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Populism as a mechanism for business legitimation: the case of Venezuela's PDVSA

El populismo como mecanismo de legitimación empresarial: el caso de la venezolana PDVSA

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ABSTRACT. This work illustrates the role of populism in defending transgressing state-owned companies, based on the case of Petróleos de Venezuela (PDVSA) and its relationship with the Venezuelan state during the self-titled era of '21st-century socialism.' To this end, a descriptive research design and systematization of data was performed on some socio-environmental transgressions by this company between 2010 and 2020. The results point to the continued use of inflammatory rhetoric, represented by anti-elitism, defense of popular sovereignty, and the consideration of homogeneous and virtuous citizenship. These findings suggest that populism can be used as a particular discursive behavior meant to defend the legitimacy of transgressing, subservient-to-power companies.

KEYWORDS: crisis communication; crisis management; organizational legitimacy; populism; state-owned companies; Venezuela

RESUMEN. Este artículo ilustra el papel del populismo en la defensa de empresas estatales transgresoras, a partir del estudio del caso de la empresa Petróleos de Venezuela (PDVSA) y su relación con el Estado venezolano durante la era del autodenominado "socialismo del siglo XXI". Para ello se hace una investigación descriptiva y de sistematización de datos sobre algunos eventos de transgresión socioambiental en los que incurrió la compañía entre 2010 y 2020. Los resultados apuntan al uso continuo de una retórica incendiaria, constituida por el antielitismo, la defensa de la soberanía popular y la consideración de una ciudadanía homogénea y virtuosa. Esto sugiere que el populismo también puede ser utilizado como un estilo discursivo particular para defender la legitimidad de empresas transgresoras subordinadas al poder.

PALABRAS CLAVE: empresa pública; estrategias de comunicación; gerencia de crisis; legitimidad organizacional; populismo; Venezuela

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Introduction

In a strict sense, the notion of populism revolves around the central idea that more than a doctrine or specific political behavior intended to seduce the masses, it is a type of mobilization in which the masses, through emissaries (empowered with the people's interests), organize around a specific political identity (Laclau, 2012). Thus, populism should not be confused with the traditional political demagoguery, in which communication is adapted to an electorate's assertions (Muller, 2016). Nor can it be suggested that it corresponds to a concept of exclusive use by the left-wing or right-wing party (Svensson, 2009). According to Laclau (2012), one could not even say that populism is bad or (even) good. The populist phenomenon, however, does have considerable predominance in the anti-institutional discourse, which exploits the convergence of citizen disappointment and impotence within a generalized environment of uncertainty, seeking recognition of a faction leader-centered political agenda, whose vocation is, by definition, messianic.

In this order of ideas, it has been noted that the populist discourse develops in the context of government transgressions that are perceived by the citizens (Hawkins et al., 2017; Laclau, 2012; Taggart, 2002). Thanks to this environment, populists may attain strong political power at any given point. Now, the previous would be fine if their exercising of power led to an effective and sustainable defense of their original principles in favor of their societies. The issue is that, very often, populism is firmly rooted in the populists' political style, who, through their behaviors, decisions, and messages, can themselves become a trigger for transgressions in their own surroundings. Herein lies the perversity of the phenomenon under consideration.

Markedly, the protagonism acquired by the left upon its accession to power in several Latin American countries during the first decade of the 21st century prompted the debate on the populism phenomena akin to a particular ideology. Several cases involved national-cut populism, in which the international political agenda was noticeably subordinated to the political system's internal needs and, specifically, to the engaged populist leader's intentions. The Venezuelan example is a tangible representation of this.

For much of the 1980s and 1990s, this country underwent a long period of economic instability. During this time, a figure emerged that seized the moment, self-proclaiming himself as a representative of the popular collective and justifying the profound changes in Venezuela's political, social, and economic system through various nationalist arguments. A series of messages of unity and social vindication captivated the masses. The messages, punctuated with pronouncements against a borne external enemy, endowed the people with a unity of purpose. These turned into messages of hatred, with a defiant and even a warmongering slant (Lopez, 2018) against the enemies: the oligarchy, the previous governments, the opposition, the American "empire," the Colombian government, and so on.

