

Assessing Democracy Assistance

Venezuela¹

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Author's note: This is a revised version of our original report. It was brought to our attention that the previous version contained a small number of assertions that gave the misplaced impression that some donors are engaged in the funding of opposition parties in contravention of local laws in Venezuela. This is not the case; it was not our intention to convey this impression and we apologise unreservedly for this mistake. Donors have invariably offered technical assistance to parties and civic actors across the spectrum; we have made this fact more explicit here so as to reduce the risk of misinterpretation.

This report is FRIDE's contribution to a project entitled 'Assessing Democracy Assistance' that is being carried out by the World Movement for Democracy. The project aims to gather views on how democracy support can be improved and its impact enhanced. Other case studies and a synthesis report can be found at www.fride.org.

Traditionally, the petro-state Venezuela has been a donor rather than a beneficiary of development assistance. For the donor community, the oil-rich middle-income country is far from being a priority. Between 2004 and 2008, Venezuela only received an average of USD 59 million per year in official development assistance – ODA (this is pertinent as it accords the international community's relatively limited leverage).²

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² OECD-DAC, 'ODA Receipts and Selected Indicators for Developing Countries and Territories', Statistical Annex of the 2010 Development Cooperation Report, available ONLINE at <<http://www.oecd.org/dataoecd/52/12/1893167.xls>>. For the same period, Colombia, for example, received an average of USD 767.2 million per year in ODA.

Compared to its engagement in other Latin American countries at risk, the international community (except for the United States) has paid very little attention to Venezuela's gradual transition (since 1999) from representative democracy to a highly personalised authoritarian regime. When Hugo Chávez won the referendum in 2004, the regime concentrated power even further. Today, practically all institutions are controlled by the government: the opposition, dissidents and opposition candidates are threatened, imprisoned or disqualified. Parallel to the decreasing popular support for the President (since 2007) and the fall of international oil prices, the authoritarian character of the regime has become more evident. Compared to the increasing degree of authoritarianism, international responses are tentative and uncoordinated.

Overview of donor activities

Until the end of the 1980s, Venezuela was seen as one of the most stable Latin American democracies and a regional democracy promoter itself. At that time, democracy promotion – particularly on behalf of the German political foundations – focused on the direct support of the two main political parties, Democratic Action (AD) and the Christian Democratic Party (COPEI), and the former decentralisation process. Today, a relatively small group of international donors is engaged in democracy assistance in Venezuela. Although international democracy assistance has slightly increased, its role is still limited compared to the funding needs of a civil society weakened by the Chávez government and dependent on external support.

Canada and the European Union (EU) mainly focus on human rights and some electoral monitoring. US foundations and the German Konrad-Adenauer Stiftung (KAS) provide some technical assistance to diverse political groupings, both supportive and less supportive of the regime, NGOs and the Catholic Church. Apart from governments and official development agencies, democracy assistance in a broader sense is also provided by the Catholic Church (Adveniat, Misereor, Alboan) and public-private foundations.

Incipient civil society

Civil society organisations in the political field have increasingly struggled to establish firm roots. To begin with, there is no directory of civil society organisations³ and only two networks of 'political NGOs' can be found: the civil rights focused Sinergia (made up of social and political organisations) and the independent Foro por la vida (made up of human rights organisations). An additional problem is the relatively regional and international isolation of Venezuela's civil society, which has traditionally been rather endogamic (although this picture has become slightly more nuanced over the last few years).

After the coup attempt in 2002, civil society organisations were drawn into the putative polarisation between Chávez and the opposition. For historic reasons, political parties and NGOs are often competitors (for resources and international attention) rather than allies. Different perceptions of democracy, personal rivalries and competition for funds hindered the creation of a broad common platform between political parties. Moreover, with at least one election per year, political parties and NGOs have been pushed by the government into a framework of 'permanent campaign'. Venezuela's incipient civil society is still undergoing a learning process with regards to fundraising, coordination and its international image. Most NGOs and political parties are under-funded and under-staffed.

Foreign democracy assistance is mainly channelled through 10–12 relatively small institutions. New political actors such as the students' movement have not been systematically or consistently backed by the international community. In general, democracy assistance has not been distributed following a structural needs-analysis, but on a demand approach and, in fact, on an *ad hoc*, project-to-project basis without a broader strategy. There are few long-term, structured relations between donors and beneficiaries of democracy assistance: one of the few examples has been the European Commission's (EC) regular financial support to the Observatorio de Prisiones and the local human rights organisation Provea; another example is the KAS-UCAB accord.

³The NGO network 'Sinergia' will write the chapter on Venezuela in a forthcoming worldwide civil society index.

Most donors based in Venezuela stressed the low political influence and division of local NGOs and political parties. Some complain about the low level of reliability and the extremely high degree of personalism and fluctuation in many civil society organisations. These problems can be attributed to the intimidation forthcoming from the government and internal weaknesses. There is a broad consensus among the international community that it is extremely difficult to work with the government; a certain frustration about the lack of a democratic culture on both sides; and the perception of an increasingly political polarisation. Responses to this difficult environment vary: while some have resigned themselves and 'given up', others have moderately increased funds for civil society, and a third group has decided to maintain a low-level profile.

Main donor profiles

In 2010, USAID spend USD 1 million through its Office of Transition Initiatives and USD 3.9 million through the Economic Support Fund (ESF) – both initially foreseen for countries in democratic transition. The range of US organisations makes the largest contribution to democracy assistance in Venezuela. Nonetheless, due to its political tensions with the Chávez government and in order to protect its partners, the US has sought to maintain a low visibility and presence in the country. Apart from the European Commission, which occupies a prominent position relative to the 'low-profile' policy of US entities, there are no other large or medium-size international donors operating in Venezuela. Although Norway, the Netherlands, Denmark, France and the UK finance some human rights and democracy related activities, the principal group of donors in Venezuela is made up of the United States, the European Commission, various German political foundations, Canada and Spain.

