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Venezuela

The limits of changes – Venezuela: terminal crisis of the rentier petro-state?

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Venezuela's failure to develop an effective strategy to reduce its economy's dependence on gas and oil threatens the social successes and future viability of the Bolivarian project.

Over the 15 years of the Bolivarian government in Venezuela, significant changes have taken place in the political culture, the social and organisational fabric, and the material living conditions of previously excluded low-income groups. Through multiple social policies (known as "missions") aimed at different sectors of the population, levels of poverty and extreme poverty have been reduced significantly.

According to ECLAC, Venezuela has become – together with Uruguay – one of the two countries with the lowest levels of inequality in Latin America. People are better fed. Effective literacy programmes have been carried out. With Cuban support, the Barrio Adentro mission has brought primary medical care to rural and urban low-income groups throughout the country.

The state pensions system has been massively expanded to include millions of older people. The increase in university enrolment has been equally extraordinary. For the last few years, a housing programme for people with low incomes has been taken forward. Unemployment has been kept at a low level and informal-sector employment has been reduced from 51% in mid-1999 to 41% in mid-2014.

The amount spent on social investment between 1999 and 2013 is estimated to total some US\$650 billion. According to the UNDP, Venezuela's Human Development Index rose from 0.662 in the year 2000 to 0.748 in 2012, taking the country's human development ranking from medium to high.

This has been a time of dynamic grassroots organising and participation, with the setting up of Water Committees and Community Councils, Health Committees, Urban Land Committees, Communal Councils, Communes... Most of this organisational dynamism was the result of government policies expressly aimed at promoting these processes.

Equally important has been the weight of Venezuela's experience – particularly its constitutional reform process – in the progressive shift or turn to the left that has taken place in Latin America over these years. Its influence has also been important in the setting up of various regional integration mechanisms – UNASUR, CELAC, Petrocaribe, ALBA – that have strengthened the region's autonomy and lessened its historical dependence on the United States.

Nevertheless, the social changes that have taken place were not the result of equally profound changes in the country's economic structure. On the contrary, the last fifteen years have seen a consolidation of the rentier state model, with an increased dependency on revenue from oil exports. Oil's share of total export value rose from 68.7% in 1998 to 96% in the last few years. The value of non-oil exports and private sector exports has fallen in absolute terms during this time. Industry's contribution to GDP shrank from 17% in 2000 to 13% in 2013. [\[1\]](#)

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[1] read the full paper here [-

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