Two decades later, the result has been a raddled notion, discredited leaders, and a country mired in a staggering economic and political catastrophe. Venezuela's currently fragmented society, brain drain, and rampant corruption challenge the viability of a nation that once boasted of possessing development figures nearing those of the first world. In other words, and consistent with Moffitt (2015), it all constituted a transgression that allowed the emergence of "something," in this case, Chavista populism, which proved to be the very origin of a new era of continuous transgressions.

However, the relationship between transgression and populism could go further. The thesis demonstrated in this work implies that this description of populism can be used by the populists themselves to legitimize their transgressive actions perpetrated in the exercise of power. Indeed, this appears to be a permanent method of justifying the transgression of their own norms, used as the foundation for constructing or consolidating a radical (generally, leader-centered) regime. Moreover, populism can be used to manage territorial political or economic transgressions, as well as transgressions by institutions and companies related to the circle of populist power on duty. Thus, this article is based on literature related to the management of organizational legitimacy (Suchman, 1995), emphasizing the discussion of its communicative role in provoked crisis scenarios, that is, transgression events.

Methodologically, this work embraces this Venezuelan political context and relies on the case study (Yin, 2014), focusing on eight transgressions perpetrated by the Venezuelan state-owned company *Petróleos de Venezuela* (PDVSA) over the past ten years (2010-2020). The results obtained support the work's thesis because, within these events' framework, documentary evidence was obtained of the progressive and passionate use of typical populist discourse statements emitted by the management and bodies of Venezuelan power to defend a company's legitimacy at all costs.

Populism

The concept of *populism* can evoke several meanings that emphasize its divisive nature. Populism is often associated with demagoguery, anti-pluralism, the pursuit of scapegoats, rejection of institutional mediation, and tyranny, among others (Muller, 2016). Generally understood as a tool used by politicians to manipulate citizens (Papadopoulos, 2002), it is commonly defined as:

[...] an ideology that considers society to be ultimately separated into two homogeneous and antagonistic groups, "pure people" versus "the corrupt elite," and which argues that politics should be an expression of the people's *volonté générale* (general will). (Mudde, 2004, p. 543)

In this order of ideas, authors such as Schulz et al. (2017), consistent with Hameleers et al. (2017) and Mudde (2004), have pointed out that populism can be synthesized in the vindication of three fundamental positions: 1) *anti-elitism*, which opposes the favoritism of a few (the elites); (2) *popular sovereignty*, which favors the reclamation of political power “by the people and for the people”; and 3) the *homogeneity and virtuousness of the community*, which assumes a people’s monolithic thought (and feeling), managed through the exaltation of its nature, history, and behavior.

However, from another stance, more than a topic exclusive to the political arena, populism has aroused academic interest in many other fields and disciplines, including communication sciences (Rooduijin, 2016). Instead of an ideology, populism has been described as a frame for action, a political style, or, more accurately, “a communication style adopted by political actors” (Jagers & Walgrave, 2007, p. 326). Because some organizations and institutions can also act as political actors (Detomasi, 2015; Hults, 2012a; Morsing, 2011), one can assume that, when controlled by populist governments, their messages may fall into the *populist rhetoric* category.

In political sciences, crises are generally understood as events that trigger populist demonstrations (Hawkins et al., 2017; Laclau, 2012; Taggart, 2002). However, studies on the connection between these two phenomena remain insufficient (Moffitt, 2015). Therefore, it can be inferred that the populist nature of communication in crisis scenarios is also an incipient subject. Although this approach focuses on political crises, the idea of a populist regime, jointly accountable with the transgressing actor for a series of transgressions is a good scenario to assess the notion of populism as a defense resource, even if, as suggested by Wolkenstein (2016), it represents the breakdown of certain ethical principles. With this in mind, one of the questions addressed in this work is how transgressing actors and governments can alter the response to a company crisis within populist environments.

