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John Neagle

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by John Neagle
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In presidential elections on Dec. 3, Venezuelans selected Democratic Action (AD) candidate Carlos Andres Perez, a former head of state (1974-78). Current President Jaime Lusinchi is also of the AD. Perez will assume power on Feb. 2. Early official returns as of Dec. 5 gave Perez 54.9% of the vote, compared to 30.9% for Eduardo Fernandez of the Christian Democratic Party (COPEI). Throughout the campaign, described by Venezuelan and foreign journalists as one of the nastiest and most bereft of substantive issues in the country's history, Perez promised to revitalize the national economy while reducing dependency on oil revenues. Skeptics point out that if Perez could not manage reducing the nation's dependency on oil exports during the oil bonanza he presided over in the 1970s, success in this area is very unlikely in the context of the nation's current economic crisis. Perez also promised to revive the Organization of Petroleum Exporting Countries (OPEC), mediate solutions to the Central American crises, and promote a new approach to repayment of the region's foreign debt. Since the 1982 high of $36 per barrel, oil prices have plummeted to $14. Petroleum exports account for over 75% of Venezuelan export earnings, and more than 50% of government revenues. In December 1986, the bolivar was effectively devalued 93% percent against the dollar. Nonetheless, Venezuela was the only Latin American country to make principal payments in 1987, devoting nearly 50% of export revenues to servicing its then-$34 billion debt. In 1988, total interest and principal payments on the $32 billion foreign debt are estimated at $5 billion. Perez said he does not plan to pay out more than $2 billion a year in debt service. Critics argue that the result of the government's commitment to paying debt service in a context of low oil prices and a sluggish domestic economy was a round of inflation. While modest in comparison with many other Latin American countries, 1987 inflation rates were unprecedented for Venezuela. The consumer price index rose 40% in 1987, with a 30% increase expected for 1988. The official unemployment rate at year-end 1987 was only eight percent, but a university study placed it closer to twenty. The AD-controlled Confederation of Venezuelan Workers (CTV) estimates that 40% of all workers are underemployed. Central Bank statistics show that for Caracas residents earning about $100 per month in 1987, the cost of living rose 46%, and for workers making over $225 per month, the same index rose 34.6%. A trade union-sponsored study found that the cost of foodstuffs for an average working class household in Caracas rose 60%. According to a recent government report, the proportion of the population living in poverty increased from 37% percent in 1984 to over 50% in 1988. [Basic data from New York Times, 12/04/88, 12/06/88; 10/01/88 reports by Daniel Hellinger titled, "Is Venezuela Undergoing `PRI'vitization," and "Student Disturbances in Venezuela." Hellinger is professor of political science at Webster University, St. Louis, MO.]

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