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AN INITIAL EVALUATION OF SELECT SOCIAL WELFARE PROGRAMS
INSTATED BY HUGO CHAVEZ

By,
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A thesis submitted to the faculty of The University of Mississippi in partial fulfillment
of the requirements of the Croft Institute for International Studies
and the Sally McDonnell Barksdale Honors College.

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1

Introduction

Hugo Chavez has implemented a new wave of reforms in Venezuela in an effort to change the face of the country. The overhaul of domestic as well as foreign policies has earned him international attention. When Chavez assumed the presidency, Venezuela, like many Latin American countries, had a highly polarized society in terms of wealth. One of the main tenets of his platform was to reduce inequality among the citizens and, since race and class are so inescapably tied together, he had to make an effort to tackle both problems. In order to establish policies that would improve the most central factors of human development, Chavez elected to address, among other things, education, healthcare and poverty. These three issues make up what is considered the crux of human development—standard of living, knowledge, and health. While the timeframe is rather short, I will explore the progress of select social programs that Chavez has instituted.

Chavez was elected based on his appeal to the country's lower class, primarily composed of the poverty-stricken indigenous and rural citizens. I want to know if the social programs introduced by Chavez and his administration have been effective in improving the economic health and social welfare of Venezuelan citizens. The progressive social programs that have been organized throughout the country are aimed at benefiting the underprivileged and those who previously did not have access to quality

education and healthcare. Chavez has maintained support from the lower classes and has seen a rise in opposition, but it remains factionalized, thus providing a situation in which there is no effective opposition to Chavez. While the population has grown markedly polarized, it can be seen that “the popularity of Chavez with the popular classes is well known,” as he has continued to promote the programs that provide such benefits as well as instituting programs that directly affect income inequality (Derham). Chavez’s overarching mission is to raise the level of development of Venezuela by addressing income inequality. The specific programs established that speak to income inequality are not only traditional land redistribution programs, but also those that provide free public education, healthcare, and subsidized foodstuffs. The success of their implementation will be determined by an increase or decrease in value of the indicators selected. Taking into consideration the tumultuous political period between 2001 and 2003 that forced economic contraction and social instability, the results are sure to be uneven, and since most programs were implemented in 2003, the scope in which success is to be evaluated is rather limited, but even in such a short time frame, change has been evident.

The Face of the Nation and Rise of Hugo Chavez

The ascension of Hugo Chavez to the Venezuelan presidency in 1998 was seen as a defining moment not only for Venezuela but also for Latin America. What happened in Venezuela was not an isolated phenomenon by any stretch of the imagination; military leaders have become elected leaders of countries in most every Latin American country in the past century. Author Richard Gott states that, “for the first time in Venezuelan

history, the country's hidden majority – black, indigenous and mestizos – have a president with whom they can identify” (Gott 1, 2005). Chavez is a descendent of indigenous and Afro-Venezuelan ancestors, a fact that he has highlighted for the past eight years. Chavez's rural upbringing did not adversely affect his path to an education, however, as he pursued his education through high school and at the age of seventeen became a cadet in the Venezuelan armed forces. His common upbringing in rural life makes him more accessible to the average Venezuelans; he is not a ruler from the elite class—they see him as someone who shares a familiar background with Venezuelans of the middle and lower classes.

Chavez's Bolivarianism is not only influenced by the liberator of much of South America Simon Bolivar, but also by the revolutionary doctrines of Fidel Castro and Che Guevara. Chavez has even acknowledged that democratic socialism heavily influenced his version of Bolivarianism (Sojo). Democratic socialism is a term that requires definition as it helps to define Bolivarianism; according to the Democratic Socialists of America, it is a belief that, “the economy and society should be run democratically, to meet the needs of the whole community, not to make profits for a few” (Democratic Socialists of America). Chavez's mixed ethnicity and poor economic background fostered his appeal of Castro's arguments for popular revolution. Because of his own personal background, Chavez identified with the struggles of the Cuban lower class. As the leader of their revolution, Castro became an iconic figure for Chavez, who has taken many of Castro's strategies, and, under the title of Bolivarianism, has reshaped them to fit his own plan for the renewal of Venezuelan social and economic practices.

Nationalist policies implemented in Cuba by Castro, such as land reform, nationalization of industries, and the expansion of state-funded healthcare and education, inspired Chavez. He took from these policies ideas, and modified them before incorporating them into his idea of Bolivarianism. Guevara, a revolutionary from Argentina, was a great friend of Castro and was an important part of the Cuban Revolution. After traveling through South America by motorcycle and bearing witness to the extreme conditions of poverty and oppression, Guevara became an advocate for a resolution to the continent's prevalent inequalities. He was influenced by Marx, but also by Bolivar, and he began to see Latin America as a united region, not as individual countries (Guevara, Motorcycle Diaries). Chavez gleaned from the reflections and ideas of Guevara, a passion to change the situation that plagues much of Latin America. Chavez's own eyes were opened to the conditions in which he was raised: descendent of indigenous and Afro-Venezuelan ancestors, brought up by his school-teacher parents and grandmother in the Andean state of Barinas, Venezuela, and living in a house made of thatch and cement blocks (Guillermoprieto).

Bolivarianism is essentially a modification of what Bolivar strove toward during liberation. It is a republican thought that has permeated the continent because of its stress on autonomy and anti-imperialism. Its ideology stems from opposition to neo-liberalism that values the state and demands more state control over industries and services. It is almost socialist in that it promotes equality of the population and puts power in the hands of the state. Chavez's Bolivarianism has been influenced by the nationalist policies and revolutionary ideas of other regional leaders.

Election 1998 and Constitution of 1999

Throughout his campaign, Chavez declared that he wanted to reinvent Venezuela, and to do this he was first going to alleviate income disparity. Chavez stressed his rural background and manipulated it in order to motivate and move a large portion of the Venezuelan population. The relationship between class and race in Venezuela is deep-seated and indisputable. It can be seen most glaringly at demonstrations for and against the government that “class and skin color differences clearly correlate very highly...such that the darker skinned (and presumably lower class) support for the Chavez government and the lighter skinned (and presumably middle and upper class) oppose the Chavez government” (Wilpert 2004). And, given the fact that “two thirds of the population is mestizo (of mixed European and Indian ancestry) or mulatto-mestizo (African, European, and Indian); about one-fifth of Venezuelans are of European lineage, and one-tenth have mainly African ancestry” (Venezuela: Demographic Trends), Chavez was able to conjure up a voter base because of his ability to appeal to the poor. He played to the interests and issues that would most affect the mestizo and indigenous populations. In most countries in Latin America, the populations are very polarized; there exists a powerful elite ruling class, a rather small middle class, and a large, poverty-stricken lower class. Chavez was offering a new solution: to lift the country from the bottom up, rather than to let wealth trickle down from above. He was prepared to enact policy that would directly improve the situation of the lower class Venezuelans.

Income inequality is an acute problem in Venezuela and one that Chavez is trying to ameliorate with his innovative social plans. Venezuela has an inescapably divided population along racial and class lines, and these divisions are only made more profound

when one includes income. Chavez not only recognizes this, but he also exploits it. Having an indigenous look gives him credibility with the lower class citizens simply because they can relate to him. It was pointed out by one researcher that “the correspondence between skin color and class membership in Venezuela is quite stunning at times” (Kozloff). By improving the situation of the lower class citizens, Chavez hopes to reduce the disparity among classes and move the entire country forward by first attending to the “weakest link.” Chavez’s platform was geared towards uniting the various factions of Venezuela and to recreating the regional and international image of Venezuela as the progressive leader of Latin America.

The ideology surrounding these projections has been labeled Bolivarianism. It is a philosophy that stems from the ideas of Bolívar, Castro, and Guevara; its agenda is centered on improving the social environment as well as revamping the political structure of Venezuela. Bolivarianism was an important factor in the widespread popularity that Chavez gained in the 1998 election; it was a refreshing set of ideas that mobilized the masses. There are many factors that can explain Chavez’s appeal to voters in 1998, and as one scholar points out, “among these are his political platform, promising a profound transformation of the political system, and the personal appeal and political astuteness of Chavez himself” (Canache). Through the main tenets of Bolivarianism Chavez sought to recover the condition of the lower class,

Chavez’s support comes from the impoverished and politically inarticulate section of society, in the shanty towns of Caracas and in the great forgotten regions of the interior of the country. He speaks to them every day, in words they understand, in the vivid, often biblical, language of the evangelical preacher (Gott 21, 2000).

Because class and race are so inexorably entwined in Venezuela, the correlation between poverty and race is also tremendously strong. Chavez’s platform was centered on

enacting policies aimed at improving the social aspects of the country that would touch the most lives.

Through his populist antics, and at times belligerent rhetoric (Weyland), Chavez was successful in rallying the support of people who believe in his image and his promises. Again, Chavez's popularity resonates in the fact that "he won the 1998 election with relative ease...considering the nation's economic instability over the foregoing decade" (Canache). The Venezuelan people experienced the deterioration not only of their country, but also of their living standards. They have seen political corruption and failing institutions when charge was given to the traditional economic elites, and thus the majority of Venezuelans have become "dissatisfied with traditional political institutions and actors" (Canache). In order for democracy to survive, there needs to be some hint of transparency in the government, and one of Chavez's promises was to transform the institutions of government to provide clarity; and "immediately after assuming the presidency, Chavez followed through on his promise and initiated a process of drastic political and institutional transformation" (Canache). His promises of profound political renovation along with his appeal and charisma led more and more followers to support his efforts. Being a former coup leader, there was a gamble in electing him as president: would he actually transform the government in Venezuela, or would it simply fall apart? The stakes were raised when Chavez insisted on adopting new poverty relief and reduction programs. Would Chavez be able to hold the country together while tackling the pressing issue of poverty?

The main tenets of Bolivarianism were made permanent through a legal framework in the Constitution of 1999 in which Chavez emphasized that "reorganizing

the country's political superstructure has been seen as a prerequisite to improving the economy" (Gott 6, 2000). He established the new constitution in which he not only made several reforms that concentrated more power in the president, but also enacted reforms to make Venezuela a more economically self-sufficient nation, to promote a participatory democracy, to eliminate corruption, as well as to improve social welfare. Through the nationalization of industries, like many leaders before him, Chavez is focused on improving development within the country and increasing the profits of the state without assistance from outside actors. In his push to rewrite the constitution, Chavez reminded the congress of the inspiration given by the liberator Bolivar to the first Venezuelan Congress in 1819,

Our existing laws are disastrous relics derived from every despotic regime there has ever been, both ancient and modern; let us ensure that this monstrous edifice will collapse and crumble, so that we may construct a temple to justice away from its ruins, and dictate a new Venezuelan legal code under the influence of its sacred inspiration (Gott 156, 2000).

