

Date: 11/22/96  
To: Prof. Ronald Heifetz and Groupmates  
From: Vladimir Petit Medina (MC\_MPA)  
Subject: The leadership Case

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The case.

I was the private assistant to the secretary general of Copei- Christian Democrat Party of Venezuela, Dr. Eduardo Fernandez, since 1984. At the same time, I was a senior member of the youth movement's national board

Copei is the second largest party ( 1 million members) and we had won the presidential elections in 1968 and in 1978.

Eduardo Fernandez

•In 1988, Fernandez was the presidential candidate and then I became the private secretary to the candidate.

•Eduardo Fernandez, better known as the "TIGER", became the most important candidate of the opposition and the youngest (48 years old, at that time).He won the primaries against his former mentor and political father, Rafael Caldera. Due to that fact, his popularity increased by 45%. Promises for an open economy and progress through higher educational standards were the key elements of his campaign

Carlos Andres Perez

•Carlos Andres Perez had been president of Venezuela ten years earlier and was running for the Presidency again.

•During his Presidential term, Venezuela nationalized the oil industry causing an unprecedented increase of the national income. Prosperity and petrodollars became the signs of his five years in power.

•After he left office was accused of corruption. He became a very rich person.

•His campaign was based on three elements: going back to prosperity, continuity (his party was in government) and development. " Venezuela has nothing to do with International Economic Organisms. We are a rich Country. Prosperity will be back again".

•His strategic team accused Fernandez of being financed by drug dealers. Of course this was a maneuver made to stop him. The accusation was false but the media campaign was so intense and effective that became the real difference.

### Elections 1988

- Carlos Andres Perez won the election with 54 % of the votes.
- Fernandez got the second place with 43%.
- That very day, Fernandez announced...."Venezuela didn't elect me this time but I will run again", so he kept his candidate profile and returned to his post : the secretary general of the most important party in the opposition.
- The real difference was the drug accusation. No doubt of it.
- In that election, I became elected as senior representative in the party lists.

### What about me?

•After the election I took the oath as member of the House. Then I decided to run for secretary general of the youth movement. Fernandez supported me.

•I Won.

•The youth movement is the most important organization within the party, with more than 300.000 registered members. As a tradition, the secretary general of the youth movement became the fifth person in the party chain of command.

Many changes were implemented during my term in the youth office. As head of the movement I was involved in many discussions with the old party establishment. I got my own political profile

### RIOTS

- Perez entered in office on January 23.
- One week later, he announced the implementation of important and severe economic policies as a previous and necessary step to assure an agreement with the IMF.
- Immediate effects of those measures were perplexity, higher inflation rates, scarcity and recession.
- On February 27 and 28, the most dramatic riots over the economic situation took place. The state of emergency was declared. A Curfew was imposed. Assaults, death and sadness are the symbols of those days.
- Polls showed that there was an increasing attitude toward Perez. More than 70% of the Venezuelan felt that Perez betrayed them
- Copei condemned the violence but decided to support the regime as an institutional party. I opposed that position in the Congress. I thought that was important to force Perez to an open and public definition of his next steps in political economy. I was the only Copei member who voted that way but I didn't make any public statement.

### Coup Attempt

- Perez unattended any suggestion and overestimated his own leadership. He could not mobilize the nation in order to accept his measures.
- Returning from Davos, Switzerland, on midnight, February 4, at the airport, Perez was informed by the minister of defense about some strange moves made by army troops. Perez ordered him to obtain more information and went to the Presidential Palace.
- On February 4, Hugo Chaves, an army captain, headed an intense coup-attempt. Governors of the most important states were kidnapped by the rebels. An infantry troop and a tank assaulted Miraflores. As they were attacking the main entrance, Perez could escape in the trunk of one of his escort's car, using the service exit.
- Perez decided to go to the main TV Station, in order to address the nation. No technician was available at the time he reached the station.
- Fernandez was informed of the coup in progress. He left home and went to the main TV Station. I called him by his cellular. I was leaving home in order to organize a team to back them up.
- Fernandez met Perez. Perez addressed the nation and then, Fernandez did the same ("Copei would never justify this kind of violent actions. Venezuela is a democratic country and the authority is gained by the power of votes and not by the power of the guns")

### Copei's Internal Debate

- An urgent meeting of the National Board was held at 8:00am, in order to decide what position would the party's senators adopt in the senatorial debate.
- The secretary general of Copei informed that the national board had just decided to support President Perez with no conditions. I opposed this decision. We should have forced him to implement urgent changes. Giving him a check with our signature with no requirements was a mistake. I lost. I was the only vote against the said position. I decided to remain silent. I made no public statement

### Rafael Caldera

- Senator Rafael Caldera took his time. He did not say a word before the senate urgent meeting began at 10:00am. Everybody was sitting at the TV. Caldera stated: "Perez must learn this lesson. I do not support this coup but I think there are many fair explanations of how it came up. Perez's policies are killing our people. Venezuelans are dying of hunger. This is a clear message we must read in the correct way".
- At the time Caldera was giving his speech in the Senate, rebels were still fighting in the streets and the President had just gone back to MIRAFLORES.

