

# **IS THE PARTY OVER?**

## **Economic Reform and Party-Union Relations in Venezuela**

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On May 18, 1989, the Confederation of Venezuelan Workers (CTV) made history by holding a general strike against the policies of its long-time ally, Democratic Action (AD). The CTV called the strike to protest the austerity measures of President Carlos Andrés Pérez, who had been elected as AD's candidate just four months earlier. Besides bringing the economy to a halt and severely damaging the government's credibility, the strike was of tremendous symbolic importance. Venezuela had not experienced a general strike since 1958, when AD and its labor allies had joined with other pro-democracy forces to protest an attempted military coup. Nor had the CTV ever taken such a combative posture while AD was in power.

Rather than marking a new era in CTV-AD relations, however, the general strike turned out to be an exception to the rule of party-union collaboration. Although the CTV's combative actions continued into 1991, the implications of these actions changed as the party itself became increasingly resistant to Pérez's policies. In this context, CTV leaders could treat the Pérez administration like a non-AD government while remaining loyal to the party. When the party again closed ranks with the government in 1992, the CTV returned to its traditional approach of negotiation and compromise. Even after AD's hegemony in the political system entered into serious crisis after 1993, CTV leaders continued to adhere to the party line.

In this paper, I analyze the ebb and flow of CTV-AD relations over the last decade. I begin with a theoretical discussion of party-union alliances and the range of responses by affiliated labor leaders to the adoption of painful reforms by the party. I then examine the historical and substantive foundations of the CTV-AD alliance. Finally, I discuss the impact of economic crisis and reform on the alliance in the 1980s and the early 1990s, particularly the response of AD-affiliated labor leaders as they tried to juggle the competing demands of the party and their followers in the CTV.

### **PARTY-UNION ALLIANCES AS LOYALTY NETWORKS**

I argue that historic alliances between political parties and labor unions can be characterized as networks of "loyalty claims" mediated by union leaders. I define loyalty claims as the mutually recognized expectations of one actor regarding the behavior of another. In the case of a party-union alliance, these expectations derive from the principles, norms, rules, and procedures that govern interaction within the alliance. In this sense, a party-union alliance resembles a "regime" as understood by international relations scholars. Stephen Krasner defines regimes as:

...sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge. Principles are beliefs of fact, causation, and rectitude. Norms are standards of behavior defined in terms of rights and obligations. Rules are specific prescriptions or

proscriptions for action. Decision-making procedures are prevailing practices for making and implementing collective choice (1983: 2).

Although Krasner and his colleagues apply the concept of regimes to states in the international arena, it can be extended to organizations in the domestic arena. Like states, organizations have their own internal structures, identities, and personnel but can enter into exchanges with other organizations in pursuit of shared interests.

In the case of a party-union alliance, these exchanges become structured by (i) principles involving a shared vision of society; (ii) norms that establish each partner's side of the bargain in the socio-economic, organizational, and political arenas; (iii) formal and informal rules that govern the management of conflict and negotiation; and (iv) procedures that dictate the exercise of shared leadership. Ideally, these terms produce a virtuous circle of loyalty mediated by party-affiliated labor leaders. Party leaders meet the loyalty claims of labor leaders by offering them policies favorable to workers and unions, union subsidies, access to public office, and participation in policy formulation. Labor leaders, in turn, use these resources to meet the loyalty claims of union members in the form of higher wages, increased employment, job security, welfare benefits, and other socio-economic improvements. The backing of these workers is then used by labor leaders to meet the loyalty claims of the party in the form of electoral and organizational support.

This virtuous circle breaks down, however, when the party adopts reforms that violate the loyalty claims of workers and/or unions. Such reforms pull affiliated labor leaders in strategically contradictory directions. Either they respect the loyalty claims of the party (which means tolerating the reforms at the risk of losing worker support) or they respect the loyalty claims of workers (which requires resisting the reforms at the risk of losing access to resources controlled by the party). In effect, they become caught in a "loyalty dilemma" in which they have no choice but to behave disloyally toward one of their exchange partners.<sup>1</sup> This dilemma is likely to be particularly intense if the party appears to have abandoned its normative commitment to the working class.

When faced with a loyalty dilemma, labor leaders are likely to choose from among four strategies: silence, loyal voice, disloyal voice, or exit. I have adapted these strategies from Albert Hirschman's *Exit, Voice, and Loyalty* (1970). Hirschman posits exit and voice as alternative responses by customers or members of an organization to a decline in the quality of the goods or services they are receiving. Exit occurs when they abandon the relationship altogether. Voice occurs when they make "any attempt to change, rather than escape from, an objectionable state of affairs" (1970: 30). Although Hirschman does not acknowledge the bargaining aspect of voice, his definition suggests that it is essentially a strategy of negotiation. Actors use

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<sup>1</sup> I am borrowing this idea from Gourevitch *et al.*, who argue that a "hostage dilemma" is created when labor leaders are pulled in strategically contradictory directions (1984: 11).

instruments of voice to pressure the provider of a good or service to reverse a deterioration in quality.<sup>2</sup>

As Brian Barry notes, Hirschman overlooks a third response, which is silent non-exit (1974: 91). In some cases, customers or organization members may continue a deteriorating exchange without engaging in voice. Hirschman's failure to consider this response has led many scholars to confuse silence with loyalty, which creates a false dichotomy between loyalty and voice. Although Hirschman's treatment of loyalty is fraught with problems, I believe we should salvage his idea that it is linked to voice but precludes exit.<sup>3</sup> We can do so by treating loyalty as a behavior rather than as an attitude. As suggested above, loyal behavior can be defined as the fulfillment by one actor of the mutually recognized claims of another. Although this behavior may be motivated by feelings of solidarity or allegiance, it can also stem from a lack of options or a fear of reprisals. In other words, someone may behave loyally without feeling loyal.

Once we have bracketed loyalty to refer only to behavior, we can reevaluate the relationship between exit, voice, and loyalty. As Hirschman suggests, the choice of voice over exit connotes a degree of loyalty. But not all instruments of voice are equally loyal. Back-room negotiations are likely to be more loyal, for example, than violent protests. If voice violates the loyalty claims of the targeted actor, it becomes disloyal. Disloyal voice tends to co-exist, however, with loyal voice on other issues or at other moments of time. Thus, some degree of loyalty continues to operate as long as a disgruntled actor remains in the relationship. Total disloyalty takes the form of exit, which involves a complete abandonment of the relationship, usually in favor of some competing alternative. Thus, we find a continuum of loyalty that extends from silence to loyal voice to disloyal voice to exit.

Labor leaders faced with a loyalty dilemma are likely to engage in increasingly disloyal behavior toward the party unless (i) the party retreats from its violation of the loyalty claims of workers and/or (ii) the costs of disloyalty toward the party outweigh the benefits of loyalty to workers. As we see in the Venezuelan case, not all labor leaders faced with a loyalty dilemma resort to exit. In fact, most party-union alliances remain intact despite serious violations by the party of the loyalty claims of workers. In Venezuela, AD-affiliated labor leaders experimented with disloyal voice in 1989 but quickly returned to a strategy of loyal voice. As I will argue later in the paper, this vacillating strategy reflects two factors: (i) the costs to party-affiliated labor leaders of behaving disloyally toward either the party or workers; and (ii) AD's willingness to ease the loyalty dilemma by distancing itself from its own executive.

## **FOUNDATIONS OF THE AD-CTV ALLIANCE**

AD and its labor allies "evolved or emerged more or less simultaneously, and to some extent the leadership of the two was fused: labor leaders were among the founders of AD and its precursors, while AD leaders, in mobilizing a support base, became important labor organizers"

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<sup>2</sup> If deterioration continues, they may resort to increasingly confrontational tactics, including boycotts and threats of exit (Hirschman 1970: 82-88). But as long as these bargaining tools have a chance of improving performance--and are not so costly as to outweigh the barriers to exit--actors are unlikely to cross the threshold from voice to exit.

<sup>3</sup> For excellent discussions of these problems, see Barry 1974; Birch 1975; and Laver 1976.

(Collier and Collier 1991: 257). AD was created in 1941 by Romulo Betancourt and other members of the Generation of 28 who had been fighting against the country's military dictatorship since the 1920s.<sup>4</sup> Although an oil boom in the 1930s produced a new class of urban and rural workers ripe for collective organizing, few unions could withstand the repression of Juan Vicente Gómez, who ruled as a military strongman from 1908 to 1935. As a result, AD's founders encountered "an organizational vacuum full of potential recruits" when political opening began to take place after Gómez's death in 1935 (Levine 1978: 86).

AD and its main rival, the Venezuelan Communist Party (PCV), rushed to fill this vacuum by organizing their own unions. Although the Communists gained an early lead, the tide began to turn in AD's favor in 1944 when the military government disbanded the majority of the Communist unions.<sup>5</sup> This trend accelerated after AD joined with junior military officers in October 1945 to stage a coup against the government. For the next three years (the *trienio*), AD ruled as a hegemonic party, dominating both houses of parliament and refusing to share cabinet positions with any other parties.<sup>6</sup> One of AD's first acts was to create a new Labor Ministry, which played a key role in encouraging the formation of unions loyal to AD. The Ministry tended to recognize AD-affiliated unions immediately while delaying decisions regarding unions founded by the Communists. In workplaces already captured by the Communists, the Ministry encouraged the formation of parallel unions loyal to AD (Ellner 1980: 96). By the end of the *trienio*, AD controlled the vast majority of the country's 1,014 officially recognized unions, as well as six out of seven seats on the executive committee of the CTV, which was founded in 1947 (Godio 1985b: 39).

