CHÁVEZ: UNFULFILLED PROMISES

By Maritza Ramírez de Agena

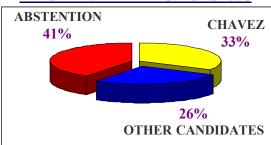
New York July 7th, 2003



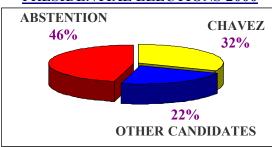
Chávez's swearing in Ceremony February 2, 1999

Article 182 of the "Organic Law of suffrage", describes the legal requirements for a recall referendum in Venezuela. The purpose of this document is to provide you with a detailed review of the political and economic realities of Venezuela under President Hugo Chávez's rule to summarize a series of arguments that could be used to comply with the second requirement of article 182, which states the need to explain briefly the reasons to request a recall referendum.

PRESIDENTIAL ELECTIONS 1998



PRESIDENTIAL ELECTIONS 2000



Chávez was elected democratically in December 1998 with 3,673,6851 votes out of a total of 11,013,020 voters registered in the Venezuelan National Electoral Council.² During the 2002 presidential elections, support for Chávez dipped one percentile point,

while the abstention share increased by five percentile points.²

Chávez's ascension to power was possible due to two main factors: discontentment of a majority of Venezuelans with the poor performance of the two traditional political parties for the last 40 years; and to Chávez's presidential campaign which promised to improve the conditions of the poor, develop policies that would encourage economic growth, reform the branches of the government to ensure justice and efficiency and his most ambitious project, to create a governmental structure to fight against corruption. The following is a summary of Chávez's performance on the issues he promised to address during his administration.

POVERTY DURING THE CHÁVEZ ADMINISTRATION

In 1998, when Chávez was elected president of Venezuela, 57.6%³ of the households had a total income below the poverty line. In the year 2000 the percentage of poor households

¹ Political Database of the Americas (1998, 2000). [Internet] Georgetown University and the Organization of Americas States. In: http://www.Georgetown.edu/pdba/Elecdata/Venezuela/

² Venezuelan Electoral Council (CNE)

³ "La pobreza en el trenio 1999-2001" by Matías Riutort, Chief of the Institute of Economic and social studies. Catholic University Andres Bello (UCAB). Article available in the website of the United Nations' program for development, www.pnud.org.ve/temas/pobreza.asp; Article, also published in the Venezuelan Magazine "Temas de Coyuntura", No. 45, June 2002.

with income under the poverty line had grown to 60.3%³. Taking into consideration the contraction of the economy, the consistently high levels of unemployment, higher levels of inflation, the dramatic increase of the informal economy and the detriment of the real income, the percentage of poor households by the end of the year 2002 was around 72%⁴, while households in critical poverty was estimated to be around 43%⁵. During the first four years of the Chávez administration, the number of poor households in Venezuela increased by 650,000; equivalent to 3,380,000 people. Chávez also cut the funding for many important social programs that used to benefit poor and working class people, from 520.10 Million Bs. in 1998 to 228.81 Million Bs. in 2002⁶. (The Poor and working class people represent 80% of the total population of Venezuela.)

CHAVEZ'S ECONOMIC POLICIES

Chávez has consistently proven his inability to develop economic policies to foster foreign investment (Table 1) 7 , to increase production (Table 2) 8 and to generate employment. (Table 3) 9 .

TABLA 1. FOREIGN DIRECT INVESTMENT

| (US \$ Million) | 1999 | 2000 | 2001 | 2002 |
|-----------------|-------|-------|-------|-------|
| <i>FDI</i> | 3,290 | 4,465 | 3,448 | 1,389 |

TABLA 2. ECONOMIC GROWTH

| Percentile Variation | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 Q1 |
|-------------------------|------|------|------|------|------|------------|
| GDP | 0.2 | -6.1 | 3.2 | 2.7 | -9 | -29 |

TABLA 3. UNEMPLOYMENT

| | 1998 | 1999 | 2000 | 2001 | 2002 NOV | 2003 JAN |
|--------------|------|------|------|------|-------------|-------------|
| Unemployment | 11% | 15% | 14% | 13% | 18% | 23% |

⁴ Matias Riutort's update for actual 2002 (IIES-UCAB), available at www.globovision.com under the "Cuatro años de gobierno, índices económicos", Economic indexes after four years of Chavez's administration. Feb, 2003.