In turn, the safeguarding of a transgressive entity through the interested public’s social judgment (for example, questioning its legitimacy) is an aspect whose study can provide greater knowledge on the subject. In this case, it could help understand whether populism’s role influences the message transmitted in the context of these transgressions or if the situation itself prompts the message sender to use a populist style to influence the specific offending entity’s social judgment. These inquiries merit discussion in the light of transgression situations or real crises in relevant contexts.

Transgressions and organizational legitimacy

From a business perspective, a crisis event is defined as “a low-probability, high-impact event that threatens the viability of the organization” (Pearson & Clair, 1998, p. 60).

However, when the company itself produces the crisis (in other words, the company is the transgressor), these events can also affect its interest groups. Thus, this definition has been evolving and now includes these groups' roles (Coombs, 2019). In this sense, a crisis or a corporate transgression can be more fully understood as an unpredictable event produced by action or omission, which besides threatening the transgressive company's viability, also affects its stakeholders. According to Pearson and Clair (1998), these types of events are characterized mainly by the ambiguity of their causes, their effects, and their means of resolution, as well as the belief that decisions to face them must be made quickly.

Meanwhile, organizational legitimacy is based on the generalized perception of a company's actions as "desirable, or appropriate within a socially constructed system of regulations, values, beliefs, and definitions" (Suchman, 1995, p. 574). Thus, if organizations meet and conform to society's expectations, they are accepted, valued, and their proper orientation is assumed. From this perspective, a company, considered legitimate before its stakeholders, pursues socially acceptable objectives in a socially acceptable way (Claasen & Roloff, 2012).

When addressing the concept of *organizational legitimacy*, some authors recommend taking the "context" into account (Du & Vieira, 2012). They argue that the precise allocation of who, what, and how stakeholders attribute legitimacy also depends on the context in which the company obtains and maintains this legitimacy. For instance, in the controversial oil industry, companies like ExxonMobil, Shell, and BP face numerous challenges related to the socio-political context in which they operate. Often, they face accusations due to their debatable handling of environmental problems, their political connections, and their economic importance.

In any case, beyond the concepts in the collective imagination, organizational legitimacy should also be understood as an exercise in rhetoric within a democratic environment (Palazzo & Scherer, 2006). Considering the term's moral dimension, Suchman (1995) has stated that companies' legitimacy actually arises from their communication with the stakeholders. Moreover, beyond any specific focus, addressing a transgression event indicates that the transgressive company should address creating meaningful interaction spaces with its stakeholders (Ulmer et al., 2015). Depending on these interactions, stakeholders build their own perceptions about these transgressions and the degree of responsibility that companies have (Austin et al., 2012). Thus, crisis communication, particularly the strategies to defend organizational legitimacy, consists of trying to influence these perceptions through an adequate communication process within the framework of managing a transgression event (Massey, 2001).

However, it must be emphasized that the protection of organizational legitimacy is not exclusive to the business arena. Sometimes, political actors can also be protagonists of this same dynamic (Claasen & Roloff, 2012). For example, in mid-2010, after the

Deepwater Horizon BP platform oil spill, this company's economic influence seemed to have played a more important role than the disaster's effects on the environment and people. The fact that much of the oil spilled had not yet been quantified in the Gulf of Mexico and that the effects of the disaster were still partially unknown did not deter decision-makers from giving in to the industry giants to restart oil drilling in the Gulf. Thus, when US President Barack Obama criticized BP's operations, British Prime Minister David Cameron mentioned that BP was a leading multinational that played a significant economic role in the United States, the United Kingdom, and other countries. As a result, President Obama backed down and publicly apologized, stating that he had no interest in undermining the company's value. Seemingly, in addition to BP's contribution to employment generation and the economy in general, this apology addressed the fact that BP had so far funded much of the energy research in the United States (Claasen & McNamara, 2020).

Another significant issue is the ideological context in which transgressive companies operate. Svensson (2009) declares in his work that crisis communication (and therefore, a transgressive company's legitimacy defense communication) can also be understood as a series of inherent political interactions. In this sense, along with organizational communication, these messages are also "undertaken within networks of power relations that limit and allow the communication practices take on by the organization" (p. 571). Similarly, it suggests that offending actors can benefit from the ideological (or political) tensions in the environment to defend their position and, at times, escape their responsibility and liability. Svensson calls them "polarized ideological environments."

