

## **Neo-populism in Venezuela and Iran: a Comparative Assessment**

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## NEO-POPULISM IN VENEZUELA AND IRAN

### INTRODUCTION

The astonishing political ascendancy of Venezuela's president, Hugo Chávez, has generated new interest in Latin America's recurrent populism. Like the charismatic populist figures that preceded him, Chávez rose to power rapidly and became a sharply polarizing figure, provoking fierce loyalty and equally determined opposition. In the United States Chávez has been seen as instigating a leftward shift in the politics of the Latin American region (LeoGrande 2005/06; Rieff 2005); there has also been much comment on his authoritarian tendencies (Corrales 2006; Gunson 2006). For his part, Chávez has adopted a strongly confrontational attitude toward the United States even while maintaining close economic ties (Surowiecki 2007). The new surge of populism reflected in "Chavismo" is often seen as a step backward politically, as an anti-democratic anomaly in an era of democratic transition and consolidation. It is also deemed a step backward economically because it threatens to return the country to the fiscally "irresponsible" ways of an earlier era (The Economist 2006).

In a similar vein, the ascendance of Mahmoud Ahmadinejad, a virtual political unknown prior to his election as president of Iran in 2005 took many by surprise. Since then, Ahmadinejad's attempt to go back to the populist policies of the early days of the Islamic revolution, his confrontational political style on the domestic front and international stage, his authoritarianism, and his incendiary remarks against the United States and Israel have rendered him an equally polarizing figure (Takeyeh, 2006). Confrontationist politics suit Ahmadinejad's political agenda. Like Hugo Chávez, he has displayed a willingness to flex his muscle against political opponents at home and abroad. Also, his administration has been assertive in promoting a pan-Islamic agenda and strengthening Iran's regional influence ( Javedanfar& Melman, 2007),

much as Chávez has tried to exert his leadership in Latin America (McCaughan 2005). As a result, Chávez and Ahmadinejad have dominated Western media coverage as emerging Third World political leaders who are willing to challenge an American-led regional and global order.

The regimes in Venezuela and Iran today are not simple re-runs of the classical populism of an earlier era. Although each leader's political style shares characteristics with the populism of a Juan Perón, or a Gamal Abdul Nasser, the "neo-populism" of Chávez and Ahmadinejad is strongly shaped by today's international context of economic globalization, which inhibits countries like Venezuela and Iran from shielding their economies through protectionism and relying too heavily on state-led development. The current "neo-populist" model forsakes the inward-looking development models of the past and tries to forge development policies that embrace globalization. Second, neo-populists like Chávez and Ahmadinejad no longer build their political base in the trade union movement but instead seek to build a political following within the diverse and amorphous underclass that is created by today's international economy, with its heavy emphasis on free trade. The present paper will compare neo-populism in Venezuela and Iran, two culturally and regionally distinct countries. Their differing historical, cultural and ideological backgrounds will enable us to pursue a "most different case" comparison, while focusing on countries whose charismatic leaders are simultaneously pursuing a neo-populist agenda (Meckstroth 1975).

Populism seems to be an indispensable concept for explaining certain kinds of dynamic mass movements, yet there is disagreement among scholars as to exactly what the concept entails (Knight 1998; Taggart 2000). Among the features that have been said to distinguish populism, we want to highlight the following. First, most authors agree with Taggart (2000, 60) that populism is associated with periods of economic crisis, particularly when the crisis sparks a rapid

mobilization of social sectors that are normally marginalized, powerless, and take little active role in political life (Canovan 1981, 2002) Typically, such sectors were either unorganized or were weakly organized prior to mobilization and therefore lacked political experience and sophistication. Whether the mobilized groups are urban, rural, or both, they are thus unlikely to possess a clear, consistent, and cohesive ideology. Thus, according to the literature, a populist movement is unlikely to have a solid core identity based on a well-defined value scheme such as one might expect to find in a more ideologically grounded movement like libertarianism, for example (Taggart 2000, 2002). Instead, adherents to a populist movement are likely to be defined largely by what they are against, by their shared grievances against an economic system that has marginalized them and against political leaders that have forsaken them to pursue other agendas and thereby lost legitimacy.

Such movements depend on strong leadership, which usually comes in the form of a charismatic individual who is attuned to these popular sentiments and sympathetic with the people's suffering. Very often an intense bonding occurs between the leader and the followers and solidarity within the movement is cultivated by the leader's skill in focusing the public's anger toward corrupt elites, such as a predatory business class or a venal political leadership (Weyland 2001). Populist leaders are likely not only to promise a redistribution of wealth but also a moral regeneration of society by fighting against the corruption and exclusion of elitist politics. The anti-establishment rhetoric of populist leaders is thus designed to garner the support of disenfranchised, disaffected, alienated groups in society. The leaders reach out directly to such groups, bypassing the intermediary associations that one normally associates with democratic politics. In short, there is apt to be an anti-institutional bias in populist movements, especially in the early stages of mobilization (Conniff 1982, Taggart 2002). This

attribute lends populist regimes a certain fluidity and spontaneity that allows them to adapt and adjust to changing conditions.

The rise of populism may signal the failure of an exclusionary and repressive regime, like that of the Shah in Iran, or the failure of representative institutions, as in Venezuela. Those sectors mobilized by the charismatic leader are disillusioned with their lack of access to public goods. They are alienated from the political system both because they have had no voice in the established political parties and other institutions of power, and because they perceive that the existing distribution of power has left them with an unjustly small share of private and public goods (Collier and Collier 1979). Given attention by a charismatic leader, they are prepared to embrace a hierarchical (patron-client) relationship with those in power in the hope of attaining the more just future espoused by that leader. The concentration of power in the leader's hands and top-down hierarchical decision-making may trouble the followers very little if they perceive that their interests are finally being articulated at the highest levels of power (Derks 2006). In fact, the marginalized sectors that figure so prominently in populist movements may well see a trade-off of procedural democracy for more egalitarian distributive policies as a valid option, as a new and more just form of the social contract. In their eyes what some scholars have called "economic democracy" (Arat 1991), which might include such things as a social safety net for the poor, improved health and education benefits, or subsidies for small businesses may seem far more meaningful than the integrity of electoral processes, or the rigorous maintenance of the separation of powers envisioned in the liberal democratic model. This is certainly one key to understanding grassroots support for populist regimes.

If the above attributes typify both classical populism and contemporary neo-populism, is there anything to distinguish them? To elaborate briefly on the points made above, our

preliminary answer is that in the last twenty five years Latin American and the Middle East have become more deeply integrated into the global capitalist economy to the extent that the old populist appeal to economic nationalism and independence is obsolete. The soaring foreign debt incurred by many countries in the 1980s led to acceptance of stringent structural adjustment programs imposed by international lending institutions. Countries with a populist past repudiated the populist economic model, selling off state-owned enterprises, eliminating subsidies, and severely trimming the social safety net (Roberts 2003). In that context, the old populist advocacy of an independent, inward-looking state-led national development strategy offered little promise. As a result, the current generation of populist leaders has developed aggressive regional integration strategies and has sought to build its political coalitions from different constituencies than their predecessors. They recognize that they must pursue economic development within the limits imposed on national economies by global forces over which the countries and their leaders exercise little control. These conditions will limit the options even of petroleum rich countries like Venezuela and Iran. When the world demand for energy is high these “single commodity producers” are somewhat shielded from other international economic pressures. Even then Iran and Venezuela must obtain the external financing and foreign technology necessary to keep their oil and gas production and refining facilities up to date. These conditions are by no means guaranteed as the turbulent energy prices of the last three decades and the difficulties Iran is currently facing in its efforts to procure adequate investment and technology testify.