The Constitution includes various provisions for the integration of the indigenous community, and the framework for the establishment of state-funded healthcare and education. Chavez began working to change and improve the poor urban slums and rural communities in Venezuela. These efforts included in the constitution are a testament to his objective of lifting the country from the bottom up. The situation into which Chavez entered at the end of the 1990s was a product of, what scholars agree on in "a wide consensus that Venezuelan economy had an alarming increase in poverty in the early eighties to the late nineties" (Freije). All of his policy efforts are geared toward resolving income inequality in Venezuela. Chavez's opposition did not respond positively to the nationalistic wave that consumed the country following the election. The direct attention

to his electoral base was enough to pacify them and to sustain their support while he bought time to further develop his plans for social reform. Chavez intended to strengthen the state's role in the economy in order to stop and reverse the economic deterioration.

As he began his presidential term in 1999, Chavez addressed his National Assembly saying, "what is occurring is a revolution, and it will be futile to try to avoid it; Venezuela is being reborn from the ashes, and no one can stop it" (Taylor). He pushed for the passage of an Enabling Act which guaranteed him the ability to rule by decree for a year. Under this Act, Chavez introduced the Hydrocarbon Organic Law which put into place a new legal framework for the oil industry; "one of the most important changes in these legal instruments is the introduction of substantial modifications to rent capturing schemes" (Petróleos de Venezuela, S.A.). The petroleum industry was re-nationalized, and Chavez continually declared that the revenues would be used to increase the standard of living in the country. This is significant in that Chavez guaranteed a national income that would allow him to finance social programs. This one act was crucial to the realization of Chavez's Bolivarianism in Venezuela; without the assured oil income, Venezuela would not have a secure budget for the social programs that Chavez had in the works.

This thesis is an evaluation of the progress created by Chavez during the course of his presidency. On December 4, 2006, Chavez was reelected to a six year term that will end in 2012. According to the International Foundation for Election Systems reports, the final ballot count shows that Chavez held 62.85 percent of the vote, maintaining a steadfast majority (Election Guide). The opposition tried to discredit Chavez as a leftist populist leader who is only driving the country down and who is not focusing on the real

needs of the country. The opposition within the country is extremely divided, made up of the wealthy elites and a growing number of middle class citizens who have lost patience with Chavez's attention to the low-income Venezuelans. The inability of the opposition to form a cohesive body inhibits any sort of organized resistance, and the low-income citizens make up more than half of the population are able to keep their supportive president in power. The fact is, however, that over the course of Chavez's time in office he has taken definitive strides to improve the condition of the poor. It has yet to be seen whether his focus on the lower-income Venezuelan's is simply empty rhetoric or an actual revolutionary transformation, but this thesis will provide an initial glimpse at what Chavez has set into motion. With the sustained support from the majority of the citizens who he is helping, only time will tell how effective Chavez's changes will be. According to one outside assessment of his administration,

Since he was first elected, Chavez has kept voters' loyalty and begun forcing through reforms that economists in European governments, at the World Bank and the International Monetary Fund merely write about, but never expect to see put in practice ...Unlike Castro, Chavez has the money to establish real education, health and welfare (O'Shaughnessy).

This speaks to the core of the criticism of Chavez: many see him as a profit-hungry oil monger, as he has been receiving increasingly more money from petroleum exports over the past several years and has secured deals that ensure more revenue for the next decade. This revenue is used in part to finance the social missions, missions that were only made possible through the legal framework of the new constitution. A harsh criticism may not be deserved just yet; this thesis hopes to provide an initial assessment to determine whether such disapproval is warranted.

Economic Health of Venezuela

The Venezuela that Chavez sought to change was the product of two devastating decades. In the late 1990s, upon visiting Venezuela, it was recounted by author Gott, “[Caracas] was a visual reminder of Latin America’s most famous characteristic— inequality of income and of opportunity based on deep-seated attitudes of unacknowledged racism” (Gott 15, 2000). Not only is the presence of poverty transcendent, but the unavoidable ties between race and socioeconomic status too are impossible to escape. Chavez has made it the mission of his government to eradicate the problem of poverty in Venezuela through the institution of social programs in order to improve the living conditions of those citizens living in poverty. The way in which this problem is addressed demands attention because failure to properly institute a reform system could lead to the further disintegration of the country.

The inequality that Venezuela faces is not a new trend; the turbulent decade of the 1980s left Venezuela highly impoverished and with an unstable political situation. Throughout Latin America, this is often referred to as the “Lost Decade of the 1980s,” which was essentially a decade of stagnation as a result of debt defaults, capital flight, and hyperinflation. While Venezuela was not as crushingly affected because of their heavy reliance on oil as an export, they were not completely protected from inflation. The oil shocks of 1973 and 1979 caused the price of the oil barrel to increase, thereby increasing foreign capital inflows to Venezuela. As foreign capital poured into the county and was converted, inflation increased and left the money in the hands of Venezuelans worth less, thus increasing the rate of poverty.

Venezuela maintained an export-led model of growth because it was able to rely heavily on the exportation of oil. This model proved untenable for other countries and they moved toward import substitution industrialization, and with inconsistent export levels throughout the 1980s it was dangerous for Venezuela to take oil profits for granted. The oil price fell in 1983, and this time the drop was bad for the country as it saw the national debt to soar. The decrease in revenues, upon which Venezuela was so dependent, meant that the government was no longer able to sustain its trajectory. Reforms established to turn the country around from the 1983 economic crisis established by President James Lusinchi were efforts to “stimulate[d] a recovery from the negative growth rates of 1980-81 and the stagnation of 1982 with sustained modest growth from 1985-1988. By 1989, however, the economy could no longer support the high rate of subsidies...particularly in light of the nearly 50 percent reduction of the price of oil during 1986” (Country Studies). The weak structure of the state was apparent in its inability to regain control over the economy and inflation. In the midst of failing heterodox plans, Venezuelans elected Carlos Andres Perez in 1989, who took steps to radically alter the direction of the country. In this turbulent time, the International Monetary Fund had become the lender of last resort to debtor countries such as Venezuela, and was granting capital resources if it saw adoption of orthodox reforms. Some of the key reforms that the IMF looked for were those urged by John Williamson from the Institute of International Economics, who assembled ten recommendations for Latin American countries in the form of the Washington Consensus.

The Washington Consensus was a proposed plan to help Latin American countries recover from the incredible suffering of the 1980s. The chief measure of the

consensus was the opening of the capital account, in effect lifting barriers to entry for all foreign capital and encouraging privatization. Neoliberal reforms were embraced by some Latin American countries whereas others utterly rejected them, afraid to open their markets, but at a time when the economic condition of the citizens had been destroyed, acting in the best interest of Venezuelans, this was seen as a “programme of economic reform that the Perez government felt called upon to adopt in February 1989” (Gott 53, 2000). President Perez adopted this wisdom of the hour with the intention of embracing the reforms so as to encourage foreign direct investment, deregulate the economy, privatize the state enterprises, and promote trade liberalization and competitive exchange rates (Cypher). These doctrines originated in the idea that liberal economic reforms would revitalize and renew the crushed economies of Latin America. In Venezuela the focus was on a transformation from the traditional nationalized, oil-driven economy, toward a more open market with diversified exports. It is these policies of the Washington Consensus to which Chavez is so opposed; he is fundamentally against the ideas of liberalization, privatization, and deregulation.

It was in implementing these policies in the early 1990s that Venezuela began to suffer so greatly. Opening the economy was a start to the recovery process, but the privatization and cuts in social spending slowed down the rate of recovery. As foreign capital flowed into the country in terms of foreign direct investment and privatization, Venezuela was left open to another increase in inflation. The country had become so deeply damaged during the 1980s that poverty spread from the lower classes up toward the middle classes; and was noted to have encompassed “an even larger proportion of the population, poverty began affecting people who would, based on their education,

normally be considered part of the middle class. Poverty thus became much more diversified than generalized” (Wilpert 2003).

Figure 1: Venezuela's Second "Lost Decade" – the 1990s

<u>Economic Indicator</u>	<u>1988</u>	<u>1998</u>
GDP per capita (US\$) /a	3,190	3,221
Inflation Rate (annual %) /a	29.5	35.8
Unemployment Rate (%) /b	7.9	11.2
Real Wages (1984 bolivares) /c	2,900	1,100
Consumption per capita (1984 bolivares) /d	18,000	13,500
Non-financial public sector balance (percent of GDP) /a	-8.5	-4.5
Population below poverty level (percent) /c	46	68
Probability of being poor with 12 years of schooling /c	2.4	18.5

/a Inter-American Development Bank

/b ECLAC

/c Congreso de la República

/d Cordiplan

Source: Corrales (1999)

As Table 1 demonstrates, between 1988 and 1998, the unemployment rate in Venezuela shot from 7.9 percent to 11.2 percent. The gross domestic product per capita rose from USD 3,190 to USD 3,221, less than a 1 percent increase. The neoliberal reforms, as they were being adopted and enforced, were not helping the country out of its socio-economic slump of the 1980s. The 1990s were Venezuela’s lost decade with a sluggish economy and disappointing policy changes. Consumption per capita decreased perhaps on account of the rising inflation, which, coupled with the decrease in real wages

left the country with a problem that had only been worsened. Perez himself acknowledged the turbulence that was seen during his years in office, and recognized as well the neoliberal reforms that he promoted were drastic in a political and economic sense. One of Perez's ministers was quoted, "societal change on such a bold scale, almost by definition, is disjointed, traumatic and extremely difficult to manage well, if it can be managed at all" (Naím). It is evident that the reforms were not as effective as hoped for, and that Venezuela was worse off in 1998 than in 1988 because the new undertakings put a strain on the country. Such drastic changes were not seen as beneficial because the situation of the impoverished citizens was not changed.

The increase of privatizations and foreign direct investment in the early 1990s opened Venezuela to new threats. As was pointed out earlier, the sudden opening of a closed economy to international investors brings a fast flow of foreign capital to the country, sparking inflation and in turn hampering internal growth. Foreign investors and companies enter into the market in an effort to privatize, making the already unstable situation more tumultuous. One scholar points out the results of neoliberal reforms in Venezuela in his findings that, "inflation remained indomitable and among the highest in the region, economic growth continued to be volatile and oil-dependent, growth per capita stagnated, unemployment rates surged, and public sector deficits endured despite continuous cutbacks" (Corrales). Income inequality had become greater, and, with the surge of privatizations, revenues enjoyed by firms were not directed to the state. The people gaining from these investments were the already wealthy elites, whereas the wage workers saw not only decreases in wages, but also fewer opportunities for employment. The "adverse effects of neoliberal economic policies on income distribution, and

democracy” (Correa-Cabrera), make it clear that the efforts made by the governments of the 1990s were not successful in improving the socio-economic situation of Venezuela that had deteriorated during the 1980s, and, if anything, they worsened the situation.