The US role in democracy assistance to Venezuela is not new but has increased modestly under the Chávez government. In 2002, USAID's office of transition initiatives launched a programme to provide assistance to NGOs, human rights activists and diverse political groupings. Political tensions deepened when Chávez accused the former Bush administration of having supported the coup attempt in April 2002. Even though the US Ambassador eventually returned to Caracas, Washington currently has no high-level government contacts and has decided to maintain diplomatic relations at a low profile. Nonetheless, since then, the Chávez administration has begun to criminalise the receipt of US funds. Members of the local NGO Súmate, who received (rather limited) external funds for a project on electoral observation, were accused of conspiracy and betrayal. The trial against them, which was initiated in 2004, is still pending. As a response to the 'Súmate case', US agencies decided to lower their profile in Venezuela and, as such, provide very little information on projects, partners and outcome of projects and programmes.

According to the information available, the last seven years have seen the US spend an annual amount of approximately USD 3–6 million on small projects with political parties and NGOs. Democracy assistance projects have been financed by Development Alternatives, Inc. (DAI)⁴; the Pan American Development Foundation (PADF); the International Republican Institute (IRI); the National Democratic Institute (NDI); and Freedom House. Some concrete examples of US-funded projects are:

- DAI has been implementing a small-grant programme (mainly technical assistance) for public debates and campaigns on democracy, confidence-building, young leader training and social issues. DAI does not offer any public information on projects in Venezuela.
- The NDI offers technical assistance that includes parties across the political spectrum, representing opposition and pro-government viewpoints. It also supports local electoral observation and municipal governance.
- The IRI provides technical assistance (training, campaigning, electoral observation) to different political parties in Venezuela. In 2009, IRI started a good governance programme at the municipal level.

⁴Recently, DAI decided to close its office in Venezuela.

- The NED finances a number of small projects to support civil society, democracy and freedom of expression in Venezuela.
- Freedom House focuses its activities on human rights and freedom of expression.
- The PADF, a private foundation affiliated with the Organisation of American States (OAS), has increased its engagement in Venezuela. Several local NGOs receive funding from PADF, whose main goal is to strengthen civil society. PADF's work is in accordance with the OAS Inter-American Democratic Charter and in compliance with Venezuelan law.

The OSI, a global private organisation whose Latin America Programme is based in Washington D.C., is a very recent donor to Venezuela. Initial projects seek to improve human rights, public security and government transparency.

With an average of EUR 6–7 million total development assistance to Venezuela (channelled through different projects with the government and NGOs), the European Commission is the main donor with an office actually in the country. The Commission finances projects with both government entities and a broad range of civil society organisations, including trade unions. Unlike others, the EC's projects are multiannual and include support of basic infrastructure and personnel. The total amount for political projects varies between EUR 2–3 million. Two thirds of multiannual projects focus on traditional human rights: violations of human rights, prison conditions, refugees and discrimination. More recently, the Commission financed a project to reinforce the public outreach of civil society organisations. Like other countries, the EC works with different NGOs on a project basis. No support has been provided to political parties or other activities of the opposition.

Besides the European Commission, Spain is a major actor in Venezuela. Its relations with the Venezuelan government were qualified by some interviewees as 'excellent' and 'in their best moment'. Despite good relations between both governments, the bilateral Commission in charge of the selection and evaluation of projects has not met since 1999. Even though Venezuela is a middle-income country and thus not a priority for Spanish ODA, the Spanish Agency for International Development Cooperation (AECID) has an office in Caracas. Spain's development assistance to Venezuela (EUR 1.2 million in 2008) concentrates on technical projects with government entities, particularly in alternative energy sources, advice for public administration (Ministries of Environment, Planning and others), agriculture reform and environmental protection. According to Spanish interviewees, working with the government requires a constant process of negotiation and adjustment to new partners. Some initiatives, such as the creation of a 'law school' or technical support to improve the penitentiary system, failed due to the lack of political will by the Chávez government.

According to some observers, there is a political orientation by Madrid not to get involved in politics and to avoid sensitive issues in order to protect the Spanish community in Venezuela (about 30,000 people) and Spain's strong economic interests (including Repsol, Iberdrola, BBVA, Movistar). According to government officials, Spain's relations with Venezuela are guided by mutual respect, a low profile and the principle of non-interference in domestic politics. This pro-government approach is in line with the bilateral alliance between both countries and Venezuela's membership in the Ibero-American Community of Nations. Nonetheless, through NGOs, the Spanish development agency AECID also finances a larger, multiannual project of the local human rights organisation Cofavic.

Since 2004, Germany has not provided any bilateral ODA. Due to the reallocation of aid to low-income countries, the German development agency GTZ decided to close its office in Caracas. Apart from small funds managed by the Embassy, democracy assistance is exclusively channelled through the local offices of the German political foundations: particularly the Christian Democrat KAS and, to a less extent, the Social Democrat ILDIS/FES.