Over the last forty years, penetration of the global economy into Third World regions generated a vast pool of underclass citizens in settings where the populations doubled, unemployment and inflation rose sharply, and access to higher education remained a privilege of

the few. Moreover, the inability of many peasants and farmers to compete with agribusiness forced them to abandon agriculture and migrate to the cities. This added to the ranks of the underclass in already crowded urban areas. If organized labor was the major constituency of the classical populism of the 1930s to the 1950s, the major constituency of neo-populism today is an amorphous underclass of shanty town dwellers, the migrant peasantry, service sector workers, the unemployed, and only to a lesser degree organized labor. This social base of neo-populism may often lend itself to “street politics” as much as to the “institutional politics” of elections and normal interest group behavior (Bayat 1997; Taggart 2000). The direct appeal of the charismatic neo-populist leaders to these marginalized masses through a system of patronage and nationalist rhetoric can turn them into important pillars of support for the neo-populist regimes, rendering them unresponsive to the criticism of their better educated and better off middle class critics. Lacking the institutional discipline and legal strictures of the earlier trade unions, the new under class could be mobilized for public demonstrations or even as vigilante militias or paramilitary groups to provide a shield for neo-populist regimes against their political opponents. Such leaders may doubt the loyalty of regular army troops and fear the possibility of a coup d’etat. In this instance, the neo-populist leader may rely on paramilitary troops or militias that are more ideologically committed to them as a counterbalance to the power of the armed forces, and as the ultimate source of their security. This is clearly the case in Iran, where the regime relies heavily on the revolutionary guards and the basiji paramilitary groups rather than the regular army for its security. Chavez, on the other, hand still seems able to count on the loyalty of the armed forces.

In the case studies being presented in this essay, the rise of neo-populism has been associated with the failures of a previous democratic regime (Venezuela) or of a democratic reform period (Iran). In the Venezuelan case, Hugo Chavez rose to power in the wake of a

collapsing party system that lost credibility due to economic mismanagement and corruption that led to the impoverishment of millions (Ellner and Hellinger 2003). Mahmoud Ahmadinejad's political rise in Iran is also associated with growing resentment over the failure of democratic reforms under the government of President Khatami to produce any meaningful benefits to Iran's rapidly growing underclass (Tellier 2006). Against a democratic or reformist backdrop, of course, populism raises the specter of a slide toward authoritarianism, marked by a concentration of power in the executive branch of government. If neo-populist leaders win elections by mobilizing a large underclass and then set about to aggrandize power at the expense of the legislative and judicial branches of government, as they clearly have done in Venezuela and Iran, then their governing style begins to look very much like a "delegative democracy" (Hatfield 2006). Their ascent to power was legitimized through elections but by their subsequent actions and policies they seemed intent on repudiating the horizontal accountability associated with separation of powers and checks and balances, while devising a more "popular" democratic model. What we think our analysis will show is that the Islamic revolution in Iran began in the form of an authoritarian populism under Ayatollah Khomeini, then evolved toward a semi democratic populism under presidency of Khatami (1997-2005), only to return to the authoritarian mode under President Ahmadinejad. The Venezuelan case is more ambiguous, in that it seems to reflect both authoritarian and democratic populist elements.

Our essay will focus on the conditions that gave rise to neo-populism in Venezuela and Iran, and the policies and political strategies that each leader has pursued in order to consolidate his hold on power and fulfill promises made to his followers. In this regard, we would examine social policy and civil-military relations (foreign policy having been treated in a paper that will be published this spring) in both of our case studies. We will try to identify similarities and

differences in the two cases and we will conclude with a discussion of the sustainability of neo-populist policies in these cases and more generally.

## VENEZUELA

### Background: Rise of Populism

Venezuela was one of very few “second wave” democracies to survive Latin America’s outburst of harsh military rule in the 1960s and 70s (McCoy and Myers 2004, 264). For that reason the collapse of its party based democratic system after four successful decades provoked a great deal of scholarly interest in the country, not least because this collapse occurred during an era of nearly universal re-democratization. Research demonstrated that the so-called Punto Fijo regime’s surface stability belied underlying weaknesses and vulnerabilities. In essence, these boiled down to a crisis of representation and a crisis of distribution. In terms of representation, the Punto Fijo regime excluded important groups (such as the military) and important social sectors (such as the urban poor). This exclusion was acutely felt when the economic downturn that began in the 1980s generated a growing and restive underclass whose sense of neglect and deprivation was heightened by the sense that Venezuela was a rich country. Indeed, Venezuela had seemed to be a rich country during the OPEC induced oil boom of the 1970s, which enabled the government to spend freely on social services and development projects that fueled employment, while simultaneously borrowing heavily from foreign banks to underwrite industrial diversification (Hellinger 2006, 479). The economic good times unraveled during the 1980s, beginning with the devaluation of the national currency in early 1983, which deeply impacted millions of Venezuelans, compounded by soaring debt obligations, and culminating in the violent riots that followed the introduction of a drastic austerity program in early 1989.

Despite the government's unpopular efforts to right the ship, production continued to fall in the 1990s due in part to capital flight, and rising inflation ravaged the declining salaries of Venezuelan workers. The middle class, but especially the urban poor were extremely hard hit by these developments, which led to the rapid expansion of the informal economy (more than half of the work force was in the informal economy by the beginning of the new millennium). The nation's poverty rate doubled in the 1990s (McCoy and Myers 2004, 267). The percentage of Venezuelans living in extreme poverty (less than \$1 a day) increased from 11.8 percent of the population in 1990 to 23.5 percent in 2000 (Sullivan 2006, 11) . As Ellner and Hellinger (2003, 20-21) emphasize, these economic conditions led to profound polarization in society and inequality became an explosive political issue. Meanwhile, globalization eroded the labor base of the old Punto Fijo coalition, which only exacerbated the downward trend of regime support. This is the context in which the rise of Hugo Chávez and the growth of the Bolivarian revolution must be understood. Although it appeared initially that left-wing parties might benefit most from this massive disaffection, it was the neo-populist Bolivarian movement, led by Hugo Chávez, which filled the breach.

As Patricia Márquez explains, Chávez presented himself as the “anti-politician”, as a man of the people who was prepared to listen to their concerns and act in their behalf. He attacked the political parties, which had lost credibility. On television he spoke to the poor in ways that made them feel that in their hour of desperation, through him, they might actually gain access to power. “For the very first time, the socially excluded felt they were receiving continuous and direct attention from the powerful” (Márquez 2003, 211). But, once in power would Chávez repeat the exclusionary patterns of the Punto Fijo system, realigning the “ins” and the “outs”?

In light of the dire economic circumstances of his constituency, one might have expected Chávez to invest his political capital immediately in developing anti-poverty programs. However, he devoted his first years in power to pushing constitutional reform that would create the institutions and procedures of a more popularly grounded and participatory political system. That reform process also systematically concentrated power in the executive branch, producing a hybrid system with authoritarian and popular democratic features. Chávez attacked representative democracy as elitist and called upon Venezuelans to establish a constitutional assembly through a popular referendum (Chávez and Harnecker 2005, 48-49). This use of the referendum (in addition to recall initiatives and citizen assemblies), by which the constituent assembly was convoked and through which the new “Bolivarian constitution” was approved by large majorities, signaled the political style of the Chávez era (Alvarez 2003, 154). As numerous authors have pointed out, these bold moves established the mechanisms through which Chávez could interact directly with the poor. A politics mediated by political parties and organized interest groups gave way to a politics of popular mobilization (Corrales 2006, 36), which old elites sought to resist using fair means and foul. Chávez’s political position was strengthened both by popular approval (which gave it a democratic though not a liberal tint) and by a constitution that concentrated power in the hands of the executive. The popular accents of the new system were in tension with provisions that diminished horizontal accountability and opened avenues to authoritarianism.