Rather than consolidating a stable dominant-party system, however, AD antagonized potential allies and opened the way for General Marco Pérez Jiménez to reestablish military rule in 1948 with almost no resistance by non-AD elites. Thrown again into clandestine opposition, and often sharing jail cells with members of rival parties, AD leaders realized that their hegemonic aspirations had contributed to the collapse of democracy and their complete loss of power. Eager to avoid a replay of this outcome, they supported a system of power-sharing with the country's other non-Communist parties after Pérez Jiménez was defeated in January 1958. In

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<sup>4</sup> These leaders came to be called the "Generation of 28" because of their emergence as opposition leaders during student protests against the dictatorship of Juan Vicente Gómez in 1928. Between 1928 and 1941, they organized several precursors to AD: the Revolutionary Grouping of the Left (ARDI) in 1931, the Organized Movement of Venezuela (ORVE) in early 1936, and the National Democratic Party (PDN) in late 1936. AD grew directly out of the PDN but rejected the PDN's initial aspiration to unite the left in cooperation with the Communists.

<sup>5</sup> The government seized an opportunity provided by AD to weaken the PCV's hold on the labor movement. At a convention organized by the Communists to create a national labor confederation, AD introduced a resolution demanding parity in the leadership despite having only half as many delegates as the PCV. Unwilling to accept the outcome of a vote that split along party lines, AD accused the Communists of violating a provision of the 1936 Labor Law prohibiting unions from aligning with a specific political party. The following day, the Minister of Labor dissolved the 93 unions and three labor federations led by Communists whose delegates had participated in the voting (Bergquist 1986: 251; Ellner 1980: 87-94).

<sup>6</sup> In the December 1947 elections, the AD candidate won 74.4 percent of the presidential vote, and AD won 70.8 percent of the legislative vote. As a result, AD controlled 38 out of 42 seats (90.5 percent) in the Senate and 83 out of 111 seats (74.8 percent) in the Chamber of Deputies (Blank 1984: 26).

October 1958, AD joined with the Committee of Independent Political Electoral Organization (COPEI) and the Democratic Republican Union (URD) to sign the Pact of Punto Fijo, which committed the parties to form a government of national unity regardless of which party won the elections later that year (Kornblith 1991: 70-71).<sup>7</sup> They also signed pacts to regularize industrial relations, appease the fears of the military and the church, and establish the limits of state intervention in the economy (López Maya et al 1989: 70-76).

These pacts laid the foundations for a system in which AD and COPEI dominated at the expense of the left.<sup>8</sup> Between 1958 and 1993, AD controlled the presidency for all but ten years and always held the largest number of seats in Congress. Meanwhile, COPEI emerged as a consistent second-place contender, winning the presidency in 1968 and again in 1978. Even after the formal mechanism of coalition government broke down in the late 1960s, AD and COPEI negotiated an "institutional pact" which established an informal system of power-sharing between the two parties. Regardless of who had a congressional majority, the president's party would name the president of the Senate and the other party would name the president of the Chamber of Deputies. The parties also agreed to reach consensus on the nomination of supreme court justices and officials such as the comptroller of the nation (McCoy 1989: 65, fn. 19).

The parties extended these mechanisms of power-sharing to the labor movement. After Pérez Jiménez fled into exile, AD joined with COPEI, the URD, and the PCV to create a National Unified Labor Committee (CSUN) composed of members proposed by the political parties and then ratified by the union directives.<sup>9</sup> The CSUN drafted regulations for its constituent unions aimed at avoiding the internal discord and parallel unionism that had plagued the labor movement prior to 1948. Although the four parties had equal representation in the CSUN, union elections were subsequently based on proportional representation for all parties with a significant following.<sup>10</sup> The CSUN recommended, moreover, that unions avoid electoral conflict by devising a single "united slate" based on the estimated strength of each party in the union (Ellner 1993: 12).<sup>11</sup>

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<sup>7</sup> Betancourt won the presidency in 1958 with 49.2 percent of the vote (Blank 1984: 30). Under the power-sharing arrangement, his government included two cabinet positions for AD, three for URD, two for COPEI, and five for independents. Until URD withdrew from the pact in 1960, the three major parties also shared governorships and leadership positions in Congress (Ewell 1984: 127).

<sup>8</sup> This system of negotiated two-party dominance came to be known as "*guanábana* politics." Besides being a pear-shaped fruit, symbolizing AD's larger influence relative to COPEI (Hellinger 1991: 117), the *guanábana* is green on the outside (COPEI's color) and white on the inside (AD's color). Author interview with Francisco Iturraspe, professor, Universidad Central de Venezuela, March 7, 1995, Caracas.

<sup>9</sup> Interview with Pedro Bernardo Pérez Salinas, president of the CTV in the late 1940s, by Fermín Lárez (1993: 160).

<sup>10</sup> The CSUN included two representatives each from AD, COPEI, URD, and the PCV and two independents.

<sup>11</sup> In a striking indication of the hold of the parties on the labor movement, a prominent labor leader later noted that united slates were possible because "everybody knew how much support each party had in their union" (quoted in Ellner 1993: 12).

These regulations laid the basis for the reconstruction of the CTV in November 1959. The confederation's first post-1958 executive included seven *adecos*, three Communists, and two members each from COPEI and the URD (Ellner 1993: 13). While the positions held by AD and the Communists reflected their historic ties to labor, COPEI and the URD gained a degree of representation that greatly outweighed their meager presence among organized workers (Collier and Collier 1991: 430). This imbalance worsened after the URD, the PCV, and the Movement of the Revolutionary Left (MIR) boycotted the CTV's Fourth Congress in December 1961. AD gained control of 70 percent of the CTV executive, leaving COPEI with the remaining 30 percent (Ellner 1993: 53).<sup>12</sup> Although these shares fluctuated somewhat over time, the distribution of power within the CTV became a rough mirror image of the shared hegemony of AD and COPEI in the political arena (see Table 1).

From the moment of its founding, the CTV was Venezuela's only significant labor organization. Even after rival confederations emerged in the 1960s and early 1970s, the CTV represented around 80 percent of Venezuela's unions.<sup>13</sup> The CTV's dominance extended, moreover, to organized peasants and public employees. Although peasants and workers belonged to separate bureaus within AD, the CTV established an organic link between peasants and the rest of organized labor. Until 1991, the Venezuelan Peasant Confederation (FCV) automatically received ten percent of the delegates to CTV Congresses in recognition of its large constituency. In addition, eighty percent of all white-collar government workers belonged to the CTV in the 1980s, compared to an overall union affiliation rate of only 30 percent (Ellner 1993: 25, 88).<sup>14</sup>

Because of the pluralist composition of the CTV, AD was allied with individual unionists rather than with the CTV itself. Nonetheless, AD's majority on the CTV executive, which translated into uninterrupted control over the CTV presidency, gave these unionists an effective veto over the CTV's actions.<sup>15</sup> Thus, the words and deeds of the CTV tended to reflect the position of its *adeco* members. AD and the CTV upheld a particular vision of society and engaged in regularized exchanges in the socio-economic, organizational, and political arenas. These exchanges were governed by norms, rules, and procedures that established the parameters of loyal behavior within the alliance.

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<sup>12</sup> The delegates to the Fourth Congress expelled leaders from the PCV and the MIR, which was a party created by AD dissidents in 1960. The URD regained representation at the CTV's Fifth Congress in 1964, but its share steadily decreased. In the meantime, COPEI's share stabilized around 20 percent (Ellner 1993: 53).

<sup>13</sup> The remaining 20 percent of the Venezuelan labor movement became divided among three other confederations. Dissidents expelled from the CTV in 1961 formed the Unitary Central of Venezuelan Workers (CUTV), which was legalized in 1963. A year later, a faction of the Christian Democratic current in the labor movement formed the Confederation of Autonomous Unions of Venezuela (Codesa). A fourth confederation emerged when a faction of Codesa split to form the General Confederation of Workers (CGT) in 1971.

<sup>14</sup> In the 1980s, public employees made up one-fifth of the active workforce in Venezuela (Coppedge 1994: 123).

<sup>15</sup> A partial exception to AD's total control over the CTV presidency occurred in the late 1960s, when José González Navarro left AD mid-way through his tenure as CTV president to help found the People's Electoral Movement (MEP).

## Principles of Democratic Petro-Statism

The vision of society behind the party-union alliance in Venezuela can be characterized as "democratic petro-statism" (McCoy and Smith 1995: 242). For AD, petro-statism connoted use of the country's oil wealth to construct an interventionist and distributive state. It also implied a privileged place for the working class. In August 1958, AD's National Convention issued a Labor Thesis declaring that "the success of the Party, in the long battle we have unleashed, lies in the full utilization of the energies and anxieties that agitate in the bosom of the proletariat" (quoted in Godio 1985b: 171). In December 1958, AD joined with COPEI and the URD to sign a Declaration of Principles and Basic Program of Government that recognized labor as a fundamental element in economic progress and guaranteed the defense of workers and adequate protections for union liberty. These principles were later enshrined in the 1961 Constitution, which upheld the state as the "rector" of economic and social life and provided guarantees of social assistance, job security for union leaders (*fuero sindical*), and the collective rights of unions (López Maya and Werz 1981: 11-16).

The CTV, for its part, accepted AD's multi-class character and embraced the mission of representing the popular classes in general (Ellner 1993: 102). The CTV defined these popular interests broadly, moreover, to include the achievement of national autonomy and industrial development. Instead of viewing domestic capitalists as the enemy, the CTV took a collaborative approach to industrial relations. A report to the CTV's III Congress ratified that "we actively support national industrialists when they are under attack by international trusts and will form a common front with them when they resist foreign penetration" (CTV 1987/1959a: 25). The CTV rejected class conflict as the primary means of improving the lives of workers and favored concertation with domestic capitalists and the state to promote national development.