With up to EUR 500,000 for democracy assistance, the Konrad-Adenauer Stiftung (KAS) is a medium-size donor in Venezuela. Since 1962, its activities have concentrated on the capacity-building and training of democratic political leaders – in close cooperation with the regional institute for political capacity-building IFEDEC – and in the past financial support of the Christian Democrat political party COPEI. Until the 1990s, Venezuela was a focal point for the regional Christian democratic movement in Latin America. In the Chávez era, the KAS has substantially reduced its activities with COPEI and diversified its partners (25 in 2009), but has not completely relinquished its focus on political training and democratic dialogue with political parties. In fact, KAS is one of the few European donors that continue to provide project based technical assistance to political parties, mainly through their political foundations Justicia y Democracia (Primero Justicia) and IFP (COPEI). Compared to past experiences, the KAS has diversified its partners and provides limited resources for short-term projects. In 2002, KAS signed an inter-institutional agreement with the private Catholic University UCAB (with an annual budget of EUR 70,000–80,000). Both institutions defined three programme lines: 1) rule of law, 2) democratic institutionalism, and 3) political training and capacity-building in democratic values. KAS also works with political NGOs and the Catholic Church on smaller projects (an average of USD 20,000). In 2007–8, the foundation was publicly criticised by the Chávez government.

The German ILDIS/FES (Friedrich Ebert Foundation) office in Venezuela – set up in 1973 – concentrates its activities mainly on regional projects. Today, its objectives in Venezuela are to contribute to democratic governance, human rights and a pluralistic dialogue, particularly within progressive civil society organisations, trade unions and political parties. Seminars, workshops and training are the main instruments of the FES. Its democracy assistance can be divided into three periods: 1) direct support of the Social Democrat AD until the end of the 1980s; 2) a short period (until 2004) of cooperation with the Chávez government (including two evaluations of the 'Misiones', cooperation with the Parliament and a concept paper on 'Socialism of the 21st Century'), trade unions and NGOs; and 3) today, limited *ad hoc* participation in democracy assistance projects of other donors and regional projects. Today, ILDIS does not provide any support to its former ally AD, due to its 'reform resistance'. The initial cooperation between the government and ILDIS also came to an end, following critical statements and evaluations by the FES regarding Chávez's social programmes and democratic participation (particularly with regard to trade unions). Given the poor results of projects with partners on both sides, the FES decided rather to support (economic and social) multilateral initiatives and regional projects, including research on Venezuela. Although the ILDIS decided to lower its profile, the foundation maintains a series of bilateral projects focused on governance issues and public management.

Regardless of economic interests – with Venezuela as its third biggest export market in Latin America – Canada is the third most important provider of democracy assistance. Its recent engagement is coherent with the higher priority of Latin America in Canadian foreign policy and its three main concerns: good governance, prosperity and security. Annual funds of approximately CAD 200,000 are channelled through two major programmes: the Glyn Berry Fund and the Canada Fund for Local Initiatives. Like the EC, Ottawa works with both civil society and the government. Projects concentrate on cultural events with a political background, crime prevention (including training for the police) and democracy/human rights projects. Similar to its profile in Cuba, in Venezuela Canada is a discreet partner with a low public profile that allows it to maintain projects with different partners. The Canadian International Development Agency (CIDA) and the Embassy's small projects benefit 13–15 local NGOs per year. The maximum duration of CIDA projects is one year. Canada finances innovative projects, like the public campaign for human rights with young artists, or the Canadian prize for human rights. Activities also include training and capacity-building. Its policy is based on the promotion of the highest possible number of organisations and initiatives. Canada understands itself as a facilitator with a rather neutral profile.

Local views on the impact of democracy assistance

Local beneficiaries stress the positive but rather limited impact of democracy assistance in Venezuela. A key criticism forwarded by local organisations is that the international community, and particularly the EU and Spain, pay very little attention to the political situation and should increase their engagement in democracy and human rights.

Similar views on democracy. Interviews conducted for this study indicate that Chávez's concept of participative or direct democracy is seen by many civil society actors as a 'farce' to hide authoritarianism and the centralisation of power. Nonetheless, some local NGOs recognised that Chavism has changed the perception of democracy from an elitist to a more inclusive concept. Consequently, it is no longer possible to go back to the 'elitist democracy' created by the political pact called 'Puntofijismo'. Instead, consensus on 'social democracy' including the participation of the poor must be reached.

Evaluation of democracy assistance. All civil society organisations interviewed shared a positive perception of democracy assistance, but complained about the rather limited results of external engagement. Interviewees also recognised that local organisations could play a more active role by improving their image and by increasing their regional and international projection. In this sense, some stressed the need for further training on how to formulate, manage and present international projects. Although local perceptions of democracy aid are generally positive, criticism can be summarised as follows:

- 1) Resources are too limited. The provision of core funding for infrastructure and part of the salaries was identified as a major problem. Many NGOs and even some political parties do not even have a decent office and most of them work with volunteers. Local partners asked for more flexibility and long-term cooperation to sustain institutions over time.
- 2) Limited external funding increases competition between local organisations and was identified as an obstacle to coordination, cooperation and the creation of networks.
- 3) Donors should be more flexible with regards to project management. Project evaluations should permit divergences from the initial design of activities and adapt to the local situation of intimidation and threat.
- 4) According to beneficiaries, any type of interference in project design and results should be avoided and be the exclusive responsibility of local organisations. At the same time, donors should be an active part of the partnership.
- 5) Donors should support institutional structures and avoid promoting the charismatic leadership dynamics of politics by personalising democracy assistance.
- 6) There should be more funds for coordination and networking between NGOs and political parties. A NED-financed round table discussion between different beneficiaries of democracy assistance was mentioned as an example of good practice.

Good practices. While local beneficiaries have been ambivalent towards several US donors, many interviewees identified the German KAS and Canada as excellent partners. Both were said to be actively involved in projects and to maintain a regular dialogue with local partners and monitor their activities in a transparent way, without interference or the imposition of their own visions or models. In practical terms, compared to the EC, bureaucracy levels of these two donors were qualified as acceptable and the money is transferred on time. Although the impact of their rather small projects is limited, KAS's constant engagement has been praised by local organisations for its flexibility, innovative, idea-driven focus and its equal partnership approach. Canada is often seen by local donors as a 'moral authority' in terms of democracy and human rights. Its perceived neutrality, the absence of national political interests, respect for local partners and its constant engagement served as examples of good practice. Due to its silent diplomacy, Canada has not yet been targeted by the Chávez government.