⁵ Daily "El Universal", by Eduardo Camel Anderson: Critical Poverty strikes 43 percent of Venezuela's population

Arthur D. Little. Information copied from the article "Chavez and the poor" by Juan NAGEL, Ph.D in Economics, de la Universidad de Michigan, y Senior Economist, ApplEcon, LLC.

⁷ Foreign Direct Investment in the Andean Region – Report year 2002. By the United Nations Economic commission for Latin America and the Caribbean

⁸ 1998: "Instituto Nacional de Estadísticas", Venezuelan Central Bank; 2002: Datanalisis, local poll company; 2003: "CENDA, Centro de documentación y análisis de los trabajadores" (Centre of Analysis and Documentation of the Venezuelan workers.)

⁹ United Nations Division of Statistics and economic projects, CEPAL -- Venezuela

FOREIGN INVESTMENT

Important changes made by Chávez to the Constitution removed guarantees granted traditionally to foreign investors in the different sectors of the economy. For example,

- Article 151 prohibits foreign investors from appealing to international arbitrage to resolve any conflicts with the Venezuelan government.
- Article 301 states that foreign investment is to be ruled under the same criteria as national investment, eliminating certain benefits generally granted to foreign investors all over the world. Among these benefits are: repatriation of capital and dividends and purchase of foreign currencies for payments overseas.

A lack of transparency in the regulatory system and government interventionism in the economy continue to concern foreign investors. According to the U.S. Department of State, "Venezuelan laws are complicated, even more so since many activities are regulated, not only by laws, but also by presidential decrees or specific regulations. The bureaucracy and paperwork are often complicated." The same source reports that the rule of law is not reliably enforced, and corruption continues to be a major impediment to business.

ECONOMIC POLICIES

Chávez's views on important national matters are not shared by many Venezuelans, who have disapproved, categorically, of most of his economic policies and managerial style. What follows are some examples of Chávez' most controversial executive decisions:

- Oil deal between Chávez and Fidel Castro: "Under the arrangement, Caracas agreed to provide 53,000 barrels of crude/day, delivered in eight monthly shipments. Part of the deal involved generous long-term financing of only 2 percent annual interest over 15 years." (Normal rates oscillate between 15% and 30%)¹¹.
- A package of 49 presidential decrees approved by the President on November 2001 to tighten state control over various industries and permit the government to confiscate property it defines as unused: Most of these laws fundamentally disregard basic democratic principles. The most controversial law is the land reform, strongly opposed by the agricultural sector and the majority of Venezuelans because it flagrantly violates the democratic right to private property. The law allows the government to expropriate land considered idle by authorities. Chávez has incited his followers to occupy any land owned by what terms "oligarchic landlords", which has only created arbitrary and often violent land seizures. Other controversial laws opposed by a majority of Venezuelans are those concerning fishing regulations and regulations for small and medium enterprises. (More than 4,600 enterprises have declared bankruptcy between 1998 and 2002.)¹³
- Re-organization of state-owned oil company, Petroleos de Venezuela (PDVSA): Chávez appointed Mr. Alí Rodríguez Araque as president of the company on April 2002.

¹² PROVEA. Non-profit, non-governmental organization for the promotion and protection of human rights in Venezuela. www.derechos.org.ve/situacion/informes/annual/14/contexto.html

¹⁰ David Adams, Times Latin America Correspondent. St. Petersburg Times. Published on June 1, 2002

¹¹ John Lichtblau, Chairman of the New York-based Petroleum Industry Research Foundation.