Regarding political principles, the *adeco* vision of society merged petro-statism with electoral democracy. AD and the CTV emerged from years of exile as adamant defenders of democracy, particularly after AD's return to power in 1958. On several occasions, the CTV closed ranks with AD against perceived threats to democracy from both the right and the left. At a mass rally a few months after the defeat of Pérez Jiménez in January 1958, the president of the construction workers' union, Juan Herrera, announced labor's willingness to take up arms to defend the country's nascent democracy. In July and September of that same year, the Unified National Labor Committee called general strikes to protest coup attempts against the provisional government. When the principle threat to democracy shifted from military coups to armed struggle by leftist guerrillas in the 1960s, the CTV leadership defended the government's anti-insurgency policies and placed additional constraints on worker mobilization.<sup>16</sup>

## Socio-Economic Bargain

The principles of democratic petro-statism were reinforced by bargains between AD and the CTV in the socio-economic arena. These bargains involved privileged access to material

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<sup>16</sup> Many of the leftist guerrillas originally belonged to AD and/or the CTV but opted for armed struggle in response to Betancourt's conservative policies and the inspiration provided by the Cuban Revolution of 1959. Although the AD labor leaders who remained in the CTV opposed the armed struggle, they did not all support the government's hard line against their former comrades.

benefits for organized labor in return for the CTV's demobilization of the working class (Valecillos 1990). From the 1950s through the early 1970s, oil-based ISI enabled the Venezuelan economy to grow at an average annual rate of six percent while annual inflation averaged less than two percent (McCoy and Smith 1995: 243). Much of this growth was generated by the Venezuelan state. In the 1970s, the state nationalized the petroleum and iron industries, controlled the Venezuelan Corporation of Guyana (a vast holding company for steel, aluminum, and hydroelectric projects), and participated in at least 146 mixed enterprises, all of which were at least 25 percent state-owned (Karl 1982: 131). By the early 1980s, that state accounted for 43 percent of GNP, 32 percent of employment, 50 percent of gross domestic investment, and 20 percent of consumption (McCoy *et al.* 1995: 141).

Access to these resources enabled AD to distribute wage, employment, and social welfare benefits to its allies in the labor movement. Between 1968 and 1978, real wages in the non-agricultural private sector and the petroleum sector increased by 93 percent and 95 percent, respectively (Valecillos 1993: Tomo II, 30-31). As in the *trienio*, the Labor Ministry pressured employers to negotiate collective contracts favorable to workers. The Finance Ministry also averted strikes by providing subsidies to companies to help meet the wage demands of the unions (Ellner 1993: xviii). In the event of a strike, the labor authorities often demanded that firms pay back wages (*salarios caídos*) as a condition for getting striking workers back on the job (Larrañaga n.d.: 16).

AD's use of state power to bolster the wage claims of labor increased in the 1970s when inflation began to undermine the effectiveness of collective bargaining by the unions. In 1974, Carlos Andrés Pérez (1974-1979) established a minimum wage, a provision that had been authorized by the 1936 Labor Law but never implemented. He also imposed price regulations on a wide range of basic commodities and increased subsidies and training programs for workers. Finally, AD supported government-mandated salary increases, first by executive decree under Pérez in 1974 and then through a special law approved by the AD-dominated Congress under a COPEI government in 1979 (Larrañaga n.d.: 16).

AD also provided non-wage benefits in the form of social welfare, education, health, and job security. Between 1962 and 1973, social expenditure as a share of the primary budget expanded from 22 percent to 35 percent (Márquez 1993: 9).<sup>17</sup> These benefits increased dramatically during the 1970s, partly to offset the negative effects of inflation. In 1970, AD's congressional delegation backed a law granting permanent job tenure (*estabilidad absoluta*) to public employees. Six years later, in the wake of the oil nationalization, Pérez made a similar concession to petroleum workers. In addition, Pérez reformed the system of pension and severance benefits (*prestaciones sociales*) to make it very costly for an employer to dismiss or retire workers. He modified the Labor Law to give *prestaciones sociales* the status of an "acquired right" (*derecho adquirido*), which made them payable upon termination of a worker's contract regardless of the circumstances (Puerto Renaud 1991). He also won congressional approval for a Law Against Unjustified Dismissals that required any employer found to have laid

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<sup>17</sup> Between 1961 and 1971, the share of the central government budget devoted to the education ministry increased from 7.8 percent to 14.8 percent, contributing to an increase in the literacy rate from 64.5 percent to 75.9 percent. During the same decade, the share of the budget devoted to the health ministry rose from 6.6 percent to 7.4 percent, and the number of physicians per inhabitant grew from 6.93 to 9.62 (Márquez 1993: 9).

off a worker without just cause to choose between rehiring the worker or paying double severance benefits (Ellner 1993: 51).<sup>18</sup>

In return for these privileges, the CTV discouraged worker mobilization, even during periods of austerity. In the early 1960s, the AD government of Rómulo Betancourt implemented an austerity package that included a ten percent wage decrease for public employees and an indefinite freeze on collective contracts. Despite pressure from its leftist members, the CTV refrained from engaging in protest against the package, which became known as the "Hunger Law" (*Ley de Hambre*).<sup>19</sup> The economic boom in the mid-1960s reinforced the CTV's inclination to postpone immediate demands in the interest of national development, particularly in state-owned enterprises where strikes were deemed unpatriotic (Boeckh 1972: 213). Preferring conciliation over confrontation, the CTV condemned work stoppages or, at best, took a neutral stand. Only rarely did the CTV lend decisive support to workers for the purpose of winning a strike (Ellner 1993: 221). In the context of firm-level unionism, the near non-existence of strike funds, and extensive state controls on worker mobilization, the CTV's hands-off approach effectively curtailed most labor unrest.<sup>20</sup>

There was one important exception, however, to the norm of demobilization. When AD was in the opposition, the CTV enjoyed more autonomy to mobilize workers in response to economic hardship (Bautista Urbaneja 1985: 238). Thus, strike activity, particularly the number of worker hours lost in illegal strikes, increased during COPEI governments (see Table 2). Although these strikes generally reflected economic rather than political concerns, CTV leaders granted their affiliates greater leeway to take these concerns to the streets when AD was in the opposition.

AD also condoned cooperation between the CTV and rival confederations when COPEI was in power. During the COPEI administration of Rafael Caldera (1969-1973), the CTV, the General Workers' Union (CGT), and the Unitary Central of Venezuelan Workers (CUTV) collaborated to an unprecedented degree, proposing joint contracts for collective bargaining, co-sponsoring May Day parades, and organizing a symbolic half-hour general strike in support of improved worker benefits in September 1973 (Ellner 1993: 47-48). After a brief hiatus during the first administration of Carlos Andrés Pérez, this collaboration was renewed under the COPEI administration of Luis Herrera Campins (1979-1983), including cooperation between the CTV and the CUTV in drafting a Law of Salary Increases with the strong support of the AD delegation in Congress.

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<sup>18</sup> The law also stipulated "numerical stability" (*estabilidad numérica*), which required employers to replace all discharged workers at equal pay regardless of the cause of the dismissal, but this provision was never enforced (Ellner 1993: 206).

<sup>19</sup> Strike activity did increase during this period, however, reflecting growing divisions within AD and the CTV that ultimately resulted in defections and the formation of new organizations.

<sup>20</sup> Between 1961 and 1983, Venezuela experienced only 78 legal strikes, for an average of 3.4 per year. Even if this figure is combined with "illegal strikes" (*paros intempestivos*), the average increases to only 113.7 per year. Author calculations based on OIT 1991: 119.

## Organizational Bargain

Besides granting wage and non-wage benefits to union members, AD provided crucial support to the CTV as an organization. For one, the CTV received financial subsidies from the national legislature, nearly every ministry of the federal government, governors, state legislatures, and municipal councils.<sup>21</sup> The subsidized share of the CTV's total revenues peaked at 90 percent in 1961 and then stabilized at around 50 percent between 1964 and 1980 (Boeckh 1972: 202; McCoy 1989: 59).<sup>22</sup> The CTV relied heavily on these subsidies to compensate for its lack of an effective system of self-financing. Moreover, the CTV continued to be the only confederation to receive parliamentary subsidies even after losing its monopoly of representation in the 1960s.<sup>23</sup>

AD also granted the CTV a tremendous fiefdom when President Raúl Leoni created the Venezuelan Workers' Bank (BTV) in July 1966. In conjunction with a holding company formed by the CTV in 1965 (Coracrevi), the CTV used the BTV to build an economic empire that consisted of 42 enterprises worth over 100 million dollars, making the CTV the fifth richest labor organization in the world in 1980 (McCoy 1989: 59; López Maya and Werz 1981: 76). The CTV lost this fiefdom, however, when Herrera Campins seized the BTV in 1982 and terminated its operations for failure to pay its debts (Ellner 1993: 185). This move, which dealt a tremendous blow to the power and wealth of the CTV, produced an expectation among CTV leaders that AD would return the BTV to the confederation once the party regained the presidency. AD's presidential candidate, Jaime Lusinchi, reinforced this expectation by making restoration of the BTV one of his campaign promises in 1983.

The CTV also enjoyed representation on government agencies. In 1966, AD promulgated a law granting unions the right to one representative and one alternate on the boards of state agencies (with the exception of the central bank and the armed forces) and companies with more than 50 percent state ownership. Overall, labor representatives filled 30 percent of the 305 non-governmental posts on the boards of the 68 public-law entities created between 1959 and 1989, as well as 26 percent of the economic-based posts on the consultative commissions created to draft legislation, study issues, and advise policymakers (Crisp 1998: 39-42). The key agencies with labor representation included the Venezuelan Social Security Institute (IVSS) at both the national and regional levels (OIT 1991: 99) and the autonomous housing and economic planning institutes (Boeckh 1972: 254).

Pérez broadened the CTV's institutional presence in the 1970s by establishing formal tripartite structures of decision-making at the national level for the first time since the *trienio*, as well as social concertation among top leaders in the form of a High-Level Commission (McCoy

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<sup>21</sup> According to one source, these subsidies were used in the majority of cases to remunerate union leaders who became "quasi-public employees" (Iturraspe 1993: 277).

<sup>22</sup> In the 1970s, the state also financed construction of the CTV's new headquarters, a fancy high-rise in the cultural district of Caracas.

<sup>23</sup> In addition, affiliates of rival confederations often faced discrimination by labor authorities in the resolution of labor conflicts.

1989: 52). Once a month, top leaders in the CTV and the peak business organization, Fedecamaras, met with the president to discuss labor, social, and economic issues (OIT 1991: 96). In the opinion of an *adeco* member of the CTV executive, the tripartite commissions "gave the workers representation in high levels " (quoted in McCoy 1989: 52).