Through nationalistic plans, Chavez intends to make Venezuela a regional power in Latin America. He is working to improve the quality of life for Venezuelans and by addressing the issues he sees are most closely tied to poverty; he hopes to bring Venezuela up from the bottom. There are several challenges to this aim because there have been, as one scholar points out, “two fairly incontrovertible trends in Venezuela over the past twenty years, which have had a profound effect on increasing poverty. The first trend is a steady increase in inequality. The second is a steady decrease of per capita income” (Wilpert 2003). To address the incredibly elevated level of inequality, there are several different policy options that can be selected and must be selected carefully in view of the fact that, “inequality can affect growth and poverty as well as social and political stability” (Cornia and Court). Inequality is not simply a superficial assessment of the landscape of the country; it has consequences that are felt deeply throughout. Strong structural reforms are necessary for countries facing high inequality, and Venezuela fits the profile.

Chavez’s immediate refocusing of policies toward reducing poverty through social spending and nationalization has literally taken Venezuela in a new direction. He moved away from previous policies and it is seen that, “the radical thrust of Chavez’s actions since his initial electoral triumph in 1998 goes beyond style and discourse. Many of his reforms and actions, [are] undertaken in the name of the poor” (Ellner). During term in office, he “put a halt to the privatization...schemes that were set in motion by

Chavez's neoliberal predecessors" (Ellner). Chavez has put into place the structural reforms and has instituted programs that will allow for a more substantial change in the lives of the lower-income Venezuelans that is more than just monetary aid. Will there, in fact, been progress in Venezuela under Chavez?

2

Social Missions, Legal Framework for Transformation, and Financing

The experience of his own personal ethnicity has played an inexorable role in shaping Hugo Chavez's radical and oftentimes sensational political ambitions and actions. Many Western states fear that Chavez is a threat to the democratic ideals of the region as a result of his government's socialist-like policies and populist agenda. Chavez's time in office has not been without benefit for Venezuela's poor and historically oppressed majority. His agenda focuses on improving the standard of living of Venezuela's poor, and in doing so he set out to make the necessary institutional changes in order to wholly enforce and implement the new policies.

Within Chavez's Bolivarianism lie of a number of social operations labeled Bolivarian Missions. The missions, almost twenty in all, were each established as statements of purpose; they are each an articulation of specific undertakings that will address the needs of the impoverished Venezuelans. They include the creation of special centers and improvement of social services, all made possible by federal budget allocation. The missions are state-run efforts to improve particular aspects of society that deal with social welfare. While attempting to improve the country's development in specific areas, it must be acknowledged that utopia is not a particularly attainable goal, but efforts toward a sustainable and higher level of development can be pursued. The

missions are individual projects, planned out methodically, in order to ensure healthy lives and futures for Venezuelans. Chavez is seeking to move the country toward a more advanced state, both economically and socially, and the missions that were created address both.

The policy areas that will be addressed in this thesis are education, healthcare, and poverty. In regard to education, Chavez has the Missions Robinson I and II, Mission Ribas, and Mission Sucre that aim to decrease illiteracy and encourage higher education. Mission Barrio Adentro I, II, and III tackle the problems of access to healthcare for impoverished communities as well as an improvement in the network of hospitals around the country. Finally, poverty has been addressed in several ways, most importantly in the Missions Zamora and Mercal, which go hand in hand in redistributing state-owned land and distributing subsidized food and medicines. Mission Guacaipuro is an attempt to incorporate the indigenous population of Venezuela and to alleviate the discrimination they face. I have placed this mission with those addressing poverty, because as the indigenous are afforded more opportunities for more equal and healthy lives (both physically and mentally), it is the hope of the missions that they will no longer be so marginalized in society.

Education

In an attempt to improve the overall situation of Venezuela, Chavez first needed to address education. In moving the country forward from the bottom up, history shows that an education will provide the long-term improvements toward a more developed

society. By providing all citizens with an education, Venezuela will begin to see more scholarly and intellectual generations in the future, producing children who will bring prosperity to the country. Thus, education must be attended to before other problems such as unemployment and the number of births per woman. These both are issues solvable by way of education, and both are indicators of a developed and educated society. An educated person has more opportunities to obtain a job, and women who are educated have fewer children than those without. According to the Center for Immigration Studies, “education is one of the key determinants of fertility. One reason fertility rates have declined so much around the world in recent decades is that the education level for women has increased significantly in almost every country” (Camarota). This report also states that “education is the best predictor of income, poverty...and a host of other measures of social well being.” Higher levels of education provide the basis for higher standards of living as citizens become more career driven and are able to contribute more to the nation economically.

In the eyes of Chavez, the deterioration of the public education system in Venezuela was a result of decades of mismanagement by governments who were all too concerned with oil profits and capitalist policies. Chavez believes that prior to his reign, there was a mass exclusion of thousands of Venezuelans from schools by these governments who knowingly kept the populations uneducated. In his description of the reason behind the Mission Robinson, Chavez declares that the governments before him “intentionally kept the public uneducated in order to keep them jailed by their ignorance” (Misiones). He continues, stating that knowledge and literacy allow people to integrate

themselves into the world by contributing their own ideas and thus enrich the world's volume of knowledge.

The objective of the education missions is to reach out to those citizens in the country who are unable to read and write. Chavez's government proposed three distinct stages of implementation and the expectations for each. Mission Robinson I was designed first, to tackle basic illiteracy. Next, Mission Robinson II and Mission Ribas were created in order to improve access to primary and secondary education. Finally, Mission Sucre would promote opportunities at the tertiary education level. Increasing access to education allows for peoples, throughout the country, an opportunity to obtain an education. In the Constitution of 1999, Article 103 guarantees every person, "the right to a full, high-quality, ongoing education under conditions and circumstances of equality...education is obligatory from all levels from maternal to the diversified secondary level. Education offered at State institutions is free of charge up to the undergraduate university level" (Constitution). Article 102 states that, "education is a human right and is a fundamental social duty...the State assumes responsibility for it as an irrevocable function of the greatest interest at all levels and in all modes" (Constitution).

Mission Robinson I, with its primary purpose of eliminating illiteracy among the younger generations, intends to develop the creative potential of each person, so that they are able to fully participate in a democratic society. It relies on sending trained volunteers, many from the military, to poor communities around the country to teach reading, writing, and arithmetic. The program was tested beginning May 23, 2003 at trial sites in the states of Vargas, Miranda, and Aragua (Misiones). The trials were seen as a

success by Chavez and his officials, and, in consequence, the Mission Robinson was put into effect on July 1, 2003. It is designed for citizens 15 years old or older, and who are unable to read or write, and, “who yearn to reach greater levels of quality of life” (Misiones).

One problem illuminated in the trials, was that the Mission presented a challenge in that it was an ambitious undertaking that would not be easily orchestrated. It was subsequently simplified and organized into three stages of application. First, there are a series of classes explaining the method of learning and familiarization with the materials, as well as the fundamentals of oral expression. This first stage also includes studying numbers, as well as the study of consonants and vowels (Misiones). The second stage consists of 42 classes dedicated to the teaching of reading and writing, and lastly, there are 13 classes at the end for review and practice of what has been learned¹. An evaluation process consisting of daily assessments and standardized tests is delineated in the Mission. Like in classes in the United States, students are evaluated based on their answers to questions in class, exercises done in workbooks, work turned in to their teacher, and their performance on a final examination (Misiones). The final exam tests the progress of each student in order to determine if the material they have learned has, in fact, been beneficial.

Along the same lines, the Mission Robinson II is directed toward those who have not reached the first year of secondary schooling, meaning those students who have not passed the sixth grade. Most of the time this is due to the fact that in remote areas, small villages, and urban slums, there are no opportunities to obtain higher levels of education, because there simply are no secondary schools. On October 28, 2003, Chavez and his

¹ Translation by author. <www.misionesbolivarianas.gob.ve/misiones>

government declared the commencement of the Mission Robinson II. It is open not only to those graduates of the Mission Robinson I, but also to all Venezuelans who still have yet to conclude their basic education. This Mission focuses on strengthening reading skills; in a statement taken from the text of the Mission, it can be seen that, in the view of Chavez and his administration, “literacy is much more than reading and writing. It is the ability to read the world, it is the ability to continue learning and is the key to the door of knowledge”². The text of the Mission goes on to enumerate other subjects that are taught: Mathematics, History of Venezuela, Social Sciences, Natural Science, Geography, and finally English and Computer Science, all in a total of 20 months of classes. Chavez’s missions are part of his effort to transform the Venezuela into a country in which people are respected as citizens, and where citizens are able to benefit from the positive rights guaranteed them by the Constitution.

On October 16, 2003, Chavez’s Mission Ribas, the educational mission offering remedial classes to adults in order to bring them up to the necessary level of education, was put into effect by means of presidential decree. This initiative was created to reach out to different age groups within Venezuela, and to allow them to achieve a more equal position in society simply by the gift of access to the level of education they are guaranteed. Education is a positive right in the Venezuelan Constitution, all citizens have a right to an education, thus, in becoming more educated, citizens are not just exercising a right; they are raising the level of education and literacy for the country, and thereby promoting the development of their country. These citizens are more educated, more informed, and more curious. These qualities are necessary for the success of a healthy democracy, like the one Chavez advocates. In the Mission Ribas, non-traditional

² Translation by author. <www.misionesbolivarianas.gob.ve/misiones>

students are educated through correspondence type classes that are presented on video from a distance, and offered free of cost. They also study literature, and the books are offered a discounted price (Misiones). The flexibility of this Mission makes it friendly to those who are already employed. It is similar to the General Equivalency Diploma offered in the United States. This is quite a progressive program in terms of its content and promise to educate the country.

The Mission Sucre was created September 8, 2003, again by means of presidential decree. It was a response to what Chavez said was a progressive reduction in State spending on higher education, especially in the period between 1989 and 1998. The Mission intends to reorient the course of higher education, the text of the mission stating that a university education is “fundamental for the development and modernization of the Venezuelan human talent, is a strategic piece for national development;” this Mission is “an ambitious initiative, born from hope, for thousands of youth and adults who dream of achieving a university degree.”³ The objective of this Mission is the education of all citizens, but especially extending this to those in townships and rural areas of the country. One of the highest priorities in this Mission is making an effort to increase the raw number of students in these higher institutions. Referencing Article 102 of the Constitution of 1999, which establishes that education is a “human right and fundamental social duty” (Constitution), this Mission is seeking to incorporate all citizens of the country in the opportunity for a higher education.

