

Republic of Venezuela

Capital: Caracas
(in Distrito Federal)

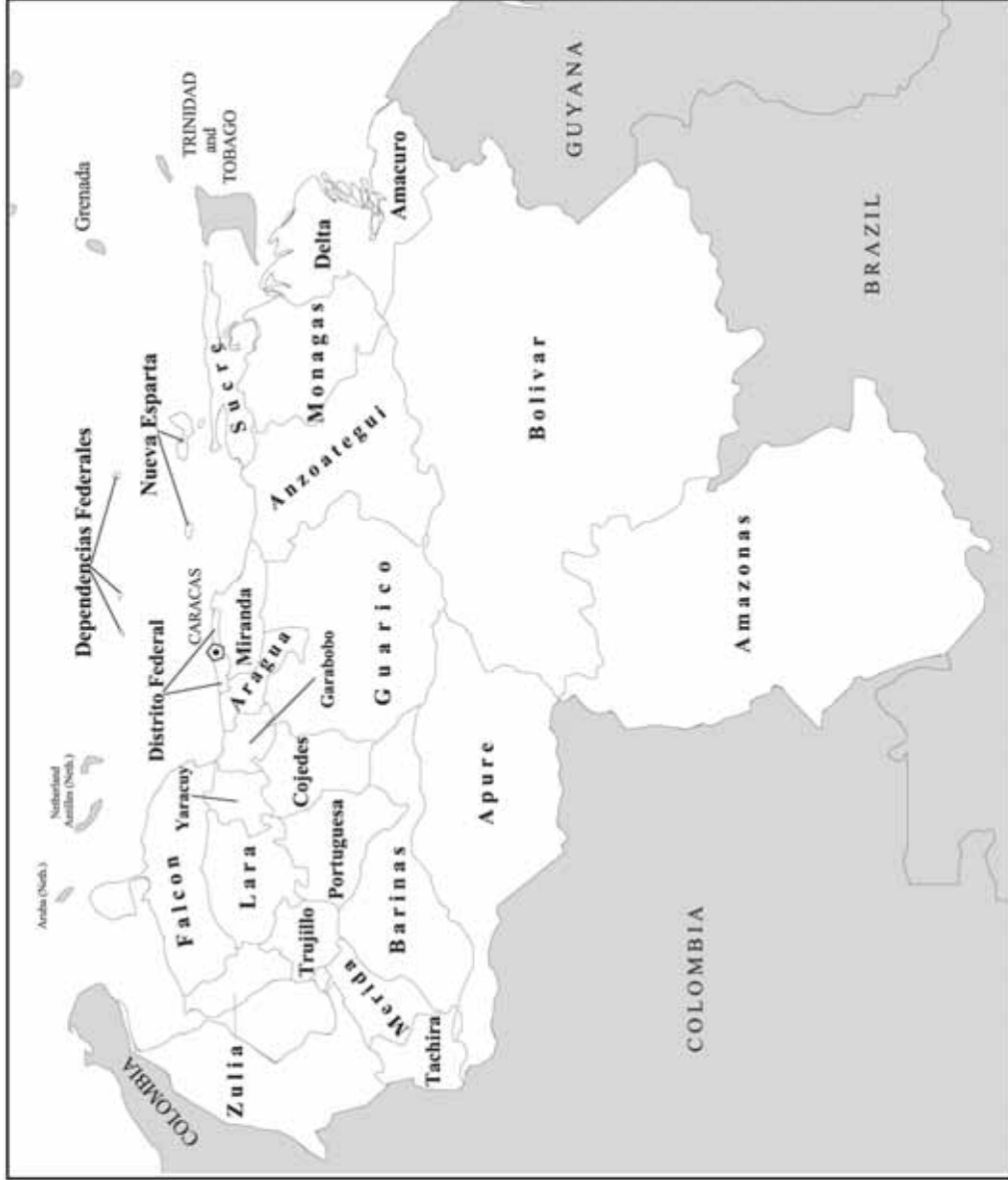
Population: 24 Million
(2001 est.)



