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Mission Barrio Adentro: Venezuela's Virus

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Claremont McKenna College
Mission Barrio Adentro: Venezuela's Virus

submitted to
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by
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Abstract

This thesis uses the historical and structural characteristics of the Venezuelan-Cuban healthcare program, Mission Barrio Adentro, to identify areas of resource mismanagement and how such abuses of government capital has negatively affected the Venezuelan medical system as well as the Cuban healthcare professionals involved. Hugo Chávez and Fidel Castro's healthcare diplomacy under Mission Barrio Adentro, which trades Cuban doctors for oil, has failed to provide adequate medical services to the Venezuelan citizens. Despite the drop in oil prices, the Venezuelan government has continued to funnel money into Mission Barrio Adentro using PDVSA revenues. Such reliance on oil wealth and the continuation of increased social funding in the face of economic hardship has contributed to the near collapse of the current Venezuelan medical system. The elimination of Chávez's overly politicized policies and the development of management structures to promote transparency around government expenditures will aid in creating more efficient and beneficial social programs for the Venezuelan people.

Chapter 1: Introduction

1.1 Present State

Oil has played a crucial role in the history of Venezuela even before Columbus sailed to the Americas, where indigenous peoples used the hydrocarbons that escaped to the surface of the land.¹ For former Venezuelan president, Hugo Chávez, oil was essential in accomplishing his plans, which often included the use of large amounts of oil wealth to fund social programs, called missions. Chávez's missions greatly appealed to the majority of Venezuelans who lived in poverty. Mission Barrio Adentro, one of Hugo Chávez's largest social missions, perfectly exemplifies Venezuela's exploitation of natural resource revenues for political gain. Furthermore, the results of the program have been mostly underwhelming. The blind dependence on the high oil prices has put Venezuela in a turbulent economic state. Chávez's socialist policies have been met by extreme opposition from industrialized nations, such as the United States and from fellow Venezuelans who have recognized the country's vulnerability to changing gas prices. Despite the strong resistance to Chávez's anti-capitalist ideologies, support among the impoverished population has allowed his Bolivarian Revolution to continue.

Venezuela sits on top of the world's largest proven oil reserves. However, the country currently faces the worst economic crisis in its history. In 2014, Venezuela had

¹Wilpert, Gregory. "The Economics, Culture, and Politics of Oil in Venezuela." *Venezuelan Analysis*. Last modified August 30, 2003. Accessed November 29, 2016. <https://venezuelanalysis.com/analysis/74>.

298 billion barrels of proven oil reserves, much of which comes from the Orinoco belt, containing 220.5 billion barrels of proven oil reserves.² Oil revenues make up most of the value of total exports. The \$3.58 billion of petroleum exports make up 95 percent of the country's total export revenue.³ Due to the large presence of oil within the country, the state-run oil company, PDVSA, has had extreme influence on the country's economic, political, and social conditions. However, as world oil prices began to collapse, so did *Petróleos de Venezuela*. Crude prices fell to the low thirties per barrel. As a result, 2015 incomes for PDVSA fell almost 41 percent at \$72.2 billion from \$121.9 billion in 2014.⁴

One might assume a decrease in revenues would result in a decrease of social spending from the state-owned oil company. However, contributions to Chávez's social programs increased over 72 percent in 2015. Funding for social development in 2015 amounted to approximately \$9.2 billion compared to \$5.3 billion the year before.⁵ The mismanagement of oil revenues accompanied by the drop in oil prices has caused the country to enter a severe economic decline.

Mission *Barrio Adentro*, the healthcare program that trades Cuban doctors for oil, has failed to provide adequate medical services to the Venezuelan citizens. Instead,

²*Country Analysis Brief: Venezuela*, 2015.

<https://www.eia.gov/beta/international/analysis.cfm?iso=VEN>.

³*Venezuela Facts and Figures*. Accessed November 26, 2016.

http://www.opec.org/opec_web/en/about_us/171.htm.

⁴ "Petróleos de Venezuela, S.A. and Subsidiaries (PDVSA) Consolidated Financial Statements." December 31, 2015. PDF,

<http://www.pdvsa.com/interface.sp/database/fichero/free/10853/1719.PDF>

⁵ *Ibid*.

people are dying from preventable illnesses. Medical equipment is broken, medications are sparse, and the rolling blackouts have left hospitals without electricity and clean water. Regardless of the Venezuelan government's supposed commitment to the health of its citizens, the country currently faces a severe humanitarian crisis, which has left many without proper medical care despite the implementation of Mission Barrio Adentro.

1.2 The Relevance of Mission Barrio Adentro

This thesis uses the historical and structural characteristics of the Venezuelan-Cuban healthcare program, Mission Barrio Adentro, to identify areas of resource mismanagement and how such abuses of government capital has adversely affected the Venezuelan medical system as well as the Cuban healthcare professionals involved. It seeks to prove Mission Barrio Adentro has had a negative, rather than favorable, effect on Venezuelan citizens as well as the Cubans working in Venezuela due to unsustainable funding by Petróleos de Venezuela S.A. revenues and ineffective organization of the program by the government. The use of PDVSA revenues to finance Mission Barrio Adentro has contributed to the economic distress Venezuela currently faces.