State companies as transgressors

In the context of transgressive state-owned enterprises, the specific issue of organizational legitimacy poses an important consideration regarding these companies' hybrid nature (Bruton et al., 2015) and, consequently, to the governments' role in addressing this kind of scenarios. Although research has not been traditionally focused on crisis management of this specific type of event (Olsson, 2014; Schultz & Raupp, 2010), most has used continuous descriptive-prescriptive approaches to these problems, taking particularly to the notions of *political credibility* and *legitimacy* as the main drivers for establishing courses of action.

Firstly, the fact that transgressions represent political events par excellence must be considered (Boin et al., 2007). Therefore, there is a possibility that such crises, depending on their handling, also create challenges or opportunities for governments in power. A possible discussion can be framed in terms of variations in context. For example, differences in communication styles can be found when evaluating this same phenomenon for

different economic models (Roper & Schoenberger-Orgad, 2011), different administrative systems (Bruton et al., 2015), or simply within different political contexts. In other words, the rhetorical style used by a state company and its controlling administrations of the handling of a transgression event is highly dependent on the corresponding political environment.

Secondly, as in all situations in which state-owned enterprises are perceived as transgressors in crisis situations, their corresponding administrations are also forced to play a double role. First, they are the entities responsible for social welfare at all levels, despite the consequences of the respective transgression, and second, as owners of the companies that generate the transgressions (Roper & Schoenberger-Orgad, 2011). This dualism creates an obvious tension, by which the responsibility of state-owned enterprises tends to rest largely on the owner's administrations, involving them, almost inevitably, in subsequent communication processes.

This study raises the hypothesis that the discourse or the populist narrative can be used as a strategic mechanism to defend organizational legitimacy in transgression scenarios by institutions and public enterprises subordinated to a populist government (or regime).

Methodology

This study follows Yin's (2014) guidelines on research through case studies. It uses a descriptive research method and a systematized data and dispersed information process based mainly on corporate and mass communication media. Thus, the study focuses on a particular case study: the case of state-owned PDVSA from 2010 to this study's cut-off date (June 2020). Specifically, it analyzes a set of socio-environmental transgressions that the company incurred during this time. To this end, it turns to public use information sources, newspaper clippings, corporate messages (Table 1), and relevant literature with a historical, reflective, and narrative focus.

Table 1. Information sources used

Type	Source	Website
International news agencies	Reuters	reuters.com
	EFE	efe.com
Independent media	Infobae	infobae.com
	BBC	bbc.com
	CNN	cnn.com
Venezuelan official media	TeleSUR	telesurtv.net
	Venezolana de Television	vtv.gob.ve
Official websites	Petróleos de Venezuela, PDVSA *	pdvsa.com
	Ministry of the Popular Power of Petroleum	minpet.gov.ve
Foundations and non-governmental organizations	Insight Crime	en.insightcrime.org
	Transparency International	transparency.org
	International Amnesty	amnesty.org

*The PDVSA's official website published the company's sustainability reports only until 2016. It also does not publish all of its news and press releases.

Source: Created by the author.

To begin the analysis, the case of Venezuela, the PDVSA, and the circumstances regarding its role in implementing the “Bolivarian power agenda” are addressed in detail. Then, an account is given of six specific social and environmental transgressions committed by the company, and the typical government responses to such situations are presented.

Venezuela, the PDVSA, and its crisis

The Bolivarian Republic of Venezuela is a paradoxical case. With an annual average growth rate of 6.4%, for most of the twentieth century, it used to be one of Latin America's fastest-growing countries (Hausmann, 2003). Today, as one of the founding nations of the Organization of the Petroleum Exporting Countries (OPEC), it is characterized as a country rich in resources and a typical example of a rentier society. Indeed, the Venezuelan subsoil has the largest proven reserves of crude oil in the world, with an approximate share of 20.21% of world reserves (Fantini & Quinn, 2017). Thus, it is not surprising

that its economy and public finances are highly dependent on this hydrocarbon, representing 96% of export earnings and 45% of budget revenue (Bertelsmann-Stiftung, 2020). Consequently, Venezuela is vulnerable to fluctuations in the price of oil.