Boundaries and place names
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Sources: CIA World Factbook; EBRI Ltd.;
The Atlas of the World



Venezuela

(Bolivarian Republic of Venezuela)

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1 HISTORY AND DEVELOPMENT OF FEDERALISM

The Republic of Venezuela is located in the northernmost section of South America. It is the seventh largest country in Latin America, with an area of 912,050 km² and just over 25 million inhabitants. The territory is divided into 23 states, a Capital District that covers part of Caracas, and Federal Dependencies comprised of a number of islands located in the Caribbean Sea. Its economy has been greatly influenced by the presence of oil.¹

In 1777, after three centuries of Spanish colonization, the seven provinces that later comprised the Venezuelan territory were grouped into the General Captaincy of Venezuela. In April 1810, these provinces, beginning with the province of Caracas, one by one declared their independence from Spain, and even drew up their own constitutions. Thus, Venezuela became the first Latin American country to gain independence from the Spanish Crown. In 1810 their elected representatives formed the first General Congress of the Provinces of Venezuela. This Congress enacted the first of the constitutions of an independent Latin American country, the Federal Constitution for the States of Venezuela, on 21 December 1811.

¹ In 1928 Venezuela was the world's leading oil exporter, and the country was instrumental in the creation of the Organization of Petroleum Exporting Countries (OPEC) in 1960. In 1975 the oil industry was nationalized.

This constitution was directly influenced by the constitutional principles that had been conceived of and established in the constitutions arising from the US War of Independence and the French Revolution. Although democracy was not forthcoming for some years, the Venezuelan Constitution of 1811 contained all the principles of modern constitutionalism: state sovereignty and republicanism; supremacy of the constitution as a product of the will of the people; organic separation of powers; territorial distribution of power; declaration of the rights of the country and citizens; and constitutional control to ensure constitutional supremacy.

The 1811 constitution adopted a federal form of government, which means that following the United States, Venezuela was the second country to adopt federalism. Venezuela's adoption of federalism doubtlessly occurred under the influence of the US Constitution, and had territorial justification similar to that which gave rise to the federal form of government in the north – in particular, the existence in the territory occupied by the former General Captaincy of Venezuela of seven provinces isolated one from the other, and socially and politically configured in different ways.

A federal constitutional system enabled the establishment of an independent state that could unite what had never before been united. Consequently, federalism is an important part of Venezuelan constitutionalism and discussions about centralism-federalism have occurred throughout the country's history. Indeed, the Liberator, Simón Bolívar, attributed the demise of the First Republic in 1812 to the federal form of government which unleashed a war of independence that lasted more than a decade. Under Bolívar's influence, centralism was introduced, as evidenced by the constitutional reorganization of Venezuela in 1819 and in its disappearance and integration into the Republic of Colombia in 1821.

Among other factors, it was the centrifugal forces that developed in the Venezuelan provinces which contributed to the failure of the "Gran Colombia" project and led, in 1830, to the re-establishment of Venezuela with a centralized but federal form of government. Struggles between the central region and provincial forces began in 1830, and ended with a five-year war that was known as the Federal War (1858–63). The triumph of the federal forces led to the establishment of the United States of Venezuela (1864). From that moment the form of government in Venezuela has always been federal.

During the second half of the nineteenth century the country was riven by civil war. The federal system of government was kept, even following a revolution, but it remained limited by the centralizing elements

that historically characterized the system. The marked centralism (military, administrative, tax and legislative) continued during the first decades of the twentieth century under the autocratic regime of Juan Vicente Gómez that ended in 1935. By that time the territorial distribution of power and territorial autonomy had almost disappeared, even though the government continued to maintain its federal form.

Democratization of the country began in the 1930s, but the process was interrupted by the 1945 October Revolution and a decade of control by the military (1948–58) led by Marcos Pérez Jiménez, who was overthrown by other military officers in 1958. It was under this junta that the move to democracy was reinstated. Rómulo Betancourt, who served as President until 1964, won elections held in 1959. According to the 1961 constitution, the democratic government continued to be federal in form, but with highly centralized powers at the national level. A political decentralization process was begun in 1989 and included transferring competencies and powers of the national government to the states. Also in 1989, for the first time since the nineteenth century, state Governors were elected by universal, direct and secret votes, and regional political life began to play an important role in the country.

A crisis in the party system gave rise to the 1999 Constituent Assembly process and to a radical change in the political players nationwide. This Constituent Assembly was the tool that the newly elected (1998) President, Hugo Chávez Frías – a former Lieutenant-Colonel who led an attempted coup d'état in 1992 – used to provoke a takeover of all the powers of government. The Assembly was elected in July 1999 and was made up of 131 members, 125 of whom were blind supporters of the President. Only a few dissident voices were heard during the six months it functioned – a very precarious “opposition.” In December 1999, a new constitution was sanctioned by the National Assembly and approved by referendum on 15 December 1999. The new constitution of 1999 did not, however, undertake the changes that were needed most, namely the effective political decentralization of the federation and the reinforcement of state and municipal political powers. The constitution of 1999 actually continued with the same centralized foundation and in some cases, centralized certain aspects even more.

