

**CLUB DE ROMA**  
**CAPITULO VENEZOLANO**

Caracas- Venezuela

***Do we all fit in? The challenges of inclusion***

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On June 7<sup>th</sup>, President Belisario Betancur came to Caracas from Colombia to launch the latest report of the Venezuelan Chapter of The Club of Rome, *Do we all fit in? The challenges of inclusion, (Xabemos todos? Los desaflos de la inclusi6n)* in a public event where the head master of the Simon Bolivar University also addressed the audience in company of all the authors of the book. Around four hundred people attended the presentation which had extensive media coverage.

The report includes 32 chapters that deal with the problem of inclusion from different angles using an interconnected approach. As a whole, it represents an answer to the complex challenges of inclusion currently present in Venezuela, and an answer to the multiple aspects involved in it. The book proves that many of the issues related to inclusion result from the patterns of governance that have mostly prevailed in Venezuela during the last 20 years. These patterns come from beliefs, culture tendencies and mentality that consciously or unconsciously have influenced the approach to the way public policies are implemented and the way people understand the role of legislation and institutions. In the research done by professors and experts from different political backgrounds, there is one thing that stands out: the inter-connection between governance, inclusion and the idea Venezuelans have of equality and of how to integrate and differentiate competence and talent without discrimination. This idea responds to the way regulations are created, norms are understood and habits are put into practice.

The symbolic and emotional link many poor people in Venezuela have developed with President Chavez represents a very unique case of study for the world, especially considering how Mr. Chavez has been able to connect

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with them through a very simplistic, understandable, and down-to-earth communication that makes them feel and believe he truly cares for them like no one else had ever done before. Mr. Chavez has mastered the art of making the poor feel worthy, and feel they have been taken into consideration. This is why they continue to support him despite their deteriorating standards of living. And this explains how a certain partial and symbolic inclusion has occurred. However, most of this kind of inclusion is barely touching the surface of the core problems that Venezuelans are facing. The issue is significantly more complex. To solve it, one of the things that should be taken into consideration in the peculiar case of Venezuela, is the understanding that Venezuela has had of social equality.

In Venezuela the perception of social equality has less to do with equal opportunities and access to a Social Security System, health, education, etc. It is much more related to the opportunity of having access to the sources of wealth and power, which in Venezuela are directly related to oil. Unfortunately, effort, discipline and work are not necessarily the drivers of success and wellbeing. For many Venezuelans, if someone is rich it's because someone else has artfully taken away what belonged to him or her. A vast majority of Venezuelans would like to see oil revenues be channelled directly to their pockets. They feel entitled to these revenues and therefore feel someone else has become rich at their expense. The power struggles that have taken place over the past 30 years to access this clear-cut source of wealth explain why corrupt blessing, nepotism, and all sorts of political loyalties have prevailed in Venezuela since oil became the most important source of revenue for the government. Along these lines, inclusion means equal opportunities for those like him or her, for his or her peers, for those that help him or her access oil wealth at the expense of others. And this has deepened its roots under a system that has made no effort to eliminate corruption. No sanctions to embezzlement or inefficiency exist and corruption has become, in sad terms, an informal distribution of wealth in society. Corruption has become a permanent source of unequal distribution of wealth and, given the lack of justice, a permanent source of exclusion.

This pattern in Venezuela results from the fact that the state controls and almost entirely owns the oil industry. It is precisely the government the one that is responsible to share and distribute oil revenues. The problem starts in the way the state understands that process. Very often the distribution does not concentrate on the tools to escape exclusion but on the patronage of policies to keep power.

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Inclusion policies worked in Venezuela during the first twenty years of democracy. However, by the mid seventies, when oil prices increased and President Carlos Andres Perez “nationalised” private oil companies, including Venezuelan ones, the increase of State resources and the oil rent economy derailed public policies.