Despite limited funds, the recent engagement of the non-governmental foundation OSI has been evaluated as an excellent experience by some local partners. Due to its character as a private global institute, interviewees stressed, funds are relatively easy to obtain, bureaucracy levels are low, the dialogue with OSI is fluent and there is neither the attempt to manipulate the results nor political interference with regard to the design of projects. Project outcomes, budget control and final reports are handled in a flexible manner by OSI.

Achieving a balance. Although many local institutions apply for programmes financed by the European Commission, most local organisations criticised high levels of bureaucracy, the need to co-finance projects, complicated budget and project management procedures, and the non-transparent process of project selection. In a rather competitive NGO scene, others perceived the need to create a consortium as a major obstacle. For small NGOs (without permanent staff) it is nearly impossible to apply for EC funds. Moreover, some interviewees criticised the rather technical focus of many projects and the over-cautious reluctance to get involved in politics. According to critical voices, the EU should set other political rather than technical priorities such as a stronger commitment to the respect of human rights (including of political prisoners), freedom of expression and the fight against repression and politically-motivated violence. On the positive side, the amount of resources available, the relatively impartial political role of the European Commission and the multiannual approach of projects were mentioned.

Concerns raised. According to some interviewees, local NGOs receiving US funds increasingly risk being targeted by the government. For these reasons, some local organisations refuse US funds. Other local NGOs solve the problem of visibility through their decision not to appear on the list of beneficiaries. This explains the difficulties in obtaining public information from US donors on projects in Venezuela. The NED-Súmate case in 2004, when the Chávez government began a trial against representatives of Súmate for receiving funds (30.000) from NED to finance an electoral enquiry, compounded the sense of caution. Due to the trial, the NED-Súmate partnership had rather negative effects for the visibility of US democracy promotion in Venezuela. Larger US donors and foundations are no longer in the country; the Carter Center is still present but closed its office in Caracas and others did not even try to open one. Unlike European and Canadian donors, due to bilateral tensions at a government level, some US agencies decided to operate from abroad.

Spain's close relation with the government has been criticised by most local NGOs and political parties. Local partners stressed the need for Spain to show a stronger commitment and assume a higher political profile. According to others, Madrid is not using its potential role as the 'bridge' between opposition and government. Since the Carter Center failed as a mediator, Spain could fill this gap and, according to interviewees, change its policy by increasing democracy assistance for civil society and by promoting a dialogue between government and civil society.

Diverging views on high or low donor profile. Given the absence of national philanthropy, all local partners argued that external donors should maintain their funds for democracy assistance. Most of them even favoured a stronger engagement to finance and maintain the incipient civil society. But others recommended maintaining resources and political engagement at a rather modest level (the lower the profile the better) to protect local institutions from government persecution. Moreover, there is a wide consensus in Venezuela that the label 'democracy promotion' has a rather negative connotation and should not be used.

Factors that have weakened the impact of democracy aid

'The views of political elites on both sides that it is not possible to coexist and compromise with the other provide the greatest challenge to an inclusive, peaceful, pluralist, and democratic Venezuela in the near future' (Jennifer McCoy, Carter Center, 2009).

The high degree of political polarisation and the struggle between the Bolivarian and opposition elites is the main obstacle to a successful policy of democracy assistance that requires an additional conflict mediation approach, not at a government but at a civil society level. Venezuela is politically and socially divided into three blocs: the Chavistas, the opposition and the large group of 'ni ni' (neither pro nor anti-Chávez). According to political polarisation, the government's idea of participative or direct democracy is opposed to liberal democracy defended by the opposition and civil society. There is no consensus between these two perceptions. Compared to the extreme centralisation of Chavism, the opposition is highly fragmented and divided into more than 30 political parties. Both camps are leader-centred and show low levels of internal democracy.

Neither the opposition nor the government favour a dialogue with their opponents and former attempts (by Brazil and the Carter Center) to mediate between the parties failed. The international community engagement is too modest to counterbalance the clear power shift towards Chavism evident since 2004, when the President won the referendum. The rather weak position of donors increases the risk of becoming a political target of the regime. The activities of some donors have already been used by the government to intimidate local organisations and constrain international cooperation.

The government perceives any kind of international cooperation as interference in domestic affairs. Its own relationship with external donors is limited to low-level technical advice. Civil society organisations are considered 'counter-revolutionary' forces and thus identified as 'enemies' of Chavism. Based on this logic, to work with civil society organisations means to become one of the president's political adversaries and, in some cases, signifies the end of high-level diplomatic relations. Many European embassies complain that they do not have high-level contacts with the government, and a former Chilean Ambassador resigned out of frustration.

Since Chávez lost the 2007 referendum, his loyal parliament has approved more than 30 laws to impose the new Constitution by other means. Today's remarkable process of political control is also the result of a silent, gradual process of disempowerment of a civil society that has not been able to offer an adequate response to semi-authoritarianism or convince the international community, particularly Spain and the EU, openly to criticise the Chávez government. The President has not closed any democratic institutions, but uses the broad range of democratic mechanisms to create an autocratic, highly personalised political system.

New laws tend to weaken civil society and the impact of democracy assistance. One outstanding example is Chávez's control of Caracas, officially governed by the non-Chavista Antonio Ledezma (member of the opposition party Alianza Bravo Pueblo). The government disempowered Ledezma and created, by law, the 'governor of the capital district', imposing Chávez's (non-elected) favourite Jacqueline Farías as the *de facto* mayor of the capital.