2 CONSTITUTIONAL PROVISIONS RELATING TO FEDERALISM

According to Article 4 of the constitution in effect as of 30 December 1999, the Republic of Venezuela “is a decentralized Federal State under

the terms set out in the Constitution and is governed by the principles of territorial integrity, solidarity, concurrence and co-responsibility.” The standard, thus, is precise: it is a *decentralized federal state* according to “the terms set out in the Constitution,” although these terms are without a doubt centralizing. Venezuela has incorporated elements of federalism since 1811, but it has also been a “centralized federation,” and continues as such despite the affirmation to the contrary in Article 4.

Article 136 of the constitution states that “public power is distributed among the municipal, state and national entities.” This article thus establishes three levels of political autonomy in the territory: national power exercised by the republic (federal level); state power, exercised by the 23 states and the Capital District; and municipal power, exercised by the 338 existing municipalities. On each of the three levels, the constitution states that government must always be “democratic, participatory, elected, decentralized, alternative, responsible, plural and with revocable mandates” (Article 6).

The organization of institutions on each territorial level is characterized by the principle of the organic separation of powers. On the national level, national public power is split among the “Legislative, Executive, Judicial, Citizen and Electoral” divisions (Article 136). The 1999 constitution thus surpasses the classic tripartite division of power by adding Citizen Power (Public Ministry, General Comptrollership of the Republic and the Public Defender), as well as Electoral Power (National Electoral Council).

National executive power is exercised by the President of the Republic whose decisions often must be adopted in a Cabinet Meeting (Articles 236, 242). All Cabinet members are accountable to the National Assembly (Articles 242, 244), where the ministers are entitled to voice their opinions and may also be questioned (Article 245). The President is aided by an Executive Vice-President exclusively designated by him (Article 238).

The constitution of 1999 established a one-chamber National Assembly thus eliminating the country’s traditional bicameralism and specifically eliminating the Senate which had played a role as the chamber in which the states can be equally represented. In spite of the constitutional provision that the states “are politically equal” (Article 159), Venezuela has become a federal state without a federal chamber in which the states can be equal. Nevertheless, in the absence of a Senate, the 1999 constitution expressly establishes one means of direct state participation in the process of discussion and approval of national legislation by the National Assembly, imposing on the latter the obligation to consult formally with the states through their Legislative

Council prior to the approval of legislation which may refer to or affect state interests. But in spite of this express constitutional provision, during the last three years, the National Assembly has passed national laws that affected state interests without previous consultation with the states. But most importantly, the President of the Republic has ignored all forms of state consultation and participation in the process of drafting national laws, and during the last three years very important laws have been adopted concerning state interests without any political participation by their authorities.

The constitution specifies that “representatives [members of the National Assembly] are representatives of the people and the states (globally) as a whole and are not subject to mandates, nor instructions, but only to the dictates of their conscience” (Article 201), which effectively eliminates all vestiges of territorial representation. Representatives are elected based on a number calculated according to a basis of population equivalent to 1.1 per cent. Thus in 2000, as the estimated population of the country was 24 million, the population basis was 264,000 (24 million \times 1.1% = 264,000). Representatives of each state, including the District Capital, are elected through the principle of proportional representation (Article 182), with one representative per 264,000 inhabitants.

Each state has a Governor who is elected by universal, direct and secret vote (Article 160), and a state Legislative Council, which is comprised of representatives, elected according to proportional representation (Article 162). It is the responsibility of the Legislative Councils to enact the constitution of each state in order to organize public powers along the guidelines of the Venezuelan Constitution, which guarantees the autonomy of the states (Article 159). This, however, is seriously limited in the 1999 constitution, which states that the organization and functioning of the state Legislative Councils must be regulated by *national* law (Article 162) – a manifestation of centralism heretofore unforeseen in the history of Venezuelan federalism. In 2001 the National Assembly sanctioned an Organic Law for the Legislative Councils which established detailed regulations regarding not only the organization and functioning of the Councils but also their attributes as well as the general principles for the exercise of their legislative functions. With this regulation, the National Assembly exceeded the exceptional authorization established in the national constitution. Consequently, in terms of the organization of the legislative powers of the states, the contents of the states’ constitutions have been voided.