Hugo Chávez was elected to the presidency with strong majorities in 1998 and 2000 and the constitution that greatly enhanced his power was ratified by a strong majority in the meantime. Opposition groups based in the old party system were swept along in these events but not reconciled to them. Using two primary assets, control of private media and the nation’s oil

company, the opposition tried to discredit Chávez's emerging neo-populist initiatives and to resist his steady concentration of power. The results are familiar enough. In April 2002 the opposition attempted a coup, but it failed in the face of popular pressure and Chávez's steady support among the armed forces (Venezuela: Hugo Chávez's Revolution 2007, 8). Chávez's initial reaction was conciliatory but the opposition did not accept his "olive branch" (Ibid.) Instead, a second coup was attempted in November 2002, the opposition itself engaged in constant "street politics" of protests and demonstrations, called a general strike (December 2002-February 2003) that caused a serious contraction of the economy, forced a recall referendum against Chávez in August 2004 (which he won handily), and boycotted parliamentary elections in December 2005 (Sullivan 2006, 6). Meanwhile, the 1999 constitution greatly strengthened executive powers, allowing the president, for example, to legislate widely on social issues (Venezuela: Hugo Chávez's Revolution 2007, 6) virtually without the restraint of judicial review. He has used these powers to create and fund entities, such as the Communal Councils which will be discussed below, to establish strong, direct links between the president and the popular base of society.

### Social Policies

While some authors suggest that Chávez's introduction of social programs for the poor came only as a response to the April 9, 2002 coup attempt against his government and other serious challenges to his rule arising from civil society (Corrales and Penfold 2007, 103), others have seen in Chávez a populist spirit formed long before he came to power. Chávez himself claims that Plan Bolívar 2000 was already prepared and ready to be initiated on February 27, 1999, the tenth anniversary of the Caracazo (Chávez and Harnecker 2005, 74). In its initial phase, Plan Bolívar 2000 was a strategy to bring immediate short-term relief to the poor. As

discussed further in the next section, thousands of army troops were deployed to distribute food, repair roads and schools and build health clinics in poor neighborhoods (McCaughan 2005, 88). The unemployed were put to work alongside the soldiers and paid small sums, thereby encouraging the incorporation of marginalized men into the Bolivarian movement. This early pilot program was clearly clientelistic, but it generated good will and hope among the urban poor. As Damarys Canache has demonstrated (2004, 42), these groups were in fact strongly disposed to something much more radical than the old clientelistic overtures familiar from the days of party patronage. In the early years of his presidency these marginalized poor provided Chávez with crucial political support; indeed, they were his most loyal constituency as he pursued his program of social and political reform.

Plan Bolivar 2000 was followed by large scale outreach to the poor in the form of Bolivarian Missions and Bolivarian Circles, which will be discussed in order. The Bolivarian Missions, which have been funded by the rising oil revenues that resulted, in part, from Chávez's aggressive "Third World" oil policy (restrict supply and drive up price), cover the whole gamut of social needs, from food and housing to education and health care. In this last category the "flagship" mission is Mission Barrio Adentro (Mission into the Neighborhood), which has sought to provide comprehensive medical and dental care, along with sports training, to marginal neighborhoods. In direct opposition to neo-liberal policies, these programs are carried out under constitutional provisions that require public funding of healthcare and "explicitly proscribe its privatization" (Wikipedia). This program, which has been praised as a success even by regime critics, makes extensive use of Cuban medical personnel and has unfolded in stages. In the first stage (2003) clinics designed to serve several hundred families were built in the poorest urban zones. In 2005 Diagnostic Centers were added, which offered a broad array of diagnostic

services such as x-rays, emergency room care, and surgery. Third and Fourth phases recently introduced involve building hospitals and other secondary medical facilities. Although these programs have been criticized (for example, on the grounds that Cuban doctors may not be qualified) within Venezuela, they have also drawn praise from the World Health Organization and UNICEF. The Venezuelan government claims that 18 million people have received medical attention under these programs.

We have highlighted missions devoted to health care but, as noted earlier, the Bolivarian Missions address a very broad range of social needs. The education missions provide basic literacy training, remedial high school level classes for dropouts and continuing education classes for adults who have not gone beyond the primary level. Mercal Mission seeks to make basic food stuffs available at discounted prices. Other missions focus on land reform (Zamora Mission, which purports to diminish Venezuela's extreme land concentration, discourage urbanization, and begin to move the country back toward food self-sufficiency) or the provision of new housing for the poor (Habitat Mission). A recent program, Mission about Face (Vuelvan Caras), pushes the envelope of social reform with its intent to mobilize the poor, especially within the informal sector, in local community development projects. This mission has been given an explicit political or ideological orientation by being linked to the notion of developing cells of resistance against U.S. imperialism. Most recently Mission about Face spent hundreds of millions of dollars to develop grassroots economic development initiatives in small industry, agriculture and tourism (Venezuela: Hugo Chávez's Revolution 2007, 29). All of these programs are geared specifically to the poor, are paid for with oil revenues, and have done much to secure support for Chávez's presidency—even though government critics charge that they are badly managed and have spawned corruption.

While the political import of the missions discussed above is clear, an even more directly political and partisan mode of support for the Bolivarian revolution are the Bolivarian Circles and their successor organizations, the Communal Councils. These neighborhood level organizations exemplify the Chavista approach to participatory democracy. Initiated by Chávez in 1999, the Circles had enrolled more than 2 million members by 2003. They were organized at the local level but in 2000 the president authorized their funding out of the office of the Vice President, which raised questions about their independence from the national executive. While their primary function is to coordinate political responses to local needs, such as the provision of basic social services or providing assistance to small businesses, the Circles could be mobilized around national issues, such as ratification of the 1999 constitution or defending President Chávez during the 2002 coup attempt. At a national reunion of Bolivarian Circles in 2001 participants swore an oath to defend the Bolivarian revolution and the MBR 200, the political movement initiated by Chávez while he was still an army officer.

More recently, in April 2006, the government passed the Law of Communal Councils, which lays the basis for forming neighborhood based councils elected by the people to oversee the implementation of local policies and community development projects. The Communal Councils have grown very rapidly, with nearly 20,000 already registered. Whether or not they replace the Bolivarian Circles, the Communal Councils seem to be part of an ongoing effort to institutionalize grassroots level support that can sustain and implement the Bolivarian project. The Councils clearly have a democratic aspect. Members of the Councils are elected by a citizen assembly (effectively all adult members of the neighborhood within the Council's jurisdiction) to serve 2 year terms and their work is organized through a series of committees devoted to such issues as health, education, municipal services and the like. These Councils are not directly

dependent on municipal governments and in that sense they don't seem to fit easily into a normal federal structure of authority. Because they are funded by the national state, the effect is to enable the Chávez government to work directly with citizens at the grassroots. It is not surprising that all the programs described in this section are made available to the people in Hugo Chávez's name. The Councils, then, together with the programs they administer, are a powerful tool for cementing political ties between the president and poor Venezuelans who lacked representation in the Punto Fijo era. A recent report (Mather 2007) indicates that in 2007 the government intends to allocate \$5 billion to the Councils, funds that will be used for all manner of community projects such as paving streets, bringing in potable water, or building medical clinics and sports facilities. Strategically, the idea behind the Councils is that they will both facilitate local participation and oversight and also that they will coordinate tasks previously done by the Bolivarian Circles and other diverse entities.