A second legal initiative, aimed at further weakening international engagement with non-state actors, is a new international cooperation law, under discussion since 2006. The approval of the initial text would have two main consequences: 1) a concentration of international cooperation in a common fund administrated by the Chávez government and 2) a requirement for local NGOs to register again (which would mean to be authorised by the government).

The International Cooperation Law would substantially reduce international engagement with democracy and the number of non-governmental organisations. Pressure from the EU (particularly on behalf of Finland and Germany) delayed its approval, which nevertheless acts as a sword of Damocles by incentivising self-censure of NGOs and international donors. The new law could mean, as observers said, the 'end of international engagement' in Venezuela. Others sustained that, following international protests, the law will probably exclude the idea of a government-controlled fund and be more negative for civil society than for donors.

A third factor which weakens the impact of democracy aid is the recently approved electoral law (*Ley Orgánica de Procesos Electorales*) that reorganises electoral districts and introduces a new voting system. This law could further undermine the role of the opposition by re-defining the electoral districts (in favour of Chavism) and changing the proportional electoral system to a *de facto* first past the post system. Both initiatives might limit the possibilities of non-Chávez parties winning the parliamentary elections in September 2010 and thus undermine the international community's efforts to achieve political pluralism.

Apart from legal sanctions, there is an increasing trend towards the repression of critical voices, the intimidation of human rights activists, independent journalists and others who are not loyal to Chávez. Although the number of political prisoners is still very small, threats and selective violence towards the opposition and NGOs are becoming commonplace. Few journalists have been harassed or murdered, but the government has increased its control over the opposition-controlled media. Among other actions, it decided in 2007 not to renew the license of the RCV (under a new Media Law of Social Responsibility), increased the number of official radio and TV programmes and closed 34 radio stations.

The rather weak and insufficient reaction of donors to these laws and increasing political repression helped to strengthen the government's position. Furthermore, the absence of critical voices confirmed Chávez's successful power strategy of holding regular elections and using democratic procedures for a systematic and silent process of political control and authoritarianism.

But there are also clear obstacles from local partners that limit the impact of democracy assistance. Civil society is still weak, fragmented and under-funded. The chronic lack of national resources has only partially been compensated by international cooperation. Since 1999, political parties have been prohibited from receiving state subsidies and NGOs have had no access to public funds. The private sector is under threat from the ongoing nationalisation process and is not willing to get into trouble by supporting non-government activities.

Some political parties of the opposition are still identified with the 'Caracazo' and the decline of the 'Puntofijismo' democracy model. Their credibility remains particularly low with regard to social issues manipulated by the government. Despite some progress to define a common strategy (by the Mesa de Unidad), opposition parties are still divided into more than 30 political groupings and have been unable in the past to define a common platform from which to improve their electoral results. The AD, in particular, but also the COPEI and others, have been criticised for their reluctance towards the ideas of internal reform, innovation and generational change. Others, like Primero Justicia are dominated by young professionals, but their activities tend to concentrate on Caracas and the few regions governed by the opposition with a limited representation in those parts of the country where Chavism is particularly strong. The opposition's (partly) self-made weakness and the government's strategy of neutralising critical voices reduced the electoral and institutional spaces for non-Chavistas in the past. However, the opposition was able to define a common platform in most of the states in the regional elections of November 2008 and managed to improve their electoral results. This led to the election of Ledezma and other opposition governors in relevant states.

A structural problem for democracy promotion in Venezuela is the idea (shared by government and civil society) of a 'magical oil-state'. Both Chavistas and opposition follow the logic of a rentier state-centred model of development and democracy (including high levels of corruption and clientelism). To occupy the state by democratic or non-democratic means is still a goal shared by most political actors. Within this political framework, Venezuela's civil society emerged before Chávez as an independent movement and was forced into political polarisation during the Chávez period.

The urgent need for diplomatic support

With Spain's absence as a provider of democracy assistance and the low visibility of the United States, the Chávez government feels it has rebuffed international democracy support. A further problem is the trend that Canadian, EU and OAS pathways of influence (constructive engagement) in Venezuela are clearly distinct from those of the United States.⁵ In contrast to the US's policy of high-level diplomatic disengagement, the Chávez government continues to be a cooperative partner of Canada, the EU, Spain and the OAS. These differences represent a further obstacle for developing a common diplomatic reaction. Consequently, donor coordination is nearly absent.

Many local partners interviewed for this report stressed the urgent need for a diplomatic back-up of democracy assistance. Local organisations agreed upon a stronger public criticism of Chávez's human rights abuses, particularly of recent measures such as the closure of 34 radio stations, the approval of a new electoral law or the still pending Law of International Cooperation. More attention should also be paid to restrictions of political liberties, impunity, freedom of expression and widespread (political and non-political) violence.

According to civil society organisations, the EU and Spain tend to underestimate the effects of public criticism. Local partners argued that the government is concerned about harsh reactions from the international community.

In their opinion, despite verbal attacks and recent alliances with Iran, Russia and China, Chávez is not interested in an open confrontation with its traditional partners and does care about the international image of Venezuela.

Conditionality has not been considered an efficient instrument to pressure the government. Since Venezuela is a donor rather than a beneficiary of development assistance, to apply democratic conditionality (for example in the EU's negotiations with Mercosur – and Venezuela as a future member) would not only be useless but even counterproductive to democracy, by providing new arguments to legitimise the end of NGOs and of international cooperation. Moreover, given that the government does not accept any kind of democracy assistance and that aid is insignificant (0.01 per cent of GDP), conditionality can be ruled out as a viable instrument.