Another aspect complements those mentioned above. Since the ascent of Hugo Chávez Frías to the presidency in 1998, high levels of autocracy and repression have been consummated on behalf of the people, searching for what Chávez called the “socialism of the 21st century” (Corrales, 2015; Zagorski, 2003). As a result, Venezuela has been recognized as a populist regime in all aspects (De la Torre, 2016; Stavrakakis et al., 2016). This situation escalated in 2002 when, after a PDVSA manager and worker lockout, Chávez, in a demonstration of power, and with great popular support at that time, fired almost 60% (more than 18,000 people) of the company staff and ordered the military to take control of the entire oil industry (Brading, 2014; Buxton, 2014).

From that moment on, Venezuela's history became discouraging. Although poverty and inequality levels had seemingly been kept under control (World Bank, 2017), the country began to suffer the worst socio-economic crisis in its history progressively. Eventually, this situation has led to its productive apparatus' stagnation, the world's highest inflation rate, and bitter medicine and food shortages (Halff et al., 2020). Moreover, the country is perceived as one of the world's most corrupt, presenting severe human rights violations issues, with serious indications of the power apparatus' participation. This situation has become evident and irrefutable, to the point that the regime has been classified as a “mafia state” (Insight Crime, 2018) or a “criminal state” (López, 2018). Meanwhile, Nicolas Maduro's (successor of Chavez after his death in 2013, in a process declared unlawful by most countries of the world) regime devotes itself to blaming the “natural enemies of the Revolution.” That is, the right-wing neoliberalism in the form of opposition political parties, the Venezuelan oligarchy represented by the economic elite and private companies, and the notion of imperialism epitomized by the United States and its ideology (Gallegos, 2016; López, 2018).

Gradually, the PDVSA became the Bolivarian agenda's economic sponsor, acting as a kind of “Swiss Army knife” for internal social problems and even supporting the country's foreign policy through direct aid to other allied nations. However, the PDVSA is not precisely recognized as a transparent corporation. Until 2002, it was considered an autonomous and outstanding company (Hults, 2012b); however, a current Index Governance Resource study highlights its high level of politicization, produced by its absolute subordination to the Venezuelan government (Kaufmann, 2017). Among other deficiencies, the company is not listed on the stock market, and there is no formal institution to regulate it (Hults, 2012b). Consequently, it is not under any institutional pressure to be accountable to Venezuelan society or the international order, politically, socially, economically, or environmentally (Fry & Ibrahim, 2013; Kolk, 2010).

Unsurprisingly, the PDVSA's annual reports, including its sustainability reports, are not considered reliable (Frynas, 2009; Hults, 2012b; Kerr, 2013). Besides not following any international standards, these reports are only partially published and practically available only in Spanish. Furthermore, they cannot be easily found through official communication channels (Coni-Zimmer, 2014). In this regard, agencies like Transparency International have expressed numerous concerns, highlighting the manipulation of facts, the lack of comparability of the conditions, and the disclosure of selected information (Transparencia Venezuela, 2020).

Moreover, long-standing scandals and cases surrounding the PDVSA have become part of the Venezuelan everyday reality (Buxton, 2018; Contreras-Pacheco, 2018; Vásquez-Lezama, 2016). The agenda handled in its resource administration and responsibilities fulfillment diffuses its true institutional purpose and makes it easy prey for politicking, bureaucracy, and corruption. Its infrastructure has been neglected; knowledge has been inadequately managed, and, therefore, its overall performance has dropped at an alarming rate. The numbers are so outrageous that, with an installed capacity equivalent to 3,300,000 barrels/day, the company is currently only producing about 374,000 barrels/day, a level of production that was unseen since 1945 (Zerpa, 2020). This situation has generated a generalized shortage of fuel in the South American country, which, inexplicably, has been forced to importing fuel from Iran since April 2020 (BBC News Mundo, 2020).