Classes are being offered at the Bolivarian University of Venezuela as well as the Aldeas Universities various municipalities throughout the country. Several majors are offered, and there are accommodations for the new influx of students. To primary and

³ Translation by author. <www.misionesbolivarianas.gob.ve/misiones>

secondary schools, new rooms, technologies, and facilities have been added or those existing have been upgraded with the help of the Ministry of Education. All of this is to say that this Mission is attempting to maintain an air of social justice—it is allowing for the education of peoples, in a manner convenient to them, while also promoting the sustainable development of the country. The institutions of higher education are helping to create a more educated population.

Healthcare

In an effort to provide accessible healthcare to all citizens of Venezuela, Chavez created Mission Barrio Adentro. The success of this Mission has been made possible by the arrival of Cuban doctors. In his Constitution of 1999, Chavez enumerated in Article 83, “health is a fundamental social right and the responsibility of the State, which shall guarantee it as part of the right to life. The State shall promote and develop policies oriented toward improving the quality of life, common welfare and access to services. All persons have the right to protection of health” (Constitution). It may be a quite a leap for a new government to guarantee that health is a fundamental right and is the responsibility of the State; however Chavez took matters into his own hands and developed a program that would support his declaration. Again in Article 84 it is stated that,

In order to guarantee the right to health, the State creates, exercises guidance over and administers a national public health system that crosses sector boundaries, and is decentralized...integrated with the social security system and governed by principles of gratuity, universality, completeness, fairness, social integration and solidarity (Constitution).

Creating a state-funded healthcare program as well as guaranteeing every citizen the right to health are noble but costly declarations. The nationalization of universal healthcare is necessary, as seen by Chavez and his administration, who see that the national management of public services “are indispensable for correcting social inequality” (Arreaza). Not only has he stated his intentions of nationalization, but he has incorporated them into the Constitution.

Mission Barrio Adentro is organized in three different levels. Barrio Adentro I came to be in late April 2003. It was the first effort to provide more clinics around the country, approximately 1,600, concentrated in the impoverished rural and urban areas (Misiones). This first level of Barrio Adentro assures primary care through the universal social security system. The Ministry of Health and Social Development states that “this mission is permanent” (Misiones); and it is carrying out what has been established in the Constitution.

The second level, Barrio Adentro II, was created June 12, 2005 with plans to build offices with greater technology, rehabilitation centers, and emergency rooms (Misiones). They are a series of community clinics that provide highly technical services to areas which previously had no such technologies. The creation of 1,235 new centers throughout the country promised to bring mammography, radiation, electrocardiography, ultrasound, three-dimensional endoscope, echocardiograms, and other critical services and capabilities to areas that have never seen this sort of attention (Misiones). The presence of emergency rooms, intensive care units, and laboratories is designed for patients in critical condition who require stabilization, as well as rehabilitation centers to

provide physical therapy and services to injured, or otherwise handicapped patients (Misiones).

The final level of the Mission, Barrio Adentro III, is an overhaul of 300 existing hospitals. The radical improvements to the hospital network complement the work that is being done in Mission Barrio Adentro II. Within this Mission there are two components: first is the modernization of the medical equipment in the hospitals, and second is directed toward remodeling and improving the hospitals' actual infrastructure (Misiones). Initially, 44 hospitals have been chosen, those being the most important in each state or in the larger cities. New computerized equipment will be installed in the emergency rooms, intensive care units, and operating rooms. New spaces will also be constructed for highly specialized practices such as cardiology and endocrinology (Misiones).

The free trade agreement unofficially referred to as "doctors for oil," is one in which Chavez has secured a large supply of doctors and technicians to provide services in his universal healthcare plan. In this alternative free trade agreement, called the Bolivarian Alternative for Latin America (ALBA), Chavez has worked out a favorable agreement with Castro in which Cuba sends thousands of its highly skilled doctors and technicians to Venezuela in exchange for thousands of barrels of discounted oil per day. One investigation found that currently, "about 31,000 Cuban medics, dentists and sports trainers have been sent abroad...in exchange, Venezuela, the world's fifth-largest oil producer, provides energy-starved Cuba with 93,000 barrels of low-cost oil per day, worth nearly \$2 billion annually" (Otis).

The Barrio Adentro Mission, coupled with the ALBA, has brought resources that were previously unheard of into communities throughout the country. It extends to towns

and villages that do not have permanent doctors and/or health services but also covers Caracas and the highly impoverished shanty towns that make up part of the city. This is not to say that the Venezuelan doctors are all pleased with this Mission. While some components provide them with new resources with which to practice medicine; the flood of Cuban doctors has not been a source of relief for the Venezuelan doctors. A 2005 protest in Caracas was largely doctors claiming, “salaries have remained unchanged for four years and many cannot now find work due to the influx of Cuban doctors.” A trauma specialist, Pedro Carvallo, was quoted as saying, “Venezuelan doctors are underpaid and many are unemployed” (BBC). This is not of much concern to Chavez, who has had strong opposition from the wealthy elites throughout his entire reign. Chavez will continue to work serving the needs of the poor in efforts to break down the barriers of inequality throughout the country, and one of those barriers is access to suitable healthcare. The elites are able to afford their own private services and thus do not place importance on such things in terms of what they see as a national priority.

Poverty

When discussing Chavez’s programs toward the elimination of poverty in Venezuela, one must take into account that essentially all of the Missions in Bolivarianism work toward the end that poverty will be alleviated. Bolivarianism itself is based on the idea that all citizens should be equal and is geared toward raising the lower class to the status of the rest of the citizens. Not only does Bolivarianism vehemently oppose globalization and neoliberalism, it is an endorsement of populism. The economic

and cultural landscapes have been altered to mirror the essentially democratic socialist interpretation of Simon Bolivar's ideals. Aside from the refocusing of Venezuelan foreign policy toward Latin American economic and social integration, Chavez has refocused the domestic policies toward anti-capitalist and redistributive measures. As seen in his efforts to increase the opportunities for citizens to obtain an education and toward increasing the access to public healthcare, he has also created missions with a more direct focus on alleviating poverty or the impoverished condition.

Mission Mercal is one of the more progressive Missions, established April 23, 2003 to provide food and other basic necessities to the most impoverished populations of Venezuela. Through discounted prices, foodstuffs and medicines are distributed to these citizens who generally occupy rural areas. Over the past four years the Mission has constructed approximately 6,000 distribution points in the form of subsidized grocery stores, where subsidized food and medicines are made available to these poor Venezuelans (Mercal). The stores, largely funded by the government, have started to become more self-sufficient with the help of Mission Zamora, another mission geared toward lifting up the poor. Mission Mercal touches millions of people throughout the country, not only in the grocery stores providing subsidized goods, but through the operation of thousands of soup kitchens that provide free meals. According to the government's official Mercal website, "through the program more than 1,374,312 people living in extreme poverty have been provided free meals" (Mercal).

Mission Zamora was created in order to increase domestic food production and to provide rural workers with land they are able to tend themselves. Many farmers have a small piece of land that they are able to cultivate while working for a larger farm, much

like serfs in feudal times. This mission was actually implemented in late 2001, included in a list of presidential decrees. It is an effort to develop a new land and agrarian policy, beginning with the redistribution of state-owned and under-utilized private lands (Misiones). It promotes rural economic development by giving farmers a larger portion of earth and allowing them, in most cases, to cultivate more land which will be more conducive to sustaining their families. It will also allow these farmers to sell their goods in the market and generate a small income. Also, in dealing with problems of urban migration, this gives the government a tool with which it can entice citizens to remain in the rural areas because they will be able to have employment and sustenance. The farmers working and living in these communities experience an elevated socioeconomic status due to their increased land and capital wealth.

The Constitution of 1999 sets out particular articles that determine the State's promotion and guarantee of sustainable agriculture in order to create a base for rural development. Article 305 determines that the State,

shall promote sustainable agriculture as the strategic basis for overall rural development...to this end, the State shall promulgate such financial, commercial, technological transfer, land tenancy, infrastructure, manpower training, and other measures as may be necessary to achieve strategic levels of self sufficiency (Constitution).

In addition, Article 306 again states that "the State shall promote conditions for overall rural development, for the purpose of generating employment and ensuring the rural population an adequate level of well-being, as well as their inclusion in national development" (Constitution). These two articles clearly demonstrate the attention that is to be paid to farmers and the promotion of their development. Article 307 is decidedly one-sided in that it states,

The predominance of large land estates is contrary to the interests of society. Appropriate tax law provisions shall be enacted to tax fallow lands and establish the necessary measures to transform them into productive economic units, likewise recovering arable land. Farmers and other agricultural producers are entitled to own land (Constitution).

The clear reference to land redistribution in the Constitution is a resort to a common policy taken by leaders in many Latin American countries over time. Land redistribution is seen as one of the first steps taken when attempting to tackle the problem of income inequality by taking away the power and capital of the elites and redistributing the nation's wealth throughout society.

Working hand in hand with Mission Mercal, Zamora helps back the food subsidies that are provided in urban areas. Through the redistribution of state land, farmers are able to develop and cultivate their own farmsteads rather than work for a larger farmer's farm. The farmers are then able to sell their items in the currently subsidized Mercal markets, for an outcome that is beneficial twice over. First, the farmers are collecting a small income for the goods that they have farmed, and, second, the Mercal grocery stores are becoming more independent because they do not have to rely so heavily on government funding. In the long-run, this will free up more money for the government to invest into other missions. Essentially, these missions work together and reinforce one another in a direct effort to allay the harsh divisions of inequality.

In another mission addressing inequality, Chavez acknowledges the sacrifices made by the indigenous peoples during colonial times; "the indigenous populations always were victims of the call of development" (Misiones). In an attempt to compensate for the transgressions suffered in the past, Chavez does not neglect the indigenous in his new Constitution or in his Missions. According to the background text describing

Mission Guacaipuro, “the mission is an instrument to achieve a substantial change in the quality of life in the different indigenous communities and towns of the country”

(Misiones).

The legal framework established for the guaranteed rights of the indigenous was founded in the Constitution of 1999. The fact that an entire Chapter of the Constitution is dedicated to the “Rights of Native People” is something in which the Chavez government takes great pride. Beginning with Article 119,

the State recognizes the existence of native peoples and communities, their social, political and economic organization, their cultures, practices and customs...as well as their habitat and original rights to the lands they ancestrally and traditionally occupy, and which are necessary to develop and guarantee their way of life (Constitution).

