



Embassy of the Bolivarian Republic of Venezuela to the United States

VENEZUELA: THE HEADLINES YOU MISSED IN 2007

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

VENEZUELANANS SATISFIED WITH THEIR DEMOCRACY

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

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

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

When asked how they would describe the state of their country's economy, 52 percent of Venezuelans described it as "very good" or "good," the **highest number in the region.**

When asked how they predicted the economy would do over the next 12 months, 60 percent of Venezuelans claimed it would do "much better" or "a bit better," the **highest number in the region.**

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

POVERTY DROPS SHARPLY

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

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

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

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

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

ECONOMY CONTINUES SUSTAINED GROWTH

In 2007, Venezuela's economy continued expanding. Venezuela has experienced **four consecutive years**



Embassy of the Bolivarian Republic of Venezuela to the United States

of economic growth, averaging a growth rate of **11.9 percent** since 2004. This represents the first period of sustained growth in 28 years. According to the [CEPR report](#), since the first quarter of 2003, the Venezuelan economy has **expanded by 76 percent** in real terms.

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

The national private sector has significantly contributed to economic growth with an average of **11 percent** over the past four years, mainly in the non-oil sector.

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

Inflation, although still around 15 percent, is **significantly lower** today than in 2002 when it was 31.2 percent.

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

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

The external debt to GDP ratio has **dropped from 67 percent** in 1986 to 13 percent in 2007.

ELECTIONS SEEN AS BOTH FREE AND FAIR

On November 30, White House Press Secretary Dana Perino [expressed concern](#) over a referendum scheduled for December 2 in Venezuela, stating, “[W]e are concerned that people would not be able to have the free and fair elections that they deserve.” This statement continued a long trend of attempting to discredit Venezuela’s electoral system and the country’s electoral institution, the National Electoral Council (CNE in Spanish).

As proven by the December 2 referendum, which President Chávez narrowly lost 51-49, elections in Venezuela are **free, fair and fully transparent**. Since 1998, Venezuelans have participated in **12 internationally monitored elections**, using state-of-the-art equipment and allowing for extensive audits of the results. For the referendum, some 120 observers from 39 countries witnessed the election and the vote-

counting. Fully **54 percent of ballot boxes** were audited to ensure consistency between the electronic voting machines and the printed receipts voters receive. Detailed results of the election are [available online](#).

On December 3, Secretary General of the Organization of American States Jose Miguel Insulza called the referendum “exemplary,” a point he further stressed on December 5 when [he stated](#), “I hope the US government can acknowledge, as all of us, that it was a fair, clean process.” A number of members of the U.S. Congress congratulated Venezuela for the referendum, including Rep. Gregory Meeks (D-NY) and Rep. Jose Serrano (D-NY). In a [press release](#), Rep. Serrano stated, “President Chávez and the Venezuelan people yet again showed that they indeed have a democratic system in place and that the system is operational. I hope that Chávez’ critics, who often deploy misleading terms like ‘anti-democratic,’ will take note of this development and confine their criticisms to policies. The will of the Venezuelan people has been heard and respected.”

WANTED TERRORIST REMAINS FREE IN U.S.

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

Luis Posada Carriles, a Cuban-Venezuelan national, illegally entered the U.S. in early 2005, making his way to South Florida where he was eventually detained for immigration-related offenses. On June 15, 2005, the Venezuelan government filed an extradition request for Posada in relation to the 1976 bombing of a civilian airliner in which 73 innocent civilians were killed. Posada, long considered the mastermind of the bombing, escaped Venezuela in 1985 while waiting to be tried for the bombing. And though Venezuela and the U.S. signed an extradition treaty in 1922, Posada has yet to be removed to Venezuela or prosecuted by the U.S. for the crimes he is accused of.

Posada worked with the Central Intelligence Agency in Latin America during the Cold War and has been linked to a number of terrorist attacks in Cuba and attempts to assassinate Fidel Castro, making him a



Embassy of the Bolivarian Republic of Venezuela to the United States

popular figure in influential South Florida. In one court filing, though, U.S. Immigration and Customs Enforcement admitted that Posada had a “long history of criminal activity and violence in which innocent civilians were killed.” Regardless, in May 2007 a number of minor immigration charges against Posada were dropped on a technicality, and since then he has lived freely in Miami.

A number of international conventions require that if Posada is not to be extradited to Venezuela, he has to be charged in the U.S. for his crimes. Similarly, the Patriot Act allows the Attorney General to designate him as a terrorist and detain him. Though the U.S. and Venezuela maintain political differences, nothing should stop the Bush administration from acting against this wanted terrorist.

HEATING OIL PROGRAM ENTERS THIRD YEAR

On December 10, 2007, the CITGO Corporation (which is a wholly owned subsidiary of Venezuela’s state oil company PDVSA) kicked off the third annual installment of a program that will offer [discounted heating oil](#) to poor individuals and institutions throughout the U.S.

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

The discounted heating oil program was started in 2005 after global oil prices rose and the twin disasters of Hurricane Katrina and Hurricane Rita hit the U.S. It was introduced as a humanitarian gesture to poor communities in the U.S., and also came in response to

a request from U.S. senators to oil companies to offer discounts on heating oil. CITGO was, and still is, the only U.S.-based oil company to do so.

VENEZUELA HELPS LAUNCH REGIONAL BANK

On December 9, 2007, six Latin American countries came together in Buenos Aires, Argentina to sign an agreement [launching the Bank of the South](#). The historic initiative will create a regional development bank that will fund important infrastructure and development projects in the region. The six founding members – Argentina, Brazil, Venezuela, Ecuador, Bolivia and Uruguay – will provide the **\$7 billion in start-up capital** for 2008. The bank will be headquartered in Caracas.

At the signing ceremony, Brazilian President Luiz Inacio Lula da Silva spoke of the importance of having a regional bank controlled by the countries that will benefit from it. “Only strong and united can South America occupy its rightful place among nations. This will be the first international bank truly controlled by the nations of our continent,” he said. [According to Mark Weisbrot](#), co-director of CEPR, the bank “will make development loans to its member countries, with a focus on regional economic integration. This is important because these countries

want to increase their trade, energy and commercial relationships for both economic and political reasons, just as the European Union has done over the last 50 years. The Inter-American Development Bank, which focuses entirely on Latin America, devotes only about 2 percent of its lending to regional integration.”

New Books on Venezuela:

Hugo! From Mud Hut to Perpetual Revolution
By Bart Jones

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

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

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

For more news and information about Venezuela, please visit our website:

<http://www.venezuela-us.org/prensa@venezuela-us.org>