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The Venezuela Situation in a Nutshell
 October 2005

Poverty¹

Percentage	1998	1999	2000	2001	2002	2003
Poverty	43.9	42.0	40.4	39.0	48.6	55.1
Non-Extreme Poverty	26.9	25.1	25.5	25.0	27.6	30.1
Extreme Poverty	17.1	16.9	14.9	14.0	21.0	25.0

The INE (Venezuelan National Institute of Statistics) changed Venezuela's official poverty figures, after Chavez said they reflected the international "neoliberal" standards of measuring poverty. Today, the INE numbers, calculated under the new methodology, show that poverty has fallen to 38.5% (first semester of 2005). INE numbers also show that extreme poverty has fallen from 25% in 2003, to 18.6 in 2004, and to 10.1% during the first semester of 2005.

Extreme Poverty and Hunger
Economic Commission for Latin America and the Caribbean²
CEPAL – June 2005

Population whose income is below \$1 purchasing power parity per day*			Proportion of population below minimum level of dietary energy consumption		
Level 1990	Level 2004	Progress by 2004	Level 1990-1992	Level 2000-2002	Progress by 2000-2002
14.6	22.7	-111.1	11	17	-109.1

* The percentages of extreme poverty for 2004 correspond to a projection of each country's statistics for 2001 or 2002

Crude Oil Price³

	1998	1999	2000	2001	2002	2003	2004	2005*
US\$/barrel	10.57	16.04	25.91	20.21	21.95	25.76	32.61	44.76

* 2005 year-average (Estimate)

Crude oil price (10/24/05 – 10/28/05): 49.52 US\$/barrel

Exports: 2.2 MMB/day (Source: PDVSA brochure, August 2005)

¹ INE – Venezuelan National Institute of Statistics – April 2005

² The Millennium Development Goals: a Latin American and Caribbean perspective

³ INE – Venezuelan National Institute of Statistics, Venezuela Department of Energy & PDVSA

**Transparency International
Corruption Perceptions Index 2005⁴**

Country Rank (159 nations surveyed)	Country	2005 CPI score*
130	Venezuela	2.3

* CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts, which ranges between "10" (highly clean) and "0" (highly corrupt).

**World press freedom ranking 2005
Reporters without Borders**

Country	Rank (167 countries analyzed)
Venezuela	93

Reporters Without Borders compiled this Index of 167 countries by asking its partner organizations (14 freedom-of-expression groups scattered across five continents) and its network of 130 correspondents—as well as journalists, researchers, legal experts and human rights activists—to answer 50 questions used to assess the status of press freedom in each country.

**Human Development Report 2005
United Nations Development Programme**

Country	HDI* Rank 1999	HDI* Rank 2004	HDI* Rank 2005 (175 countries analyzed)
Venezuela	48	68	75

* HDI: Human Development Index.

The HDI is a summary composite index that measures a country's average achievements in three basic aspects of human development: longevity, knowledge, and a decent standard of living. Longevity is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio; and standard of living by GDP per capita (PPP US\$).

**Growth Competitiveness Index (GCI) rankings 2005
World Economic Forum⁵**

GCI- 2001 Rank	GCI- 2003 Rank	GCI- 2004 Rank	GCI - 2005 Rank (117 countries analyzed)	GCI -2005 Score
62	82	85	89	3.22

GCI identifies "three pillars": the *quality of the macroeconomic environment*, the *state of the country's public institutions*, and, given the importance of technology and innovation, the *level of its technological readiness*.

⁴ Transparency International (TI) -

⁵ World Economic Forum - Global Competitiveness Report 2005-2006



**The Business Competitiveness Index (BCI) 2005
World Economic Forum⁵**

Country	BCI Ranking	Company operations and strategy ranking	Quality of the national business environment ranking
Venezuela	92	85	97

The BCI specifically measures two areas that are critical to the microeconomic business environment in an economy: the sophistication of company operations and strategy, as well as the quality of the overarching national business environment in which they are operating.

**2005 Index of Economic Freedom
The Heritage Foundation⁶**

Rank (161 countries analyzed)	Score (category repressed, score: 4 - 5)	Category
146	4.09	Repressed

Low scores are more desirable. The higher the score on a factor, the greater the level of government interference in the economy and the less economic freedom a country enjoys.

Present and Past Score (Index of Economic Freedom)

	1998	1999	2000	2001	2002	2003	2004	2005
Score	3.43	3.48	3.43	3.78	3.88	3.71	4.18	4.09

Economic freedom is defined as *the absence of government coercion or constraint on the production, distribution, or consumption of goods and services beyond the extent necessary for citizens to protect and maintain liberty itself*. In other words, people are free to work, produce, consume, and invest in the ways they feel are most productive.