¹³ Orlando Urdaneta. "Una revolucion inutil." The futile revolution, Feb 2003. www.diatriba.net/itv/diatriba%205%202003%20ciao%20cd%2004%20the%20futile%20revolution/

Some members of Chávez's original Board of Directors took possession at the same time. Mr. Rodríguez, under Chávez's orders completely dismembered the organization, handed over Venezuelan shares of the oil market to the Arabs, reduced oil exports down to 1.4 million of barrels/day, increased the production cost per barrel by charging additional \$7.15 on royalties, expropriated PDVSA of its three main office buildings in Caracas to put them under the control of the Chávez bureaucracy, fired around 400 of the most brilliant scientists of Inteven (Pdysa's Research and Technological support Center) and destroyed the Venezuelan oil scientific patrimony which accounted for 900 patents and 240 inventions¹⁴. After the nationwide general strike (12/02 -02/03), around 18,000 oil workers have been fired and thousands of families ejected from the residential areas surrounding the oil fields. According to the ruling of the Supreme Court of June the 12th 2003, the oil workers members of oil union UNAPETROL have certain rights that have been violated by the improper dismissals instructed by the government; nevertheless, Energy and Mines Minister Rafael Ramírez has stated that under no circumstances will the oil workers that joined the general strike be rehired, ignoring a court order. Ramírez is determined to appeal the Supreme Court's decision if necessary.

Currently Chávez, Minister Ramírez, PDVSA President Alí Rodríguez Araque and the Venezuelan ambassador to the United States, Mr. Bernardo Álvarez, are trying desperately to convince the United States government that the Venezuelan oil company is reliable. Part of the Venezuelan strategy to gain support in Washington is the lobbying carried out by a former U.S. Republican Congressman Mr. Jack Kemp, a member of the Board of Directors of Free Market Petroleum. The Venezuelan government signed a contract with Free Market Petroleum in January 2003, after conversations between Free Market and the Department of Energy of the United States indicated the interest of the Bush administration for Venezuelan crude oil for the U.S. strategic petroleum reserve¹⁵. The details of the contract have not been made public yet, but assuming the price per barrel is around \$20.00, the contract could represent one billion dollars. PDVSA is to supply Free Market Petroleum with 54 million barrels of oil for the U.S. petroleum reserve located in Texas and Louisiana, in a period of three years. Since PDVSA has traditionally negotiated directly with its clients, the deal with Free Market Petroleum reduces the profit margin for the Venezuelan oil company. During the first quarter of 2003, the oil industry, which usually makes up about 30 percent of the economy, fell 47 percent.

■ Foreign exchange controls implemented since January 21st, 2003 by the Chávez administration¹⁶ to try to stop the free fall of Venezuela's bolivar has weakened even further the situation of the private sector after the two months nationwide general strike. Venezuela is a country that imports around 60% of what it consumes, for which it is not difficult to understand the devastating consequences of rules that restrict the purchase of dollars. Cadivi (the government exchange controls committee) has experienced a five month delay implementing the new system that, coupled with restrictions on certain

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¹⁴ "Pdvsa entró en moratoria", by Mery Mogollon, Oil analyst. Article published by the Journal "El Nacional" on Feb. 9th, 2003.

¹⁵ Marc Lifsher – Wall Street Journal. June 2nd, 2003. Venezuela to use marketing group to sell oil in US

¹⁶ CM.com. http://www1.cnn.com/2003/WORLD/americas/03/19/venezuela.dollars.ap/Shelves go bare in Venezuela

imported goods, have taken many small and mid sized companies to bankruptcy (close to 2,000 Venezuelan companies went out of business in the first quarter of 2003.)¹⁷ Fedecamaras, the nation's leading business chamber, has made public a statement saying that at least 30,000 businesses could go bankrupt this year. During the first quarter of 2003, the non-oil economy contracted 21 percent.

Leonor Filardo, an economist and former Director of the International Affairs of the Venezuelan Central Bank has said: "The government has committed a confiscation of dollars in the country". Mrs. Filardo thinks Chávez's decision is not only unconstitutional but also violates the most basic principles of free market and international commerce.