Furthermore, the emerging scandals have not been handled diplomatically. Both in the Chávez government (1998-2013) and the Maduro regime (2013 to date), the practice of countering inquiries with rebellious, aggressive, and insulting speech is habitual (López, 2018). This speech has gained many supporters in the country. For various reasons, the supporters feel included in a revolutionary project full of symbols and signifiers, such as the Revolution's color "*rojo, rojito*" (red and redder), which coincides with PDVSA's corporate identity and the pejorative qualifiers of "*escualidos*" (squalid), and "*pitiyanquis*" (Yankee wannabe) against the enemies of the movement. Furthermore, the continuously pronounced slogan in Venezuelan socialist circles: "We will live, and we will win," replacing the controversial "homeland, socialism, or death." (Riorda & Rincón, 2016)

Results

The responses from the management (PDVSA) and official (government or the regime, as appropriate) entities on the events of socio-environmental transgression committed by the "revolutionary PDVSA" were obtained through a review of public documents. Eight representative events of this reality and different nature were been selected. In Table 2, these events are listed and described along with the messages issued in response to each event.

Table 2. PDVSA socio-environmental transgression events (2010-2020)

No.	Date and type	Event and description	Management and official communication
1	05/25/2010	PDVAL case	
	Corruption case	Discovery of more than 130,000 tons of food with expired expiration date, imported by the government on subsidies through PDVAL (a subsidiary of the PDVSA).	Despite being classified as “serious,” the official spokespersons alleged that the amount of expired food was actually negligible and that there had been “media manipulation” by the opposition and the independent media.
2	02/04/2012	Spill 1, Guarapiche River	
	Environmental incident	A rupture in the PDVSA's Jusepín Operational Complex oil pipeline caused an oil spill that reached the Maturín water purification plant (State of Monagas). This left the city without water for an extended period, causing serious environmental damage, which is yet to be undetermined.	President Chavez's government downplayed the incident, assuring that the situation was under control. He blamed the media for creating an “opinion matrix” regarding the event and did not rule out sabotage by the opposition.
3	08/25/2012	Amuay refinery explosion	
	Occupational disaster	The poor condition and lack of maintenance at the largest refinery complex in Latin America, ignited the second biggest refinery explosion worldwide. In addition to the financial losses and the environmental impact, the shockwave and fire killed 48 people, including workers, guards, and ordinary citizens.	Without evidence, the government attributed the tragedy to an act of sabotage perpetrated by its opponents in conjunction with the American government. Communications during the crisis were filled with praises to the workers and firefighters who were able to control the fire several days after the explosion.

Table continues...

No.	Date and type	Event and description	Management and official communication
4	03/12/2015	Andorra plot	
	Corruption case	Accusations of a money laundering operation worth more than 2 billion dollars product of embezzling PDVSA, made through private banking in Andorra.	The regime blamed the company's previous administrative leadership, which had been appointed and endorsed by former President Chávez, continually cataloging them as "perpetrators of an internal and historical sabotage of the Venezuelan oil industry". However, they refrained from accusing members of the work team, affected by this case.
5	07/06/2018	Spill 2, Guarapiche River	
	Environmental incident	Six years after the first spill occurred at this location, the operational failures and lack of equipment produced a second, less severe, oil spill.	Again, the regime criticized the independent media and said the incident was caused by excessive rain in the area.
6	02/19/2019	Fire at the ERO station	
	Occupational tragedy	Fire affecting the ERO Station's pumping chamber in the east of the country. This station has an installed capacity of 300,000 barrels of crude per day from the production of mixed companies in the Orinoco Oil Belt. This incident significantly affected the company's supply chain.	The regime categorized this as a terrorist act and accused the opposition and the US government of perpetrating it. There was no evidence of such charges and no legal process was formally established.
7	05/20/2019	Operation Nafta	
	Corruption case	An investigation was opened in Spain for the payment of several million euros to the former ambassador of that country in Venezuela and his son for fictitious consulting to the PDVSA.	The scapegoat in this case was Rafael Ramírez Carreño, president of PDVSA between 2004 and 2013. Currently, Ramírez is considered a traitor to the revolution and accused by the regime of corruption.

