



VENEZUELA: THE HEADLINES YOU MISSED IN 2007

Throughout 2007, there were a number of stories you may not have read in the media about Venezuela. Whether high rankings on a regional democracy survey or the decreasing poverty rate, these are the stories that are vital to understanding the changes taking place in contemporary Venezuela. Here we include some of the most important and overlooked stories of 2007.

VENEZUELANAS SATISFIED WITH THEIR DEMOCRACY

On November 16, 2007, the independent and respected polling firm Latinobarometro released their [annual survey of public opinion](#) in Latin America. Among some of the most important conclusions of the survey in relation to Venezuela were the following facts:

VENEZUELANAS ARE...

SATISFIED WITH DEMOCRACY

When polled, 59 percent of Venezuelans said they were satisfied with their democratic system – second only to Uruguay and far above the regional average of 37 percent.

CONFIDENT IN THEIR GOVERNMENT

66 percent of Venezuelans expressed confidence in their government, the highest number in the region. The regional average was 39 percent.

COMMITTED TO EQUALITY

Venezuela ranked first in the region on equality between the sexes, equality of opportunity, protection of private property, solidarity with the poor, equal distribution of wealth, and employment opportunities.

SATISFIED WITH THE ECONOMY

More people in Venezuela than any other Latin American country – 52 percent – described the state of their country's economy, as "good" or "very good."

HOPEFUL ABOUT THE FUTURE

When asked how the economy would fare over the next year, 60 percent of Venezuelans said it would do "much better" or "a bit better," the highest number in the region.

POVERTY DROPS SHARPLY

According to the 2007 [Social Panorama of Latin America](#) report released by the UN Economic Commission for Latin America and the Caribbean (ECLAC, or CEPAL in Spanish), Venezuela **ranked**

second in the region in reducing both poverty and extreme poverty from 2002 to 2006. The report stated:

“ The Bolivarian Republic of Venezuela *reduced its poverty and extreme poverty rates* by 18.4 and 12.3 percentage points, respectively, between 2002 and 2006. Thanks to rapid GDP growth and the ongoing implementation of broad social programmes, in 2006 alone the poverty rate was lowered from 37.1% to 30.2% and the indigence rate from 15.9% to 9.9%. This swift pace of progress considerably brightens the prospects for further reductions in poverty and significantly increases the feasibility of meeting the first target associated with the first Millennium Development Goal... ”

Government spending on social programs has **doubled since 1996**, and in 2006 stood at 13.6 percent of the GDP. Spending on education programs alone stands at 5.1 percent of the GDP. Combined with spending by PDVSA, the state-owned oil company, social spending in 2006 stood at **20.9 percent of GDP**. According to [a report](#) by the Center for Economic and Policy Research (CEPR), from 1998 to 2006 Venezuela recorded a **170 percent increase in social spending** per person in real terms, a number that increases to **314 percent** per person in real terms when PDVSA spending is included.

There are currently **over 20 social programs** known as "social missions" that address specific development challenges and incorporate needy citizens and communities in their design and implementation. For example, Mision Barrio Adentro – "Inside the Barrio" – has placed 20,000 doctors and numerous medical facilities within neighborhoods around Venezuela. The result has been a substantial increase in primary health care. In 1998, there were 1,628 primary care physicians for a population of 23.4 million; now there are 19,751 for a population of 27 million. Other "social missions" address issues including food security, housing, job training, culture, education, and the environment.

ECONOMY CONTINUES SUSTAINED GROWTH

In 2007, Venezuela's economy continued to expand. Venezuela has experienced **four consecutive years** of economic growth, averaging **11.9 percent growth** since 2004. This represents the first period of sustained growth in 28 years. According to the [CEPR](#)



[report](#), since the first quarter of 2003, the Venezuelan economy has **expanded by 76 percent** in real terms.

Other important indicators on the health and growth of the Venezuelan economy include the following:

IN VENEZUELA IN 2007...

›**Private sector growth stayed strong**, averaging 11 percent over the last four years, and making a significant contribution to the economy, particularly the non-oil sector.

›**Unemployment dropped** from 23 percent in 2002 to 8.4 percent in 2006.

›**Progress was made on inflation**, which currently sits around 15 percent, down from 31 percent in 2002.

›**Tax revenues from the non-oil sector increased** to 14.2 percent of GDP as a result of an increase in the tax base and better efficiency in the collection of taxes.

›**The external debt dropped** from 67 percent of GDP in 1986 to 13 percent in 2007.

›**International reserves now total \$30 billion**, not counting the \$28 billion that has gone into the National Development Fund since 2005.

ELECTIONS RECOGNIZED AS FREE, FAIR & TRANSPARENT

On November 30, White House Press Secretary Dana Perino [expressed concern](#) over a referendum scheduled for December 2 in Venezuela, stating, “[W]e are concerned that people would not be able to have the free and fair elections that they deserve.” But only two days later, Venezuelans freely voted in an election that was heralded as “exemplary” by Jose Miguel Insulza, the Secretary General of the Organization of American States (OAS).

As proven by the December 2 referendum, which President Chávez narrowly lost 51-49, **elections in Venezuela are free, fair and fully transparent**. Since 1998, Venezuelans have participated in **12 internationally monitored elections**, using state-of-the-art equipment and allowing for extensive audits of the results. For the referendum, some 120 observers from 39 countries witnessed the election and the vote-counting. Fully **54 percent of ballot boxes** were audited to ensure consistency between the electronic voting machines and the printed receipts voters

receive. Detailed results of the election are [available online](#).