Finally, AD granted special privileges to its allies within the CTV. After the return to democracy in 1958, AD reinstated the practices adopted during the *trienio* of giving preferential treatment to loyal unions, seizing control of unions dominated by the left, and blocking efforts by rivals to take over unions or to increase their power in the CTV. When a group of labor leaders split from AD to form the People's Electoral Movement (MEP) in the late 1960s, AD cut a deal with the COPEI government of Rafael Caldera to use the Labor Ministry to stifle the MEP's efforts to take over key unions. Particularly as rival unions gained strength in strategic sectors, "*adeco* domination of the CTV [came] to rest on its ability to use the Labor Ministry to manipulate elections and the collective bargaining process" (Hellinger 1991: 184).<sup>24</sup>

The party also gave AD labor leaders a role in determining wage rates. Although most collective contracts did not extend beyond the firm, their terms tended to be set at the highest levels. During the 1960s and early 1970s, this process took the form of "programmed bargaining" (Fagan 1977). AD's Labor Bureau would draft an overall labor policy, send it to the party executive for approval, and then deliver the final document to the state and industrial federations for implementation (McCoy 1989: 46). This mechanism enabled AD labor leaders to play an important role in setting wage rates throughout the economy.

### **Political Bargain**

The political bargain was at the crux of the party-union alliance and grew out of the party's organic ties with labor. Although party membership was individual rather than collective, AD set up labor and agrarian bureaus at the national, regional, district, and municipal levels. Assemblies of workers and peasants elected these bureaus, and the secretary general of each bureau automatically became a member of the party's executive committee at the corresponding level (Collier and Collier 1991: 267-68). National and state labor secretaries served as delegates to the National Convention, which met each year "to set the political line and programmatic orientation of the party, as well as naming the [National Executive Committee (CEN)] and the [National Disciplinary Tribunal]" (Martz 1966: 151). Within the CEN, the Labor Secretary was a voting member of the Political Bureau, which ran the party on a daily basis. A member of the CTV executive, Manuel Peñalver, became secretary general of the party in 1983.

Labor's institutionalized presence within AD translated into candidacies for public office. During the *trienio*, AD labor leaders received more than 20 seats in the National Congress and were named to over 50 consultative agencies (Lucena 1982: 322). Although AD's overall share of elected offices declined after 1958, AD labor leaders continued to receive between fifteen and

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<sup>24</sup> Besides manipulating the distribution of party representation within the labor movement, AD used its control of the state to favor AD labor leaders in tripartite institutions. In the 1980s, for example, AD labor leaders occupied the overwhelming majority of the 200-odd labor seats on the boards of state-owned companies and agencies (Ellner 1993: 178).

twenty seats in the national congress.<sup>25</sup> In addition, the Labor Secretary usually chaired a committee in the Chamber of Deputies (Martz 1966: 204). These results were linked to an unwritten pact whereby the Labor and Agrarian Bureaus had the right to name candidates for two well-placed positions on party slates in return for their commitment to party objectives (Ellner 1996: 97).

AD labor leaders also occupied important elected posts at the state and local levels. In 1986, *adecos* from the CTV occupied 27 seats in state legislatures and 150 city council seats (CTV 1986: 122-23). Rather than giving up their union posts, these leaders tended to capitalize on their dual power base. The president of the state union federation often served as president of the state legislative assembly (Larrañaga n.d.: 11). Likewise, state labor secretaries tapped into the resources of both the labor unions and the state federations, enabling them to act as powerbrokers in state politics (Coppedge 1994: 33).

In return for these privileges, the Labor Bureau helped AD retain its electoral dominance by campaigning for the party, making union resources available to party militants, and encouraging union members to vote for AD candidates. The Bureau also provided crucial support to presidential nominees within the party. As the most unified and organizationally autonomous grouping within AD, the Bureau could sway the outcome of the party's nominating conventions. In 1963, the Labor Bureau proposed the candidacy of Raúl Leoni, who had close ties to labor from his tenure as Labor Minister during the *trienio*. Leoni won the nomination over the vehement objections of Romulo Betancourt, the incumbent president. Twenty years later, the Labor Bureau backed the candidacy of Jaime Lusinchi in return for the appointment of Peñalver as secretary general. After winning the presidential elections in December 1983, Lusinchi proclaimed that he had been elected "on the shoulders of the workers" (quoted in Ellner 1993: 71).

## ECONOMIC CRISIS AND REFORM

The alliance between AD and the CTV came under serious stress during the AD administrations of Jaime Lusinchi (1984-1988) and Carlos Andrés Pérez (1989-1993), both of whom faced a deep economic crisis. In the year before Lusinchi took office, the economy shrank by nearly six percent, and open unemployment rose from seven to ten percent. By 1984, the number of people living in slums had increased to 56 percent of the total urban population (Naím 1993b: 43-44). In addition, imports contracted by more than 50 percent in 1983 (Palma 1989: 194, 200). This contraction hit the poor especially hard because Venezuela relied heavily on food imports (Valecillos 1992: 77-78).

Lusinchi sought to correct the country's external imbalances with a program of fiscal austerity, devaluation, exchange controls, and renegotiation of the foreign debt. Although unwilling to sign a formal pact with the IMF, he adopted several of the IMF's recommended policies, including a tight monetary policy and a severe contraction in public spending, especially in the area of public salaries. As soon as the economy began to recover, however, Lusinchi returned to a traditional policy of Keynesian demand stimulation based on public

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<sup>25</sup> Author interview with César Olarte, secretary general of the CTV, March 30, 1995, Caracas.

spending and monetary expansion.<sup>26</sup> These policies spurred an economic recovery during the last three years of his administration. The economy grew at an average annual rate of 5.3 percent between 1986 and 1988 (Naím 1993b: 63), and the rate of open unemployment fell from 13.4 percent in 1984 to 6.9 percent in 1988 (Valecillos 1992: 142).

But this reactivation came at the price of growing public deficits, a deteriorating external position, and rising inflation.<sup>27</sup> Spurred by a 93 percent devaluation of the bolívar in December 1986, average inflation jumped from 11.6 percent in 1986 to 29.5 percent in 1988 (Palma 1989: 226). While far from hyperinflation, these price increases hit workers hard. Between 1984 and 1988, real wages fell by nine percent in the private sector and 12 percent in the public sector (Valecillos 1993: 30-31). By 1989, 22 percent of all households lacked sufficient income to cover the costs of the minimum daily food requirement, compared to 10 percent in 1982 (Naím 1993b: 24). At the same time, the government's attempt to control inflation with price controls created serious shortages in basic goods.

By the time Carlos Andrés Pérez began his second term in February 1989, the country was once again in crisis.<sup>28</sup> Like his predecessor, he had little choice but to adopt policies that would impose sacrifices on Venezuelan workers. In February 1989, his economic team signed a Letter of Intent with the IMF agreeing to correct the country's macroeconomic imbalances in return for approximately \$4.5 billion over three years (Kornblith 1995: 80). This time, however, the government went beyond short-term austerity measures to announce a comprehensive reform package. Dubbed "the great turnaround" (*el gran viraje*), the program called for removing controls on prices and interest rates, liberalizing exchange rates, containing public spending, lowering barriers to trade, eliminating restrictions on foreign investment, privatizing state-owned enterprises, shifting social spending from generalized to targeted subsidies, reforming the tax and financial systems, restructuring social security and pensions, and revising labor legislation (Naím 1993b: 49).

Relying primarily on his executive decree powers, Pérez undertook a significant portion of these reforms during his first two years.<sup>29</sup> Almost immediately after taking office, he and his team eliminated exchange controls, liberalized nearly all prices, raised rates on public services, devalued the bolívar by 170 percent, and freed interest rates. They also undertook numerous structural reforms. In the area of trade, they eliminated nontariff barriers on nearly all manufactured products, abolished special permits for exports, lowered average tariffs, and negotiated Venezuela's entry into the General Agreement on Tariffs and Trade (GATT). By

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<sup>26</sup> Not even a decline in oil prices of more than 50 percent in 1986 persuaded Lusinchi to return to austerity or to launch a program of structural adjustment. Public spending increased by 10 percent in 1986 and was maintained at high levels until the presidential elections in December 1988 (Naím 1993b: 27).

<sup>27</sup> Between 1985 and 1988, the government budget as a share of GDP went from a surplus of three percent to a deficit of 9.4 percent (Naím 1993b: 37). During the same period, the current account went from a surplus of \$3.6 billion to a deficit of \$4.7 billion, and international reserves fell from \$15.5 billion to \$7 billion (Palma 1989: 231).

<sup>28</sup> By early 1989, Venezuela's operating international reserves had fallen to \$300 million (Guerón 1993: 5).

<sup>29</sup> Unless otherwise indicated, the next two paragraphs are based on Naím 1993b: 49-79.

January 1990, they had removed restrictions on foreign investment in all sectors except oil, mining, and banking (Navarro 1994: 13). They also privatized four commercial banks, the cellular telephone system, a shipyard, and several sugar mills and hotels by 1991. Finally, they slashed the budget for traditional social services by 32 percent in 1989 and 1990 (Márquez 1993: 12) and eliminated indirect subsidies to firms producing staple goods such as corn flour, milk, sugar, poultry, and sardines.<sup>30</sup>

In the short run, these reforms eased the country's internal and external imbalances and contributed to economic growth rates of 6.5 percent in 1990 and 10.4 percent in 1991.<sup>31</sup> Faced with pressures to compensate the reform losers, Pérez took advantage of these favorable conditions to pursue more expansionary fiscal policies in 1990. In contrast to Lusinchi, however, he coupled these policies with plans for market-oriented reforms in the areas of taxation, privatization, severance benefits, the social security system, and the banking sector. Top officials in the administration argued that these reforms, particularly a tax overhaul delivered to Congress in 1990, would enable them to finance higher levels of public spending (Navarro 1994: 20). But their plans were stymied by two related factors. First, Pérez had exhausted the menu of reforms subject to implementation by executive decree and therefore had to gain congressional approval for further changes. Second, he faced growing social unrest, a brewing rebellion by his own party, and two attempted military coups in February and November 1992. Faced with regime instability, escalating civil disobedience, and charges of corruption, Pérez finally succumbed to demands for his resignation in May 1993.<sup>32</sup> The following month, he was formally suspended by the Venezuelan Congress.