CHAVEZ'S NEW CONSTITUTION AND POLITICAL STRUCTURE

Chávez's "Revolución Bolivariana", promised to change the course of history in Venezuela. Corruption was to be eradicated and a series of changes in the Constitution were made to facilitate the completion of Chavez's objectives in political economic and social matters. In 1999, Chávez called for a referendum to approve a new Venezuelan Constitution (Approved by 34% of registered voters; Abstention was 54.74%)¹⁸. The new Constitution, however, does not correspond with Chávez's promise to bring more power to the people; on the contrary, it eliminates the controls designed to guarantee the sovereignty of the people of Venezuela. Since Chávez took office, Venezuelans have observed the escalating authoritarianism of the President, a deterioration of the Rule of Law (Estado de derecho), and the incoherence of public policy with regard to free market and human rights matters. 19 (i.e. Problem areas in the New Constitution and its application – Human Rights Watch)²⁰

The new constitution presents certain deficiencies in critical matters for it:

- gives excessive power to the figure of the President. The National Assembly has given President Chávez (through an "enabling law") the authority to legislate by decree on selected issues related to the economy, reorganization of government ministries, and crime. The position of a vice-president is created and appointed directly by the president.
- eliminates the classic bicameral form of Congress. On July 30th 2000, A unicameral legislative power conformed in its majority by congressmen affiliated to Chávez' political party (84 MVR seats out of 165) was created under the name of the National Assembly; the Senate was eliminated and with it, a vital organ of political control. Additionally, the President was given the power to dissolve the National Assembly.
- centralizes the power of the Branches, which goes against the creation of a Federal government and the political contemporary evolution oriented to promote and guarantee the counter-balance of power.
- destroys the functional independence of the Supreme Court. Former Supreme Court judges were all asked to resign, and the National Assembly appointed new Magistrates, most of them (over 60%) to work provisionally. According to the Inter-American

¹⁹ PROVEA – non-profitable, non-governmental organization for the promotion and protection of human rights in Venezuela, particularly economic and social rights. Recognized by Human Rights Watch. www.derechos.org.ve/situacion/informes/annual/14/contexto.html

Thuman Rights Watch: www.hrw.org/backgrounder/americas/venezuela_un.htm

¹⁷ Reuters. Monday May 26th, 2003. Venezuela Q1 collapse shut 2,000 firms-industry

¹⁸ Political Database of the Americas, Constitutional Referendum 1999. www.georgetown.edu/pdba/Elecdata/Venezuela

Commission of Human Rights of the OAS, the temporary nature of the vast majority of judges from the Supreme Court jeopardizes the independence, autonomy and stability of this important branch which compromises the application of the rule of law in the country. In December 2000, the National Assembly appointed members of the Supreme Court and the so-called Citizen Power in a process that was criticized by the political opposition, the media, NGO's and Human Rights Organizations as unconstitutional. These groups argued that the procedures set forth in the 1999 Constitution regarding civil society participation in the selection process were not followed.

■ gives non-traditional powers to the Armed Forces and the Militia (National Guard). which translates in the politization of institutions that are supposed to be apolitical. Three of the members of the President's Cabinet are either active or retired career military officers, as are the presidents and some members of the Board of Directors of the major state-owned corporations. General Lucas Rincón Romero is the Minister of Interior and Justice, General José Luis Prieto is the Minister of Defense, retired Army Lieutenant Jesse Chacón, (who took part with Chávez in a 1992 frustrated coup) is the newly appointed Minister of Communication and Information, General Francisco Rangel Gómez is the president of "Corporación Venezolana de Guyana", General Oswaldo Contreras is the president and Chief Executive of Citgo Petroleum, one of the biggest gasoline marketers in the United States — and a wholly owned unit of the Venezuelan state oil company. Army Colonel Dester Rodríguez is a member of the Board of Directors of Pdvsa and member of the Restructuring Committee. There are also a number of military officers in high- and mid-ranking positions in government agencies responsible for social development, public works, and finance. The military is involved heavily with public service projects.²

CORRUPTION DURING THE CHÁVEZ ADMINSTRATION

In Venezuela, the political branch created to fight corruption, "Citizen Power", is conformed by the Ombudsman Germán Mundaraín, the Public Prosecutor Isaías Rodríguez and the Comptroller General Clodosbaldo Russian. The Citizen Power branch was created with the 1999 constitution. The Ombudsman is responsible for compelling the government to adhere to the Constitution and laws. The Public Prosecutor provides opinions to the courts on the prosecution of criminal cases and brings to the attention of the proper authorities cases of public employee misconduct and violations of the constitutional rights of prisoners or accused persons. The Comptroller General controls the revenues and expenses incurred by the government and watches over the national patrimony.