The following seven articles define what it is to be a native person, and particularly what their rights entail. While setting them apart in the Constitution in order to grant them special rights may seem like another way to separate them from the rest of the population, it is meant to celebrate and incorporate their distinctive character. It shows the importance of the different ethnic groups within Venezuelan society, and it gives support and defense to the indigenous.

The Mission Guacaipuro is targeted toward the 33 native ethnic groups who live in the country, according to the General Population Census from the year 2001. The Census also reflected that an indigenous population of nearly one million inhabits 2,295 communities, ranging from urban to rural, but mainly in the south and interior states (Misiones). The central claim of this Mission is that it will reinvigorate the fight of the indigenous, and will restore the indigenous towns. The chief points addressed are the creation of harmonious and sustainable development in indigenous towns, the integral

development of the indigenous towns to guarantee they benefit from their rights in the Constitution in terms of health, education, sanitation, etc, and to create mechanisms that allow the fulfillment of the entire Chapter VIII of the Constitution (Misiones). In order to fulfill the objectives, access to basic services must be guaranteed not just in word but in action. An example of an action that can be seen is that when Chavez restructured the National Assembly in the Constitution, he included in Article 186 “the native peoples of the Bolivarian Republic of Venezuela shall elect three deputies” (Constitution). And while even though this proportion of representation is seemingly insignificant (3 seats out of 166 constitutes 1.8 percent of the assembly (Asemblea Nacional)), it is significant that these peoples at least have a guaranteed voice in the legislature.

One of Chavez’s central political goals in transforming Venezuela into a Bolivarian state has been the de-marginalization of native indigenous groups, both in urban and remote geographical areas. To this end, Chavez has made one of the primary functions of this Mission the promotion of the education, productivity, and health in the indigenous communities. For this to be effective, the indigenous must be incorporated into the economy and society. These measures not only ensure a productive society and the advancement of the country as a whole, but they also serve to raise the indigenous to a place of greater respect and dignity in society. These are steps that will help to improve their status in society, in an effort to create a more equal society. When approaching the subject of inequality it is hard not to note that many in the indigenous population are highly impoverished and are in situations that prevent them from escaping their conditions.

It is evident that Chavez's domestic policies are geared toward eradicating poverty or alleviating it. An outside analyst states, "Chavez has attacked poverty through projects known as 'missions', with education being the cornerstone of this fight against poverty. The missions...are considered to be the main achievements of the Bolivarian revolution" (New Internationalist). Through the Bolivarian Constitution of 1999, Chavez and his government have provided the legal framework for deep change in Venezuela. Assuring State sponsored healthcare and education, Chavez is giving the possibility not only of a healthy life, but of a life full of opportunities. By improving the condition of the most impoverished citizens of his country, Chavez will be able to carry Venezuela toward further progress and development. He has already seen tremendous oil windfalls in the past four years, and an increasing percentage of the GNP has gone toward social missions.

The implementation of Bolivarian Missions demands accountability after outlining in such detail the programs that will be instated and phases in which they will take place. The popular masses to which these missions cater will require follow through in order for Chavez to keep their support. And since he has no such support from the upper class and wavering support from the middle class, he cannot afford to lose his base if he wishes to remain in power. Yet the internal support Bolivarianism has engendered for Chavez's administration is sizeable. Extremely rural communities and highly impoverished urban slums and have been guaranteed rights through the constitution; however, simply because rights have been granted does not necessarily ensure improved quality of life, but the installation of education and healthcare programs specifically in these communities certainly does look hopeful. It is clear that Chavez is serious about

looking out for the interests of the lower class, from which he comes, who have been oppressed by previous governments. Evidence is provided in two separate episodes: the December 2006 presidential election when Chavez claimed a landslide victory and was elected to lead the country for the next six years, and in the approval of a bill by the National Assembly in January 2007 that allows Chavez to rule by decree for the next 18 months (essentially a bill granting him power to bypass the Congress).

Financing

The question then arises as to how the proposed social projects are financed. When Chavez rewrote the constitution, he was sure to include articles pertaining to social structures as well as the petroleum industry. Included in the legal framework of the Constitution is the preservation of state control of the petroleum industry in Article 302, “the State reserves to itself...for reasons of national expediency, the petroleum industry and other industries, operations and goods and services which are in the public interest and of a strategic nature” (Constitution). Article 303 goes further in its claim that, “the State shall retain all shares of Petroleos de Venezuela, S.A. or the organ created to manage the petroleum industry” (Constitution). With the huge national focus on oil, it is clear that the country and government are dependent upon it as a critical source of national income. A Venezuelan scholar asserts, “Venezuela’s future depends on the way that the government of President Chavez reorganizes the exploitation and commercialization of oil, the industry that has transformed the country over the past eighty years” (Gott 164, 2000).

Revenues from oil are what fuel Chavez's social programs. Oil barrel prices have skyrocketed during his term in office and continue to climb. Along with preserving a nationalized petroleum industry, one of Chavez's first endeavors was to gain power within the Organization of Petroleum Exporting Countries. Chavez took steps to "radically alter Venezuela's policy towards OPEC...Venezuela had had a low reputation within OPEC during the 1990s...the Chavez government had a different and well-defined internationalist strategy from the start" (Gott 168, 2000). Venezuela's new turn was made with such determination and confidence that Venezuela gained power and respect in its new start with OPEC.

Figure 2: Economic Structure of Venezuela, 2002-2006

	2002(a)	2003(a)	2004(a)	2005(a)	2006(b)
GDP at market prices (Bs bn)	107,840	134,228	212,683	302,643	390,457(a)
GDP (US\$ bn)	92.9	83.5	112.5	144.8	181.9(a)
Real GDP growth (%)	-8.9	-7.8	18.3	10.3	10.3(a)
Consumer price inflation (av; %)	22.4	31.1	21.7	16.0	13.7(a)
Population (m)	25.0	25.5	26.0	26.5	26.9
Exports of goods fob (US\$ m)	26,781	27,230	39,668	55,473	65,210
Imports of goods fob (US\$ m)	-13,360	-10,483	-17,021	-23,693	-32,226
Current-account balance (US\$ m)	7,599.0	11,796.0	15,522.0	25,533.0	27,167.3
Foreign-exchange reserves excl gold (US\$ m)	8,487.0	16,035.0	18,375.0	23,919.0	29,417.0(a)
Total external debt (US\$ bn)	34.0	34.8	35.6	39.5(b)	37.3
Debt-service ratio, paid (%)	25.4	29.7	15.5	10.7(b)	13.8
Exchange rate (av) Bs:US\$	1,161.0	1,607.0	1,891.3	2,089.8	2,147.0(a)
(a) Actual. (b) Economist Intelligence Unit estimates.					

Source: The Economist (2007)

These efforts elevated Venezuela's international profile, and aside from increasing oil revenue, helped to bring a certain sense of stability to the country and it was seen that "by December 2001, Chavez's capital control policies had reduced inflation from 40% to 12% while generating 4% economic growth" (Hallinan). At first glance, the figures look like a positive turn of events. However, the beginnings of improvement were interrupted by the oil strike of 2002 which was a manifestation of dissent toward Chavez's presidency that was heard throughout the country and region. It was noted that "the strike severely impacted PDVSA, practically bringing all the company's operations to a halt...national oil production dropped from 3.3 million bbl/d in November 2002 to 700,000 bbl/d in January 2003" (U.S. Department of Energy). Figure 2 shows that in 2002 Venezuela was faced with negative growth of the GDP, which fell nine percentage points and another eight percentage points in 2003. The Managing Director of the International Monetary Fund stated in April of 2003 that in 2002, Latin America saw its worst economic downturn in two decades and that "growth slowed in many countries, led by sharp recessions in Argentina and Venezuela" (Kohler). After a series of economically traumatic events, relief was found when Venezuela's access to foreign capital increased and in 2004 the GDP grew over 18 points as per Figure 2.

With legitimate control of the oil industry, Chavez has been able to exploit the resource due to worldwide demand. The GDP growth has been built up by oil revenues and the increased capital inflows have permitted greater allocation to social programs. An outside assessment shows that, "[Chavez] is spending billions of dollars on anti-poverty programs, in what experts say may amount to the largest such effort in a developing nation" (Collier). The numbers may in fact shed light on the progress of the

efforts that Chavez has made in preserving oil incomes for the State. The Venezuelan Finance Minister stated, “more resources have been assigned to the social sectors to confirm that priority is given to the social inclusion programs” (Parma). Returning to Figure 2, in 2005 and 2006 Venezuela saw over a 10 percent increase in GDP growth, marking a significant turnaround in the economy (*The Economist*). The growing economy coupled with a decreasing inflation rate, from 31.1 percent in 2003 down to 13.7 percent in 2006, has caused the purchasing power of the citizens to increase. This is a remarkable transformation for Venezuela and it shows that Chavez’s undertakings have proven to be beneficial for the country. These two years of uninterrupted policy and decision-making allowed Chavez to truly follow through with his plans.

While the state finances remain contingent upon the revenue generated by oil, the Venezuelan economy remains in a highly volatile position. In 2005, for example, oil comprised 86.6 percent of Venezuela’s total exports (*The Economist*). With the knowledge that “the oil sector accounts for more than three-quarters of the total Venezuelan export revenues, about half of total government revenues, and about one-third of GDP” (U.S. Department of Energy), it is clear that the impact of oil on the economic landscape is tremendous, and that the increase in petroleum industry exports has allowed for the additional government spending. In the 2006 National Budget proposed by the Finance Minister in late 2005, “47 percent of this budget is from oil sales” (Parma). The blatant reliance on oil returns is evident, and it is inevitable unless measures are taken to diversify their export earnings.

Chavez’s policies for poverty alleviation require financial backing. Subsidized food programs, hospital restoration, and the expansion of education have required not

only strong policies and publicity but also reliance upon state funding. The budget has had to be readjusted in order to accommodate the excess spending, an issue that could become a larger problem if not planned for. The Managing Director of the IMF stated that “there is an urgent need to address issues of social equity and governance...there is also a need to target policies explicitly to alleviate poverty and improve social equity, by reshaping the public budget to give priority to education...[and] strengthen critical services, such as health services” (Kohler). Clearly, policies have been instated that address these issues, but what may remain muddled is the amount of actual money spent.