Not surprisingly, Pérez's reforms exacerbated an already bleak situation for Venezuelan workers. In 1989, inflation mushroomed to 80 percent, interest rates hit 40 percent, and the economy shrank by nearly 10 percent (Naím 1993b: 50, 59).<sup>33</sup> As firms closed or reduced their payrolls, open unemployment grew to 9.6 percent, and thousands of workers were forced to relocate to lower-paying jobs (Lander 1996: 53). Meanwhile, the real minimum wage declined by 16.9 percent (Márquez 1993: 22), and real salaries fell by 11 percent for a total decline of 45 percent between 1980 and 1989 (Naím 1993b: 60). By 1990, the real wage rate was estimated to be 50.2 percent lower than its highest historical level and below that of 1950. In addition, subsidies directed to the poor failed to compensate for the removal of indirect subsidies because of major delivery problems in the government's social service agencies.

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<sup>30</sup> Spending on traditional social services increased by 29 percent in 1991, but still remained below the 1988 level. Between 1988 and 1991, the average annual rate of budgetary growth was -4.54 percent for the Education Ministry and 0.68 percent for the Health Ministry (Márquez 1993: 12-13).

<sup>31</sup> Much of Venezuela's remarkable growth in 1991 resulted from increased oil revenues linked to the Iraqi invasion of Kuwait.

<sup>32</sup> Pérez was subsequently tried by the Supreme Court on corruption charges, which resulted in several years of house arrest.

<sup>33</sup> The inflation rate for foodstuffs from December 1988 to December 1989 was even higher, reaching 103 percent (Márquez 1993: 22).

These precipitous declines in real wages and employment slowed after 1989, but workers continued to suffer. The greatest sacrifices came on the wage front. In the first three years of the Pérez administration, the real median income declined by 13.4 percent. Moreover, wages and salaries accounted for only 39 percent of national income in 1992, compared to 50 percent in 1983 (Lander 1996: 62-63). According to one estimate, the poverty rate increased from 46 percent of the population in 1988 to 68 percent in 1991, with the share of Venezuelans in extreme poverty growing from 14 percent to 34 percent.

Workers also experienced further job dislocation, even though the rate of open unemployment declined from 9.9 percent in 1990 to 7.2 percent in 1992. Between 1988 and 1992, the manufacturing share of total employment shrank from 18 percent to 16 percent, with some of the worst losses occurring in labor-intensive activities related to textiles, apparel, leather, food, beverages, and tobacco. In addition, the decline in the unemployment rate failed to offset a 17 percent increase in the absolute number of jobless workers (Lander 1996: 61-63). Flexibilization of the labor market and industrial restructuring contributed to these lay-offs. In 1991, the SIDOR steel complex dismissed 3,000 workers, and the 11,000-person workforce of the National Port Institute was liquidated entirely. In October 1991, the government's unemployment insurance agency reported petitions by 70,000 newly unemployed workers each month. Moreover, the use of "atypical" kinds of labor contracts, particularly temporary contracts, became increasingly widespread (Iranzo 1991: 78-79).

## **BACK FROM THE BRINK**

The dramatic deterioration in the living standards of Venezuelan workers under AD's watch strained the historic alliance between AD and the CTV. As explained by a CTV advisor, Hector Valecillos, AD's adjustment measures "made it increasingly difficult for the CTV majority to justify before its bases its support for a policy decided by the party but objectively counterproductive for the working population" (1990: 510). In other words, AD labor leaders in the CTV faced a loyalty dilemma as a result of the government's economic policies. This dilemma became particularly acute under Pérez, who appeared to be violating the basic principles of democratic petro-statism.

Although tensions between AD and the CTV reached unprecedented levels during the Lusinchi administration, CTV leaders did not cross the threshold into disloyal voice in his term. As in other countries governed by labor-backed parties, the CTV was initially willing to tolerate austerity policies as a necessary evil to overcome the crisis. Between 1983 and 1985, the CTV concentrated on protecting employment and backed policies designed to promote investment and productivity in the private sector. On the wage front, the CTV abstained from requesting a general salary increase in favor of collective bargaining to achieve increases in those sectors in recuperation (McCoy 1988). The CTV also discouraged strikes, resulting in relative labor peace despite a significant increase in the cost of living. In mid-1984, a Venezuelan labor expert drew an explicit parallel between the CTV's response to Lusinchi's policies in the 1980s and the CTV's submissive behavior during the austere years of the early 1960s (Arrieta 1984: 301).

Lusinchi reinforced the CTV's inclination to cooperate by meeting some of the loyalty claims of workers and unions. First, he offered compensation to workers suffering from austerity. In 1984, he issued executive decrees that mandated (i) a requirement that employers increase

their workforce by ten percent; (ii) transport subsidies for workers; and (iii) a program of worker cafeterias (*El Nacional*, 6/25/84). He also launched a three-year program to benefit millions of poor families and a Special Plan of New Employment to contract 600,000 workers on government projects worth 550 million bolívares (*El Nacional*, 4/14/84; *El Nacional*, 7/30/84). The following year, he announced a 60 percent increase in the minimum wage and another round of social and economic programs in the weeks surrounding the CTV's Ninth Congress.

Lusinchi also increased the presence of CTV leaders in policymaking circles. Besides backing Peñalver as secretary general of AD and meeting regularly with CTV leaders, he appointed a CTV advisor, Luis Raúl Matos Azócar, to head the Ministry of Development and Planning (Cordiplan). In addition, he fulfilled a campaign promise to create a tripartite commission to negotiate wage and price increases (Conacopresa). Although the Law of Costs, Prices, and Salaries passed by the Congress in June 1984 did not incorporate several of the CTV's demands, César Gil, a high-level *adeco* in the CTV, concluded that "the final text is not one hundred percent satisfactory, but we believe that it realizes the objective of the CTV" (quoted in *El Nacional*, 7/3/84).<sup>34</sup>

Lusinchi's concessions were undermined, however, by his inability or unwillingness to maintain his commitments to labor. Tripartite consultation quickly collapsed because the government could not keep the private sector at the bargaining table. Fedecamaras withdrew from the Conacopresa in November 1984, and a Tripartite Commission created by Lusinchi to take its place failed to produce any meaningful results (McCoy 1988). To make matters worse, Matos Azócar resigned from his position as Minister of Cordiplan in January 1985 out of frustration with the cabinet's resistance to his ambitious development plan (Guevara 1989: 230-33). Finally, Lusinchi continued to delay the promised return of the BTV, and, in September 1985, the cabinet postponed implementation of the social welfare reforms announced at the CTV's Congress because of a funding shortage (*Veneconomía*, 9/85). In the meantime, inflation and shortages continued to eat away at the incomes of working Venezuelans.

Reflecting AD's fear of losing ground to opposition parties in union elections in 1985, the president of the CTV, Juan José Delpino, began adopting more combative rhetoric in mid-1984. He threatened to organize a general strike if the workers were not granted just compensation and dignified salaries (*El Nacional*, 7/28/84). At the CTV's Ninth Congress, he engaged in a war of words with Lusinchi, accusing the government of "sadistically" blocking projects beneficial to workers (CTV 1987/1985: 208). Faced with a continued deterioration in the standard of living, the CTV also abandoned its restraint on the issue of a general wage increase and heightened its criticism of the government for taking unilateral decisions.<sup>35</sup>

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<sup>34</sup> The CTV insisted that the Conacopresa have equal representation for labor, business, and government and that its decisions be binding. In response to pressure by business leaders and several members of Lusinchi's economic cabinet, however, the Chamber of Deputies diluted the original bill by limiting the Conacopresa to an advisory capacity and granting the government a disproportionate share of the representatives.

<sup>35</sup> As Pedro Guevara points out, however, the CTV failed to come to the defense of Matos Azócar's development plan, which was purged of many of its progressive elements after he left Cordiplan (1989: 232).

But the CTV remained within the confines of loyal voice for two reasons. First, Lusinchi replaced his austerity program in 1986 with expansionary policies that lasted until the December 1988 elections. These policies included additional compensations for workers, including a salary increase for over 227,000 state employees in May 1986; an organic law to guarantee decent working conditions in July 1986; settlements granting the demands of striking workers in education, health care, and the ports in April 1987; and decrees mandating a six-month price freeze on basic goods and a "compensatory bonus" for workers in the private and public sectors in April 1987. Although these policies failed to reverse the decline in worker well-being, they merged with falling unemployment rates to mute worker discontent and thereby ease the loyalty dilemma facing AD labor leaders.

Second, the CTV's combative stance in 1986 and 1987 was part of a regularized pattern of intra-party struggle over AD's presidential nomination, rather than a departure from established norms. Prior to the nominating convention, the Labor Bureau voted to support the charismatic Pérez over Lusinchi's ally, Octavio Lepage. In return, Pérez promised the Bureau that he would appoint a pro-labor finance minister, reopen the BTV, and entertain the possibility of naming a labor leader to a ministerial post (Ellner 1993: 79). As part of their internal campaign, AD labor leaders lambasted government policies, accused Lusinchi and his allies of corruption, and demanded the resignation of Peñalver, who supported Lepage. In November 1987, Pérez won the nomination with 65 percent of the vote, Peñalver was removed from his post as secretary general of the party, and the Labor Bureau imposed sanctions on AD labor leaders who openly supported Lepage.<sup>36</sup>

Although tensions between the *lusinchistas* and the *perecistas* persisted well into the next administration, they put aside their differences in 1988 to focus on the December elections. Aided by Lusinchi's generous spending policies, Pérez won 52.9 percent of the vote in the presidential elections, compared to 40.4 percent for the COPEI candidate, Eduardo Fernández. (Lazcano 1989: 4).<sup>37</sup> As a result of a deal between Lusinchi and Pérez regarding the composition of AD's electoral lists, AD trade unionists also did well, winning 17 deputy seats and two Senate seats.<sup>38</sup>

### **Experiment with Disloyal Voice**

Pérez's victory reflected the hopes of many working-class Venezuelans that he would bring back the heady days of oil-led prosperity that had characterized his first administration in the 1970s. To their shock and dismay, he opted instead for an orthodox program of market-

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<sup>36</sup> Pérez's victory was assured by the presence of around 12,700 trade unionists in AD's 52,000-member electoral college. Following the vote, the Labor Bureau suspended four labor leaders (all of whom were heads of former heads of CTV-affiliated federations) and censured 16 others for defying the Labor Bureau's decision to support Pérez (Ellner 1993: 79-80).