#### Civil-military relations

The Bolivarian movement originated in the early 1980s as the MBR 200, a group of idealistic young military officers who repudiated the right-wing military governments then in power throughout Latin America. These officers were not trained at U.S. run military academies, but rather received liberal arts educations under the Andrés Bello Plan (McCaughan, 2005, 61). They were inspired by highly nationalistic, left leaning figures such as Omar Torrijos of Panama and Juan Velasco of Peru, and early on they sought ties with Venezuela's leftist parties (López Maya 2003, 75-76). Thus, Chávez's current emphasis on promoting twenty-first century socialism in Venezuela is more than two decades in the making. Once he determined to run for the presidency, of course, Chávez had to convert the MBR 200 into a national political movement. He did so by forming the Fifth Republic Movement, or MVR, which served as the

electoral vehicle for his 1999 presidential campaign (in a coalition with other parties known as the Patriotic Pole). The MVR has relied heavily on the local level organizations and mobilizations discussed above, but it has also incorporated the armed forces as part of the movement, often in ways that deeply alarm critics.

Norden (2003, 95), for example, notes that even though Chávez gained power through democratic means, his approach to civil-military relations resembles what occurred elsewhere in Latin America following military coups, e.g. the politicization of the armed forces. The military was well represented in the constituent assembly that wrote the 1999 constitution, the wording of which specified that the armed forces should have an “active participation in national development” (Article 326). Chávez appointed military officers to key positions in government, including ministers of justice and interior and senior offices at the PDVSA, the police, and the Office of the Budget (Triunfos 2004, 57-59), and he encouraged other like-minded officers to run for office. In the municipal and state elections of late 2004, which were dominated by the MVR, nearly half of the 20 governorships won by the Chavistas went to candidates with military backgrounds (Venezuela: Hugo Chávez’s Revolution 2007, 10)). The constitution also shifted control over military promotions from congress to the executive, which enables the president to remove officers whose loyalty is doubtful and to put into command positions those officers that support the Bolivarian project (Corrales and Penfold 2007, 101). These changes certainly put the president in a position to mobilize the armed forces behind the Bolivarian project and he wasted little time doing so.

In ordering the armed forces to supervise implementation of Plan Bolívar 2000, Chávez signaled his intention to reorient the military from an exclusive concern with external defense to direct involvement in domestic social policy implementation. Chávez was, in fact, open about

his desire to foster closer civic ties between the armed forces and the people and to take advantage of the human capital and technical resources the armed forces possessed. To administer the emergency relief programs of Plan Bolivar 2000 tens of thousands of active duty soldiers and reservists were sent into urban and rural neighborhoods across the country. These troops supervised the sale of basic goods at below market prices as well as infrastructure repair and construction, these latter being programs that put the unemployed to work repairing roads, building schools and the like. Troops were also involved in literacy training. Even as these programs were getting under way army troops were dispatched to the state of Vargas to provide security and disaster relief following devastating floods in the region that left many thousands homeless. All of these endeavors were fostered by the national executive, bypassing state and local authorities. This strategy has become a hallmark of Chávez's rule.

The politicization of the armed forces was manifest in the pivotal political events of 2002. First, politicization caused a rift in the officer corps. Anti-Chavista officers were active participants in the coup attempt against the president on April 11, 2002. Chávez loyalists were instrumental in restoring the president to office 48 hours later and some of those officers were rewarded with key commands. At the end of 2002 when the opposition launched a 63 day strike aimed at forcing Chávez out of office, he again turned to the armed forces to impose order, distribute goods, and help to restore the oil production on which the country depended so heavily. At one point, Chávez ordered the army to take over the Caracas police force, which was under the command of an opposition mayor. Using the army to quell opposition demonstrations (on the grounds that opposition mayors refused to use the police even handedly), and to assure food distribution and the continued availability of oil and gas, Chávez was able to weather this serious challenge to his administration. Indeed, one insightful report (Venezuela: Hugo

Chávez's Revolution 2007, 17) claims that the armed forces were decisive in enabling Chávez to survive the coup attempt.

The president has both politicized the armed forces and effectively brought them under his personal control. In addition to the control over promotions already mentioned, Chávez has generously provisioned the military forces. He has increased their pay dramatically and adjusted it for inflation, and beefed up their pension system. He has also spent generously on weaponry, ranging from the controversial purchase of 100,000 Kalashnikov AK 103 automatic rifles to ships and fighter jets.

These measures regarding the uniformed services have been complemented by the introduction of a more "paramilitary" style of militia. In particular, Chávez has created a National Reserve (RN) and a Territorial Guard (GT) each of which is structured outside the normal military chain of command and answers directly to the chief executive himself. In effect, this adds two new branches to the Venezuelan armed forces. Chávez has announced his intention to train and arm over 1 million citizens in the RN, for example, an entity that is designed to incorporate ordinary Venezuelans into the national defense. Needless to say, critics view such forces as potential shock troops to intimidate the government's domestic opponents should the need arise and refer to them as "Chávez paramilitaries" (op.cit., 19). Finally, in 2003 the government created the Francisco de Miranda Front (FFM), which reportedly now has 10,000 members spread across the country. FFM members are grassroots volunteers who receive training in Cuba, are loyal to the Bolivarian revolution, are organized in military command-style structures, and whose leaders are appointed by President Chávez. Because these groups are involved in the government's grassroots social programs and they are also armed, it is easy to see why critics worry about the militarization of Venezuelan society and the increasingly

centralized control over mass mobilization that bypasses the intermediary structures of a normal democratic civil society.

## **IRAN**

### Background: Rise of Populism

Several scholars have characterized the Islamic revolution of 1979 in Iran as a populist revolution (Dorraj, 1990, 92; Abrahamian, 1993; Moghaddam, 1994). It is clear that while Shi'ite Islam provided ideological legitimacy for the revolution by grounding it in the national culture, the content of this ideology, the social movement that it generated, and the policies that typified the revolution were populist. The constitution of the Islamic Republic enunciates the goal of the Revolution as “a movement aimed at the triumph of all oppressed and deprived over the oppressor” (Algar, 1980, 19). This populist tone not only reflects the composition of the movement that overthrew the monarchy but also the ideology of its leadership. After the revolution, the new regime confiscated the property of those who had fled the country and nationalized major industries, including banks, factories, insurance companies, foreign trade, and undeveloped (Mawat) land -- all of these only to be denationalized later under the presidency of Mr. Rafsanjani (Bakhash, 1989, 186-201).

In June 1979, the new regime established a housing foundation to build affordable accommodations for the poor. Ayatollah Hadi Khosrowshahi, the head of the foundation also called for the seizure and distribution of private land. Some of the shantytown dwellers were allowed to occupy the homes that were left empty by the officials of the former regime. The influx of war refugees after the onset of the Iran-Iraq War exacerbated the housing problem. In some suburban areas, such as the Zoor Khaneh region in Karadj, the poor forcibly took over the public land and began to build homes. Before its dissolution into the Ministry of Housing, the

Foundation of Housing managed to distribute 12,000 plots of land to lower income families in Tehran, build 7,576 small units, and assist private builders with another 5,095 units. (Bakhash, 1984, 188-189). The formidable population growth (more than 20 million in the past decade alone) has rendered these measures inadequate. Khosrowshahi's vocal claims that he would distribute the land and houses of the rich among the downtrodden also led to the migration of large numbers of peasants to the cities. This migrant peasantry, which played a significant role in the demonstrations that toppled the Shah's regime, now constituted a major base of support for the revolutionary regime (Bakhash, 1984, Ibid).