On December 5, OAS Secretary General Insulza stressed the importance of recognizing the legitimacy of the Venezuelan electoral system when [he stated](#), “I hope the U.S. government can acknowledge, as all of us, that it was a fair, clean process.” A number of members of the U.S. Congress also congratulated Venezuela for the referendum, including Rep. Gregory Meeks (D-NY) and Rep. Jose Serrano (D-NY). In a [press release](#), Rep. Serrano stated, “President Chávez and the Venezuelan people yet again showed that they indeed have a democratic system in place and that the system is operational. I hope that Chávez’ critics, who often deploy misleading terms like ‘anti-democratic,’ will take note of this development and confine their criticisms to policies. The will of the Venezuelan people has been heard and respected.”

WANTED TERRORIST REMAINS FREE IN U.S.

While the Bush administration continued its war on terror throughout 2007, it again failed to act against a notorious terrorist who has lived freely in Miami and is [wanted by Venezuela](#).

Luis Posada Carriles, a Cuban-Venezuelan national, illegally entered the U.S. in 2005, making his way to South Florida where he was eventually detained for immigration fraud. On June 15, 2005, the Venezuelan government filed an extradition request for Posada in relation to an airliner bombing in which **73 innocent civilians were killed**. Posada, long considered the mastermind of the bombing, escaped Venezuela in 1985 while awaiting trial. And though Venezuela and the U.S. signed an extradition treaty in 1922, Posada has yet to be removed to Venezuela or prosecuted by the U.S. for the crimes he is accused of.

Posada worked with the CIA during the Cold War, and has been linked to a number of terrorist attacks in Cuba and attempts to assassinate Fidel Castro, making him a popular figure in South Florida. In one court filing, U.S. Immigration and Customs Enforcement admitted that Posada had a “long history of criminal activity and violence in which innocent civilians were killed.” Regardless, in May 2007, eight charges of immigration fraud against Posada were dropped, and he has since lived freely in Miami.



A number of international conventions require that if Posada is not extradited to Venezuela, he must be charged in the U.S. for his crimes. Similarly, the Patriot Act allows the Attorney General to designate him as a terrorist and detain him. Though the U.S. and Venezuela have political differences, there is no reason why the Bush administration should hesitate to act against this wanted terrorist.

HEATING OIL PROGRAM ENTERS THIRD YEAR

On December 10, 2007, the CITGO Corporation, a subsidiary of Venezuela's state oil company PDVSA, kicked off the third annual installment of a program that offers [discounted heating oil](#) to poor individuals throughout the U.S.

In 2007-2008, the program will provide **112 million gallons** of discounted heating oil to more than **224,000 households and 250 social service providers in 23 states**. It will also serve Native American tribes in 12 states. In 2005-2006, 39.8 million gallons of discounted heating oil were distributed to 181,460 households in eight states. In 2006-2007, 100 million gallons of discounted heating oil were distributed to 180,000 households, 250 shelters and 37 Native American tribes in 16 states.

The discounted heating oil program was started in 2005 after global oil prices rose and the twin disasters of Hurricane Katrina and Hurricane Rita hit the U.S. It was introduced as a humanitarian gesture to poor communities in the U.S., and also came in response to a request from U.S. senators to oil companies to offer discounts on heating oil. CITGO was, and still is, the only U.S.-based oil company to respond.

VENEZUELA HELPS LAUNCH REGIONAL BANK

On December 9, 2007, six Latin American countries came together in Buenos Aires, Argentina to sign an agreement [launching the Bank of the South](#). The historic initiative will create a regional development bank that will fund important infrastructure and development projects in the region. The six founding

members – Argentina, Brazil, Venezuela, Ecuador, Bolivia and Uruguay – will provide the **\$7 billion in start-up capital** for 2008. The bank will be headquartered in Caracas.

New Books on Venezuela:

Hugo! From Mud Hut to
Perpetual Revolution
By Bart Jones

Changing Venezuela By Taking
Power: The History and Policies
of the Chavez Government
By Gregory Wilpert

Hugo Chavez: Oil, Politics and
the Challenge to the U.S.
By Nikolas Kozloff

Cowboy in Caracas: A Personal
Account of Venezuela's
Democratic Revolution
By Charles Hardy

At the signing ceremony, Brazilian President Luiz Inacio Lula da Silva spoke of the importance of having a regional bank controlled by the countries that will benefit from it. "Only strong and united can South America occupy its rightful place among nations. This will be the first international bank truly controlled by the nations of our continent," he said.

Similarly, Joseph Stiglitz, who won the Nobel Prize in economics in 2001, [spoke in favor](#) of the bank in October 2007, stating, "It is a good thing to have competition in most markets, including the market for development lending...One of the advantages of having a Bank of the South is that it would reflect the perspectives of those in the South."

YOUTH ORCHESTRA STUNS U.S. AUDIENCES

For the last 32 years, an innovative state-funded program has taken young Venezuelans and taught them how to play classical music. Known as the National System of Youth Orchestras, the program serves 240,000 children and includes 1,800 teachers, 600 orchestras and 246 centers of teaching, producing one of the world's best known systems of youth music education and performance.

During the month of November 2007, the Simon Bolivar Youth Orchestra, which featured the 200 best musicians of the program, toured the U.S., playing Los Angeles, San Francisco, Philadelphia, Boston and New York to rave reviews. *The New York Times* [called their performance](#) "technically astonishing and powerfully communicative." The orchestra's musical director, Gustavo Dudamel, will direct the Los Angeles Philharmonic starting in 2009.

In October 2007, President Chávez announced that he was increasing funding for the program so as to allow it to reach **1 million Venezuelan children**.