Since the appointment of Germán Mundaraín as the president of the Moral Council of the Citizen Power, Venezuelans are not alone in observing the inefficiency and corruption of this political branch. According to the 2002 Report on Human Rights Practices in Venezuela, published by the U.S. Department of State on March 31st 2003, the Venezuelan government rarely prosecuted perpetrators of extra judicial killings. The police often failed to investigate crimes allegedly committed by their colleagues and

²¹ Country Reports on Human Rights Practices – 2002. Published by the U.S. Department of State on March 31st 2003.

characterized incidents of extra judicial killings as "confrontations," even when eyewitness testimony and evidence strongly indicated otherwise.

The report also states that the Moral Council presided by Mr. Mundaraín, remained highly inefficient and sometimes corrupt. In the small number of cases in which the courts convicted perpetrators of extra judicial killings and other abuses, sentences frequently were light, or the convictions were overturned on appeal. Unlike common criminals, members of the security forces charged with or convicted of crimes rarely spent much time in prison.

The report published by the U.S. Department of State also describes the abuse of power observed during the Chávez administration. The government conducted illegal wiretapping of private citizens. Government intimidation was a serious problem. President Chávez, officials in his administration, and members of his political party frequently spoke out against the media, the political opposition, labor unions, the courts, the Church, and human rights groups. Many of Chávez's followers interpreted these remarks as tacit approval of violence, and they threatened, intimidated, or even physically harmed several individuals from groups opposed to Chávez during the year 2002. The government abused its power to require television and radio stations to air numerous speeches by President Chávez, other government officials, and other programming favorable to the government, and by cutting the transmission of television stations that refused to air pro government material on April 9-11.²²

There are countless requests to investigate irregularities such as: the oil agreement with Cuba, the connexions of some government officials with the Colombian guerrillas, the uses of funds from "Plan Bolívar 2000", the uses of funds from the "FIEM", the donation of arms to certain "Círculos Bolivarianos" by government officials, and the massacre of April the 11th 2002 among many others that are still pending.²³ Additionally there are recusations introduced against the Public Prosecutor and several judges from the Supreme Court for questionable behavior. The report published by the U.S. Department of State points out that many "judges are subject to influence from a number of sources, including the executive branch".

According to Transparency International, Venezuela has one of the worse Corruption Perception Index (CPI) of the region. The Corruption Perception Index (CPI) score of Venezuela for the year 2002 was of 2.5. The ranges of the (CPI) are between 10 (highly clean) and 0 (highly corrupt). The corruption perception index is calculated by combining two measuring methods. First, standard interviews are conducted among experts in corruption. Second, opinion polls are carried out among business executives and risk analysts. The information collected from the polls is less precise that the information collected from the experts, but it is valuable because it represents the general opinion in a particular country.²⁴

²² Country Reports on Human Rights Practices – 2002, by the Bureau of Democracy, Human Rights, and Labor. March 31st, 2003. U.S. Department of State ²³ Poder Moral: ¿encubrimiento e impunidad?, Daily "El Universal", July 8th, 2002

INDICATORS OF LEVEL OF CORRUPTION AND FUNCTIONALITY OF THE POLITICAL SYSTEM IN COUNTRIES OF LATIN AMERICA

(CPI-Transparency International - Berlin, August 28th 2002)

