

Democracy, growth and society

By HE ALFREDO TORO HARDY

VENEZUELAN AMBASSADOR TO THE COURT OF ST JAMES'S



ALFREDO TORO HARDY is Ambassador of the Bolivarian Republic of Venezuela to the Court of St. James's and Ireland. A Former Ambassador or Representative to the US, Brazil, Chile and the UN Economic Commission for Latin America and the Caribbean, he has been Director of Venezuela's Diplomatic Academy and Professor at the Simon Bolivar university in Caracas and at the universities of Princeton, Barcelona and Brasilia. He has written 15 books and coauthored 11 on international affairs.

Hugo Chávez is visiting the United Kingdom for the third time since his election as President. This underlines the great importance he bestows upon a country that is linked to Venezuela by historical, commercial, energy, investment, financial and cultural bonds. Recently, there have been many expressions of support from the UK for President Chávez's government, and especially for the many social policies developed by it. From the Trade Union Council, the Greater London Authority and The Palace of Westminster, as well as from academic and cultural circles, there have been numerous testimonies of support, which are highly appreciated. A good example is the House of Commons Early Day Motion 1644 dated 14th February 2005, proposed by Colin Burgon, MP:

"That this House recognises the progress that is being made by the democratically-elected government of Venezuela in expanding the provision of education, healthcare, housing, land, food and microcredit facilities for those previously marginalised and excluded from economic and political opportunities in the country... and calls upon the UK government to acknowledge the benefits of the Venezuelan social development model, to support the democratically-elected administration of President Hugo Chávez...and to work to strengthen the ties between the UK and Venezuela".

This Early Day Motion, was signed by 112 MPs. President Chávez's main objectives during his visit to the British capital will be to express his gratitude for this support, as well as explaining the scope of his government's policies. In this article, I would like to frame his visit with an overview of the key facts of the Chávez administration.

The meaning of democracy

Last 4th December, Venezuela held its eleventh electoral process since President Chávez won power in 1998. This included a referendum to determine if the Venezuelan people wanted to call for a Constituent Assembly; the election of the members of this Assembly; a second referendum to approve the Project for a new Constitution drafted by this Assembly, a new presidential and legislative election complying with the terms of the new Constitution, et cetera. Among the different calls for elections, there was the referendum of August 2004. On this occasion, the figure of the Recall Referendum, introduced by President Chávez in the

1999 Constitution, was activated and the people were consulted on whether or not they wanted the President to finish his mandate. All the electoral processes were carried out under the supervision of well-reputed multilateral and international organisations, including the Organisation of American States, the European Union and the Carter Center. It is worth noting that President Chávez won them all.

So, there is no question about the legitimacy of Venezuelan democracy. It could be argued that even more important than the legitimacy of origin is the legitimacy of performance. Can the latter be measured? There is no doubt that the best way to do so would be to consider the level of people's satisfaction for their own democracy. In this sense, one would have to review the results of the most respected opinion poll company in Latin America, the Chilean Latinbarómetro, which for almost 10 years has been measuring levels of acceptance of Latin American democracies in countries throughout the region. According to the results of their last poll, Venezuela leads in terms of satisfaction regarding the performance of its democracy. The Economist stated in its edition of October 29th 2005: "Support for democracy is lower in a dozen countries today than in 1996...On the other hand, support for democracy is very high in Venezuela...But only in Uruguay and Venezuela are a majority of respondents satisfied with the working of democracy..." As this demonstrates, the level of acceptance of democracy in Venezuela today is 14 points higher than in 1996, at 76 per cent: not only the highest incremental improvement, but one of the only four cases of incremental improvement in a region characterised by a general decrease in sympathy for democracy. The Venezuelan newspaper Ultimas Noticias also published the poll by Latinbarómetro in its edition of 6th November 2005, saying: "these results place Venezuela in a vanguard position. In an evaluation poll asking people from 1 to 10 'How democratic is your country?', Venezuela is first with 7.5 per cent, followed by Uruguay with 7.1 per cent... To the question 'Is your country progressing?' Chile had the highest percentage with 62 per cent, followed by Venezuela with 54 per cent..."