The increased oil revenues and GDP have paved the way for heightened financial support of the social programs and have fostered their deepening. When the 2006 State Budget was presented by Nelson Merentes, the Finance Minister, it called for a budget 27 percent higher than that of 2005 and included a declaration that “41 percent of it is committed to social programs” (Parma). The analysis went on to report that Venezuela’s proposed budget for social spending in 2006 will have “more than tripled [that] when Hugo Chavez became president in 1998. The Venezuelan budget benefited from a four-fold increase in the price of oil over the same period” (Parma). There is an intrinsic link between oil income and social spending, for social spending cannot increase without the rise of oil profits because they return to the state. In 2005, for example, Venezuela’s export earnings were USD \$55,473 million and the oil exports were USD \$48,069, meaning that 86.7 percent of Venezuela’s exports that year were profits earned from oil (*The Economist*). When the state sees an influx of oil revenues they are allowed much greater freedom to allocate capital as it sees fit. And with the primary concern of the

Chavez administration being poverty eradication and income redistribution, much of the extra allowance goes to the social programs that support their policies.

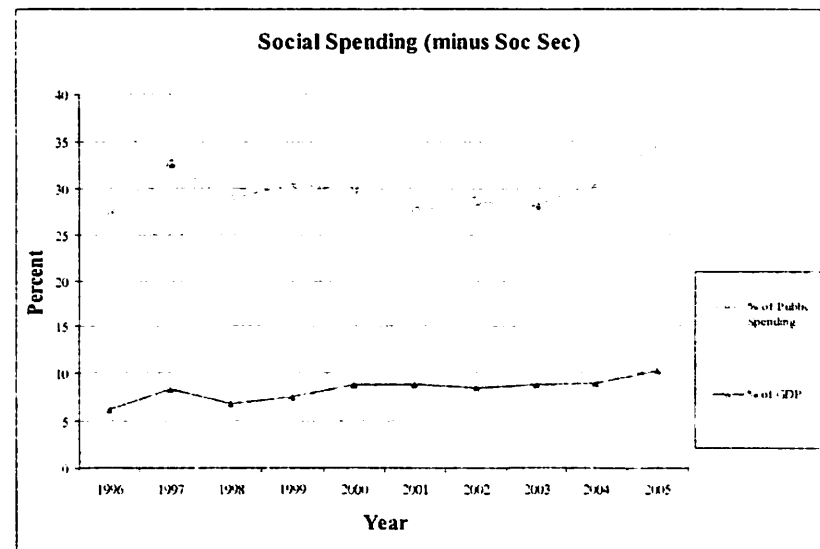
The increase in oil wealth, not only because of the increasing price of oil but also because of the taxes levied on it, has contributed unequivocally to the financing of state-funded projects. Of the 2006 budget, it was said that, “\$16.6 billion earmarked for social programmes is now bound to sail through parliament unopposed” (Monahan). The budget had to be approved by the National Assembly, but with the majority being Chavez supporters, it passed without a hitch. The popularity of the programs has inspired the government to devote more energy and resources to their advancement. Success has been seen in the nationalized oil company’s revenues, and the effort made to keep it in the hands of the state has proved successful as well as beneficial. The programs instituted have sustained support, and the support has even grown deeper as the oil revenues increase.

Problems with the export-led model of growth have proven to be fatal for several countries worldwide, and there is fear that Venezuela too could fall victim. The tremendous oil windfalls have boosted the GDP and have permitted greater social spending, but the fact is that Chavez cannot escape his economy in which oil accounts for over 85 percent of the exports. This model is simply not sustainable. An article from the Council on Hemispheric Affairs states that while Chavez enjoys broad support for his social spending policies, they were “economically unsustainable until Venezuela was able to cash in on inflated global oil prices” (Scott). The country can still have the benefit of oil profits, but Chavez needs to heed caution and be wary of another economic disruption like the oil strike of 2002 or even worse, another oil boom like that of the

1970s that would cause the GDP growth to slow and create a highly inflated and volatile state. For the time being, however, the country remains focused on redistributing wealth, but perhaps part of the increase in educated persons can lead to growth in diversified sectors, pushing Venezuela on toward a true path of improvement. Should another crisis occur, the country would see economic instability that would likely lead to political instability.

Figure 3: Social Spending as a Percent of Government Spending and GDP

	% of Public Spending	% of GDP
1996	27.3	6.2
1997	32.5	8.3
1998	28.8	6.8
1999	30.4	7.5
2000	29.8	8.8
2001	27.5	8.7
2002	28.6	8.4
2003	28.1	8.7
2004	30.5	8.9
2005	34.4	10.1



Source: Center for Economic and Policy Research (2006)

Social spending as a percent of government spending grew at an uneven pace throughout the 1990s. During the 2001-2003 period it took a plunge as the oil industry strikes, coup attempt, and the complete shutdown of the PDVSA passed. In 2000, a smaller percentage of the public expenditure was given to the social sector, but social spending did occupy a larger percentage of the GDP. So while it was a lesser monetary

amount, it is still clear that social spending was at the forefront of national spending. 2000 was the year after constitutional reform and the year in which the Chavez government began to gain legitimacy and stability, and it began increased social spending.

When the regime has been able to rule uninterrupted after the recall vote in 2004, social spending has seen a significant increase in its proportion of public spending and a phenomenal increase in its percentage of the GDP, as illustrated in Figure 3. In 2004, social spending was at 30.5 percent of the public spending and 8.9 percent of the GDP, rates that have not been surpassed since Chavez has been in power. In 2005, social spending rose to 34.4 percent of public spending and held 10.1 percent of the GDP. The real efforts made to increase this spending are evident not only in Chavez's rhetoric, in which faith is not always placed, but also in the actual numbers. The challenges and criticisms of the international community should not be silenced yet; an increase in social spending does not necessarily compel an increase in the factors determining the health and welfare of society. These factors must be dealt with individually in order to determine progress. One scholar found that the "lowest income group (bottom twentieth quintile), which concentrates 0.65% of the total income, receives 82% of total social expenditures, whereas the highest income group (top twentieth quintile), which gets 28.48% of total income receives 1.2% of total social expenditures" (Freije). Although one should remain skeptical, it is possible that the increased spending has most likely been in an effort to deepen the social missions among the poor.

The fact that Chavez controls the world's fifth-largest exporter and ninth-largest producer of oil gives him tremendous latitude to reap more revenues for his social

agenda.⁴ Social spending in Venezuela has increased dramatically during the first presidential term of Hugo Chavez and is expected to increase further in his second term leading the country into 2012. The increase in spending has been feasible due to the tremendous windfall received from high oil prices. The impact that Venezuelans have actually felt in the efforts to spend more has yet to be seen. Many critics see Chavez as a failure and one whose flagrant speeches and actions are unproductive and whose attempts at forging alliances are all for naught. It is also suspected that Chavez has not necessarily improved the situation of the country. His actions in the short term have benefited the economy; however, in the long term they could increase inflation and deplete the foreign capital reserves.

⁴ Source: Member Countries: Venezuela. Organization of the Petroleum Exporting Countries. <[http:// www.opec.org](http://www.opec.org)>

3

Trends and Analysis

Though the social projects initiated by the Chavez government have been in place for a short period of time, what remains to be seen is their initial impact on Venezuela. The Chavez government represents hope to many sectors of society, especially those in extreme or critical poverty. Most of his support lies in the countryside and poor urban areas, those responsive to strong leaders. Chavez exudes the leadership necessary to lead these impoverished areas, he feeds off of the fact that these parts of the country “need” him. Chavez is like many leaders before him who came to power and “needed their countries to be suffering, since they derived their charisma from a supposedly ‘magical’ capacity to stem economic decline and bring back progress and prosperity” (Weyland). His missions have seen an increase in funding, and have been pushed to deepen and take a stronger foothold in the communities which they serve. Many of the missions have spread to other regions as the apparent success of their trials has been noted. In the past three years of tremendous oil wealth, Chavez has had the means to truly to enhance his programs. The oil windfalls of previous presidents were not felt in the popular social sector, they were kept for the upper-class elites, leaving a dissatisfied populous. This turbulent phase at the beginning of Chavez’s presidency gave way to colossal setbacks in the efforts to reduce poverty. The government and economy were unstable and there was

little attention focused on implementing the programs that had been established. Since then, the concerted effort to raise the majority of the country to a higher standard of living has been evident and has been strong. The popularity of the missions has grown, as has their scope.

Education

Education missions have been at the forefront of Chavez's anti-poverty campaign; they are the most comprehensive and in-depth. Education is the foundation for moving toward a more advanced society. A more knowledgeable population will be more productive and a country is able to sustain a higher level of development. Education impacts many facets of a country; throughout history its benefits are seen to improve the overall welfare of countries. In the case of Venezuela, increases in both school enrollment and literacy rates show tremendous promise for generations to come.

Missions Robinson I and II have created programs throughout the country and encompass all aspects of education. From basic reading and writing practicum to investigatory science and history based classes, people of all ages are being given an education that will provide them with a common base with which to communicate with the rest of the modernized world. According to the United Nations Education, Scientific and Cultural Organization (UNESCO), primary school enrollment rates remained somewhat stagnant from 87 percent in 1991 to 86 percent in 1999. In 2003 it was 93 percent, and then fell to 92 percent in 2004. These figures, however, are the net enrollment rate for the country, showing the number of students in the theoretical age

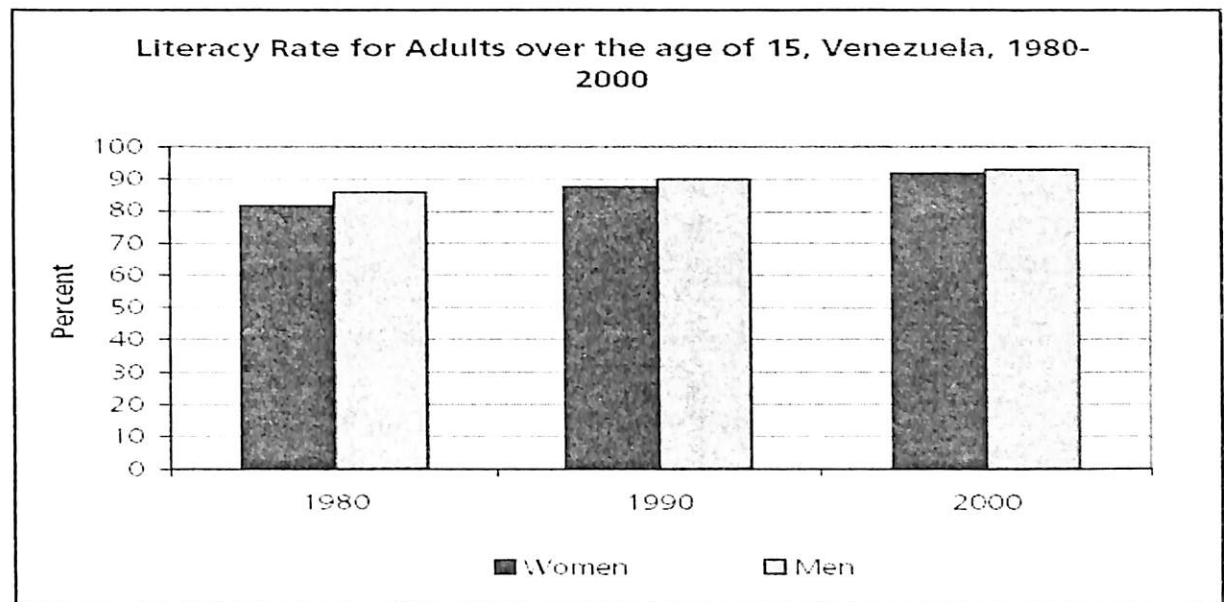
group who are enrolled as a percentage of the same population (UNESCO). This would mean that students of the appropriate age are enrolled in the suitable education level.