Most donors and civil society organisations agree that there is a certain tolerance (*complacencia*) among some donors with regard to human and political rights abuses by the Chávez government. In particular, the strongest bilateral partners such as France, Spain and the EU tend to avoid any open criticism, some with the argument of protecting their economic and political interests. Moreover, not even in the EU is there an agreement on how to strengthen democracy in Venezuela. Although the US government remains critical of the Chávez administration, for the reasons mentioned before, it has a very low political influence within the country.

Many of our interviewees see the main problem as the 'absence' of Spain in democracy promotion⁶ and the low visibility of the United States. While the policy of the former Bush government to a certain extent neutralised Washington's traditionally strong political influence in Venezuela, under Zapatero's government Spain volunteered to abandon its privileged position by creating an alliance with the regime. Washington's answer to semi-authoritarianism was useless and Spain did not even comment on it. The Obama administration changed US policy from hard to soft diplomacy, but this strategy has not yet been translated into visible results in terms of political influence.

⁵ See Susanne Grätius and Thomas Legler, 'Latin America is different: transatlantic discord on how to promote democracy in "problematic countries"' in Amichai Magen, Thomas Risse and Michael McFaul (eds.), *Promoting Democracy and the Rule of Law: American and European Strategies* (New York: Palgrave Macmillan, 2009), pp. 185–216.

⁶ According to one interviewee, 'Spain, as well as France, has zero influence in democracy promotion'.

Some interviewees stressed that the United States should probably not play a leading role. Today, Washington is extremely cautious and tries to avoid becoming the major target of Chávez's 'enemy-friends logic'. According to US officials, the EU and Canada should take the lead on a critical position towards the government, preferably under the Spanish EU Presidency. Many argued that Latin American countries such as Brazil should also be less tolerant with Chávez. Nonetheless, given the different policies of external partners and donors, the window of opportunity for a common approach is still too small. Due to differences between member states and the lack of political coordination, the EU will not be able to fill this gap; Canada is too discreet to do so; and others have rather limited interests in Venezuela. An additional obstacle is the absence or low profile of other member states (UK, Italy and the Netherlands), which reduces the number of critical voices.

The OAS was also criticised by our interviewees for its cautious policy aimed at avoiding further conflicts with the government.⁷ The OAS in Caracas reduced its permanent staff from 14 (2004) to 1 (today) and redefined its role from mediator to neutral observer and technical projects manager. Where the OAS and the Carter Center once played an active and prominent role in Venezuelan politics, today both maintain a low profile. Nonetheless, expectations of the OAS remain high, as former demands by students to send a mission of the Inter-American Human Rights Commission to Venezuela – denied by the President – prove.

Compared to other Latin American countries like Cuba or Honduras, very little international attention has been paid to Venezuela. If local organisations should improve their international presence and information policy, donors should look beyond elections in Venezuela. As local partners argued, elections cannot be the only criteria to qualify Venezuela as a democracy: also important are full respect for human rights, political freedoms, democratic checks and balances, a division of power and civil control over the military.

According to local partners, without following the sanction path of the Bush administration, donors should try to define common positions and critical public statements. Pre-conditions to do so would be: 1) to convince Spain to abandon the trade-off between democracy promotion and economic interests (the example of US–Venezuelan trade relations prove that these follow separate paths) and 2) to re-build relations with the US government. As in the case of Cuba, different positions of donors tend to undermine the impact of democracy assistance by strengthening the dynamics of authoritarianism.

A major risk for democracy assistance in a polarised, semi-authoritarian environment is that such support gets sucked into the political game and is used by the government to justify threats against NGOs. Moreover, Spain's uncritical alliance with the government is counterproductive to democracy promotion. Unhindered US and Canadian economic relations with Venezuela prove that there is no real trade-off between economic interests and democracy support that could be used as an argument (in the case of Spain) to ignore human rights violations by the Chávez government.

With this argument in mind and taking into account that Chávez might be sensitive to open international criticism, donors should use a two-fold strategy to strengthen democracy in Venezuela: first, by widening the political engagement in the country and contributing to create an active, unified and strong civil society able to represent a counterweight to the government and second, by increasing diplomatic pressure on the government.

⁷ Venezuela is still a full member of the OAS. Several confrontations between the government and OAS institutions (the Inter-American Court of Justice and the Inter-American Human Rights Commission) resulted in verbal attacks by Chávez and tense relations.

Key sectors of support

Given the low level of democracy assistance and its rather short-term approach, the sectoral distribution of projects varies from year to year. Until 2004–5, the OAS, the Carter Center and the EC offered support to hold democratic elections. Since political confrontation has not been solved by elections (and doubts regarding electoral fraud remain), the international community decided to abandon its former electorally-centred approach.

Today, democracy assistance largely concentrates on fundamental human rights. Continued long-term support has been provided to human rights organisations (particularly to large organisations such as Cofavic and Provea). Political training of party or community leaders, mainly offered by the German political foundations, is also a traditional sector of democracy assistance. More recently, international donors began to finance projects with the media and local NGOs to strengthen the freedom of expression and to foster public debates on democracy. Given the divide between the government and the international donor community, state agencies and the parliament have not received any democracy assistance.

Some interviewees underlined the risk that, given the limited resources, some sectors (in 2009, programmes for the improvement of prison conditions or Provea's Annual Human Rights report) might no longer receive external support, due to other priorities. The particular problem for smaller organisations is that they have no opportunities to obtain alternative funds. Another problem identified by local partners is the concentration of democracy assistance in Caracas. Very little attention has been paid to local projects in other parts of the country.

But the real problem, according to our interviewees, is that donors do not address the two key sectors: political parties and mediation.