- Perez was accused of stealing money from the national treasury.

### **Joint-Cabinet**

- Since the instability continued, the ministry of Defense had a private meeting with the President and secretary general of Copei. Then, an urgent and secret meeting of the national board was held. The Ministry said:” If Copei doesn’t accept to join the government as a measure to reinforce the public support, a new coup will take place”.
- I was opposed to this position. For many years Venezuela had a two-strong-party system with an important political support but in the most recent years that situation changed rapidly. An increasing discontent and attitude toward both parties could be easily felt. So, my argument was that being both parties together, a coup becomes more attractive. Why? Because there was no alternative left, no channel to drain discontent, no optional road to be taken but a new military experience. Also, a unified enemy makes the victory more important.
- An intense debate was held .Fernandez agreed with me. However the old political establishment of the party convinced him.
- I asked them to avoid this situation. I knew that the one who could be affected by this decision was Fernandez. Only five members out of 31 voted against this proposal.
- Copei allowed three members of the national board to accept the nomination as ministers of the cabinet. Fernandez informed the decision. “Copei won’t be in power but few members of the national board have been allowed to join the cabinet.

### **The Public Debate**

- I decided to make a public statement. “Perez is neither in moral nor in psychological conditions to continue in office.”
- I traveled across the country. The partisan leaders agreed with me but they preferred to trust the old establishment due to the fact of their experience in times of instability.
- Some authorities announced my possible expulsion from the party. A public and intense debate took place. The media portrayed it as a real rebellion against the establishment. I got censored by the government.
- Meanwhile, Perez was formally accused by ten socialist Members of the House. A lawsuit was filed in the Supreme Court.
- Some days later, Copei announced the decision to order our people in the cabinet to resign immediately. But it was too late.
- Fernandez popularity went down by 35%.

### **2nd Coup Attempt**

On November 27, a second coup attempt took place. It was headed by Generals and Colonels. Chaves was still in prison but a recording was aired. Perez and Fernandez addressed the Nation. I did the same : In few days the people will be able to punish Perez but with the power of the vote.

- Copei's popularity went down by 18%

### **Copei-Primaries**

•Fernandez lost the primaries. The new candidate became the Governor Oswaldo Alvarez Paz. The people knew that Fernandez impopularity was increasing and Venezuelans started accusing him of being the most important obstacle to get rid of Perez. Caldera was nominated by several parties. The first division of Copei was precisely headed by its founder.

- A depressed party faced the elections.

- I was running for the reelection.

### **Perez impeached**

- Before the elections, the Supreme Court stated that there were reasons to get Perez indicted. The Senate deposed him from the Presidency legally and a new President was appointed by the Congress.
- Perez declared: " I would rather die in any other way"