Unlike Latin America, where labor unions and workers' councils constituted a crucial base of support for twentieth century populist regimes, in Iran *Shuras* (workers councils) were not a significant base of support for the regime, nor did they have an important role in the political process due to weaknesses of the labor movement. Peasants constituted a more significant constituency. As part of its revolutionary campaign to help the impoverished masses, the new government was particularly sympathetic towards the peasantry as a deprived sector in the economy and as the instrumental link in the much-heralded policy of economic self-sufficiency. In 1982 agriculture was pronounced the main priority of development. The originally ambitious plan projected agricultural self-sufficiency by 1992, full housing for each household by 2001, and the development of an economy free from dependence on oil and gas income by the year 2002 (Behdad 1988, 114-115). In pursuit of this goal, the farmers were targeted as the recipients of favorable credit terms, cheap fertilizers and subsidized machinery that the government provided them at below market prices (Karimi 1986, 42). Furthermore, in the first five-year plan, the regime gave priority to its agricultural development over industrial growth, allotting a larger share of government expenditure to agriculture, and it managed to

increase agricultural output. The average growth rate for the period 1980-1985 was estimated at 6.2 percent. The growth rate in 1985 was estimated at 8.9 percent (Haghighyeghi 1990, 45). Despite these efforts, however, the devastation incurred during the Iran-Iraq war 1980-1988, lack of technological assistance, the unresolved issue of land distribution, and the massive migration of peasants to the cities made solving agricultural problems a formidable task. In order to stimulate rural development, the regime established the “crusade for reconstruction” (Jihad-i Sazendegy). This institution has been active in building roads, schools and other projects.

While Ayatollah Khomeinie was alive, his charismatic authority and credentials as the spiritual and political leader of the revolution legitimized these institutions as organs of people-clergy power. His effective use of Shi'ite mythology and sacred traditions rendered his message communicable to ordinary people. For the laity, he personified the link of historical continuity with their past and resolved their cultural anxiety and crisis. Many of them identified with his simple lifestyle, his values and vision. His politicized rendition of Shi'ism proved to be a potent political force for mass mobilization, and his forceful personality kept the heterogeneous clerical coalition together. The institution of Friday Prayer leader (Imam Jom'aeh) allowed Ayatollah Khomeinie to appoint his relatives, former seminary students, friends and associates to key positions of power. They in turn informed him of mass sentiment in the provinces and took his messages directly to the people. He repeatedly referred to the dispossessed as the people who have sacrificed the most for the revolution and are its true heirs (Khomeinie 1982). By championing their cause, Khomeinie developed a sense of mutual identification between the popular masses and himself. They looked to him for leadership, and he mobilized them to consolidate his power. However, those who succeeded him lacked his charisma and his religious

and moral stature. In that context, pervasive corruption eroded the legitimacy of revolutionary programs and institutions.

By 1990, however, the revolution had run its course and exaggerated revolutionary optimism yielded to a more cautious assessment of Iran's development prospects. After 1990 leaders opted for the economic program of the 'moderates', a new course marked by increased activity in the private sector and decreased state participation. Private sector investment increased, government intervention in agriculture was reduced drastically, and private entrepreneurs engaged in a lucrative construction business to provide housing (Haghighi 1990, 120). Receding government control gave rise to a larger black market and accumulation of capital in the hands of "profiteers." This turn of events led the populists to call for the execution of "economic terrorists who leach like suck the blood of the people" (Kayhan April 3, 1990,1), but by 1992 with the decisive victory of President Rafsanjani and his allies in May 1992 parliamentary elections, the populists were ousted from their stronghold in the Majlis (parliament).

The debate on economic reconstruction revolved around choosing an "open-door" policy, with the dual participation of the domestic private sector and foreign investment, a strategy of self-reliance with extensive state involvement, or a combination of the two. The open-door advocates used the economic crisis to discredit the populist strategy and called on the government to liberalize trade policy by allowing the private sector to import consumer goods and invite foreign investment. They also maintained that without rapid growth, there would be little to share with those below the poverty line, which in early 1990s was estimated to be 65 percent of the population (Amirahmadi 1990, 30-35).

The populists wanted gradual development that relied on domestic resources, particularly small industrial and agricultural growth, and urged the government to expand production and distributive cooperatives. They demanded implementation of a policy to protect domestic production against foreign competition and resist the temptations of inviting foreign investment that only would engender exploitation and dependency. They advocated the mobilization of the Mostaza'fein (dispossessed) as the most effective tool to reconstruct the economy. Their strategy also incorporated a mixed-market economy to guide the coexisting public, private and cooperative sectors. This would maintain Iran, at least hypothetically, in the general framework of its 'neither East nor West', third path of economic development. In this design, the public sector dominated some industries, mines, exports, and some social services. The other two sectors maintained control in housing, agriculture, small-scale production, imports, consumption and distribution (Amirahmadi, 1990, 132-234).

By 1991, more than four hundred companies were available for privatization, in addition to several hundred already privatized. After thirteen years of state monopoly, the banks were also privatized, and a bustling stock exchange was inaugurated (Meed 1992, 11). Education and health services were transferred to the private sector, and the government monopoly of foreign trade was abolished. These reforms, however, were not without cost. Hardest hit by the rising prices of consumer goods caused by deregulation and municipal action against squatters was the lower class, (the Mustazafein), the main base of support for the revolution. The urban riots in April 1992 in Shiraz, followed by the May 1992 riots in Mashad and Arak were instigated by the eviction of squatters from private property. These riots, which culminated in execution of eight 'ringleaders', were indicative of the rising tide of dissatisfaction. While Iran under Rafsanjani's presidency was by no means a police state, the summary execution of riot 'ringleaders' showed

that the economic liberalization was far ahead of its political counterpart. In other words, Rafsanjani's 'perestroika' was not accompanied by a full-fledged 'glasnost'. That became the challenge of his successor, President Khatami.

As the government dismantled the command economy of the war years and decreased subsidies, it undercut a portion of its core constituency, namely the urban poor. By encouraging the return of expatriate businessmen and accommodating foreign capital, it sought to create a new base of support and forge new political alliances. With the resounding victory of pro-Rafsanjani forces in the parliamentary elections mentioned above, the populist tendency lost its last bastion, and president Rafsanjani initiated plans for a post-populist state.

The two subsequent landslide electoral victories of president Khatami and the decisive victory of reformists in the parliamentary elections of February 18, 2000 was a testament to how deeply the Iranian people aspired to democratic reforms and were willing to project their hopes and dreams onto the reformists. Khatami attempted to establish the rule of law, relax restrictions on freedom of press, speech and assembly (with limited success), and took initiatives to democratize the polity. These reforms allowed the hitherto suppressed Iranian civil society to flourish and assert itself. Following Rafsanjani's initiative, Khatami abandoned the policy of "neither East nor West" practiced in the first decade of the revolution, and further improved Iran's relations with West Europe and its standings with the United States, as well as with the pro-western Arab regimes such as Saudi Arabia and its neighbors in the Persian Gulf. These developments clearly put the hardliners on the defensive. The conservative clergy lost much of the political clout that they enjoyed under Khomeinie. In April 18, 2000 parliamentary elections, for example, out of 290 seats, they managed to win a meager 30. The rest of the seats went to reform candidates. But the conservative clergy led by the "supreme leader" Ayatollah Ali

Khamenie, still controlled the military, the revolutionary guards, the Basiji paramilitary militia, the secret police, the judiciary, and the council of Guardians, which has discretionary power over the policies of the parliament and the president. This allowed the conservative faction to harass, imprison, and even murder reform activists. Obstruction on the part of these powerful entities rendered President Khatami a powerless figurehead.

The inability of the reformists to implement a coherent and unifying program, and their incapacity to build viable organizations that would institutionalize the reforms beyond the presidency of Khatami ushered in massive disillusionment with the reform movement and the effectiveness of Khatami as a political leader. Despite winning two landslide elections, Khatami proved incapable of using his popular mandate to deepen Iran's nascent democratization. Further, Khatami's tenure lacked any concerted attempt to remedy the increasing gap between rich and poor or to improve the economic condition of the poor. This neglect of the main base of support for the revolution came back to haunt the reformists in the Presidential election of 2005 (Ansari, 2006).