Additionally, the executive powers of the states are limited as well. The 1999 constitution establishes all the basic rules particularly in relation to

general regulations on public administration, administrative procedures and public employees. These rules were developed in the 2001 national Organic Laws referring to public administration and to public servants. Therefore, in this respect as well, the state constitutions have been voided of content.

Finally, the National Assembly also sanctioned a law in 2001 regarding the appointment of the states' Controller, thus limiting without constitutional authorization the powers of the state Legislative Councils to regulate such matters.

It is true that the state Legislative Councils have the jurisdiction to legislate with respect to matters that are in the state's competency (Article 162), but the problem is that the matters that are in their competency depend on national decisions and regulations, which in effect means that the legislative power of the states is very limited, as it has always been in the past. The effectiveness of all federations lies in the territorial distribution of powers – Governors and Legislative Councils in the states are of little use if they do not have specific powers to exercise. This is the case in Venezuela where the 1999 constitution did little to ease the centralizing tendencies in the country and, indeed, contributed to intensifying that centralization.

As to the municipalities, their autonomy is provided for in the constitution. This autonomy does not, however, have any constitutional guarantees because it can be limited by national law (Article 168). The separation of power at the municipal level is maintained between the executive, represented by Mayors who are elected by universal, direct and secret vote (Article 174), and Municipal Councils, whose members are elected on the basis of proportional representation (Article 175).

The constitution enumerates a number of matters for which jurisdiction is attributed to the bodies representing the National Power (Article 156) and Municipal Power (Article 178). According to Article 156, the National Power has competency in, for example, international relations, security and defence, nationality and alien status, national police, economic regulations, mining and oil industries, national policies and regulations on education, health, the environment, land use, transportation, industrial and agricultural production, and post and telecommunications. The administration of justice also falls within the exclusive jurisdiction of the national government (Article 156.31), except with regard to justices of the peace who are regulated by municipalities (Articles 178.7 and 285).

Article 178 outlines that municipalities have jurisdiction in, for example, urban land use, housing, urban roads and transport, advertising regulations, urban environment, urban utilities, electricity, water

supply, garbage collection and disposal, basic health and education services, and municipal police. Some of the powers regarding these matters are of an exclusive nature but most of them are concurrent.

As to state powers, the constitution fails to enumerate substantive, exclusive competencies and rather concentrates on formal and procedural ones. Furthermore, the limited number of those that it establishes are concurrent in nature – for example, municipal organization, non-metallic mineral exploitation, police, state roads, administration of national roads, and commercial airports and ports (Article 164). The constitution has limited the concurrent competencies – which traditionally have provided a broad field for possible action by state bodies – by subjecting their exercise to what the National Assembly establishes by means of “general laws” that may subsequently be developed by the state Legislative Councils (Article 165). The legislation referring to concurrent competencies must adhere to the principles of interdependence, coordination, cooperation, co-responsibility and subsidiary (Article 165).

Except in the constitution of 1953 (1953–1961) that regulated in favour of the central government, residual power favouring the states has been a constitutional tradition in Venezuela. In the 1999 constitution, however, this residual competency of the states has been limited by expressly attributing to the national government a parallel and prevalent residual competency in taxes not expressly attributed to the states or municipalities (Article 156.12).

It is important to note that although the constitution of 1999 is characterized by pronounced centralism, it did, however, preserve and re-affirm some decentralizing principles. Thus, it repeated the standard of the 1961 constitution which allowed the National Assembly to transfer specific matters that are of national competency to the municipalities and states in order to promote decentralization (Article 157). It likewise expanded the decentralizing principle regarding the states to include the municipalities (Article 165), and with respect to both territorial levels, the constitution went one step further to include communities and organized neighbourhood groups as well. Therefore, there is a pronounced nominal tendency in the constitution to favour decentralization which is even defined as “national policy” that “must strengthen democracy by bringing power closer to the people” (Article 158).

Mention should be made of the sections in the constitution that discuss the financing of the federation. Virtually everything concerning the taxation system is more centralized than in the 1961 constitution, and the competency of the states in tax matters has been basically eliminated. Not only does the constitution list the competencies of

the national government with respect to basic taxes (income tax, inheritance and donation taxes, taxes on capital, production, value added, taxes on hydrocarbon resources and mines, taxes on the import and export of goods and services, and taxes on the consumption of liquor, alcohol, cigarettes and tobacco) (Article 156.12), and expressly attribute to the municipalities taxation competencies with respect to local taxes (Article 179), but it also, as was earlier stated, gives the national government residual competencies in tax matters (Article 156.12).