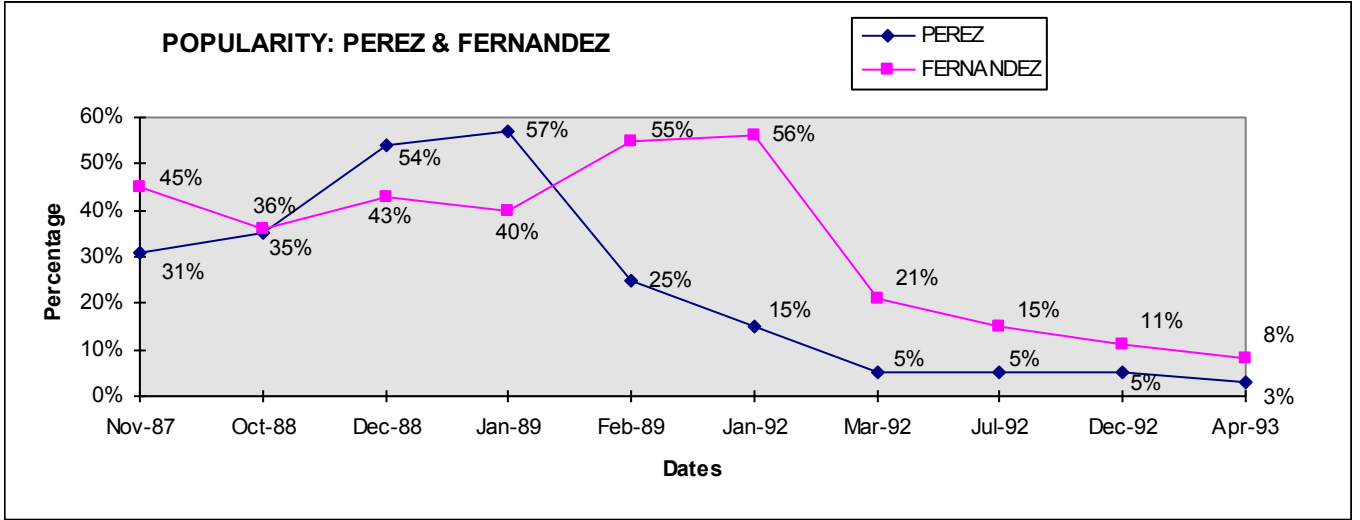
### **ELECTIONS**

- Rafael Caldera won the elections.

•Copei arrived in third place. An electoral disaster was the result of this election. Most of the old establishment lost their seats. I won without any problem.

### **My Tremendous Failure**

- I saw clearly what was really happening but I could not convince my own peers to change their minds. So, I was not able to mobilize them to avoid the most intense disaster in our life as party.
- I could not lead my party to another position. And the best individual for the Presidency, my friend, Eduardo Fernandez, maybe will never become President.
- Copei has only 7% of popularity. I still do not know whether a possibility **for its recovery exists or not.**



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Copei is the second largest party ( 1 million members) and we had won the presidential elections in 1968 and in 1978.

**Eduardo Fernandez**

- In 1988, Fernandez won the presidential nomination and then I became the private secretary to the candidate.
- Promises for an open economy and progress through higher educational standards were the key elements of his campaign

**Carlos Andres Perez**

- Carlos Andres Perez had been president of Venezuela ten years earlier and was running for the Presidency again.
- After he left office the first time he was accused of corruption.
- His campaign was based on three elements: going back to prosperity, continuity (his party was in government) and development. " Venezuela has nothing to do with International Economic Organisms. We are a rich Country".
- His strategic team accused Fernandez of being financed by drug dealers. Of course this was a maneuver made to stop him. The accusation was false but the media campaign was so intense and effective that became the real difference.

**Elections 1988**

- Carlos Andres Perez won the election with 54 % of the votes. Fernandez got the second place with 43%.
- The real difference was the drug accusation. No doubt of it.
- In that election, I became elected as senior representative in the party lists.

**What about me?**

- After the election I took the oath as member of the House. Then I decided to run for secretary general of the youth movement.
- I Won.

**RIOTS**

- Perez entered into office on January 23.
- One week later, he announced the implementation of important and severe economic policies as a previous and necessary step to assure an agreement with the IMF.
- On February 27 and 28, the most dramatic riots over the economic crisis took place. The state of emergency was declared. A Curfew was imposed. Assaults, death and sadness are the symbols of those days.
- Polls showed that more than 70% of the Venezuelan felt that Perez betrayed them
- Copei condemned the violence but decided to support the regime as an institutional party. I opposed that position in the Congress. I thought that it was important to force Perez to an open and public definition of his next steps in political economy. I was the only Copei member who voted that way but I didn't make any public statement.

### **Coup Attempt**

- Perez unattended any suggestion and overestimated his own leadership. He could not mobilize the nation in order to accept his measures.
- On February 4, Hugo Chaves, an army captain, headed an intense coup-attempt.
- Perez decided to go to the main TV Station, in order to address the nation..
- Fernandez was informed of the coup in progress. He left home and went to the main TV Station. I called him by his cellular. I was leaving home in order to organize a team to back them up.
- Fernandez met Perez. Perez addressed the nation and then, Fernandez did the same ("Copei would never justify this kind of violent actions. Venezuela is a democratic country and the authority is gained by the power of votes and not by the power of guns")

### **Copei's Internal Debate My position-**

- An urgent meeting of the National Board was held at 8:00am, in order to decide what position would the party's senators adopt in the senatorial debate.
- The secretary general of Copei informed that the national board had just decided to support President Perez with no conditions. I opposed this decision. We should have forced him to implement urgent changes. Giving him a check with our signature with no requirements was a mistake. I lost. I was the only vote against the said position. I decided to remain silent. I made one public statement : "Perez is neither in moral nor in psychological conditions to continue in office."