## AHMADINEJAD'S PRESIDENCY AND THE RETURN OF POPULISM

### Social Policies

The election of Mahmoud Ahmadinejad, considered a dark horse by many, to the presidency in 2005 clearly took many Iranians and casual observers by surprise. But a closer look at his victorious campaign speaks of a profound shift in the subterranean currents in Iranian social life and also of the malaise that characterized the reform movement during Khatami's second term. Ahmadinejad ran on a populist, anti-establishment program. He promised to distribute oil income more equitably and trickle it down to the poor. He also promised to fight

cronyism and corruption, bring honesty back to government, and fulfill the unrealized promises of the Iranian revolution.

As the son of a black smith and a former Revolutionary Guard commander who fought in the Iran-Iraq war, Ahmadinejad had impressive populist credentials. As a “born again Muslim” who in his public addresses predicts the second coming of the Mahdi ( the savior), and as a plain-spoken man with a simple life style who lives modestly in a flat in a middle class neighborhood in Tehran, Ahmadinejad has an unmistakable appeal to the marginalized underclass. His folk views of Islam, and his nativist and parochial vision of the world are much closer to the religious values and outlook of the common man than the modernist, nuanced and cosmopolitan religious views and global agenda associated with Khatami. As the former governor in several regions and as the former mayor of Tehran, he also brought administrative experience to the table. His campaign also benefited from the support of the “supreme leader,” Ayatollah Khamenie, the Revolutionary Guards, the Basiji paramilitary militias, the poor, and Rafsanjani’s reputation as a wealthy and venal politician.

Ahmadinejad’s populist economic program revealed itself during his presidential campaign when he denounced the Tehran stock exchange, proclaiming it to be tantamount to gambling, which is forbidden in Islam. While he retracted this statement later, it proved damaging to Iran’s stock market and led to major capital flight. Once elected, Ahmadinejad unleashed a slew of populist proposals, which included a national school renovation project, a minimum wage increase, loans to newlyweds and lowering interest rates. (Farhi, 2007,8). In order to finance his additional public expenditure, Ahmadinejad demanded a much larger budget from the parliament. For example, Khatami’s 2005-2006 budget allocated \$14.2 Billion from oil revenues to the government. In contrast, Ahmadinejad requested and received an astonishing \$

40 billion from the conservative-dominated parliament. The new administration has allocated large sums for development projects, increased imports of cheap consumer goods, and attempted to control prices of widely used commodities (Farhi, Ibid). However, the additional spending notwithstanding, critics argue that Ahmadinejad's economic policies have not remedied high unemployment (about 11 percent) or inflation (about 12 per cent) or the soaring price of housing, all conditions that disproportionately hurt the poor and the lower middle classes. A report from the Parliament's Research Center ties the increased inflation to expansionary government budget and expenditure (Farhi, Ibid). Other policies of Ahmadinejad designed to help the poor such as increasing the minimum wage for example, has led to the layoff of some 50,000 temporary workers. As one observer puts it, "there is a lot of noise about unlimited loans to the poor, providing them with housing, creating employment and so on. But in real terms, the amount of these loans has not increased." (Farhi Ibid, 10). It is not surprising that these policies have generated major criticism and call for the impeachment of some of the Ahmadinejad's cabinet members by the parliament and a sector within the conservative camp.

The election of Mahmoud Ahmadinejad is regarded by some scholars as a major turning point in the history of Islamic Republic. With his election, the clerical establishment abandoned its experiment with controlled democratization and opted for a more authoritarian approach. Two distinct threats necessitated this initiative. First, there was the challenge from the reform movement and an energized civil society, both of which flourished under Khatami (1997-2005). Second, there was a looming military threat from the United States under the ascendancy of neo-conservatives in the Bush administration. To ensure the regime's survival, Ahmadinejad's administration opted for a dual strategy: it intensified political repression to render a disillusioned and demoralized reform movement further ineffective, and it expanded the tools of

patronage to its base of support in order to consolidate them. The increasing concentration of power in the hands of the conservative faction in the Iranian state is in line with the traditional pattern of authoritarianism in which the power shifts to the state security forces after the crackdown on reformist groups. (Hen-Tov 2006-2007, 163-165).

Following his electoral victory, Ahmadinejad filled most of the executive branch with his supporters from the ranks of the revolutionary guards and security forces. He has also given more prominence to the voices of the most conservative wings of the fundamentalist clergy. This development has had a dual impact. First, the process of political decision making has become more ideological and exclusive, leaving the reformists and other “pragmatic” streams within the conservative camp out or less effective in the decision making process, thus making political bargaining and compromises more difficult. Second, by putting his closest friends and associates in charge of major governmental institutions, despite their competence or expertise, he has been accused of cronyism and favoritism, the very thing he promised to fight against as a candidate. (Farhi Opcit,1)

Now that the conservatives have captured all branches of government, since the office of presidency in the Islamic republic is a weak institution, the power has become further concentrated in the hands of the supreme leader, Ali Khamenie. This, however, is one side of the story. The ascendance of Ahmadinejad also signifies the rise of a younger generation of populist ideologues (second generation revolutionaries) who are emerging as an alternative to the flagging legitimacy of the clerical establishment. The more devoted elements of this younger generation despise the old oligarchs like Rafsanjani who used public office to amass great wealth, and they consider themselves the true heirs to Khomeinie’s revolution. Mindful of this development, Khamenie has not hesitated to reign in his new president by empowering his arch

political rival, the former president, Rafsanjani as the head of the Guardian Council which has supervisory power over the actions of the executive branch (Hen-Tov Opcit, 166-168).

Ahmadinejad and his supporters, however, are banking on the success of their populist policies and the further consolidation of their constituency, the main base of support for the revolution, to keep them in power. In fact, some of the past successes of the Islamic republic in improving public education and the provision of health care for the underserved areas gives the Iranian neo-populists confidence that with increasing oil prices in the last three years, they would be able to continue to provide patronage for their base. For example, the literacy rates have increased from 50 percent in 1980 to 78 percent in 2002. The number of physicians per capita more than doubled in the same period. Rural areas have also been revived compared to the Shah's era. They now have roads, sanitary water, and are connected to electrical power grid (Hen-Tov Ibid, 173). Ahmadinejad and his followers can build on this legacy and win over some of the underprivileged groups who have been the major beneficiaries of these improvements.

Ahmadinejad can also count on the quasi-state foundations called Bonyads, which hold private companies supervised by the state, to continue to provide patronage to the underclass. These foundations, which receive resources from the state and are tax exempt, also have a monopoly status that bars the development of any competition and independent industrial class. Bonyads were originally designed to provide social services. The most notable among them are the Foundation for the Oppressed and the Disabled (Bonyad-e Mostafan va Janbazan), Martyr's Foundation (Bonyad-e Shahid), Housing Foundation (Bonyad-e Maskan), and Imam Khomeinie Relief Committee (Komite-e Emdad Imam Khomeinie). By providing such viable functions as social mobility and employment, social security, and popular mobilization, the Bonyads simultaneously provide essential social services and they also strengthen the regime. In short,

Bonyad is the means for patronage as well as social control. (Hen-Tov Ibid, 174). The president's repeated trips to the provinces and his public addresses at mass rallies are designed to keep the base energized and attend to their needs. They, in turn, can be used to counter the challenge of the educated middle class to authoritarian rule. In other words, state patronage and the apparatus of repression both serve to maintain the regime in power.