<sup>37</sup> In the Chamber of Deputies, AD won 97 seats (48.26 percent with 43.76 percent of the vote), compared to 67 seats for COPEI (33.33 percent with 31.43 percent of the vote) (España 1989: 15).

<sup>38</sup> Author interview with Hector Valecillos, economist and former coordinator of the CTV's Commission of Advisors, March 24, 1995, Caracas.

oriented reform. The public outcry against this perceived betrayal contributed to the CTV's decision to experiment with disloyal voice during the first year of Pérez's administration.

At first, CTV leaders resorted to their usual strategy of loyal voice aimed at persuading the president to soften his reforms. Between his election in December 1988 and his inauguration in February 1989, AD and the CTV engaged in tense negotiations over the composition of his cabinet and his economic program. In a meeting with Pérez in December, the Labor Bureau received the program submitted by his economic team with surprise and disappointment. Bureau members also objected to Pérez's violation of the traditional practice of deferring to the Labor Bureau regarding selection of the Labor Minister and the director of the IVSS.<sup>39</sup> But despite these misgivings, both AD and the CTV tentatively supported Pérez's economic program in early February, conceding that the crisis demanded difficult measures.<sup>40</sup>

This "business-as-usual" approach met with criticism by rival organizations and opposition fractions within the CTV. In mid-February 1989, the president of the CUTV, José Manuel Carrasquel, announced plans to form an alternative coalition of unions outside the CTV. He declared that "given the new economic perspectives, given the deterioration of wages and with an officialized CTV, in its majority allied with the governing party...it is necessary to create an organization that can represent the true interests of the workers" (quoted in *El Nacional* 2/21/89). The CUTV and 14 other labor organizations agreed to hold a protest march against the economic reforms in March (*El Nacional*, 2/23/89).

In the meantime, CTV leaders from COPEI, the MEP, and the Movement Toward Socialism (MAS) lobbied the AD majority for a more combative position. This pressure exacerbated a growing rift within the AD fraction. In mid-February, the CTV's team of economic advisors drafted a document criticizing Pérez's economic program and calling for a decreed wage increase of 50 percent. Although minority leaders applauded the document, AD successfully pressured its representatives to reject it in favor of an alternative version supporting Pérez's program and denouncing mobilizations by the CTV (*El Nacional*, 2/12/89, 2/14/89). According to one of the draft's authors, the conflict pitted Delpino, who supported a more combative posture, against Antonio Ríos, who defended AD's position as secretary of the Labor Bureau (*El Nacional*, 2/15/89).

The fragile dominance of the pro-government faction within the CTV unraveled when thousands of Venezuelans took to the streets on February 27, 1989 to protest a sudden increase in bus fares. The riots, which erupted in four major cities and lasted for three days, were spontaneous, violent, and unprecedented in democratic times. Although set off by anger against bus drivers for raising their fares without warning, they reflected social tensions that had been building over years of economic hardship and governmental inefficacy. They also sent a strong signal to the CTV, which had clearly failed to channel the demands of the working people. Hely Delgado, a COPEI member of the CTV executive, summed up the lesson of the riots:

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<sup>39</sup> Author interview with Hector Valecillos, *ibid*.

<sup>40</sup> As under Lusinchi, AD labor leaders demanded that the austerity package be accompanied by measures to compensate less privileged sectors.

[AD leaders] froze the peaceful protests, the demands, and the union actions appropriate to an organized labor movement for the sole reason of not opposing their own government...Now we have seen what this has brought; what we have witnessed this week should be a wake-up call to assume the responsibility that we have as leaders of the masses (quoted in *El Nacional*, 3/4/89).

At first, AD labor leaders rejected this interpretation and applauded the compromise reached with Fedecamaras providing a wage bonus of 2,000 bolívares for workers in the private sector. But the CTV's policy quickly changed when Delpino returned from a long trip abroad.<sup>41</sup> He accused Fedecamaras of cynicism and supported the idea of adopting a policy based on concertation among all fractions in the CTV (*El Nacional*, 3/7/89). His stance encouraged other AD labor leaders critical of the reforms to make their views public. One of these leaders, Pedro Brito, declared:

I have always proposed that the CTV send the masses to the streets; if this had been done, there would not have been looting and violence, as we now see. These demonstrations of discontent by the people have to be given an outlet, and this is precisely the role of the labor movement. We are the natural leaders of the workers, and it appears that until now we have not known how to lead them, for which we are paying the consequences (quoted in *El Nacional*, 3/8/89).

Although both he and Delpino still blamed Lusinchi rather than Pérez for the crisis, they agreed that the CTV needed to stake out a more independent position.

Following the riots, Pérez responded favorably to the CTV's demand that he mandate a freeze on layoffs in the private sector. But this concession was not sufficient to repair the damage done to the CTV's credibility. Not only did the government refuse to abandon its market-oriented reforms, but AD seemed unwilling to oppose the program in any meaningful way. Although the party broke quorum in the Chamber of Deputies to avoid a vote on the reforms in early March, it subsequently rejected a proposal to request a revision of the president's policies (*El Nacional*, 3/17/89, 3/30/89).

In this context, even AD labor leaders wary of confrontation came to support a demonstration of the CTV's solidarity with the workers. According to Delpino, these leaders finally became aware of the risks associated with resolving the loyalty dilemma in favor of the party:

The comrades from AD who are members of the executive committee of the CTV have reached the conclusion that [our lack of autonomy] is fatal. If we do not maintain conduct that is autonomous, independent, critical, rebellious toward the parties and the government, then this labor movement will escape

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<sup>41</sup> According to a CTV leader from MAS, the February riots provided an opening for Delpino to pursue his more combative agenda. Author interview with Rodrigo Penso, MAS Labor Secretary, March 14, 1995, Caracas.

our control. And we will have no labor movement to lead (quoted in *El Nacional*, 4/6/89).

These concerns prompted the Labor Bureau to take action. On March 28, 1989, the Bureau voted to organize a Special Congress of the CTV to discuss a program of action against the reform package.

The Bureau's vote elicited a very negative reaction from the party. The president of the AD, Gonzalo Barrios, lambasted the Bureau for failing to consult with the party and warned that convocation of a Special Congress "would signify pulling the rug out from under the government politically" (quoted in *El Nacional*, 4/1/89). When it became clear that the Special Congress would take place, Pérez tried to prevent a vote in favor of a general strike, which he warned would be suicidal (*El Nacional*, 4/21/89). A few days later, the secretary general of AD, Humberto Celli, stated that all *adecos* should support the Pérez government and that Delpino would be called more frequently before the AD executive to justify the CTV's actions (*El Nacional*, 4/28/89, 5/2/89).<sup>42</sup>

Although these pressures convinced Ríos to retreat temporarily from his support for a general strike, they failed to break the CTV's momentum across the threshold into disloyal voice. The CTV finally crossed this threshold at its Special Congress. Only the second of its kind in the CTV's history, the Congress united competing factions within the CTV against the policies of an AD government and defied the wishes of the party and its president.<sup>43</sup> In his remarks, Delpino demanded a new direction in the government's economic program and advocated the use of strikes and mobilizations as instruments of pressure. More importantly, the delegates unanimously approved a 12-hour general strike for May 18 and ordered the CTV executive to establish a plan of action with the other confederations (*El Nacional*, 4/26/89). On the day of the strike, an estimated 98 percent of the labor force did not report to work (*Veneconomía*, 5/89).

The general strike clearly violated the norms of interaction between the CTV and AD. Besides mobilizing workers against the policies of an AD government, the strike involved collaboration with rival confederations on AD's watch. Rather than marking a watershed in AD-CTV relations, however, the strike turned out to be an isolated act of disloyal voice. First, AD labor leaders continued to behave loyally toward the party on other fronts. Just four days before the strike, the Labor Bureau issued a document that declared conditional support for Pérez and his economic policies: "for now, and until the smoke clears, the Bureau manifests its support for the governmental performance of comrade Carlos Andrés Pérez, within a climate of dialogue and permanent consultation" (quoted in RIRIL 1990: 119-20). The CTV also maintained a relatively neutral position on privatization and discouraged anti-privatization mobilizations in return for selective benefits for laid-off workers.

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<sup>42</sup> Delpino responded to Pérez's warnings by stating that "the insanity would be to fail to respond to this [economic] package which has caused grave harm to the working class and to all the popular sectors" (quoted in *El Nacional*, 4/22/89). He also defied Celli's challenge by arguing that "AD has the obligation to support its government, but this government is not a government of Democratic Action" (quoted in *El Nacional*, 5/2/89).

<sup>43</sup> The CTV's first Special Congress, held in the early 1960s, expelled critics of the AD government with the active endorsement of the AD leadership.