Political parties. Due to negative experiences in the past and threats by the government, international donors offer limited support to political parties of the opposition. Technical support concentrates on three dominant forces: Primero Justicia, a centrist party of young liberal professionals created in 2000 by the lawyer Julio Borges; the social democrat Un Nuevo Tiempo, dominated by the presidential candidate and former governor of Zulia, Manuel Rosales (now in exile); and COPEI. Since 2005, when the opposition (contrary to former statements) decided not to participate in legislative elections, there has been a certain mistrust and frustration within EU circles over the difficulties of cooperating with political parties in the framework of its electoral observation mission at that time.

Mediation. A problem in Venezuela is the absence of dialogue between Chavistas and non-Chavistas, at a civil society level. All local partners stressed the need for opening channels of debate with the Chavista camp. As one observer commented, 'it is necessary to downsize the level of polarisation to bring back the grey colours to the country'. Nonetheless, following negative examples in the past, most donors consider this task to be an impossible mission (too risky, too frustrating and lacking in the requisite political will). Past experiences and the clear power shift to Chávez create rather negative incentives for a dialogue between government and opposition.

Until the referendum of 2004, the Carter Center and the OAS promoted a dialogue between opposition and government. Although mediation efforts helped to avoid an open conflict between the two sides, its impact on democratisation has been very limited and, according to some, even counterproductive, given that, in their view, the Carter Center was instrumentalised by Chávez to legitimate fraudulent elections (in 2004). Today, only the Carter Center (with the support of ILDIS and others) organises a (successful) dialogue forum between journalists with different political backgrounds.

Although there is currently no window of opportunity for high-level contacts between the two sides, at a lower or professional level niches for dialogue, confidence and consensus-building can be identified. By selecting, from the beginning, issues with a low political profile (macro and microeconomics, petro-state, housing, environment, etc.), donors should try to build bridges between both sides contributing, from above, to the consolidation of the programmatic consensus beyond personal rivalries and political mistrust.

Conclusion

To work or not to work with the government is one of the most complicated questions donors have to address in Venezuela. The cases of the EU and Canada prove that contacts with the government and civil society inevitably have the side-effects of a low diplomatic profile and tempered criticism. The Spanish case clearly underlines the political cost of being identified as an ally of a semi-authoritarian regime. Despite these risks, donors should try to work with state agencies, preferably at a technical level, particularly with the parliament (after 2010) and the Supreme Court of Justice.

Very few projects have been financed in the justice sector; the German GTZ is no longer engaged in justice reform and the IMF has finished its technical project on judicial reform with the Supreme Court of Justice. France has recently signed an agreement of cooperation with the Supreme Court of Justice (restructured in 2005).⁸ Local organisations stressed the need for independent projects to reinforce the highly inefficient, slow and politicised judicial sector (as a response to impunity and widespread violence). A starting point for avoiding governmental resistance could be to finance academic projects in the judicial sector.

Engagement is also particularly weak with regard to the widespread corruption at a central and local level of governance. In this sense, ILDIS and Spain's experiences of working with the government could be used as test-cases to identify niches to collaborate, at a low level, in the public sector.

It is extremely difficult to identify neutral partners or sectors in an environment where nearly every issue, including education, energy and the environment, is politicised. Identifying topics in which to promote a pluralist democratic dialogue is just as difficult as the search for neutral actors and institutions in between the opposition and the government. An alternative is to work beyond traditional elites and to target new groups like the students, young political leaders or the community councils.

Political polarisation and semi-authoritarianism force international donors to work in an actor-centred manner. Given that there is no separation of powers, it is extremely difficult to strengthen institutions. In a centralised system like Venezuela, if it is even possible, the impact of training for government officials will be very limited. The increasing presence of the military does not make it easier to address the public administration. There is an urgent need to break the vicious circle of violence and impunity, drug-trafficking, crime and prison conditions that undermine the role of a state that is increasingly inefficient, corrupt and politicised. International donors should help to de-politicise and professionalise the state.

Another pathway to address semi-authoritarianism is to strengthen institutions, to conduct stronger pre- and post electoral observation, to criticise the government and to support the democratic opposition. Nonetheless, for different reasons (economic and geostrategic interests and non-interests), there is very little diplomatic back-up from governments of democracy assistance. Moreover, most projects focus on NGOs and civil society organisations and offer very limited support to political parties. Also, electoral observation has been very limited since 2004. In order to avoid an authoritarian regime and the end of civil society in Venezuela, the international community must take a clearer position and Venezuela's traditional partners, Spain and the United States, should adopt a higher political profile and coordinate positions. As long as both are situated on different sides, the impact of democracy assistance will remain limited.

More attention could be paid to create a dialogue between political adversaries. According to interviewees, this kind of initiative is risky, but a necessary part of conflict prevention. Although results have been disappointing, without a stronger international commitment, the political situation in Venezuela could end up in an authoritarian, Chávez-centred regime or in open protests against his government. Engagement in Venezuela has to take into account these negative scenarios, because the level of external commitment will also decide Venezuela's political future.

⁸ Since 2005, the number of judges increased from 20 to 32. The 12 new members are loyal to Chávez.

Recommendations

Democracy assistance in Venezuela should have a structural long-term approach and address a broad range of actors. To increase the impact of assistance, donors should contribute to four major goals: 1) de-personalising institutions, 2) de-polarising society, 3) de-militarising politics, and 4) de-politicising the state and its institutions.

Despite political polarisation and the opposition between representative and participative democracy, there is a broad consensus in Venezuela regarding 'social democracy'. This programmatic agreement could be the starting point for the international community to redesign its political projects in Venezuela and to launch a broad dialogue on the different views of democracy, development, governance and the state.

