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## Venezuelan President Caldera Faces Growing Dissatisfaction in Last Year in Office

by LADB Staff

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In February, as President Rafael Caldera began his last year in office, he also celebrated 20 years of Venezuelan democracy and his 82nd birthday making him the oldest active head of state. A growing number of Venezuelans have lost confidence in the president's ability to bring the changes they foresaw when he was elected in December 1993. General elections next December hold little interest for most citizens and offer them slim hope for improvement in their daily life.

Leading candidates to succeed Caldera are not traditional politicians, but a former beauty queen and a former army officer who tried unsuccessfully to overthrow the government in 1992. The past decade has brought Venezuela political and social deterioration. The economy has been in a nosedive since former president Carlos Andres Perez (1973-1978 and 1989-1993) was forced from office in 1993 for stealing US\$17 million in public funds. During Perez's turbulent second term, two failed coup attempts left his presidency crippled. After being forced from office, he served 22 months house arrest for corruption (see NotiSur, 01/15/93).

As he took office, Caldera, universally respected as an honest politician, was hit with the worst banking scandal in the country's history (see NotiSur, 07/15/94). Within months, two-thirds of the banking system failed, and the subsequent government bailout that cost the government US\$7 billion stimulated high inflation, which peaked at 103% in 1996. As Venezuela began to recover from the banking scandal, oil prices dropped to their lowest level in a decade, dealing the economy another blow.

Thus, during Caldera's presidency, most Venezuelans have seen their standard of living deteriorate. Poverty has increased, with 75% of Venezuelans now living below the poverty line. In addition, education has worsened, following a decline in the amount of GDP going to education from 7% in 1983 to 3.5% in 1997. The spiraling costs in transportation and food have brought frequent demonstrations, often led by students.

The latest round of protests took place in early February on the outskirts of Caracas, where several people were injured and dozens were arrested. In a mid-February Datos poll, 71% of respondents had "little or no" confidence in Caldera's ability to govern, while 12% said they had great confidence in the president, and 15% said "some." The poll cited the high cost of living as the number one problem, mentioned by 46% of respondents, followed by violence and unemployment.

### *Democracy promises much, delivers little to Venezuelans*

In January, Venezuela commemorated four decades of uninterrupted democratic rule, but most Venezuelans have become disillusioned, saying democracy's benefits have eluded them. "There are many shadows and illnesses in the system," said the Venezuelan bishops' conference

(Conferencia Episcopal Venezolana, CEV), one of the institutions that still enjoys high respect among Venezuelans. Among the "illnesses," the bishops cited corruption, "political clientelism," an excessive state budget, moral deterioration of state institutions, the crises in the penal system and education institutions, and alarming personal insecurity. "If there is anything to celebrate this month it is that there is a tremendous demand and momentum, although risky, for radical reforms," said Carlos Blanco, former minister for state reform. This will require "new leadership to step forward, but it hasn't dared do that yet, and it seems to need, unfortunately, an even longer period of crisis."

Blanco said that, although Venezuelans "aspire to radical reforms to correct the mistakes of democracy, the majority want this done peacefully and within the democratic framework." Traditional parties' prospects dim for December elections As the nation moves toward the December general elections, a pervasive apathy and cynicism toward traditional political parties has left room for independent candidates. The latest polls put Irene Saez the former Miss Universe and now mayor of the upper-class Caracas suburb of Chacao as the front runner among presidential candidates. A poll by the private firm CVI recently gave Saez 38% support. On Jan. 30, the center-left Causa Radical (Causa R) endorsed the candidacy of Saez.

At the same time, party leader Andres Velasquez withdrew his bid for the party nomination.

In the 1993 elections, Causa R emerged as the third political force in the country. Recently, however, it has lost influence, in part because of internal friction that led to a split in the party (see NotiSur, 12/08/95). Former Caracas mayor Aristobulo Isturiz and Pablo Medina, president of the Chamber of Deputies, withdrew from Causa R to form their own party, Patria para Todos (PPT), taking with them a sizeable percentage of the party. The PPT is considering backing former Lt. Col. Hugo Chavez Frias's presidential bid. Saez was followed in the poll by Chavez, with 20% support. Chavez led an unsuccessful coup attempt on Feb. 4, 1992, during the Perez administration. He went to prison after the aborted coup attempt, but was pardoned by Caldera shortly after he took office.

Once released, Chavez formed the Movimiento Bolivariano Revolucionario (MBR-200), slowly building his base of support (see NotiSur, 08/19/94). A new organization, the Movimiento V Republica (MVR), has been formed to run the Chavez campaign. Recent remarks by Chavez, saying he would dissolve Congress if it tried to block him from taking office in the event of a victory at the polls, brought cries of alarm from traditional parties. In third place in the CVI poll, with 18.7%, was Claudio Fermin, who left the Accion Democratica (AD) to form the Apertura movement. Fermin was followed by independent Henrique Salas Romer, a former member of the Comite de Organizacion Politica Electoral Independiente (COPEI). Combined support for other official or unofficial candidates was less than 3%.

The poll also indicated that more than half the respondents either have not decided whom they will support or do not intend to vote. An earlier poll by the firm Datos said 32% of respondents preferred an independent candidate to one from the traditional parties, and 56% said none of the political parties was doing a good job. Government moves to stop economic bleeding With an eye on elections, on Feb. 11, the government announced cuts in the national budget totaling US\$2.6 billion, including a 10% cut in pay for the president, his Cabinet, and 4,000 other high-ranking government

officials. That was followed on Feb. 17 by announcements by several state governments of salary reductions between 10% and 20%, because of cuts in state allocations from the federal government.

Finance Minister Freddy Rojas Parra called on the population to cooperate with the measures made necessary, he said, by the drastic drop in oil revenues. He warned that inflation, estimated for 1998 at 25%, could reach 45% if adjustments are not made, and economic growth could drop significantly. On Feb. 18, the government and union representatives reached a compromise on the minimum wage, which will increase by US\$50 per month to US\$200. The unions had pushed for more, saying the minimum wage, received by more than half the workers in Venezuela, does not meet even the most basic necessities. (Sources: Inter Press Service, 01/26/98; Christian Science Monitor, 02/09/98; CNN, 02/10/98; Associated Press, 02/15/98; El Nuevo Herald, 02/16/98; Notimex, 01/30/98, 02/03/98, 02/17/98; Spanish news service EFE, 01/12/98, 01/23/98, 01/25/98, 02/02/98, 02/13/98, 02/18/98; BBC News, 02/18/98)

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