However, the defeat of pro-Ahmadinejad candidates in municipal council and Assembly of Expert elections, and the opposition to some of his policies in the parliament dominated by the conservative deputies, have revealed both the tenuousness of his support and cracks in the conservative camp. The fact that in the last two years major student leaders, women's movement leaders, some academicians, journalists and opposition leaders have been arrested and harassed, belies the regime's intense insecurity about the legitimacy of its power. Whereas Khatami supported civil society organizations, and regarded them as a pillar of his support, it seems to Ahmadinejad the only civil society organization worthy of support is the Mosque. This attitude of the new administration has alienated many civil society organizations, thus contributing to a wider rift between the two. The government's decision to ration the supply of gasoline in June 2007, which met with massive public opposition and anger, is another indication that outside the patronage-based networks, the support for the president and his policies remains fragile.

### Civil-Military Relations

Since the dawn of Islamic revolution, there has been a very close relationship between the new theocracy and the popular militias that emerged out of the revolutionary process. The immediate aftermath of the revolution witnessed a mushrooming of popular militias and the armed detachments of the regime began to expand. Among such institutions were the revolutionary committees (Komitehs), which were spontaneous mass based organizations that

sprang up throughout the country right after the revolution. Their origins can be traced to neighborhood committees, which assumed the role of local security forces patrolling streets and guarding buildings. Later, some of these committees evolved into armed detachments of clerics in Tehran and the provinces. In collaboration with the revolutionary prosecutor-generals' office and the revolutionary courts, these committees also arrested individuals and confiscated property. As the power struggle between the 'moderates' and the hard line 'fundamentalists' intensified under Mehdi Bazargan and his successor Bani Sadr, committees assumed a new significance as the coercive arm of the fundamentalists to implement their will and subdue the opposition. Due to repeated public complaints about the arbitrary use of force by the committees and corruption in their ranks, they were purged.

Another important institution was the Revolutionary Guards (Pasdaran-i Enqilab). They became the main alternative to the regular army, which was mistrusted by the regime. They performed the dual task of providing internal security and defending the nation. They were deployed extensively both against the Kurdish rebels and in the war with Iraq (1980-1998).

To prosecute the war successfully, the regime began a massive campaign of mobilization in order to recruit young men for the war. Out of this effort came creation of paramilitaries known as the *Basijis*. Drawn primarily from the slums and the shanty towns in major cities, and from the rural areas, many of these young men willingly walked through Iraqi minefields in order to clear a column for the advance of the army and the revolutionary guards. Upon their death, the family members of these paramilitaries became the target of preferential treatment by the government, including food subsidies, special stipends, entrance to the Universities and other privileges. After the war, the *Basijis* evolved into a major base of support for the regime. They were heavily recruited in the security and intelligence forces, and they could be counted on to

perform the role of vigilantes to intimidate the middle class opponents, to put down demonstrations and dissent and to control their neighborhoods.

If the revolutionary guards and the *Basiji* paramilitaries provided the regime with a military arm, *Bonyad-i Mostaza'efeein* (the foundation for the dispossessed) became the financial arm of the regime. This organization confiscated and administered the property of the royal family and other officials of the Shah's regime on behalf of the downtrodden and provided many financial services to the *basijis*, revolutionary guards and other segments constituting the base of support for the regime. Initially created to serve the poor, under the presidency of Rafsanjani and Khatami, these foundations became powerful financial entities that enriched many members of the clerical elite. They also became instruments of dispensation to cliental groups, and enhanced the flourishing of crony capitalism, whereby select group of “insiders” would get “sweet heart deals” and lucrative exclusive contracts.

In an attempt to prevent any incentives for a coup d'état by the Revolutionary Guard Corp, the Islamic Republic, beginning with Rafsanjani's government, inaugurated a policy of including the IRGC in major economic development projects. This policy of select patronage, and incorporating the Revolutionary Guards as the major stake holders in the power structure, and vested in the survival of the regime has intensified under Ahmadinejad. Coming from their ranks, and owing his electoral victory in large measure, to their support, Ahmadinejad has substantially increased the government contracts to the IRGC. For example, in 2006, the government awarded a \$2.09 billion no-bid contract to *Khatam-ol-Anbia* Headquarters, the IRGC's engineering arm, to develop phase fifteen and sixteen of the South Pars natural Gas field. This was in addition to a \$1.2 billion contract to build line seven of Tehran's metro and the \$ 1.3 billion contract to build a multiple destination pipeline between Assalouyeh and Iranshahr,

designed to link Iran's oil and Gas to India and Pakistan, which was previously awarded to IRGC. (Farhi, Opcit. 12). This partnership between the IRGC and the regime has been a mutually beneficial one indeed. The IRGC has also benefited from its military and political connections as well as the distrust of the foreign investors and the private sector firms. These are the ties that bind. According to one observer, “ Ahmadinejad was catapulted into the second round largely thanks to well organized and coordinated support by some 12 per cent of the electorate, many with apparent ties to *basij* and sections of IRGC which may have tampered with the elections” (Farhi Ibid, 16). This narrow base of support suggests that the president has to appeal to larger audiences by addressing the salient issues of concern to all Iranians.

Ahmadinejad has found the foreign policy arena, more specifically the show down with the United States and its allies over the nuclear issue, as a rallying point to galvanize nationalist sentiments and unite Iranians in support of his regime.

### COMPARISONS AND CONTRASTS

As neo-populist leaders, Hugo Chávez and Mahmoud Ahmadinejad have sought to promote a new political discourse and through it to build a new political culture in their respective countries. Chávez reaches back for inspiration to Simon Bolivar, Venezuela's greatest national hero and a partisan of pan-Latin Americanism. Ahmadinejad is trying to recapture the nationalist and populist spirit of the Iranian revolution of 1979 led by ayatollah Khomeini. Such success as the latter has had indicates the ongoing appeal of the populist core of Iran's Islamic revolution to a sector of the impoverished underclass. The policies associated with this new political discourse are portrayed as forging a “third path” of national development that is uniquely and authentically Latin American or Islamic. The third path rejects neo-liberalism as irredeemably unjust and rejects foreign economic domination as unacceptably anti-national. In

Iran, the neo-populist wing of the government represented by Ahmadinejad and his supporters regard U.S.-led globalization as “neo-colonial” in light of Iran’s historical experience with Western colonialism. In Venezuela the Washington Consensus is seen as but a new mode of U.S. domination in Latin America in the tradition of the Monroe Doctrine.

In one sense, then, the Bolivarian and Islamic revolutions are attempts to create a new political culture, rejecting Western cultural and economic imperialism in Iran and U.S. hemispheric domination in Venezuela, while seeking to revitalize domestic traditions and values, and through it recapture a perceived “golden age”,(Iran), and a nationalist ideal (Venezuela). This approach bestows a cultural and nationalist “authenticity” on such leaders. In both revolutions, social justice and the creation of a more egalitarian society have played major roles in propaganda and public policy. Yet, foremost, these have been revolutions of nationalist self-assertion. Whereas in Venezuela the guiding ideology is a neo-populist version of secular nationalism, Khomeini and his disciple, Ahmadinejad, have treated the very idea of separation of state and religion (Islam and politics) as a ploy of imperialists to dominate Muslims. They assert that religion and politics were not separate during the rule of Prophet Mohammad and they should not be separate now (Khomeini, Ruhollah, 1978).

As a reaction to globalization and lacking the entry ticket to one of the transnational economic blocs (EU, NAFTA, ASEAN), neo-populist states have opted for the regional integration model in order to remedy their vulnerability and marginalization. The regionalist strategy is designed to buffer the economic pressures of the United States, the IMF and the World Bank, and also to serve as an alternative to the “Washington Consensus”. Seen in this light, regionalism serves to affirm the anti-imperialist agenda of the populist leaders and it undergirds their ambitions for regional hegemony. It is in this spirit, for example, that Chávez has

offered loans to several Latin American countries without the strings that are usually attached to World Bank or IMF loans in order to enhance the leadership position of his government in Latin America. Ahmadinejad has considerably increased Iran's financial aid to groups such as Hizballah in Lebanon, Hamas in Palestine, several Shi'ite factions in Iraq, and to countries such as Afghanistan under the leadership of Hamid Karzai. Ahmadinejad hopes such displays of "generosity" would solidify Iran's position as the emerging regional superpower, now that its two regional arch enemies, Saddam Hussein and the Taliban have left the scene.