Second, the CTV quickly ended its experiment with disloyal voice despite Pérez's refusal to meet the strikers' demands. Although Pérez granted minor concessions to labor, he refused to reverse the reforms or to reduce the influence of the neoliberal technocrats on government policy. Following the strike, he insisted that "we will continue developing our economic policy with total firmness, because it is the only path we have" (quoted in *El Nacional*, 5/19/89). To appease the CTV, he extended the firing freeze several times in 1989 and decreed a general wage increase in January 1990. He also negotiated a National Accord of Concertation that created an organic and permanent system of tripartite consultation at the national, regional, and sectoral levels (OIT 1991: 24-25, 97-98). But neither of these concessions met the CTV's core demands. The standard of living for workers continued to decline, and concertation remained a euphemism for policy ratification rather a strategy of meaningful dialogue.<sup>44</sup>

### **Redefinition of Loyal Voice**

The CTV's experiment with disloyal voice came to an abrupt end for two reasons. First, AD labor leaders had a lot to lose from pushing the party too far. Although the pluralist composition of the CTV gave them incentives to compete for worker support, they relied heavily on the party for their upward mobility within the labor movement. AD's organic ties with individual unionists gave it significant control over leadership selection. The party could concoct (*confeccionar*) the candidate lists for union elections, and elected positions "belonged" to the parties in the sense that they could replace a suspended or expelled leader (Arismendi and Iturraspe 1990: 257). Labor leaders also relied on the party hierarchy for inclusion (and a favorable ranking) on closed lists for party posts and elected office, which gave them a strong incentive to toe the party line even if it violated the interests of workers or unions. Moreover, cooperation with the party usually brought protections from worker dissent such as united slates, legal and extra-legal actions against rival unions, and voting rules that favored AD loyalists at the federal and confederal levels of the CTV.

Taken alone, however, these constraints may not have been sufficient to end the CTV's experiment with disloyal voice so quickly. As workers became increasingly restless, the minority fractions in the CTV began to demand more combative policies in return for their collaboration with the AD majority. Since this collaboration had long sustained AD's dominant position in the CTV, the AD leadership could not afford to ignore these pressures.<sup>45</sup> At the same time, the balance of power in the CTV executive shifted in the mid-1980s when COPEI lost control of the secretary general position to the MEP.<sup>46</sup> Under the leadership of César Olarte, who was elected secretary general in 1985 and again in 1990, the MEP became a key source of pressure for

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<sup>44</sup> According to the International Labour Organization, most leaders of unions affiliated to the CTV either were unaware of the National Accord for Concertation or opposed the policies issued by the tripartite commissions, particularly regarding privatization (OIT 1991: 98).

<sup>45</sup> The most important form of cooperation was the so-called *acuerdo cetevista*, a policy of negotiating united slates to prevent radical challengers from gaining a foothold in the labor movement. This policy began to break down at the firm level in the 1970s and 1980s, resulting in serious losses for AD.

<sup>46</sup> At the CTV's Ninth Congress in 1985, COPEI refused to negotiate a united slate for the CTV executive. Although this change did not harm AD's position, COPEI lost its control of the secretary general position.

greater contestation against AD governments. Within the AD fraction, this shift reinforced the power of *ex-mepistas* such as Delpino and Brito, who placed a higher premium on union autonomy than some of their AD comrades. Although Delpino resigned prematurely as CTV president out of frustration with the failure of the general strike, he continued to have a strong base of support within the CTV.

At first glance, it appears that these pressures did in fact push the CTV to continue using disloyal instruments of voice in 1990 and 1991. The CTV continued to mobilize workers against the reforms, carried out joint actions with other confederations, and allied with opposition parties to promote legislation opposed by the government. But these tactics no longer constituted disloyal voice because of a major crisis in relations between AD and its own executive. This crisis redefined the parameters of loyal voice and thereby helped end the CTV's experiment with disloyal voice after the 1989 general strike.

The rift between AD and the government, which had been building since Pérez appointed his first cabinet in early 1989, broke out into the open after AD's disappointing showing in state and local elections of December 1989.<sup>47</sup> The AD leadership publicly blamed the results on the economic reforms, the lack of AD representation in the cabinet, and a corruption campaign launched by the government against Lusinchi (Corrales 1996: 204). The battle between AD and the executive became increasingly open and vitriolic during 1990 and 1991, culminating in a landslide victory by an anti-Pérez faction (the *ortodoxos*), led by Luis Alfaro Ucero, at AD's National Convention in October 1991.<sup>48</sup>

As a result of this party-executive conflict, "Venezuela's ruling party began to behave like the principal opposition party" (Corrales 1996: 204).<sup>49</sup> For the CTV, this behavior transformed actions that would ordinarily constitute disloyal voice into loyal voice. As long as AD labor leaders did not defy the party, they were effectively "free" to treat the Pérez administration like an opposition government. This freedom allowed them to support anti-government initiatives in Congress, carry out joint actions with other labor confederations, and mobilize workers. The redefinition of loyal voice to include these tactics alleviated the loyalty dilemma for AD labor leaders because they could now defy the Pérez government without engaging in disloyal behavior toward the party.

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<sup>47</sup> AD's main complaint against Pérez was his appointment of non-AD technocrats to his cabinet and his unwillingness to consult regularly with the party leadership regarding his policies. This dispute was not new, however. The party had similar problems with Pérez during his first presidency in the 1970s, when party-executive tensions reached an unprecedented pitch (Karl 1982: 517-550). The key difference between the late 1970s and the early 1990s was that the latter period was characterized by scarcity rather than abundance, which gave the party additional reasons to challenge the president.

<sup>48</sup> In September 1991, the *orthodoxos* won 53 percent of the vote for party delegates to the National Convention. Under the strong-arm leadership of Alfaro Ucero (and with the help of electoral rules that diluted the votes of the rank and file), they were able to transform this margin into 86 percent at the Convention. As a result, they took control of all top party positions and the majority of secretariats (*Veneconomía*, 9/91, 10/91; Corrales 1996: 212).

<sup>49</sup> In May 1991, rumors began circulating in the press that Celli, the secretary general of AD, was circulating a draft document that called for the formal withdrawal of the party's support from the government. (*El Nacional*, 5/2/91).

With AD's support, the CTV won two major victories against the government: (i) the passage of a labor law enhancing worker rights and union perquisites; and (ii) deferral of a vote on the government's proposed reform of the system of severance and pension benefits (*prestaciones sociales*). The first victory took place between mid-1989 and late 1990. Following the general strike, the CTV resurrected a labor law reform that had been proposed by Rafael Caldera, the founder of COPEI, back in 1985. Contrary to prevailing trends in other countries, the so-called Caldera Law enhanced worker entitlements and job stability. Aware that the law went against their market-oriented reform, Pérez and his economic cabinet adamantly opposed it.

But rather than defending the government's position, AD legislators cooperated with Caldera and the CTV. Celli declared that AD should follow the wishes of the CTV and promote the bill in Congress. With the help of the AD delegation, the Chamber of Deputies passed the new law in August 1989. AD was similarly cooperative in the Senate. The AD president of the Senate, David Morales Bello, gave the bill top priority and authorized its approval with only one debate (Corrales 1996: 238-39). Although Pérez unsuccessfully called for a delay in passage of the law, he was unwilling to pay the political costs of exercising a veto.<sup>50</sup> He signed the law in November 1990, handing the CTV a significant victory in its anti-reform crusade. Moreover, this victory did not require AD labor leaders to behave disloyally toward the party because the party was willing to behave disloyally toward its own executive.

The CTV's next major victory was harder-won and more tentative, but it came in an area that was of utmost importance to the confederation. In November 1990, the executive introduced a proposed reform of the system of *prestaciones sociales* in Congress. The reform aimed to ease the burden on employers by forcing workers to liquidate their *prestaciones* each year and to encourage investment of these funds in private institutions. Arguing that the reform was both reactionary and unconstitutional, the CTV launched a campaign to defeat the law in Congress. This campaign, which was led by AD labor leaders such as José Beltrán Vallejo and Federico Ramírez León, utilized instruments of voice that would have qualified as disloyal had the usual collaboration between AD and its own executive been in effect.

In June 1991, the CTV joined with the CUTV, Codesa, and the CGT to issue a proclamation to the two houses of Congress arguing that the government's proposed reform violated the rights and guarantees of workers (RIRIL 1992: 85). They also held a joint assembly with the presidents of state labor federations from the four confederations to ratify a National Program of Mobilization. As part of this initiative, they formed a "commando of union action" to carry out joint protests in various states (OIT 1991: 58) and organized a protest in front of the Congress on June 18 that was attended by a large and diverse group of labor organizations. When Pérez refused to suspend discussions of the proposed reform in a meeting a few days later with the Labor Bureau and leaders from the four confederations, the secretary general of the CTV, César Olarte, announced that unionists would continue to picket the Congress and threatened a national strike in early July (*El Nacional*, 6/21/91).

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<sup>50</sup> These costs would not have brought any policy benefits, moreover, because the Venezuelan Congress can overturn a veto with a simple majority (Crisp 1998: 2).

At first, the AD leadership complied with Pérez's wishes to push the reform of *prestaciones sociales* through Congress. In late May, the AD delegation backed a report including a recommendation of support for the proposed law.<sup>51</sup> But this vote revealed serious divisions within AD, which were exacerbated by the *ortodoxo* crusade to seize control of the party at the National Convention a few months later. As the CTV's resistance to the proposed law escalated, the *ortodoxos* began to cultivate the Labor Bureau's support by expressing their sympathy for the CTV's position against the government (*El Nacional*, 6/26/91). Given the Bureau's control over a large bloc of votes in internal elections, this move created incentives for the incumbent leadership to bid against the *ortodoxos* for labor's support. In late June, the AD executive announced its rejection of the new regime of *prestaciones sociales* proposed by the president (*Diario de Caracas*, 6/26/91). At AD's initiative, the Congress voted on July 9 to defer the debate over the proposed law until the next parliamentary session in October, which effectively halted all action on the reform for the rest of the Pérez administration.<sup>52</sup>

The CTV engaged in one more combative episode before returning to its traditional instruments of voice in 1992. In November 1991, the CTV joined with the CUTV, Codesa, and the CGT to hold a 12-hour strike in several major cities. In anticipation of the strike, Antonio Rios announced that:

The CTV has to assume a non-conciliatory position of struggle now that the private sector and the national government have made it impossible to reach accords through concertation. We are obliged to take to the streets, to engage in conflict, to hold strikes, and to carry out the work stoppage that we have scheduled for next Thursday (quoted in RIRIL 1992: 102).<sup>53</sup>

Like the general strike in May 1989, the November 1991 strike took place in an atmosphere of escalating social protest and brought the targeted regions to a virtual standstill. But the implications of the two strikes for party-union relations differed significantly. Just a month before the November 1991 strike, the anti-Pérez faction took control of the party. While officially opposing the strike, the new leadership sent thinly veiled signals to the CTV and other actors in civil society in support of mobilizations against the reforms.<sup>54</sup>

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<sup>51</sup> In a practice that became increasingly common under Pérez, AD labor leaders withheld their vote for this report for subsequent delivery to the parliamentary leadership under protest. This option, known as "vote-saving" (*salvar su voto*), enabled them to conform to party discipline while registering their objection to the outcome.