“If governance means the ability to carry on policies with a certain degree of efficiency (as shown by social and economic indicators) with no or low level of social conflict; we can say that the second oil crisis of 1979-1981 signalled a turning point in Venezuela's quality of governance. Personal unethical behaviour of government officials and politicians became also a proxy for the more difficult to understand real causes of the decreasing returns of the model based on oil rent." And precisely, "it is because this model was corrupted that the economic and social indicators started to deteriorate and, as a consequence of this, the governance indicators as well, not the other way around.”

In relation to this, Enzo del Búfalo, member of the executive committee of the Venezuelan Chapter, points out that “People identify, in a somewhat simple manner, the corruption of the regime, based on the oil rent distribution, with the unethical behaviour of politicians. By doing so, they lumped together graft with ineptitude and inefficiency. This lack of awareness that ineptitude and inefficiency could be just as bad as graft is still a major problem in determining the electoral choice and was a major factor in Chávez’ election. The aversion to the corrupt politician fuelled the search for honest persons, even if they were inept and unable to perform properly. With these shortcomings, it became clear to everybody that radical changes were needed.”

And he outlined these changes along the following lines: “the flow of resources from the State to the civil society had to be reversed and a more natural flow should be established, like in any normal economy and society. In order to do that, a truly productive non-oil economy should be developed and most of the social claimants to the oil revenue should be transformed into active agents in the non-oil economy”, which means that they should be transformed from non-productive claimants of the national rent into suppliers of some factor of production that could be efficiently used in the non-oil economy. This implies, under his point of view, “drastic changes in the social pattern of behaviors such as

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1. converting crony capitalists into real entrepreneurs by creating competitive conditions,
2. turning unqualified workers into skilful workers through intensive human capital investment,
3. integrating the marginalised population into the modern economy by providing its members with some capacity that make them the suppliers of some factor of production recognised as such by the market.
4. Reshaping State institutions in order to make them instances of social co-ordination able to replace the System of informal personal alliances that frequently constitute the true ruling mechanism.”

These changes, he thinks, “require much more than consistent and efficient policy proposals, even if they go beyond macroeconomic policy, structural and institutional reforms. All these proposals address technical aspects that must be complemented with the formation of adequate political subjects that can bring about such changes. The latter dimension is usually left aside by modern analysis. It tends easily to forget that policy proposals are always the expression of a political will and not merely an exercise of technocratic ingenuity.”

Political will has not been easy to achieve in Venezuela's policymaking. In this sense, the decentralisation process, which is currently at the verge of disappearing given the escalating power and expansion of the Chavez administration, has allowed a better implementation of check and balances and, therefore, governance efficiency.

Social policies related to inclusion in Venezuela have failed because most of the social compensation programs were not looked upon as a bridge to provide the poor with better opportunities, but rather, as a goal in themselves, and that perspective did not achieve the expected results.

The book approaches historical, conceptual, philosophical, political, economical, jurisdictional, cultural, educational and global issues, all of them related to the problem of inclusion and with their influence in policy making, providing at the same time tools and solutions an how to reverse the tendency. It goes beyond the specific Venezuelan present time and serves as

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a document for the understanding of why Venezuela is where it is right now and how it could change its path.

Several conferences and meetings have been organised by the Venezuelan Chapter with important people from the government and from the Opposition to discuss the subject, always with great media coverage. Special one hour TV programs at peak time were produced with the panellists of the conferences to promote understanding between the two confronted sectors of the socio political community. Individual interviews in the media, some of them one hour programs in TV were arranged for authors of the book. Conferences in academic institutions were organised with the same goal, as well as encounters in marginal areas of Caracas to promote dialogue in those parts of the City considered dangerous and where the middle class does not dare to go. This initiative was meant to prove the need for dignity and to prove that respect to life and public spaces goes beyond imaginary frontiers and that there is no such thing as an area of Caracas that “belongs” to the Opposition and another one that “belongs” to the followers of government and that they should remain apart.

In all of these events we made an effort to bring together people from all the different social classes of society and from all the political tendencies. The audience had ambassadors as well as marginal community leaders. This has been a very positive initiative considering the high social polarisation degree and confrontation Venezuela is going through. Along these lines, I am confident and truly believe that the Venezuelan Chapter has done, and will continue to do, a very valuable contribution.

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