

# USAID/OTI Venezuela Annual Summary Report

October 2006 - September 2007

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## Program Description

In August 2002, USAID initiated a program in Venezuela to support democratic stability and strengthen the country's fragile democratic institutions. The program operates out of the U.S. Embassy.

The Venezuela program has two main objectives: (1) strengthen democratic institutions and promote democratic dialogue between political groups; and (2) encourage citizen participation in democratic processes. USAID supports five implementing partners: Development Alternatives, Inc. (DAI), which focuses on dialogue, public debate, citizen participation, and training for democratic leadership; the International Republican Institute (IRI) and the National Democratic Institute (NDI), which offer technical assistance for political parties; Freedom House, which provides technical support to human rights practitioners; and the Pan-American Development Foundation (PADF), which provides support to civil society.

## Country Situation

**Summary** – There has been a great deal of activity in Venezuela during the program's 2007 fiscal year. The year began with the presidential elections in December 2006, which resulted in the reelection of President Chavez with a little more than 60 percent of the vote. Following his electoral victory, President Chavez began the process of deepening and expanding the Bolivarian revolution. A number of developments have ensued from this process. Some of the more important developments include the following:

- The National Assembly passed the Enabling Law, which allows President Chavez to rule by decree for a period of 18 months;
- The United Socialist Party of Venezuela was established;
- "Strategic" sectors of the economy – telecommunications, electric utilities, and the petroleum industry – were nationalized;
- Venezuela's oldest and most popular commercial television network, RCTV, was closed and the government refused to renew its broadcast license;
- The closure of RCTV incited a student movement that led to a month of protests; and finally,
- President Chavez submitted a constitutional reform package, which is to be voted on in a referendum later this year.

**Constitutional Reform** – In an address to the National Assembly on August 15, 2007, President Chavez formally unveiled his constitutional reform proposal. The reform package was the result of 7 months of work by a committee set up by the president. The package calls for the modification of 33 articles of Venezuela's current constitution, which was adopted in 1999. Some of the most significant of these modifications include the following:

- *Indefinite Reelection.* The proposal recommends a modification of the presidential term from 6 years to 7 years and allows the president to stand for reelection without limit.
- *Territorial Reorganization.* The proposal states that the president can create federal cities, federal municipalities, and federal regions. These entities will be governed by presidential appointees. Also, the proposal allows for the appointment of regional vice presidents, designated by the president, who will be responsible for administering and managing their respective geographic areas.
- *Private Property.* The proposal allows for the immediate seizure and occupation of property declared to be of "public interest." This occupation can occur before the affected party has exhausted available legal remedies.

The proposed language enumerates five kinds of property: private property, social property, mixed property, collective property, and state property. It is unclear whether "private property" remains a right or a privilege recognized by the state.

- *Armed Forces.* An earlier draft of the proposal did away with the National Guard; however, President Chavez has modified this element after much opposition from within the Guard. The current proposal elevates reserve forces to the status of militia, and charges civilians with the responsibility of defending the republic in the event of an attack. The proposal also permits the Army to "be involved in the maintenance of internal order." Finally, the Army is explicitly described as anti-imperialist, and the reform removes current language that states that the Armed Forces are "at the service of the nation and not at the service of an individual or political position."
- *Popular Power.* The proposed reform establishes so-called popular power as the sixth branch of government. According to the proposal, this power is "not elected but is derived from local organization." It states that "the people are the repository of sovereignty, which they exercise directly through popular power." It is unclear how popular power will be developed and wielded in practice. The reform also references "communal power," indicating that the commune is the fundamental unit of society. However, the administrators of these units will not be popularly elected; rather, they will be appointed by the president.

**Constitutional Reform Analysis** – Overall, the reform will give broad new powers to the president, while removing power from the local municipal and departmental authorities. The proposed date for the referendum on the constitution is December 2, 2007. Prior to the referendum, the modifications must be approved by the National Assembly, which is scheduled to begin its third and final discussion of the proposal in the second half of October.

## OTI Highlights

### A. Narrative Summary

Fiscal year 2007 was an important one for Venezuelan civil society. Throughout the year, USAID continued to support dozens of groups in their activities on citizen participation and civic education. Some of the work focused on helping Venezuelan civil society organizations connect with each other and with counterparts abroad. Through these activities, the civil society movement in Venezuela has become more mature, more democratic, and better organized. A robust civil society is critical to the health of any democracy, and the project provides important support to human rights and democracy activists as they continue to work and share the vision of a peaceful, united, tolerant, and democratic Venezuela with their fellow citizens. USAID supports civil society in several dozen countries around the world.

Throughout FY 2007 and especially in the final quarter, USAID/OTI has worked with its five implementing partners to devise and maintain a coherent strategy that builds on the efforts of each partner. This integrated approach allows for civil society groups to maximize their impact on areas critical to a functioning democracy.

### B. Grants Activity Summary

In FY 2007, USAID, through its implementing partner DAI, funded 63 activities for a total of \$1,111,096. There are currently 25 active and ongoing projects.

PADF has committed \$958,495 to support the activities of 15 nongovernmental organizations (NGOs).

### C. Indicators of Success

The improving condition of civil society provides the best indicator of success in Venezuela. The NGOs and citizens that make up Venezuela's civil society are more in tune with their country than in the past, and they are better able to engage their fellow citizens on important issues. Led by a committed and engaged group of activists, Venezuelan civil society has developed its ability to organize and communicate its concerns and points of view both internally and internationally. Furthermore, many of the groups have improved outreach capabilities and internal operations, putting them in a better position to carry out campaigns that support their visions.

## Program Appraisal

The Venezuela program is similar to USAID programs in other countries in this hemisphere and around the world in that it seeks to strengthen democracy and provides support to institutions integral to that goal. The program in

Venezuela is designed to strengthen civil society and political parties, the key components of a healthy democracy and the channels through which citizens express their desires, frustrations, and concerns and find ways to collectively address or advance them.

The partnerships formed between NGOs and citizens eager to participate democratically in their own governance attest to the success of this program. Similarly, the number of ordinary citizens stepping up to assume leadership roles demonstrates that USAID/OTI is filling an important need that is laying the groundwork for a sustainable democratic future.

### **Next Steps/Immediate Priorities**

USAID will continue to support civil society and promote dialogue between groups on key national topics.