radio Caracas Television of Venezuela dropped programming under threat of losing their licenses. A telecommunications law passed last year requires cable companies to conform to the same rules as broadcast channels, including transmission of Chavez speeches. RCTV did not show an appearance by the president at a political rally, and station is banned for violating a law. The disappearance of RCTV from cable menus provoked students protest for attacking freedom of expression. With the exception of Globovision, most networks have responded to government pressures, adjusting their news coverage. By renewing its attack on RCTV, government is risking of more support toward opposition.
6. High level of positive expectations of opportunities, deteriorating public confidence in state institutions despite Chavez steady charisma, confrontational discourse, populism and demagogy
7. Use of non-conventional confrontation against conventional organizations carried out by the regime.

3) INTERNATIONAL AND MILITARY:

1. Alliance with Cuba and other strategic countries, such as: Iran, China, Libya, etc... (replacement of Venezuelans with non-Venezuelans – Human resource and skills and knowledge)
 - **Relations with Iran:** Venezuela developed closer energy partnerships with Iran in 2009, entering into a fuel delivery agreement through which Venezuela pledged to deliver shipments of up to 20,000 barrels of gasoline to Iran. Iran also pledged to invest \$760 million in the Dobokubi and Ayacucho oil fields in Venezuela. There are continuous rumors that Iran and Venezuela are cooperating in uranium exploration in Venezuela to supplement the relatively small reserves of uranium that Iran currently has. There have also been allegations that Iranian militant proxies such as Hezbollah and Hamas could be using Venezuela as a training ground and as a way to raise funds through drug smuggling.



- **Relations with China:** Venezuela agreed to ship 630,000 barrels of crude oil per month to China in 2010. A commission to review joint Chinese-Venezuelan construction projects was established in Dec. 2009. The commission will reportedly review energy, technological, economic and political cooperation agreements. China's interest in Venezuela is relatively peripheral. The energy agreements are primarily for China to secure from Venezuela the orimulsion technology so that when it develops other heavy and sour oil deposits, it will be able to process the crude into fuel. So while China appears to be quite interested in Venezuela, it is primarily for its own economic purposes.
- **Relations with Russia and arms purchases:** Venezuela has made agreements for more than \$6 billion worth of arms purchases from Russia. In addition to purchases of fighter jets and other military equipment, Chavez recently announced in Nov. 2009 that shipments of armored vehicles and anti-aircraft systems had already begun arriving. Construction also began on a Russian-backed Kalashnikov factory in the state of Aragua. The Kalashnikovs are reportedly destined to arm the militia organizations that support the regime.

2. Chavez "crusade" against "US imperialism" provides him with charisma in the region and around the world, mimicking the rhetoric of Cuba's Fidel Castro. There is continuous National and International Communications campaign carried out by the regime, in order to exploit anti-US sentiment in the country and internationally (Partly harmed after "Satan Bush" leaving office for more internationally popular and generally more moderate president Obama).

3. Neutralization and control of the Military, also through creation of reserve troop under Chavez's direct control. Formation of Parallel political enforcement organizations, such as Bolivarian street mobs, the Bolivarian Armed Front, Reserve Army. These organizations serve as a check on both the population and the military. Any move to strike at Chavez's rule through a coup would be met with armed resistance within the cities and from the countryside.

- PSUV Socialist Patrols:** The creation of PSUV socialist patrols was announced in July 2009 in El Libertador, but their ultimate purpose and operations remain unclear. PSUV patrols are reportedly composed of 20-30 persons and are created around the employees of government institutions, namely PDVSA. These persons are meant to "defend national sovereignty and the revolutionary project," according to the mayor of El Libertador. PSUV socialist patrols have participated alongside government soldiers in the Jan. 2009 crackdown on alleged speculators and price manipulators in the wake of the devaluation of the bolivar.
- Comites de Defensa Integral (Integral Defense Committees):** These groups will form part of the National Militia (MNB). The committees are meant to be activated by the president in times of crisis and are to be organized and trained by MNB members. Opposition groups have said these are likely to be used to put down protests instead of for national defense. PDVSA reportedly already has its own militias comprised of employees. The integral defense committees have been attacked by NGOs.
- Bolivarian National Militia (MNB):** The MNB is what the army reserves are now called, but their role has shifted from simply supplementing the strength of the active military units to that of training the Integral Defense Committees. The new role of the reserves was reportedly conceived in 2005, in the wake of the 2002 coup against Chavez. This reform is a result of



the 2008 Ley Organica de la Fuerza Armada (Organic Law of the Armed Forces. Compulsory one-year military service for Venezuelans aged 18-60 is also part of the legislation.