The constitution, thus, does not grant the states competency in terms of taxation, except with respect to official stationery and revenue stamps (Article 164.7). States can only collect taxes when the national government expressly transfers to them, by law, specific taxation competencies (Article 167.5). Lacking therefore their own resources from taxation, state financing is accomplished basically by the transfer of national financial resources through three different channels. First, it is done by means of the so-called "Constitutional Contribution by the National Government," which is an annual item in the National Budget Law that is equivalent to a minimum of 15% and a maximum of 20% of total ordinary national income, estimated annually (Article 167.4). Second, a national law has established a system of special economic allotments for the benefit of those states in the territories of which mining and hydrocarbon projects are being developed. According to this law these benefits have also been extended to include other states (Article 156.16). And third, financing for states and municipalities comes from national funds, such as the Intergovernmental Fund for Decentralization, created in 1993, or the Interstate Compensation Fund, which is foreseen in the constitution (Article 167.6).

Thus, the states depend entirely on financial transfers from the federal government. Some of these transfers are established in the constitution in a relatively fixed manner, but the actual transfer of the due amount has frequently been delayed based on political retaliations against some states with Governors that oppose the President of the Republic. The federal government has also disposed of, with no authority, some income that was to be kept in a macroeconomic national fund which belongs to the states.

3 RECENT POLITICAL DYNAMICS

The democratic system established in 1958 developed over the past four decades as a democracy of parties, or a nation of parties, in which

traditional political parties that were formed in the 1940s monopolized representation and political participation by controlling all the levels of power. Although during the first two decades of democracy this system ensured the implementation of democracy in one of the Latin American countries with the least democratic tradition, in recent decades that same system has had a perverse effect on democracy and on the functioning of the political system. Political parties and the institutions themselves progressively lost democratic legitimacy and the capacity to evolve and adopt the reforms that democracy needed. Those few reforms that were undertaken – particularly in 1989 – such as political decentralization of the federation, did not make much headway.

This led to a crisis in the political system and a serious power void as a result of the lack of leadership among the political parties. In 1998, that power void led to the collapse of the parties and to the ascent, by popular vote, of a military and grassroots leader (Hugo Chávez Frías). President Chávez gave impetus to what was inevitable – change in the system. A new constitution was drafted by a Constituent Assembly completely dominated by the President's followers. Thus, the 1999 constitution was imposed by only one political party, without any negotiation, accords or conciliation with the other political parties and groups in the country.

As stated earlier, the constitution of 1999 consolidated the “centralized federation” that Venezuela has had for more than a century and, indeed, centralized power even more. In addition, it accentuated presidentialism by allowing unlimited legislative delegation by the President of the Republic (Articles 207, 237.8) whose term was extended to six years. Moreover, the 1999 constitution is characterized by a markedly military style that obscures the principle of the subjugation of military power to civil power with broad and obsolete regulations no longer used in the contemporary democratic world regarding national security and defence that are reminiscent of the doctrine so in vogue in the Southern Cone Latin American countries of the 1970s.

The blend of centralism, presidentialism and militarism gives Venezuela a constitution with a marked authoritarian inclination. This can be seen as the outcome of the crisis in the democratic system of parties whose leadership did not know how to introduce, in time, the changes needed to perfect democracy by making it less focused on parties and the state.

Unfortunately, President Chavez did not formally conceive of the constitution-making process as an instrument of conciliation aimed at reconstructing the democratic system and assuring good governance. That

would have required the political commitment of all the components of society and the participation of all sectors of society in the design of a new functioning democracy, and this did not occur. The constitutional process of 1999, in fact, served to facilitate the total takeover of the power of the state by a political group which has crushed not only all the others, but also the autonomy of the political entities of the federation. As a result, almost all of the opportunities for inclusion and public participation were squandered. In fact, the constitution-making process became an endless coup d'état when the Constituent National Assembly, elected in July of 1999, began violating the existing constitution of 1961 by assuming all powers it lacked under that text, and intervening in the states. This was followed by the violation of the new 1999 constitution after its approval by referendum, when the same Constituent Assembly enacted a "transitional constitutional regime" which was not submitted to nor approved by popular vote. That situation continues and has allowed the subsequent National Assembly to legislate outside the constitutional framework with the consent of the Constitutional Chamber of the Supreme Tribunal of Justice.