Table continues...

No.	Date and type	Event and description	Management and official communication
8	06/01/2020	Rationing and rising fuel prices	
	Financial crisis	The effect of years of mismanagement, lack of investment, and corruption has led to the decrease of the company's production capacity and complete deterioration. Because of severe fuel shortages, the country, proven to have the largest oil reserves, has started importing fuel from Iran. Consequently, the regime had to eliminate the subsidy for the purchase of gas almost entirely. The increase was of 50,000,000,000%.	The regime blamed the situation to the "perverse American naval blockade," preventing the supply of necessary fuel production inputs. According to Maduro and his circle of power, this blockade was carried out with the help of the Colombian government, the opposition, and the Venezuelan bourgeoisie.

Source: Created by the author.

Discussion

The analysis results validate the hypothesis that during the 2010-2020 period, in transgression scenarios regarding the state-owned PDVSA, both the company's management body and the controlling Bolivarian circle of power made continuous and permanent use of populist rhetoric to defend the transgressive company.

According to Hameleers et al. (2017) and Schulz et al. (2017), the analyzed official responses articulated within the framework of transgressions are a clear example of *divisive expressions*, using scapegoating represented in the Venezuelan oligarchy, the political opposition, and the US empire. A common factor perceived was the large doses of animosity towards the people or entities that did not support the official narrative on the events. For the Bolivarian circles of power, all critics are part of the "other side," traitors of the nation, coup plotters, or simply, the enemy within.

Similarly, the responses include *apologies to the patriotic*, which exalt the Venezuelan subsoil's richness, industry size, experience in the industry, and the importance of its role in the global geopolitical context. There is a marked allusion to the memoirs of Simón Bolívar and Hugo Chávez, considered "patriotic martyrs of the revolution." There are also relentless accusations against governments with tendencies against socialism. The US

government is openly accused as a direct financier of the alleged sabotage of the regime, which displays a perpetual claim to its sovereignty in the face of the alleged interference.

The responses also show an *exaltation of the citizens* in which the *Chavistas* are unremittently described as valiant and committed to the revolutionary cause. The character and the sacrifice of the people who faced the different incidents are emphasized, as well as the commitment of those involved in handling the respective crisis.

Similarly, there is a very well-defined and continuous pattern of evasion of responsibility for the transgressions caused, as well as their consequences. It is also common that the accusations of sabotage made for the vast majority of incidents lack evidence, and, consequently, there is no progress in investigative or disciplinary matters on the alleged “saboteurs.” Finally, two other common characteristics in the PDVSA’s communication process are clearly evident, the manifest distrust of the independent media and the opacity of the versions presented by the official spokespersons, which is reinforced by the “irrefutable” nature of those pronouncements.

Populism has usually been identified as a political phenomenon that emerges as a response to certain scenarios of transgression (Hawkins et al., 2017; Laclau, 2012; Taggart, 2002). However, according to this work’s findings and under certain contextual conditions (exposed in the light of the Venezuelan case), populism also plays a fundamental role in crisis management, which is of interest within the literature on strategy and organizations. Thus, the results obtained here verify the proposed hypothesis. Therefore, and in agreement with Jagers and Walgrave (2007), populist rhetoric is used strategically as the dominant communication style in scenarios of transgression perpetrated by institutions and public companies subordinated to a populist regime. It is a legitimation mechanism (Massey, 2001; Suchman, 1995) for transgressions perpetrated by those in power, even by those who, having power, are in the business sphere.