(Other indicators - "La corrupción desde una perspectiva económica" - Santiago Jan 2003)

| | СРІ | Accountability | Political stability and no violence | Government efficiency | Quality of regulations | Respect for the Law | Corruption control |
|-----------|-----|----------------|--|--------------------------|------------------------|---------------------------|-----------------------|
| Argentina | 2.8 | 0.61 | 0.62 | 0.47 | 0.79 | 0.48 | 0.26 |
| Brazil | 4.0 | 0.63 | 0.35 | 0.32 | 0.60 | 0.31 | 0.36 |
| Colombia | 3.6 | 0.42 | 0.04 | 0.37 | 0.66 | 0.14 | 0.19 |
| Mexico | 3.6 | 0.42 | 0.34 | 0.44 | 0.77 | 0.23 | 0.26 |
| Paraguay | 1.7 | 0.32 | 0.27 | 0.06 | 0.69 | 0.16 | 0.05 |
| Peru | 4.0 | 0.23 | 0.29 | 0.44 | 0.79 | 0.22 | 0.28 |
| Uruguay | 5.1 | 0.70 | 0.57 | 0.57 | 0.89 | 0.46 | 0.47 |
| Venezuela | 2.5 | 0.51 | 0.38 | 0.14 | 0.58 | 0.17 | 0.12 |

Corruption Perception Index (CPI): (10 = highly clean; 0 = highly corrupt). Other indicators of the level of corruption and functionality of the political system are: (1 = more; 0 = less)

• Accountability: Public access to official documentation. The public has the right to know how public institutions apply the power and resources entrusted to them. — Transparency. • Effectiveness of the government: Ability of government officials to determine the problems of the country, to prioritise and to develop and implement efficient and successful policies in political, economic and social matters. • Respect for the law. • Control of corruption: "Public servants need to know the basic principles and standards they are expected to apply to their work and where the boundaries of acceptable behaviour lie." In addition, a legal framework should be available to understand the implications of engaging in corrupt behaviour. A legal frame should detail the process of investigation, disciplinary action and prosecution for cases of corruption". 25

Transparency International for Latin America (TILAC) has consistently worked to encourage agreements between the private sector, civil society and the government to

 $^{^{24}}$ Transparency International (1999-2000) y Kaufmann, Kraay and Zoido – Lobatón (1999)

²⁵ "La corrupción desde una perspectiva económica", Corruption from an economic perspective, by Raimundo Soto. Universidada Católica de Chile. 01/03

ensure that anti-corruption mechanisms are created and implemented. For Latin American countries, the implementation of the Inter-American convention against corruption is of particular interest . By mid-2002, the committee of experts drawn from the member states agreed upon a questionnaire and a methodology to examine compliance with the convention in such areas as the declaration of income, assets and liabilities of public officials, and the effectiveness of oversight bodies. Venezuela is scheduled to be audited in July 2004 and has not confirmed its conformity with the date established by the OAS. Venezuela's audit team should include Jamaica and Chile.

Transparency International has also established contact with the Venezuelan organization "Mirador Democrático", the organizers of the International Seminar "*Poder y Corrupción*" (Power and Corruption) on March 27th 2003, sponsored in part by the Program for development of the United Nations.

The fight against corruption is gaining more and more support by the international community. Concrete evidence of this is the creation of the International Criminal Court (ICC), the new global, independent institution, whose main task will be to act where national judicial systems fail to fulfil their basic missions according to Moreno Ocampo, ICC's first chief prosecutor. The ICC will investigate and bring to justice ex-dictators who had abused their power and have secret banking accounts.

Needless to say that the appointment of Mr. Moreno Ocampo as a first chief prosecutor for the International Criminal Court is a step forward in the fight against corruption. Mr. Moreno was a member of the Board of Directors of Transparency International, President of Transparency International for Latin America, and President of "*Poder Ciudadano*" the Citizen Power, the Argentinean branch of Transparency International.