A federation, above all, is a form of state in which public power is territorially distributed among the federal (national) level of government, the federated states and occasionally local governments. Federalism and political decentralization are intimately related concepts, to the extent that a "centralized federation" is a contradiction of terms. Thus, Venezuela's centralized federalism is contradictory in terms of federalism. Federalism and decentralization are also concepts related to democracy – there are no decentralized autocracies. The strong centralizing tendencies in Venezuela in recent years do not bode well for democratic governance and political participation.

Decentralization is the most effective instrument not only of guaranteeing civil and social rights, but of allowing effective participation of the people in the political process. In this context, the relation between local government and the population is essential. In France, for example, there are approximately 1,614 inhabitants per democratically elected local government; in Spain there are 4,825; in Germany 5,086; in Switzerland 2,333; in Italy 7,156; in the USA 3,872 and in Canada 6,878. In contrast with the general situation in federations with a solid democratic regime, in Venezuela, in spite of the constitution, local government is so far from citizens and their communal organizations that it does not work as a tool for political participation or democratic governance. Thus, in Venezuela – with a territory double that of France – only 338 elected municipalities exist, with an average of 71,006 inhabitants per local government.

This situation prevents any real possibility for political participation, which basically can only be developed at local levels. Nevertheless, the 1999 constitution expressly defines decentralization as a “national policy devoted to strengthening democracy” (Article 158). In contrast, the political practice of the last three years has been characterized by progressive centralization of government, without any real development of local government. Consequently, in Venezuela federalism has been postponed and democracy has been weakened.

The past three years have been difficult ones for Venezuela. The Venezuelan population has been bitterly divided by the government of President Chavez. He has had the support of important poor and working class sectors, but other sectors of the same poor and working class, as well as economic elites (particularly in the state-owned oil industry), the local media and the middle class oppose him. These divisions became obvious in the general strike (with partial participation of the state-owned oil industry) in the spring of 2002. Reacting to the bloodshed in the clashes between pro- and anti-government protestors (12–16 people had died and more than 100 were injured) on 11 April 2002, the armed forces announced that they would no longer obey presidential orders to suppress the strike. On 12 April 2002, the senior military officer in the armed forces publicly announced that President Chavez had resigned. By 14 April, however, Chavez was back in the presidential palace and the resignation had been withdrawn.

There was another general strike – from December 2002 to February 2003 – against the government in the country, this time with the total participation of the state-owned oil industry. This strike paralysed the economy as the petroleum sector accounts for one-third of GDP and almost 85 per cent of export earnings. The strike ended when the government and the opposition agreed to negotiate, and an accord was signed in May 2003 by representatives of the government and of the “Democratic Coordination” (which grouped together all the democratic opposition organizations and political parties).

Because of the continued actions against human rights supported or allowed by governmental officials, which has even several times provoked the intervention of the Interamerican Commission of Human Rights of the Organization of American States, the opposition continues to be dissatisfied with the Chavez regime. The opposition initiated a petition supported by more than 4 million signatures to ask for the convening of a consultative referendum regarding the resignation of President Chavez. A ruling by the Supreme Tribunal of Justice paralysed the possibility of convening the consultative referendum. It was only in September 2003 after the same Supreme Tribunal of Justice appointed new members of the National Electoral Council (due to the lack of decision

on the matter by the National Assembly) that this body ruled that the signatures to be used to convene a referendum for the recall of President Chavez were invalid. As a consequence, in December 2003, the opposition again produced more than 3.5 million signatures, this time collected according to official regulations, asking for the convening of a recall referendum to be held during the first months of 2004.

The political and economic instability in the country has naturally meant strains in Venezuela federalism. The fact that the GDP has declined in the past three years has strained government coffers and caused serious problems within the Venezuelan body politic.