II Chavez's pillars of support

(Key Institutions and organizations supporting the actual regime):

1. Military and Police.
2. Judiciary and Buerocracy.
3. Oil Industry and other nationalized economy sectors
4. Educational System.
5. Media
6. CNE
7. Foreign regional Actors: Cuba and Bolivia
8. Foreign Global Actors: Russia and Iran

III Key Players and Potential Allies

Individuals considered by this analysis are coming from different parties, but as in case of Serbia are considered to be important either because of formal elected positions (though Mayoral powers are heavily diminished by central government with a set of regulations after opposition Mayors has took their offices in November 2008), or because of their authority and growing potential. Following the suggested model of Unity building used efficiently in Serbia, movement Unity efforts should focus first on selected prominent individuals, and then, eventually to the apparatus of 15 opposition parties and numerous organizations listed as "potential allies".

1. **Antonio Ledezma, Mayor of Caracas**, and leader of the centre-left Fearless People's Alliance, potential role model for gathering in the capitol, as well as developing common strategy with movement from the formal position
2. **Carlos Eduardo Ocariz War**. Ex-MP, has become a political reference of the opposition to President Hugo Chávez. In the elections held on November 23 in 2008 was elected to the post of mayor of the Sucre municipality in Caracas. As Sucre represents "typical Chavistas environment" with huge number of barrios and high crime rate this is role model for successful battleground efforts which, if successfully exploited by movement can apply to other parts of the country, spatially in mobilizing poorest citizens. Chavez is VERY aware of this potential and therefore focused on Ocariz and Sucre region.
3. **Henrique Capriles Radonski**, governor of Miranda State, with authority spreading to his previous electoral base of Baruta Municipality and experience from Parliament where he has served as youngest elected member in previous term.
4. **Leopoldo López Mendoza**, previous mayor of the Chacao Municipality of Caracas, later banned from running by the government. He also carries symbolic and exploitable relationship to Simon Bolivar, as well as reckognizable international media attention.



5. **Alexandra Belandria**, student activist and TV journalist, one of founding members of “CAMBIO” group which was initially mobilizing previously neutral and inactive students in 2006 and 2007. (“ancestor” of the groups groups which later boosted in student movent as we know it today.) Great planning skills and variety of experience in community organizing, including series of “OTPOR” like provocative and humorous activities in barrios.
6. **Yon Goicoechea**, Venezuelan law student at Universidad Católica Andrés Bello and active in the opposition to the government of Venezuelan president Hugo Chavez. Goicoechea was one of the main organizers of the Movimiento Estudiantil Venezolano (Venezuelan Student Movement) cited as a key factor in the rejection of Chavez's proposed constitutional changes in the December 2007 Venezuelan constitutional referendum.

List of potential opposition allies to be considered in the campaign:

1. Political parties that will oppose Chavez on Elections (hopefully united).
2. Student and Civil Groups, potentially active in mobilization of youth, Get Out To Vote Campaign and “control the ballot boxes and defend the votes” activities.
3. Media: Independent, foreign,
4. Guilds, Unions and Professional Associations: journalists, medical, engineering, law.
5. Federacion Campesina
6. Federacion Venezolana de Maestros
7. Fedecamaras
8. Fedenagas
9. Entertainment and cultural actors (find out if they are organized)
10. Immigrant communities in VE (Asociacion Italo-Venezolana, Hermandad Gallega, etc...)
11. Neighborhood Associations
12. Asamblea de Ciudadanos (discuss political situations)
13. Asamblea de Padres y Representantes
14. Fe y Alegria
15. Dividendo Voluntario para la Comunidad
16. Rotary Club
17. Sports communities (baseball players in the US, FIFA)
18. Former oil workers and executives
19. Catholic Church
20. University Faculty Members

IV List of issues with potential to be exploited in the campaign:

1. Crime and insecurity: 18000 murders a year and complete areas in barrios ungovernable by security force. The Situation has tremendously deteriorated since 2006. Elections dramatically: Reason for change
2. Education: Government is taking over the education system: Professors need to get fired up. They will have to lose their jobs or submit! They need to be encouraged and there will be a risk. We will have to convince them that we hold them to the highest levels of society; they hold the most valued



responsibility. Teachers will motivate the students. Who will influence them? How will we touch them?

3. Youth: The message needs to be tailored towards the young people, not just university students.
4. Economy: Oil is Venezuela's, not the government's, it's your money, is your right! Welfare and Social Security.
5. Women: What do mothers want? Rule of Law, police under local authorities. We will allocate the necessary resources. We don't want any more thugs.
6. Transportation: Workers need to be able to reach their jobs. It's your money. We need to be able to hold government accountable, and we cannot do it as it is right now.
7. Government: Redistribution of wealth, everyone must see an opportunity.
8. **There is a strong presidentialist trend in Venezuela. Can we change it? How can we work with it?**

CONCLUSION: Detailed analysis of the situation should be completed due to end September 2010. With relevant stakeholders, and used for further analytic/planning purposes.

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