Mr. Moreno has implied that the violation of human rights and corruption are generally committed conjunctively. This observation certainly represents hope for the Venezuelan people. If it is true that Chávez has not been catalogued as a dictator, it is also obvious that his regime has become autocratic and repressive. Basic human rights have been violated according to respectful international organizations like Human Rights Watch. The conditions are given in Venezuela for Chávez and senior government officials to take advantage of their control over institutions for private gain. Many Venezuelan senior government officials have stolen for decades, this is not news; however, today the Venezuelan people and the rest of the world have a better chance to see corrupt presidents be brought to justice as international mechanisms are being designed to fulfil the role that local authorities have failed to perform for decades.

RECALL REFERENDUM

As of the end of the first week of July 2003, Venezuela still had not had a national electoral council (CNE) to organise a ballot. The ONG "Súmate" is preparing a new "firmazo", to be held on August the 24th, in the event that the CNE or the Supreme Court rules against the validity of the signatures collected on February the 2nd 2003. The ONG

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²⁶ Venezuela and Corruption, by Alexandra Beech and Maritza Ramírez de Agena. June 30th, 2003.

is also working to establish the reliability of the information recorded in the national database of voters, by evaluating a sample of people to determine the presence of deceased as active voters and fraudulent migration of voters between different municipalities. ²⁷

On August the 20th, a day after the midterm of Chávez's presidential period, the opposition will march to support the submission of the signatures for a recall referendum which were collected last February, to the CNE. If the signatures are accepted as valid, and the process to organize the referendum is not delayed, Venezuelans should be ready to vote by November the 20th 2003. They will be asked to answer Yes or No as to whether Hugo Chávez' presidency should be allowed to continue.

The information provided in this document seems to indicate that the Chávez administration has not been effective in addressing the pillars of his presidential campaign: the conditions of the poor, the economy, constitutional and high levels of corruption. To conclude this paper, I have presented you with some of the results of the latest national opinion poll²⁸ conducted in Venezuela on May 2003, which clearly confirms the negative repercussions of Chávez's executive decisions and self-defeating policies on the economy and political stability of the country.

QUESTION: Please think carefully -- during the last two years of the Chávez administration... The economic situation of your family has?

| Worsened | 62% |
|-----------------------------|-----|
| Remained the same (average) | 21% |
| Improved | 6% |
| Remained the same (good) | 6% |
| Remained the same (bad) | 5% |

QUESTION: Which of the following factors you do you believe had the greatest impact on the economic situation of the country?

| The Chávez administration | 54% |
|--------------------------------------|-----|
| The opposition | 19% |
| The private sector | 15% |
| The oil workers | 6% |
| The international crisis/ oil market | 3% |
| Do not know | 4% |

 $^{^{27}}$ "Súmate prepara Firmazo alternativo" The ONG "Súmate" prepares an alternative "Firmazo". Daily "El Universal". July the 4^{th} 2003.

²⁸ National opinion poll May 2003; Globovision.com

QUESTION: Who do you think should be held responsible for the high levels of unemployment in the country?

| The Chávez administration | 56% |
|--------------------------------------|-----|
| The opposition | 14% |
| The private sector | 20% |
| The oil workers | 6% |
| The international crisis/ oil market | 2% |
| Do not know | 4% |

QUESTION: Do you think the government is working very hard, hard enough, somewhat hard, doing little or doing nothing to resolve the following problems:

CRIME

| Little/ nothing | 78% |
|-------------------|-----|
| Somewhat | 12% |
| Very hard/ enough | 10% |

CORRUPTION

| Little/ nothing | 76% |
|-------------------|-----|
| Somewhat | 11% |
| Very hard/ enough | 12% |

UNEMPLOYMENT

| Little/ nothing | 79% |
|-------------------|-----|
| Somewhat | 11% |
| Very hard/ enough | 10% |

INFLATION

| Little/ nothing | 73% |
|-------------------|-----|
| Somewhat | 14% |
| Very hard/ enough | 13% |

QUESTION: How much confidence do you have that the president will manage the country well during his administration?

| Little/ none | 68% |
|-------------------|-----|
| Great/ Sufficient | 19% |

QUESTION: If a recall referendum were carried out today, would you vote YES or NO to recall Chávez's presidency?

| YES | 62% |
|-------------|-----|
| NO | 30% |
| DO NOT KNOW | 8% |