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Table I
Political and Geographic Indicators

Capital city	Caracas
Number and type of constituent units	<p>23 States: Amazonas, Anzoátegui, Apure, Aragua, Barinas, Bolívar, Carabobo, Cojedes, Delta Amacuro, Falcón, Guárico, Lara, Mérida, Miranda, Monagas, Nueva Esparta, Portuguesa, Sucre, Táchira, Trujillo, Vargas, Yaracuy, Zulia;</p> <p>1 Federal District: Caracas</p> <p>1 Federal Dependency consisting of 11 federally controlled island groups with a total of 72 individual islands.</p>
Official language(s)	Spanish
Area	912 050 km ²
Area – largest constituent unit	Bolívar – 238 000 km ²
Area – smallest constituent unit	Federal District (Caracas) – 1 930 km ²
Total population	25 549 084 (2003)
Population by constituent unit (% of total population)	<p>Zulia 13.3%, Miranda 10.8%, Federal District (Caracas) 9.5%, Carabobo 8.7%, Lara 6.5%, Aragua 6.2%, Bolívar 5.4%, Anzoátegui 4.7%, Táchira 4.3%, Sucre 3.4%, Portuguesa 3.4%, Falcón 3.1%, Mérida 3.1%, Guárico 2.6%, Monagas 2.5%, Trujillo 2.4%, Barinas 2.4%, Yaracuy 2.1%, Apure 1.9%, Nueva Esparta 1.6%, Cojedes 1.1%, Delta Amacuro 0.5%, Amazonas 0.4%</p>
Political system – federal	Federal Republic
Head of state – federal	President Hugo Chavez Frias (1999). Movimiento Quinta República ((MVR) Movement for the Fifth Republic). Directly elected for a 6-year term. The President may serve only 2 consecutive mandates.
Head of government – federal	President Hugo Chavez Frias. President appoints Cabinet (Council of Ministers).
Government structure – federal	Unicameral (since 1999): National Assembly (Asamblea Nacional), 165 seats. The current National Assembly was elected on 14 August 2000. Members are directly elected through proportional representation (a combination of party list and single-member constituencies) to serve 5-year terms. Three seats are reserved for the indigenous peoples of Venezuela.
Number of representatives in lower house of federal government of most populated constituent unit	Zulia – 15
Number of representatives in lower house of federal government for least populated constituent unit	Amazonas – 3

Table I (continued)

Distribution of powers	<p>The constitution enumerates the exclusive powers that belong to the federal government, the states and municipalities. It assigns 33 exclusive powers to the federal government such as international affairs, security and defence, immigration, nation-wide economic regulations, currency and coinage, taxation (not assigned to the states or municipalities), foreign trade, mining and oil industries, national policies and regulations on education, health, the environment, land use, administration of justice, transportation, industrial and agricultural production, and telecommunications. States have limited legislative competency. They have concurrent jurisdiction (with the federal government) for overseeing local governments and for the administration of their fiscal resources, state roads, commercial airports and ports and state police. The constitution outlines municipal powers as well (Article 178), including urban land use, housing, electricity, water supply, basic health services, garbage collection, municipal police.</p>
Residual powers	<p>Residual powers belong to the states (but note that the 1999 constitution limits this power by granting to the federal government a parallel residual competency in taxation).</p>
Constitutional court (highest court dealing with constitutional matters)	<p>Supreme Tribunal of Justice. Magistrates are elected by the National Assembly for a 9-year term. Elections take place for one-third of the tribunal every 3 years. Magistrates are eligible for re-election</p>
Political system of constituent units	<p>Unicameral: Legislative Council. Each Legislative Council has between 7 and 15 members directly elected through proportional representation for a 5-year term. Each state has its own constitution.</p>
Head of government – constituent units	<p>Governor. Directly elected for a 4-year term and can be re-elected only once for a consecutive period.</p>

Table II
Economic and Social Indicators

GDP	US\$131.1 billion at PPP (2002)
GDP per capita	US\$5 226 at PPP (2002)
National debt (external)	US\$34.7 billion (2001)
Sub-national debt	N/A
National unemployment rate	16.7% (October 2003)
Constituent unit with highest unemployment rate	N/A
Constituent unit with lowest unemployment rate	N/A
Adult literacy rate	92.8 % (2001) ¹
National expenditures on education as % of GDP	5.2 % (1995–1997)
Life expectancy in years	73.53 (2001)
Federal government revenues – from taxes and related sources	US\$9 billion (2002 prel.) ²
Constituent unit revenues collectively – from taxes and related sources	N/A
Federal transfers to constituent units	US\$2.9 billion (2002 prel.)
Equalization mechanisms	Formula-based transfers. 30% of federal tax revenue is distributed in equal shares among states, territories and the Federal District. The remaining 70% is proportionally distributed on the basis of population.

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Notes

- 1 Age 15 and above.
- 2 Non-oil tax revenue.