The gross enrollment rate delivers a more dramatic result; it is the number of students enrolled in a given level of education regardless of age expressed. Given that Mission Robinson II is directed towards encouraging more of the population to become educated regardless of age, it is predicted that the statistics regarding gross enrollment rate would be higher than the net enrollment rate. The gross enrollment should increase, accounting for the improved access to education and the increased population who is taking advantage of the increased number of schools and teachers. The primary gross enrollment rose from 95 percent in 1991 (UNESCO) to 105.9 percent in 2001 (U.S. Department of Labor). From there it again rose in 2003 to 107 percent, and remained above 100 percent through 2004 (UNESCO). In secondary education, the net enrollment rose from 18 percent in 1991 to an astonishing 61 percent in 2004, and the gross enrollment rose from 34 percent in 1991 to 72 percent in 2004 (UNESCO). Such substantial increase in enrollment in the primary schools shows that the increased access to schooling provided by the mission has in fact had an impact on the country.

The education missions were geared toward promoting greater access and opportunities to receive formal schooling, regardless of age. The increased access to education has proved beneficial in that there is a greater percentage, across the board, of students enrolled in both primary and secondary schools. A statistic that speaks to the collaborative success of the programs is the primary/secondary transition rates. Children moving from primary to secondary schools have increased from an 84.7 percent

transition rate in 1999 (U.S. Department of Labor) to a 98 percent transition rate in 2004 (UNESCO).

Figure 4: Adult Literacy Rate in Venezuela



Source: Population, Health, and Human Well-Being—Venezuela: Earthtrends Country Profile (2003)

Figure 4 shows an increasing literacy rate over a twenty-year period. Although Chavez was in power when the country was declared “illiteracy free,” he may not necessarily be the reason. The education programs have been a positive change for the country and a definite improvement in the quality and standard of living, and they can be credited with contributing to the efforts to the increase literacy in Venezuela. There was already a trend toward increasing literacy, but Chavez’s efforts toward increasing the availability of education, have helped to increase the number of students enrolled so as to boost literacy even more. His programs have also improved the transition rate, thereby

increasing the literate population under the age of 15. Figure 4 only takes into consideration the population over the age of 15, so when those students who are now able to take advantage of the schooling programs reach this age, there should be a booming increase in literate Venezuelans.

Countries in the developed world generally associate higher literacy rates with more advanced societies. According to the World Bank, the literacy rate in Venezuela rose from 89 percent 1990, to 93 percent in 2004 (U.S. Department of Labor). The United Nations in 2005 classified Venezuela as the 69th most literate country out of the 176 assessed, with a literacy rate of 93 percent (United Nations Human Development Report). In early 2005, Venezuela was declared an “illiteracy free territory” by UNESCO, having brought illiteracy to less than two percent. A spokesperson from UNESCO, upon visiting classrooms and centers for literacy and certifying Venezuela as illiteracy free, stated, “it is only fair to recognize the political will and efforts made to teach one and a half million people to read and write...Venezuela is the first and only country to meet the commitments...to drastically reduce illiteracy” (Márquez). The education missions exhibit a positive response from the nation as well as acknowledgement in the international community. The statistics show that Chavez has answered the hopes of his country and that the increased access to education has put Venezuela on the path to a more literate population.

Healthcare

Mission Barrio Adentro has been highly regarded as one of the greatest missions that was established. Its aims are clear and the efforts to increase access to primary healthcare services have been made. The popularity of this mission cannot be ignored; it is a testament to Chavez's commitment to improve the standard of living of the nation. As a whole, the Bolivarian missions have in a sense raised the morale of the country and provided the citizens with an incentive to put more confidence in the government that they will work toward the improvement of the country. UNICEF declared that Barrio Adentro is not only an innovative initiative, but that it is "developing a model of comprehensive primary health care with active community involvement in its planning, management and implementation...[and] is becoming the backbone of the country's public health system, expanding the health care network into poor and under-served communities" (UNICEF). Through ALBA, Venezuela has imported several thousand Cuban doctors and technicians to work in clinics provided throughout the country. The increased access to doctors and refurbished facilities should show decreases in infant and under-5 mortality rates, and an increased access to hospitals and immunizations.

Infant mortality rates in 1990 were 24 per 1000 live births. This number decreased to 17 in the year 2000 and again in 2004 to 16 per 1000 (World Bank). While not a particularly significant drop in numbers, the statistics still show improvement. With a steep decline from 2000 to 2004, one would be able to draw a stronger correlation between decreased rates and the Mission, but here the evidence is inconclusive. The under-5 mortality decreased from 27 and 26 per 1000 in 1990 and 1995 respectively, to

20 and 19 in 2000 and 2004. The numbers were on the decline before Chavez took power, and their drop during Chavez's term is evident however again, inconclusive.

When addressing the improved access to hospitals, the Pan American Health Organization shows an increase from 4,605 in 2000 to 5,325 in 2003 (World Health Organization). This increase was a response to Chavez's initial demand for improved access to healthcare, but 2003 implementation of Barrio Adentro I was made in order to increase the sheer number of clinics by 1,600. The numbers have yet to be seen, but what has been confirmed is the sharp increase in the number of doctors in the country attending to patients all over the countryside. One of the efforts made by doctors attending to the impoverished areas is to increase the number of administered vaccines. Addressing vaccine preventable diseases is an issue of utmost importance worldwide. UNICEF states that Barrio Adentro "could make Venezuela the first South American country no longer dependent on supplementary immunization campaigns to effectively maintain achievements in the control or elimination of vaccine preventable diseases" (UNICEF).

While the numbers do not show improvement strong enough to call for correlation, the numbers are on the right track. If trends continue, especially once Barrio Adentro II and III deepen, the healthcare in Venezuela will improve drastically, not because of an increase in the quality of care being given to the patients, but an increase in services provided to all citizens. People in the country who had never had access before are now being given the attention and services that is demanded of more developed countries. The number of hospitals and doctors should continue to rise as the relationship between Cuba and Venezuela is strengthened. It is too soon to tell whether Barrio

Adentro II and III have been successful. Chavez remains optimistic in stating that the government and citizens together “will all work so that by the end of 2006 we can say that we have a true public health system in Venezuela for the first time in 200 years” (Wilpert 2005).

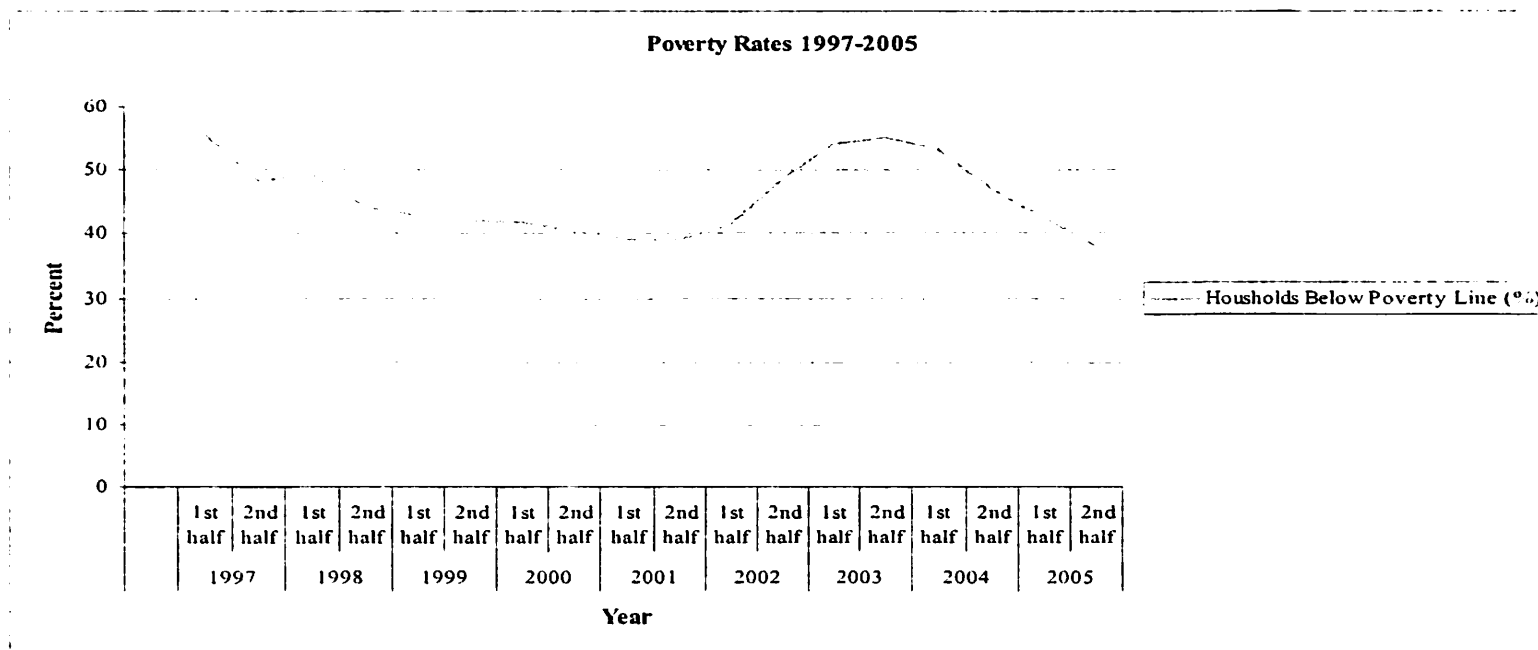
Poverty

The primary purpose for implementing the missions was to decrease the amount of poverty and inequality in Venezuela, and bring the country to a more developed status. Reducing the prevalence of poverty involves addressing fundamental issues such as education and healthcare. It is not enough to take care of the symptoms; the causes must also be managed. One assessment of Chavez shows that his “initial economic and social policies were incoherent and inconsistent,” which was motivation for the radical transformation that he began (Weyland). Since then, Chavez has been straightforward in his ambitious aims, so much so that if there was any hesitation or inconsistency in the beginning of his presidency, it has been overlooked by many.