<sup>52</sup> The proposed law never made it off the back-burner during subsequent legislative sessions, largely because the government was thrown into crisis in 1992 by two attempted military coups (in February and November) and a dramatic rise in civil disobedience.

<sup>53</sup> Rios succeeded Delpino as president of the CTV in 1989.

<sup>54</sup> Personal communication with Javier Corrales, August 1997. The party reinforced this unwritten pact in favor of labor mobilizations when it approved the participation of AD teachers in a national strike backed by the CTV (*SIC*, 12/91; RIRIL 1992: 104).

## Return to Traditional Instruments of Loyal Voice

Following the 1991 strike, the CTV retreated to a low profile that contrasted starkly with the explosion of social protest and labor unrest that shook the country and ultimately contributed to Pérez's resignation in May 1993. This final shift in strategy was closely linked to dynamics unleashed by an attempted military coup against Pérez in February 1992. First, the coup threatened the political system on which the CTV's power and influence depended. Thus, instruments of voice that weakened the government or mobilized workers carried a new set of risks that CTV leaders were reluctant to take. Second, the coup altered the balance of power between the government and the party. Following the coup, Pérez agreed to several major concessions, including: (i) removing some of the neoliberal technocrats from the cabinet; (ii) decelerating or reversing key reforms; and (iii) providing AD with greater policy input (Corrales 1996: 259; Navarro 1994: 25).<sup>55</sup> This deal narrowed the chasm between AD and its own executive and thereby resurrected the traditional limits on loyal voice by the CTV.<sup>56</sup>

AD labor leaders clearly signaled their adherence to these limits during a congressional debate over a motion of censure against Pérez's cabinet in March 1992. The motion was introduced by Matos Azócar and received the unanimous support of the opposition deputies.<sup>57</sup> Despite the motion's coherence with the position taken by the CTV, AD labor leaders voted against it as the party leadership dictated. Following the vote, César Gil tried to rationalize the contradictory behavior of AD's labor delegation:

There is a double discourse, there is a discourse as a labor leader and a discourse as a political leader. I have an *adeco* discourse in the Congress, and I am a labor leader, and I am against the economic policy of Pérez (quoted in *El Nacional*, 3/27/92).

Similarly, the president of the CTV, Federico Ramírez León, insisted that "here we are not acting as unionists but as AD leaders against a political manipulation" (quoted in *El Nacional*, 3/27/92).<sup>58</sup>

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<sup>55</sup> Two important exceptions to reform reversal during 1992 were laws passed on privatization and central bank autonomy.

<sup>56</sup> This logic persisted even after the chasm between AD and Pérez opened up again after another attempted coup in November 1992. Rather than reflecting a power struggle between the party and the executive, this break reflected a tactical decision by AD to sacrifice an extremely unpopular president for the sake of rescuing both the party and Venezuelan democracy.

<sup>57</sup> Matos Azócar was expelled from AD for his act of indiscipline.

<sup>58</sup> Not surprisingly, this response was pilloried by CTV leaders from other parties. The labor secretary of MAS, Rafael Colina, complained that "this ambiguity before the government is what has weakened the credibility of the CTV" (quoted in *El Nacional*, 3/27/92). Several AD labor leaders avoided the pitfalls of this "double discourse" by remaining absent on the day of the vote, which earned them the congratulations of the labor secretary of COPEI (*El Nacional*, 3/29/92).

## CONCLUSION

In the early 1990s, the International Labour Organization reported that "the CTV is evolving from a posture similar to the organic links between the Mexican labor movement and the Institutional Revolutionary Party (PRI) toward a position of greater independence similar to what the Spanish UGT has with the Socialist Workers' Party" (OIT 1991: 67). As we have seen, this evolution was far from linear and suffered a serious setback after 1989. Although CTV leaders retained their rhetorical commitment to greater autonomy from the parties, they did not move any farther along the continuum from voice to exit. In fact, they retreated back to their traditional tactics after enjoying a few years of redefined loyal voice.

The CTV may have remained in its alliance with AD even if the party had not eased the loyalty dilemma after 1989. Although workers had some ability to punish AD labor leaders for disloyal behavior, the advantage still rested with the party. Moreover, the party-based method of leadership selection within the CTV meant that exit would have to take the form of either joining another party or abandoning the CTV altogether. Given the lack of promising allies in either the party system or the labor movement, these options carried high opportunity costs for AD labor leaders. Defecting to another party had already been attempted with limited success in the late 1960s, and abandonment of the CTV promised to result in complete marginalization.<sup>59</sup>

On the other hand, these leaders faced significant pressures from below, which gave them incentives to test the limits of the party-union alliance. At the very least, they are likely to have engaged in disloyal voice for longer and with greater intensity had the party remained firmly behind the government and its reforms. They may even have borne the risks of jumping ship if the loyalty dilemma had become sufficiently intense to jeopardize AD's hegemony within the CTV.<sup>60</sup> But these scenarios never developed because AD was willing and able to distance itself from its own executive. By freeing the CTV to engage in combative tactics without behaving disloyally toward the party, AD eased the strategic contradictions facing its labor allies. In the process, the party facilitated a return to loyal voice and the survival of the party-union alliance into the late 1990s.

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<sup>59</sup> Although referring to minority parties, César Olarte remarked that "another solution would be to leave the Confederation, but the Confederation contains perhaps 90 percent of unionized Venezuelan workers...this is the arena of worker class struggle, not the CUTV, nor Codesa, nor the CGT." Author interview, op cit.

<sup>60</sup> According to Hector Valecillos, union candidates did defect from AD at the local level toward the end of Pérez's administration. This outcome illustrates the greater sanctioning power of workers at the level of the firm.

**Table 1. Delegates at CTV Congresses by Party (%), 1959-1990**

<b>Congress</b>	<b>AD</b>	<b>COPEI</b>	<b>MEP</b>	<b>URD</b>	<b>MAS</b>	<b>PCV</b>	<b>Other</b>
<b>Third (1959)</b>	52.2	14.5	----	10.0	----	23.3	----
<b>Fourth (1961)</b>	70.0	30.0	----	----	----	----	----
<b>Fifth (1964)</b>	70.6	14.0	----	12.5	----	----	3.9
<b>Sixth (1970)</b>	34.5	18.9	31.7	11.7	----	.6	14.3
<b>Seventh (1975)</b>	50.8	21.5	16.7	8.1	.9	.5	1.5
<b>Eighth (1980)</b>	56.3	20.9	12.3	2.8	3.2	.5	4.0
<b>Ninth (1985)</b>	61.3	20.8	10.2	4.0	3.7	----	----
<b>Tenth (1990)</b>	61.2	20.7	7.9	2.9	5.3	.9	1.1

**Source: Ellner 1994: 53**

**Table 2. Indicators of Strike Activity, 1962-1983 (COPEI years highlighted)**

Year	Legal Strikes	Workers Involved	Worker Hours Lost	Illegal Strikes	Workers Involved	Worker Hours Lost
1962	8	3,492	340,380	11	1,270	40,153
1963	5	483	105,928	4	1,535	117,602
1964	7	1,049	85,440	20	2,495	18,436
1965	4	2,255	73,912	20	2,435	68,493
1966	1	194	40,200	11	2,990	23,488
1967	5	1,154	54,638	29	2,973	41,327
1968	4	3,054	35,038	9	1,419	10,757
<b>1969</b>	<b>3</b>	<b>341</b>	<b>107,700</b>	<b>83</b>	<b>21,015</b>	<b>1,580,980</b>
<b>1970</b>	<b>2</b>	<b>902</b>	<b>265,502</b>	<b>64</b>	<b>23,934</b>	<b>1,874,782</b>
<b>1971</b>	<b>5</b>	<b>806</b>	<b>314,676</b>	<b>228</b>	<b>38,501</b>	<b>3,850,074</b>
<b>1972</b>	<b>7</b>	<b>2,609</b>	<b>328,068</b>	<b>172</b>	<b>24,654</b>	<b>1,169,486</b>
<b>1973</b>	<b>4</b>	<b>525</b>	<b>90,200</b>	<b>250</b>	<b>45,508</b>	<b>1,157,368</b>
1974	3	135	19,376	116	17,463	1,039,824
1975	3	164	62,928	100	25,752	804,336
1976	1	3,000	36,000	171	33,932	730,123
1977	0	0	0	214	63,923	687,976
1978	0	0	0	140	25,337	318,732
<b>1979</b>	<b>2</b>	<b>237</b>	<b>5,304</b>	<b>145</b>	<b>23,268</b>	<b>400,127</b>
<b>1980</b>	<b>4</b>	<b>494</b>	<b>52,592</b>	<b>185</b>	<b>63,644</b>	<b>2,431,754</b>
<b>1981</b>	<b>3</b>	<b>370</b>	<b>160,640</b>	<b>129</b>	<b>29,562</b>	<b>2,074,347</b>
<b>1982</b>	<b>2</b>	<b>253</b>	<b>31,264</b>	<b>102</b>	<b>14,869</b>	<b>2,605,560</b>
<b>1983</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>59,749</b>	<b>2,886,273</b>

Source: Valecillos 1993: 137-38 except for the figure on worker hours lost in illegal strikes in 1982, which is based on data in McCoy 1989: 49.

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