A general dilemma for democracy promotion in semi-authoritarian regimes is visibility. While a low political profile limits the impact of democracy assistance, open criticism might be counterproductive as it may reduce the space for local partners. Following the path of Canada, a discreet and low profile political donor, without renouncing visibility, can improve the impact of democracy assistance. For many local organisations and even for the government, Canada is a 'moral authority'.

There is a need to increase international cooperation at a local level and with organisations that are not based in the capital or opposition districts. Increasing engagement with local governments in provinces or municipalities is one of the future challenges of democracy assistance. Finally, a higher impact of democracy assistance also requires some degree of coordination. There is an urgent need for coordination among donors, between donors and beneficiaries, and between local and regional NGOs.

Finally, the Venezuelan case provides some sobering lessons on the difficulties of working in a polarised, semi-authoritarian environment. Some US organisations have lost credibility as they are perceived by local beneficiaries to have engaged in a too overtly political fashion. Spain and some other countries have lost legitimacy for the opposite reason of drifting into an uncritical indulgence of the government. Both US and Spanish organisations feel that their policies are misunderstood. But our series of interviews should give much for both sets of organisations to reflect upon. It is difficult to escape the conclusion that Venezuela provides a case of failure for the democracy promotion community: no-one appears to have found the recipe for preventing a slide into authoritarianism, and democracy promoters appear at the moment to have been defeated, or at least placed on the back foot, by the expert manipulation of information over reform initiatives by Chavista loyalists and media. This report is not intended to adopt any particular political position; rather, it conveys the concerns of local civic actors, who express frustration over diminishing external support – but themselves are divided on the best way forward.

Appendix: Country Report Methodology

Scope and aims of this report

This report assesses external democracy assistance in one country according to the views of local democracy stakeholders.

The report does not aspire to provide an exhaustive record of external democracy assistance to the country in question. Neither does it aspire to be a representative survey among local civil society at large. The scope of this project allows reports to provide only a rough sketch of external democracy assistance to the country assessed, and of the tendencies of local civil society activists' views on the latter.

Sample of interviews

The report's findings are based on a set of personal interviews that were carried out by the author between spring and autumn 2009.

For each country report, between 40 and 60 in-country interviews were carried out. The mix of interviewees aimed to include, on the one hand, the most important international donors (governmental and non-governmental, from a wide range of geographic origins), and on the other hand, a broad sample of local democracy stakeholders that included human rights defenders, democracy activists, journalists, lawyers, political party representatives, women's rights activists, union leaders and other stakeholders substantially engaged in the promotion of democratic values and practices in their country. Wherever possible, the sample of interviewees included representatives from both urban and rural communities and a selection of stakeholders from a broad range of sectors. While governmental stakeholders were included in many of the samples, the focus was on non-governmental actors. Both actual and potential recipients of external democracy support were interviewed.

Donors

The term 'donor' is here understood as including governmental and non-governmental external actors providing financial and/or technical assistance in the fields of democracy, human rights, governance and related fields. Among all the donors active in the country, authors approached those governmental and non-governmental donors with the strongest presence in this sector, or which were referred to by recipients as particularly relevant actors in this regard. An exhaustive audit of all the donors active in this field/country is not aspired to as this exceeds the scope of this study. While many donors were very open and collaborative in granting interviews and providing and confirming information, others did not reply to our request or were not available for an interview within the timeframe of this study. While we sought to reconfirm all major factual affirmations on donor activities with the donors in question, not all donors responded to our request.

We do not work to a narrow or rigid definition of 'democracy support', but rather reflect donors', foundations' and recipients' own views of what counts and does not count as democracy assistance. The fact that this is contentious is part of the issues discussed in each report.

Anonymity

External democracy assistance to local activists is a delicate matter in all the countries assessed under this project. It is part of the nature of external democracy assistance that local non-governmental recipients, especially when openly opposed to the ruling establishment, fear for their reputation and safety when providing information on external assistance received to any outlet that will make these remarks public. In a similar vein, many donor representatives critical of their own or other donors' programmes will fear personal consequences when these critical attitudes are made public on a personal basis. In the interest of gathering a maximum of useful information from our interviewees and safeguarding their privacy and, indeed, security, we have ensured that all interviewees who requested to remain anonymous on a personal and/or institutional basis have done so.

Interview methodology

In order to carry out field work, authors were provided with a detailed research template that specified 7 areas of focus:

- 1) A brief historical background and the state of democracy in the country;
- 2) A short overview of donor activities;
- 3) A general overview of local views on impact of democracy aid projects on the micro, meso and macro levels (including best practices and variations of the local and international understandings of the concept of 'democracy');
- 4) Local views on specific factors that have weakened the impact of democracy aid;
- 5) Local views on diplomatic back-up to aid programmes (including conditionality; diplomatic engagement; donor coordination; relevance, quality, quantity and implementation of programmes, etc);
- 6) An illustration of the above dynamics in one or two key sectors of support;
- 7) A conclusion outlining the main tendencies of local views on external democracy assistance.

Along these lines, semi-structured one-on-one interviews were carried out by the authors in the country between spring and autumn of 2009.

Key sectors of support

Transitions to democracy are highly complex political, economic and social processes. No study of this scope could aspire to fully justice to them, or to external assistance to these processes. Aware of the limitations of our approach, we have encouraged authors to let their general assessment of local views on external democracy support be followed by a closer, slightly more detailed assessment of the dynamics in one or two key sectors of support. These were chosen by the respective authors according to their estimated relevance (positively or negatively) in the current democracy assistance panorama. In none of the cases does the choice of the illustrative key sectors suggest that there may not be other sectors that are equally important.