To measure economic freedom and rate each country, the authors of the *Index* study 50 independent economic variables. These variables fall into 10 broad categories, or factors, of economic freedom: Trade policy, Fiscal burden of government, Government intervention in the economy, Monetary policy, Capital flows and foreign investment, Banking and finance, Wages and prices, Property rights, Regulation, and Informal market activity.

⁵ World Economic Forum - Global Competitiveness Report 2005-2006

⁶ Heritage.org

**2005 Index of Democratic Development (IDD-Lat)
The Konrad Adenauer Foundation⁷**

Country	2005 Index (18 countries analyzed)
Chile (position 1)	10,435
Venezuela (position 17)	2,581
Guatemala (position 18)	1,648

The 2005 index is calculated based on the measuring of four dimensions of democratic development: basic conditions of democracy; respect for political rights and civil liberties; institutional quality and political efficiency, and effective exercise of power to governing. Venezuela has maintained its low performance in the IDD-Lat. It occupies the second lowest place of the table, after Guatemala.

Freedom House – Freedom in the World 2005⁸

Country	Political Rights (PL)*	Civil Liberties (CL) *	Freedom Rating
Venezuela	3	4	Partly Free

* A rating of 1 indicates the highest degree of freedom and 7 the least amount of freedom.

Freedom House measures freedom according to two broad categories: political rights and civil liberties. Political rights enable people to participate freely in the political process, including through the right to vote, compete for public office, and elect representatives who have a decisive impact on public policies and are accountable to the electorate. Civil liberties allow for the freedoms of expression and belief, associational and organizational rights, rule of law, and personal autonomy without interference from the state.

**Freedom House - Freedom of the Press 2005⁸
Global Press Freedom Rankings**

	2004	2005
Rank	150 (193 countries analyzed)	162 (194 countries analyzed)
Rating	68	72
Status	Not Free	Not Free

Venezuela is today rated as a Partly Free society in *Freedom in the World*, but its rating for *media freedom* has been lowered to Not Free in our annual press freedom index.

The examination of the level of press freedom in each country is divided into three broad categories: the legal environment, the political environment, and the economic environment. The degree to which each country permits the free flow of information determines the classification of its media as "Free," "Partly Free," or "Not Free." Countries scoring 0 to 30 are regarded as having "Free" media, 31 to 60, "Partly Free" media, and 61 to 100, "Not Free" media.

⁷ Idd-lat.org

⁸ Freedom House



Human Rights Watch

• **Small Number of Countries Holding UN World Summit Hostage on Human Rights, Security, Poverty**, September 5, 2005

A small number of countries are determined to block an historic draft measure on governments' "responsibility to protect civilians" that could stop future genocides. Countries trying to block this include India, Egypt, Algeria, Pakistan, **Venezuela**, Cuba, Iran, Syria and Russia.

• **Court Orders Trial of Civil Society Leaders**, July 8, 2005

"The court has given the government a green light to persecute its opponents. Prosecuting people for treason when they engage in legitimate electoral activities is utterly absurd." - *José Miguel Vivanco, America's director at Human Rights Watch*

• **Criminal Investigation Launched to Intimidate Critic of Government's Rights Record**, April 5, 2005

"This is a clear-cut case of political persecution, targeting someone who has been an effective critic of the Chávez government's human rights record." - *José Miguel Vivanco, America's director at Human Rights Watch*

The Inter-American Commission on Human Rights (IACHR)

October 28, 2005

"The IACHR expresses its concern for the effects of criminal law reform (in Venezuela) upon the exercise of the freedom of expression, as well as the effects of the Law of social responsibility for radio and television." - *President Clare Roberts sat the end of the 123rd regular session.*

The Inter-American Press Association (IAPA)

October 28, 2005

The Inter American Press Association condemns the 24-hour closure of "El Impulso" newspaper by the taxation office as an attack on press freedom and the right to information.

"It is an impertinence to close down a media for an alleged failing that was committed so many years ago." - *Gonzalo Marroquín, president of IAPA Committee for Freedom of Press and Information.*

Center for Security Policy

Paper "What to do about Venezuela" by J. Michael Waller, May 2005

Venezuela's increased pace of repression, militarization, weapons imports, and destabilization of neighboring countries shows that time is running out for the Venezuelan people and for the relative peace that most of the hemisphere has enjoyed. The Bolivarian regime in Caracas presents a clear and present danger to peace and democracy in the hemisphere.