A report made by the Economic Commission for Latin America in 2006, details the cases of poverty and extreme poverty in the region. Venezuela is seen to have one of the most drastic improvements, with poverty decreasing from 48.6 percent in 2000-2002, to 37.1 percent in 2003-2005 (United Nations ECLAC). While this shows that over one third of the population still lives in poverty, the situation has still improved considerably. Reports by Venezuela’s National Institute of Statistics show promise stating that, “critical poverty, the level at which people cannot afford to cover their basic needs, dropped to

10.1% in the first half of 2005, down from 18% the previous year” (Venezuela Analysis, October 2005). According to the reports by the INE, as of 2005, “poverty has now dropped to a level below what it was before Chavez came into office, in 1999, when the INE registered the poverty rate at 42%” (Venezuela Analysis, October 2005).

Figure 5: Poverty Rate in Venezuela 1997-2005



Source: Weisbrot, Sandoval, Rosnick (2006)

It is certainly jarring when one sees poverty levels decrease by over 11 percent over the course of five years; however the data requires more detailed examination. As seen in Figure 5, the poverty rate when Chavez assumed power was 42 percent, according to the INE, and last year it was at a “low” of 37.1 percent. It would be convenient to believe that Chavez can be credited with improving the state of the nation by decreasing the poverty rates, but it is not so easy. Poverty rates soared in late 2002 to 48.6 percent and reached a peak of 55.1 percent by the end of 2003 on account of the oil strike, coup

attempt, and recall referendum. Those events created an atmosphere of uncertainty, creating capital flight and a rise in unemployment because of low GDP growth rates, inflation then rises which directly affect the purchasing power of the lower class, creating more poverty and inequality. In the first half of 2004, while still absurdly high, there was hope in a drop of 2 percentage points from 55.1 to 53.1 percent, and more relief in a decrease of 6.1 percentage points which closed 2004 with 47.0 percent poverty. The household poverty rates have continued to drop to near 37.9 before the end of the second half 2005, a rate lower than 1997, before Chavez took office.

During this period, the GDP rose from USD \$83.5 billion in 2003 to USD \$109.8 billion in 2004, and then rose again in 2005 to USD \$140.2 billion, ending up at an astonishing USD \$172.0 billion in 2006 (*The Economist*). It would be expected that this exceptional growth in Venezuela has had an incredibly favorable impact on poverty in Venezuela. One group of scholars found that “the 13.5 percent drop in the poverty rate from the beginning of 2004 to the second half of 2005 is not at all unusual given the amount of economic growth during the period” (Weisbrot, Sandoval, Rosnick). In all actuality, until this point, the poverty rate has decreased by less than 5 percent from the time when Chavez came to office. A drop from 42 percent down to 37.1 percent is still a definite decrease, but it seems as if there still may be work to be done.

The decrease in the poverty rate is only an indicator of actual cash income; it does not take into account the non-cash benefits and services. The GDP increase suggests that more money is available to spend on social programs, as has been demonstrated previously, and the citizens are afforded a greater and more comprehensive, continual access to the state funded services. The success of the programs can be seen in that “an

estimated 14.5 million people, or 54 percent of the population, now receives free health care through the Barrio Adentro program. An estimated 40 to 47 percent of the population buys subsidized food through the Mercal program” (Weisbrot, Sandoval, Rosnick). The non-cash income seen in the roughly 42 percent discount on food items as well as free health care is significant in that a large portion of the population has a more enriched standard of living. While the actual income of these families may not have increased in terms of wages, the citizens are given more resources with which to create a more wholesome lifestyle. Access to more healthcare is really the key to this issue, seeing that “the poor would often do without health care if it were not provided by the government, and therefore suffer from worse health, lower income, and lower life expectancy” (Weisbrot, Sandoval, Rosnick). In ways that the education programs have benefited the poor, the healthcare too has simply improved the livelihood of the citizens in providing access to services that would, if they had to be paid for, would go unused.

The efforts made in the missions to address the indigenous population are not only an effort to break racial barriers, but yet another attempt to decrease poverty. Most of the indigenous population in Venezuela lives in the rural areas in the interior of the country which are isolated from modern-day technologies or in urban slum areas without access proper services. To further justify Chavez’s efforts to improve the conditions of the indigenous, a correlation between poverty and race shows that “according to Inter-American Development Bank and World Bank studies, poverty rates for indigenous peoples are much higher than those for the non-indigenous population” (IADB). Part of the discrepancy in poverty rates between the two groups is attributed to the school enrollment and dropout rates (IADB). By increasing the number of schools and access to

education, particularly in these rural areas with high indigenous populations, the future poverty levels are sure to decrease as generations receive more schooling. The indigenous populations have seen their non-cash income increase by the addition of community clinics and strengthened the education system.

The difficulty in addressing poverty lies in concentrating on the right numbers. GDP per capita fell 4 percent from 1999 to 2000, but the wealth of citizens in non-cash income has dramatically increased (Brinceño-León). The healthcare and subsidized food programs have tremendously impacted the impoverished population by providing access to previously unattainable services. To assess the overall situation in Venezuela is difficult, but it can be seen that the programs are directed to address the proper causes of poverty. A period of economic contraction in the middle of Chavez's reign hampers a declaration of success for his programs. However, the years following re-stabilization show that, while the numbers show improvement, a true turnaround of Venezuela may yet to be seen. Had the transition to a new government been smoother, perhaps Venezuela would be on a different path than we see today. What can be seen is follow-through in the realization of the programs and the legal framework for their establishment. Long-term policies should be established in order to meet the challenge of eradicating the deep-seated poverty that exists.

4

Conclusion

The ambitious programs Chavez has installed have been under great criticism as they have been seen internationally as neo-populist moves. The criticism of Chavez, his administration, and his overhaul of the country's domestic policies has been tremendous in the international arena, but most particularly in the Americas. Since cutting ties with the United States, Chavez has had to hold his ground and not give in to the northern power. Harsh criticisms from Washington come from a government that does not want to lose its historical influence in Latin America, and that is striving to maintain strategic partnerships. Chavez's political views are not controversial because they are in such stark opposition to those of the Bush administration, but because they have gained such popular support within Venezuela and have spread to take hold in the region.

The question at hand is not about Chavez's influence in Latin America, though he has single-handedly divided the region politically, but about his influence in his own country of Venezuela. Upon assuming the presidency, Chavez's plans were geared toward the poverty-stricken lower class,; the almost 50 percent of the population living in conditions of depravity. The Townsend Centre for International Poverty Research defines the condition of poverty as, "those people whose resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities" (TCIPR). Poverty is labeled as a

condition because the situation can change, with increased access to resources and services, people can become included in the normal living patterns and activities. Chavez sought to reach out to the most rural parts of the country first, where the majority of the poverty lies, in order to create a new paradigm.

In order for Chavez to apply the new strategy to a country disillusioned with the government, he had to overhaul the political structure completely. Democracy in Venezuela has only been alive since 1959, aside from a three year stint from 1945 to 1948. It has never been particularly healthy following the typical Latin American experience of corruption, clientelism, and lack of transparency. The case of Venezuela boasts a lack of electoral accountability and consistent lack of representation (Derham). In a polarized society where most of the ruling class is comprised of wealthy land and business owners who typically live in the northern cities of Venezuela, there is little possibility for the lower classes to be considered. And while their voices may be heard through demonstrations and protests, they are by and large ignored due to the lack of representation. Chavez was an appealing candidate because he offered a chance for the under-represented citizens to have an advocate, someone who would fight for their interests.

After rewriting the constitution, Chavez moved toward creating specific goals toward the eradication of poverty. Poverty is not something that can be taken care of in one deft movement; it requires action taken in phases. One scholar points out that, initially, Chavez was “faced with this sort of institutional incapacity, [and so] the government created a parallel structure, referred to as ‘the missions’” (Brinceño-León). In their establishment, it was dictated that the missions would not be subjected to the

formal or financial controls that restrain other institutions of the state (Brinceño-León), granting Chavez an avenue by which to direct the programs. It took until 2003 to begin implementing the actual programs, and now, almost 20 in all, they have spread across the country.

While the period of evaluation may not encompass many years, what is important is a first glimpse at the changes taking place. Venezuela has experienced a world of change since Chavez took power. Putting into place the foundations for improving literacy and health, Chavez has moved quickly toward moving the country out of poverty. Though Venezuela has seen setbacks during its move forward, in the oil strikes and coup attempt in particular, it can be seen that Venezuela is in fact moving forward. Like in any transition, it took time for Chavez and his administration to firmly set their policies, but since 2003 there has been enough economic stability that Chavez has been able to maintain a stable government and truly act on his pledges to improve the condition of the lower class.

The preliminary figures are hard to read. Venezuela has been on a path towards literacy for the last 20 years, but it was under Chavez that Venezuela was declared illiteracy free. There has been an increase in school enrollment and in transition rates from primary to secondary schools, showing a promising future for Venezuela. The first clinics offering free primary healthcare have been constructed throughout the countryside and urban areas offering a service that, in the past, was virtually nonexistent in these areas. And with newly implemented missions of establishing hospitals that offer more advanced services to these areas, and of refurbishing 300 existing hospitals, Venezuela is

moving toward an advanced position. All of these missions are attainable with the funding they are currently receiving and will continue to receive.

As the students currently taking advantage of Mission Robinson I and II complete their schooling, Venezuela will have an extremely large literate adult population. The efforts of Mission Sucre, to increase opportunities for tertiary education, are sure to be taken advantage of as the literate students complete their secondary schooling. The outreach to the rural and indigenous populations will help to destroy the social barriers and exclusion; as these children become more literate they increase their chances of succeeding in society. The increased access to healthcare allows citizens to exercise their right to a healthy life. The introduction of modernized technological services to the rural areas especially will greatly improve the lives of future generations.

There may still remain questions as to the actual reduction of poverty in Venezuela. While the poverty rate has decreased only five percent since Chavez has taken office, Venezuelans have been given wealth in other areas; wealth in terms of increased access to free education and state-funded healthcare. A subsidized food program that allows the purchasing of basic foodstuffs, grown from expropriated lands, has increased the standard of living both for those now able to purchase the food but also for those who generate an income working their own lands. It is in the non-cash income that Venezuelans have really become wealthy. The numbers sometimes do not speak for everything that is taking place in the country. The initial snapshot shows some improvement, but it is not enough to determine a definite trend because, as history shows, there can be fluctuations in progress. After recovering from the chaotic first few years in office, it appears Chavez is on his way to turning the country around.

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