In this sense, populism is a style characterized by a strong divisionism vocation. It focuses on the leader as the engine of an ideological platform that defends the transgressive company at all costs for the simple fact of being part of the bureaucratic structure of populist power. Furthermore, it is a style whose purpose is none other than to justify these same (transgressive) actions perpetrated in the exercise of power as a basis for the consolidation of the respective regime. These businesses can even act as political actors (Detomasi, 2015; Hulst, 2012a; Morsing, 2011) and, therefore, their “business” messages in these scenarios do not behave under the same framework of communication of conventional crisis (Coombs, 2019; Pearson & Clair, 1998). In other words, instead of transmitting company messages, these companies emit messages laden with political overtones because of their own political and the transgressive event’s nature (Boin et al., 2007). This concurs with Bruton et al. (2015) and Roper and Schoenberger-Orgad’s (2011) in that the political context of the day shapes the crisis messages of transgressive public companies at their convenience.

As mentioned, the organizational literature has usually advocated for studying the concept of crisis in a purely business environment. The government's role has been limited to an external *stakeholder* that sometimes acts as a crisis mediator, even in crisis cases caused by state-owned companies. However, the PDVSA's case is particular. It is not a conventional state-owned company. More than the economic arm of a government or a socialist regime, the PDVSA is the source that finances the entire ideological revolution, present for more than two decades in Latin America's political reality. Unfortunately, this circle of power's corruption and the managerial incompetence of the system it designated to manage the company have completely undermined the capabilities of this corporate giant, thus, the nation with the largest oil reserves in the world's entire oil industry.

Relations between the PDVSA and the Venezuelan government had been characterized historically by the independence and professionalization of its criteria. However, this independence came to an end after the administrative restructuring led by the *Chavista* government between 2002 and 2003. Amid a turbulent political context (Svensson, 2009), the government strengthened its role as controller of the company, which submitted to governing president's mandates, invading its bureaucratic actions and hindered intelligent management at a very convenient stage for its development.

In the end, a corporate-governmental merger was obtained, undifferentiated by interests or responsibilities. The company's communication processes were then loaded with messages defending the official policies. Meanwhile, the holders of national power teemed to obtain the firm's custody. Consequently, contrary to the ought-to-be, adequately illustrated in Roper and Schoenberger-Orgad (2011), the regime automatically became the supporter of the PDVSA's legitimacy and its actions against its interest groups.

Faced with this reality, the moments of crisis were unexceptional. Despite the obvious mistakes, misappropriations, and damages caused by the PDVSA during the period studied, the regime remained silent. Instead of being the defender of the Venezuelan people's interests in the face of such abuses, it became the public defender of the entity transgressing those interests. Curiously, the regime did it by raising the people's flags and vindicating its own interests, a practice typical of populism as a rhetorical style (Mudde, 2004).

Thus, this work contributes to a better understanding of the relationship between populism and transgressions (Moffitt, 2015) insofar as it can be inferred that, for the case in question, it was through the systematic exercise of populism and typical populist discourse that the regime ended up acting as a legitimizing body for these transgressions.

This work's most outstanding limitation involves its nature as a case study. It is limited to eight different events associated with a single organization within a very specific context. However, despite this limitation to the results' generalizability, this analysis helps explain the phenomenon described and provides sufficient evidence regarding

the results in the regional geographic context (Latin America). The previous is because the Venezuelan nation is widely recognized in the relevant literature as a proven and long-standing case of a populist regime (López, 2014; 2018), making it an appropriate laboratory for this type of analysis. In any case, it is expected that this study will motivate other studies in different contexts and with other types of methodologies to compare results and generate a greater and better understanding in this regard.

Conclusion

This research illustrates how the populist narrative can be exploited not only by governments and power regimes with a high ideological load but also by state-owned companies in certain circumstances. This circumstance has been evidenced by examining a key state company's behavior, faced with a series of socio-environmental transgressive events perpetrated by its business actions, in a state of submission to the Venezuelan populist regime. In this sense, the way the state giant PDVSA, together with its owner, Venezuela's Bolivarian regime, responded to the public amid these critical incidents led to the vindication of populist ideas of anti-elitism, preservation of popular sovereignty, and the consideration of the people's homogeneity and virtuosity.

In addition to providing a better understanding of the scantily explored connection between populism and crisis, this study suggests that more than a phenomenon exclusively used to deal with political crises, populism can also be used as a mechanism for legitimizing transgressive state companies in contexts of subordination to the power of populist regimes.

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