In addition to the legitimacy of origin and the legitimacy of performance there is the closely related issue of values: what type of society is the Venezuelan government trying to create? This is a fundamental

Instead of waiting for the trickle-down generated by economic growth to fill the empty social pool, the government aims to invert this process

question if democracy is to be more than simple procedure and formality. The goal is very clear: promoting social development and civic culture, from the bottom to the top. The government does so by emphasising basic values like health, education, people's participation, access to land, housing and credit, self-esteem and organisational abilities and skills. In other words, instead of waiting for the trickle-down generated by economic growth to fill the empty social pool, it aims to invert this process. In this way, the priority given to filling up the social pool will lead to more productive citizens and a more productive economy, within the context of a healthier, more equal and fairer society. At the same time, it tries to ensure that civic culture takes root among the citizenry. As noted by the journalist Hugh O'Shaughnessy in *The New Statesman* on 10th October 2005: "For whatever reasons, foreigners rarely see Chávez for what he is: one of the most popular and powerful political figures in the western hemisphere, seeking to build a basic welfare state on democratic foundations". Among the countless social-cultural programmes currently carried out by the government, we need mention just one: "Mission Robinson". Thanks to this programme, 1.5 million Venezuelans were taught to read and write in the past two years and, in October 2005, Venezuela was declared an illiteracy-free country. In the words of the UNESCO's Secretary General, Koichiro Matsuura: "Today, 28th October, 2005, is a very successful milestone for Venezuela in its efforts to create a literate society. Venezuela has been declared an 'Illiteracy-Free Territory' and is making its most relevant contribution in our common course to Education for All. The success of the social programme Mission Robinson would not have been possible without the political will and support from the highest level and, in this sense, President Chávez deserves the warmest congratulation" (Ecoportal.net).

What about the economy?

Does the above imply that too much emphasis is being placed on social values at the expense of the economy? Let the economic facts speak for themselves: GDP growth in 2005 was 9.4 per cent, the highest in Latin America, following growth of 17.5 per cent in 2004. In 2005, most of the growth was non-oil related. Industrial production grew 12.4 per cent, the construction sector 20.1 per cent, commerce 19.9 per cent and telecommunications 15.9 per cent. Unemployment in 2004 closed at 10.9 per cent and it dropped to 8.9 per cent at the end of 2005. Inflation, which was 19.2 per cent in 2004, and which had averaged 35.1 per cent between the years 1995-2004, dropped to 14.4 per cent in 2005. The Central Bank of Venezuela expects inflation to slow to between 11 per cent and 12 per cent this year. As a matter of fact, it reached 12.5 per cent

in February. Meanwhile, the country's risk indicator is now 254 points, which is the lowest in its history. Standard & Poor's raised Venezuela's long-term debt rating to BB- in January 2006. Venezuelan consumption increased 14.4 per cent in 2005. According to estimates from the Venezuelan Association of Exporters, non-oil related exports could increase 15 per cent in 2006, reaching more than US\$6 billion dollars. The Government ended last year with a financial surplus of 2.1 per cent of GDP.

All this is evident in the favourable results of recent polls, which show improving confidence in the country. In a general poll carried out by Datanalisis, 60 per cent of the 1,300 who were asked, said they are confident that the economy will improve over the coming year, while 19 per cent said the economy will stay the same and 15 per cent said it would be worse. A poll presented by the Venezuelan American Chamber, VenAmCham, during the 2006 Economic Perspectives Forum, revealed that GDP would grow 7 per cent. The 300 managers who participated in this poll said their annual budgets were based on inflation of 8 per cent. This represents a reduction of 6.4 points compared to 2005, when it reached 14.4 per cent. At the same time, they calculated that payroll would increase by 18 per cent, as well as wages and salaries. A poll of 182 business-people, sponsored by Venezuela's Institute of Statistics and Administration Studies (IESA) in January 2006, forecasts that Venezuela will grow 8 per cent in 2006.

In a nutshell, the democratic government of Venezuela enjoys high levels of satisfaction amongst its people, while placing the country on a path of economic growth. All of this should be remembered during President Chávez's visit to London. **E**

Common touch: Venezuela has held eleven electoral processes since President Chávez won power in 1998

