

## Maduro's approval rises to two-year high

President Maduro's approval rating increased to 26.1% in the February Datanálisis survey, a 4.4 percentage point increase from the last reading in November 2017 of 21.7%. This is the highest reading in this series in nearly two years (it stood at 26.8% in March of 2016). Maduro's approval rating has risen by 8.7 percentage points from its low in July of 2017. The survey of 1,000 respondents was conducted through direct interviews between February 01 and 14 of 2018 and has a margin of error of  $\pm 3.04\%$ .

Maduro remains highly unpopular, and the survey indicates that a majority of Venezuelans do not want him to remain in the presidency. But the survey also shows a sustained decline in the approval rating of all opposition leaders, with the result that Maduro's approval rating (26.1%) is not statistically different from that of some of the least popular opposition leaders such as María Corina Machado (28.5%) or Julio Borges (29.3%). Against this backdrop, the opposition leaders with highest approval ratings are Leopoldo López (40.4%) and Henri Falcón (38.7%).

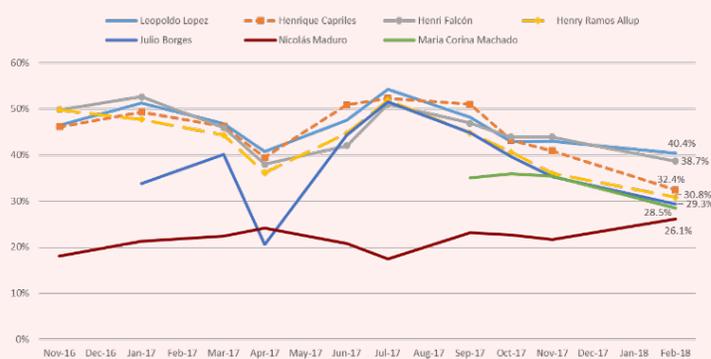
It is striking that Maduro's recovery does not respond to an improvement in perceptions of economic conditions. Our data and estimates for the most recent months point to a continued inflationary acceleration and economic contraction. In fact, respondents' perception of the country's situation remains overwhelmingly negative, with only 8.8% of respondents evaluating current conditions as positive – a reading that is in the low range of the values observed for this indicator in the last two years and represented a 1.4 percentage point decline from November's value.

The drop in the approval of opposition leaders likely reflects their perceived ineffectiveness at achieving their main stated goal, which has been a change in

government. In fact, the drop has been most precipitous in the approval of the opposition coalition organization, the Democratic Unity Roundtable (MUD). The percentage of respondents that have a positive view of the MUD has declined from by 28.0 ppt since October 2016, from 59.7% to 31.7%. In the meantime, support for the governing PSUV party actually rose by 5.5ppt from November and now stands at 26.2%. The gap between the support of these two organizations, also of 5.5 points, stands at its lowest level since October 2013.

It is possible that the strengthening of Maduro's approval may be nothing more than the reflection that he has emerged stronger from last year's political conflicts. It is certainly possible that the rolling out by the government of selective incentives, such as the provision of bonuses through the Card of the Fatherland and food bags program, has raised the incentives to publicly declare support for the government. To the extent that regime change expectations have dimmed, some Venezuelans may have reasoned that it makes more sense from a practical standpoint to show publicly their allegiance to the government.

Chart 4: Approval ratings of main political leaders

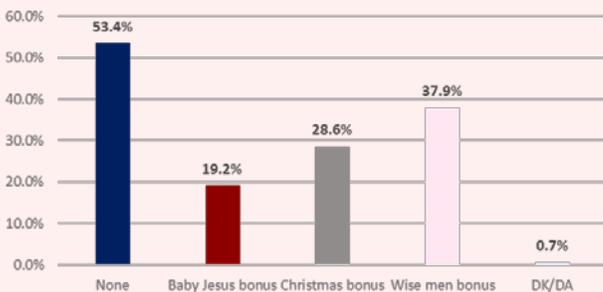


\*Original question: How do you rate his management performance for the country?

Sources: Torino Capital, Datanálisis

On the other hand, it may also be the case that respondents value the benefits received through these programs and see these initiatives as good policies that they want to support. It is very hard – not to say impossible – for a survey to tell whether the driving factor for support of the government is fear of losing a benefit or genuine support for the policy. In either case, it appears that the receipt of cash benefits has been growing over time: only 19.2% of respondents received the VEF500 thousand Baby Jesus Bonus, handed out in December, but 37.9% received the VEF500 thousand Wise Men Bonus, delivered in January. On aggregate, 45.9% of the population received at least one of the three cash bonuses given by the government over the Christmas period. Not surprisingly, the overwhelming majority of recipients of the bonuses were government supporters.

Chart 5: Did you receive any of the bonuses given by the government in December and January?