### **Rafael Caldera**

- Senator Rafael Caldera took his time. He did not say a word before the senate urgent meeting began at 10:00am. Everybody was sitting at the TV. Caldera stated:" Perez must learn this lesson. I do not support this coup but I think there are many fair explanations of how it came up. Perez's policies are killing our people. Venezuelans are dying of hunger. This is a clear message we must read in the correct way".
- At the time Caldera was giving his speech in the Senate, rebels were still fighting in the streets and the President had just gone back to MIRAFLORES.
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### Joint-Cabinet

- Since the instability continued, the ministry of Defense had a private meeting with the President and secretary general of Copei. Then, an urgent and secret meeting of the national board was held. The Ministry said: "If Copei doesn't accept a joint government as a measure to reinforce the public support, a new coup will take place".
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- An intense debate was held .Fernandez agreed with me. However the old political establishment of the party convinced him at the end.
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### The Public Debate

- I traveled across the country. The partisan leaders agreed with me but they preferred to trust the old establishment due to the fact of their experience in times of instability.
- Some authorities announced my possible expulsion from the party. A public and intense debate took place. The media portrayed it as a real rebellion against the establishment. I got censored by the government.
- Meanwhile, Perez was formally accused by ten Members of the House. A lawsuit was filed in the Supreme Court.
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### Copei-Primaries

- Fernandez lost the primaries. The new candidate became the Governor Oswaldo Alvarez Paz.
- A depressed party faced the elections.
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**Perez impeached**

- Before the elections the Supreme Court stated that there were reasons to get Perez indicted. The Senate deposed him from the Presidency and a new President was appointed by the Congress.
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**ELECTIONS**

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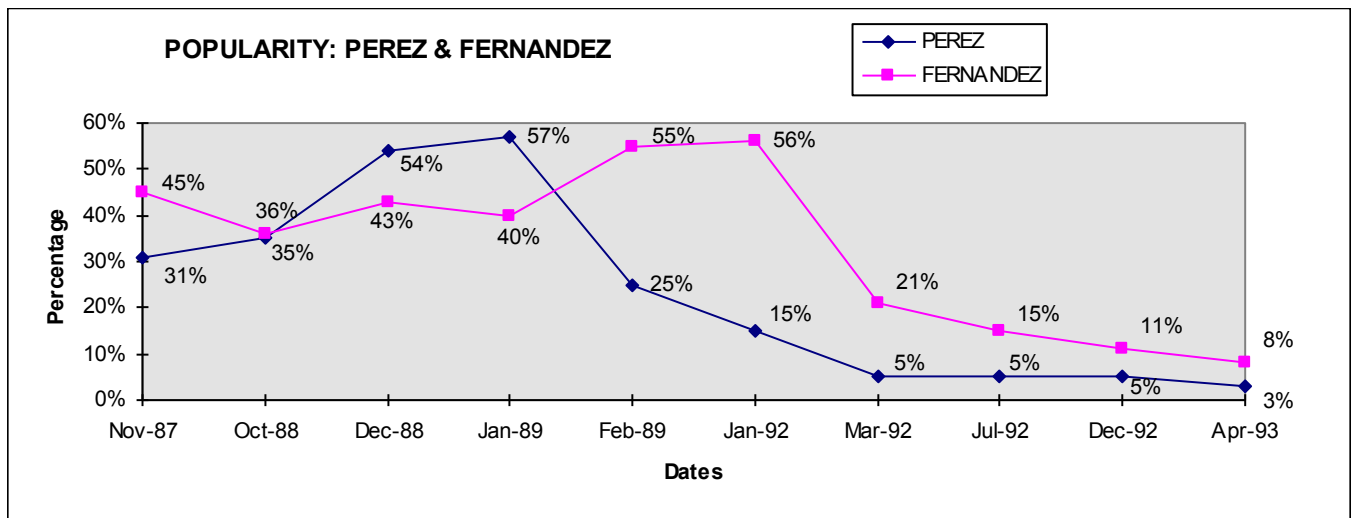
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- I could not lead my party to another position. And the best individual for the Presidency, my friend, Eduardo Fernandez, maybe will never become President.
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- Why I failed?

-My diagnosis was right, then ..... Why couldn't I help them avoid the electoral disaster?

-How Should I have approached this problem If I had been exercising leadership effectively?



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### **What about me? January 1989**

- After the election I took the oath as member of the House. Then I decided to run for secretary general of the youth movement.

- I Won.

### **RIOTS February 1989**

- Perez entered into office on January 23.

- One week later, he announced the implementation of important and severe economic policies as a previous and necessary step to assure an agreement with the IMF.

- On February 27 and 28, the most dramatic riots over the economic crisis took place.The state of emergency was declared. A Curfew was imposed. Assaults,death and sadness are the symbols of those days.
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### **Copei-Primaries April 1993**

- Fernandez lost the primaries. The new candidate became the Governor Oswaldo Alvarez Paz.
- A depressed party faced the elections.
- I was running for the reelection.

### **Perez impeached -1993**

- Before the elections the Supreme Court stated that there were reasons to get Perez indicted. The Senate deposed him from the Presidency and a new President was appointed by the Congress.
- Perez declared: " I would rather die in any other way"

### **ELECTIONS December 1993**

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