Both regimes have received enthusiastic support from a substantial sector of the underclass, even though their larger coalitions evince a heterogeneous class make-up. Once in power, both regimes have displayed a propensity for suppressing dissent from those quarters that are not on board with the revolution. Broadly speaking this has included middle class opposition and human rights groups. They seek to replace pluralist competition with a more neo-corporatist like approach that emphasizes the need for national unity around the revolutionary project, and which treats opposition to or criticism of government policies as unpatriotic if not perfidious. In both cases the regime has relied heavily on forms of clientelism that render its supporters heavily dependent on strong national authority and financing. In that respect neither leader has transcended the patrimonial features of their country's history and tradition. Their rule is personalistic and authoritarian and with different variations, they have little tolerance for serious political opposition. Adept use of anti-imperialist rhetoric serves a dual purpose for each regime: it mobilizes the nationalist base of support and it deflects attention from state suppression of democratic rights by branding all opponents as stooges of the imperialist powers. Finally, the security forces are heavily incorporated into both regimes in ways that work to secure their loyalty (opportunities for self-enrichment—both legitimate and illegitimate, vigorous state

funding for armaments, ideological indoctrination, and direct involvement in the implementation of social policy) and in ways that serve to intimidate the opposition.

What are some of the key differences between the two cases? Whereas the theocracy in Iran is preoccupied with legislating morality and personal life, the secular government of Chavez has stayed clear from such intrusions into the private life of citizens. Whereas much of the opposition to Chavez's regime is right wing, In Iran the majority of the opposition forces embrace a democratic agenda. Another clear difference relates to the degree of power consolidation. On one hand, Hugo Chávez, the originator of the Bolivarian revolution, has accumulated extensive legal powers and has successfully cultivated a broad base of support in society (polls often show in excess of 60 percent approval for the president and his policies). On the other hand, Ahmadinejad is a disciple who occupies a weak office, the presidency, which is subordinate to the wishes of the Supreme Leader, Khamenie, and is checked by the supervision of such institutions as the Guardian Council and the Assembly of Experts. In Iran the power structure is multiple and multi-centered and Ahmadinejad's base of support is narrow. In Venezuela power is much more directly and extensively concentrated in the president's hands. Furthermore, while the Bolivarian revolution is still unfolding and may be gaining momentum, the Iranian revolution has run its course. The attempt of Ahmadinejad and his "second generation revolutionaries" to revive the highly ideological populist policies that characterized the early years of the revolution of 1979 does not resonate with the majority of Iranian people. Therefore, outside the patronage-based constituency of the regime, the populist propaganda rings hollow. In this regard, Ahamadinejad is seen by many as out of step with history.

A further difference is that whereas Chávez aspires to nationalize the major industries and create a "Twenty-first Century Socialism", Ahmadinejad believes in the sanctity of private

property, but aspires to create a “people’s capitalism” by enlarging the public ownership of the private corporations and expanding government-sponsored social programs. While the public and cooperative sector (the quasi-state institutions) control 70 per cent of the economy, the private sector remains weak and crony capitalism replaces genuine free competitions. Therefore, those firms with ties to the state such as *Bonyads* dominate the market. Nevertheless, no matter what economic path is chosen by these two neo-populist regimes, in the final analysis their success in delivering on the promises that they have made to the underclass hinges more on oil prices rather than an ideological commitment to capitalism or socialism.

### CONCLUSION

In our introduction we noted that Venezuela embarked on a neo-populist path due to a crisis of representation and a crisis of distribution. This referred to the failure of the Punto Fijo regime both to represent large sectors of Venezuelan society and its economic failures during the 1980s and 90s. Iran is not a precise model of this scenario in that the country has never been democratic in the way that Venezuela was after 1958, yet it would be accurate to say that the failure of the Shah’s regime to represent the voices of Islamists or the poor, and the failure of Rafsanjani and Khatami’s respective administrations in the 1990s to attend to the needs of the poor do offer a rough approximation of what happened in Venezuela. Both neo-populist regimes arose as a response to deep social fragmentation and the impoverishment of the masses in a nation perceived to be wealthy—all in a context in which one explanation for catastrophe was foreign interference and domination. Neo-populist ideology, with its emphasis on social justice, facilitated mass mobilization, thereby allowing fragile revolutionary regimes to protect themselves with a thick layer of mass support. Both regimes, the Venezuelan most successfully, have worked assiduously to develop mechanisms of vertical linkage (control) between the

masses and the leadership. In this respect they both manifest the clientelistic and authoritarian political heritage that is so pronounced over the long term in each region. Meanwhile, similar social policy initiatives are common to both cases.

Populist regimes are also intensely nationalist. They oppose foreign political and cultural influences and espouse the revival of a perceived “golden age” of culture and history (Iran) or a nationalist ideal (Venezuela) as the new source of political socialization, thus forging a new national identity. In Venezuela the idealization of Simon Bolivar and events surrounding him serve as “the sacred” source of inspiration. In Iran, a highly politicized interpretation of Shi’ite Islam served that purpose. Their defiant nationalist posture seeks to provide a remedy for the aggrieved nationalism of the masses; it addresses their psychological need for the restoration of national pride in the wake of lingering memories of the colonial era (Iran) and the realities of their subordinate position in global power structure in the post-Communist era (Iran and Venezuela). No longer willing to play the role of a subordinate client state, populist regimes are at odds with global hegemonic powers. Furthermore, their attempts to assert national autonomy, together with their raw egalitarianism and redistributive policies, put them strongly at odds with the neo-liberal philosophy espoused by the United States and its allies.

What does this all add up to? When neo-populists attribute their country’s economic and political failures and its social malaise to the ascendancy of “alien and imposed” Western modern culture, their populist discourse can become imbued with an anti-modern and reactive ideological element, although this is much more evident in Iran than in Venezuela. Populist leaders also display elements of a progressive as well as a regressive ideology in their outlook. In so far as they attempt to empower the poor, and redistribute economic resources and provide a social safety net, they are progressive, but their political authoritarianism and the suppression of

democratic rights render them anti democratic. In addition to this taint on regimes that claim to be popular or democratic, there is the inescapable question of the sustainability of the neo-populist model. If crisis gives rise to it, will its legitimacy transcend the passing of the crisis? Or, in order to survive, do populist regimes need a permanent state of crisis? If a crisis mode is maintained, can the populace tolerate it in the long term? This really is a question of whether the charismatic leader, so integral to the model, can or will seek a thorough institutionalization of the regime. We tend to see neo-populism as a transitional ideology that emerges in a crisis milieu and we are skeptical that it can lead to stable institutions that would be democratic in any meaningful sense in the long run. In Venezuela, to be sure, President Chávez has devoted serious energy and resources to creating numerous mechanisms for carrying out and sustaining a Bolivarian revolution. President Ahmadinejad in contrast, is in a much weaker position to do this. However, ownership of these mechanisms (Communal Councils, Missions, self-defense entities) by the poor will depend heavily on the regime's ability to maintain the flow of petrodollars, which is not entirely in its control, and on the willingness of grassroots groups to remain subordinate to the president's commands and initiatives. It also depends, obviously, on the acquiescence or continued impotence of the opposition. In this respect President Chavez' failure in the December 2007 referendum to gain approval for measures designed to further the Bolivarian revolution and strengthen his powers to promote it is an interesting portent for the future.

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