\*Original question: Did you or any member of your family receive any of the Christmas bonuses given by the government in December and January

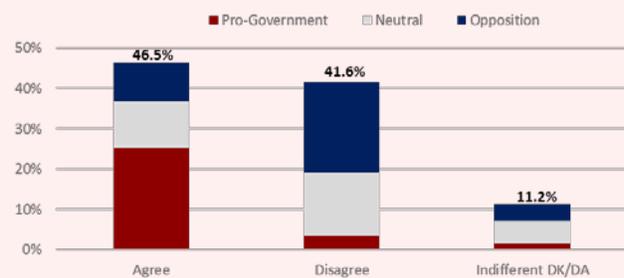
Sources: Torino Capital, Datanálisis

The survey frames questions on sanctions differently from past surveys. For example, in November, the poll had focused on financial sanctions and had found 55.6% of respondents opposed them, as opposed to only 32.0% who supported them. This survey ran a question on individual sanctions and, not surprisingly, support for these is higher. Nevertheless, it is striking that even individual sanctions do not count with majority support: 42.0% of respondents approve of sanctions by the U.S.

and EU against government officials, as against 44.2% who oppose them. 23.8% of respondents would favor a foreign military intervention, as against 66.1% who would oppose it.

Interestingly, the National Constitutional Convention's (ANC) decision to bring forward the presidential election to be held before April 30 counts with the support of 46.5% of respondents, against 41.6% who oppose it. This may reflect the fact that the economic crisis is perceived as so urgent that voters believe bringing forward elections may help to resolve once and for all the crisis. While the preference for early elections is highest among government supporters, it is nevertheless the case that 38.4% of neutral voters and 32.1% of opposition voters are in favor of early elections.

Chart 6: Agree or disagree with the elections being moved forward (before April 30)?



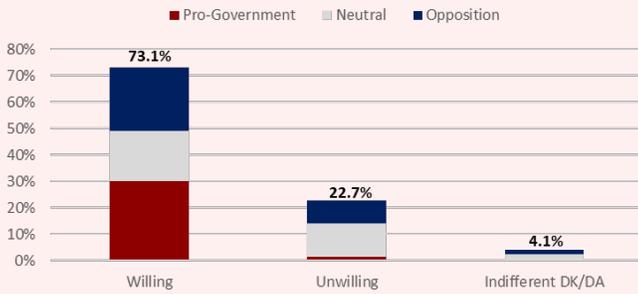
\*Original question: Original question: Do you agree or disagree with the ANC's decision? (moving elections before April 30 and not having them on the last quarter of the year as usual)

Sources: Torino Capital, Datanálisis

The survey continues to show very high support for participating in the upcoming presidential elections, a result that is somewhat striking given the MUD coalition's current decision to boycott the elections. 77.6% of respondents claim that they intend to vote, while only 12.3% say that they plan to abstain. Even among opposition supporters, those planning to vote outnumbered those planning to abstain by 65.9% to 11.9%. When the survey probes deeper the intensity of

the intention to vote, it finds that 39.1% of respondents claim that they are “very willing” to vote, while 34.0% say they are “willing.” (Chart 7).

Chart 7: Willingness to vote in presidential elections



\*Original question: if presidential elections were going to be held next sunday ¿how willing are you to vote?

Sources: Torino Capital, Datanálisis

Former Chacao mayor Leopoldo López, currently under house arrest, would be the first choice of opposition supporters for a candidate (16.8%) followed by former Lara governor Henri Falcón (13.0%), former Miranda governor Henrique Capriles (13.0%) and former National Assembly President Henry Ramos Allup (3.6%). Businessman Lorenzo Mendoza (treated by the poll as an independent) would garner 22.8% of the vote if he ran, a higher share than any of the opposition candidates. Mendoza has declared his intention not to run while Capriles and López are barred from running. If these three candidates are taken out of the sample, support for Falcón rises to 23.8%, more than doubling second-place Ramos Allup at 11.2%.

In a two-way race, Falcón would defeat Maduro by 38.0% to 25.8% among all voters, and by 45.8% to 32.2% among likely voters. The latter result is particularly important,

as it shows that Falcon’s support may not be that sensitive to abstention as that of other leaders – in fact, Falcón’s lead rises from 12.2 to 13.6 percentage points when restricting from the whole sample of voters to likely voters.

In our last report [*Venezuela this week, February 20, 2018 – Sign Language*] we discussed at length the potential rationale for the opposition’s decision to boycott the elections, as well as for third-party actors like Falcón to participate. We argued that the mainstream opposition is sufficiently concerned with abstention and has a lot to lose from recognizing a potential Maduro victory, while third-party actors like Falcón have much less to lose and a lot to gain from participating.

What these poll numbers show is that the cost of pursuing an active abstention strategy may be high, to the extent that large fractions of the electorate appear to be willing to vote. Many opposition leaders react to these numbers with skepticism and point to the failure of opinion surveys to predict the results of October’s regional elections. The opposition to participating among individuals with high political engagement, such as those who are most vocal in social media, also appears to be particularly strong. If the poll numbers are correct, however, they show a growing divide between opposition leaders and much of public opinion on the issue of participation.



**Francisco Rodríguez**  
Chief Economist

franciscorodriguez@torinocap.com

Phone: 212-339-0021 (O), 646-630-4883 (M)