The future of Venezuelan social missions is uncertain, just as the future of political and economic conditions continue to falter under the control of Nicolas Maduro. The government must learn from Mission Barrio Adentro as it implements subsequent social programs and healthcare initiatives. The death of Hugo Chávez in 2013 and Fidel Castro in 2016, may cause relations between Venezuela and Cuba to change drastically in

the near future. Castro and Chávez were more than political allies, they were friends. Because both of the founding leaders of Barrio Adentro are gone and Venezuela can no longer provide monetary support for the island, the two governments may abandon Mission Barrio Adentro altogether, despite evidence it never provided medical care to the extent that both governments claimed. If the Cuban government no longer practices medical diplomacy, Venezuela must consider new mechanisms to encourage more Venezuelans to obtain a medical degree to practice in poorer areas instead of moving to another country for a higher wage in a safer environment. Even if Venezuela and Cuba maintain diplomatic relations, Venezuela must alter the amounts of oil it provides Cuba so its value matches the quality of healthcare provided. The government also must alter the allocation of resources so the medical centers it constructs remain staffed and in working condition. The government should diversify its economy so the change in oil prices does not drastically affect the quality of the country's social programs.

Chapter two explains the origins of the Cuban-Venezuelan coalition as well as the ways in which Cuban medical diplomacy has played a role in sustaining that relationship. Chapter three explores the details of Mission Barrio Adentro. It explains the lofty goals of the program versus the failed results. Chapter four builds upon the previous three chapters to confirm that the overuse of Venezuela's oil revenues and the politicization of the program to gain popular support resulted in the failure of Mission Barrio Adentro. The chapter explains the possible political changes Venezuela faces as well as the steps the country must take to alleviate its health crisis.

Chapter 2: The Cuban-Venezuelan Coalition

The Cuban-Venezuelan connection emerged four decades before Hugo Chávez became president, about a year after Venezuela had successfully overthrown Marcos Perez Jimenez. Fidel Castro took his first trip outside of Cuba to Venezuela just weeks after his success in overthrowing Fulgencio Batista's dictatorship. While in Venezuela, Fidel Castro asked the then Venezuelan president, Rómulo Betancourt, for a \$300 million loan and oil to fund a "game with the gringos."⁶ Although Fidel Castro believed Betancourt would share his aversion toward the United States as well as embrace the idea of a completely integrated Latin America, the Venezuelan president declined the request. 40 years after Betancourt objected to Castro's proposition, Hugo Chávez turned into Fidel Castro's most influential supporter. While Chávez saw his relationship with Castro as a way to achieve approval of his revolutionist tactics, Castro perceived their relationship as a way to attain mass quantities of oil for his own political goals. As a result, the two leaders initiated Cuba and Venezuela's trade of doctors for oil, which resulted in a large amount of mutual dependence and vulnerability between both countries as the prices of oil has fluctuated.

⁶ de Cordoba, José. "The Future of 'Cubazuela.'" *Wall Street Journal* (New York City), March 1, 2013. Accessed December 2, 2016. <http://www.wsj.com/articles/SB10001424127887323884304578328252463429328?mg=id-wsj>.

2.1 The Bolivarian Alliance for the Americas

Following the collapse of the Soviet Union, Cuba found itself in a deep economic crisis. The country's GDP dropped by approximately 35 percent between 1989 and 1993 and one-fourth of its national income evaporated.⁷ Many believed the Cuban government would soon crumble. However, not long after the economic plight of the Special Period began, Cuba found a new relationship on which the country could depend. Venezuela under the rule of Hugo Chávez intervened to replace the Soviet Union as Cuba's primary source of financial stability. After losing all of the USSR's subsidized oil imports, Cuba had a new means of acquiring oil and oil derivatives. Venezuela became a source of vital aid for Cuba during a time of intense pressure from the United States and the fall of the Soviet bloc. It resulted in Cuban economic expansion of 11.8 percent by 2005 and the eventual formation of the Bolivarian Alliance for the Americas, also known as ALBA.⁸

In 2004, Fidel Castro and Hugo Chávez created the Alternativa Bolivariana para las Américas, as it is called in Spanish, to substitute the Free Trade Area of the Americas, sponsored by the United States.⁹ According to both leaders, the FTAA perpetuated economic stagnation and facilitated the exploitation of less developed countries. Both Hugo Chávez and Fidel Castro retained strong views against capitalism and U.S.

⁷ Peters, Philip. "Survival Story: Cuba's Economy in the Post-Soviet Decade." Lexington Institute. Last modified June 1, 2002. Accessed December 2, 2016.

⁸ Azicri, Max. "The Castro-Chávez Alliance." *Latin American Perspectives* 36, no. 1 (January 2009), <http://www.jstor.org/stable/27648163>, 99

⁹ *Ibid.*, 100

imperialism, which they believed was perpetuated by the profit-focused FTAA. However, the Cuban and Venezuelan missions implemented have been divergent of ALBA's ideals because they have led to considerable exploitation of Cuban doctors and Venezuelan citizens.

The concept of ALBA resembles the philosophies proposed by Ché Guevara in 1965 when he addressed the Afro-Asian Conference in Algeria. He opposed “developing mutually beneficial trade based on prices forced on the backward countries by the law of value and the international relations of unequal exchange that result from the law of value.”¹⁰ Correspondingly, Castro and Chávez constructed ALBA to recognize the political, economic, and social asymmetries both countries encountered. Chávez stated the ALBA initiative existed as “true Latin American and Caribbean integration based on justice,” and both leaders pledged to “fight to make it happen.”¹¹ The focus of ALBA advocates for a more socially oriented approach, as opposed to what Castro and Chávez view as a one-sided, profit maximizing trade block. Paradoxically, programs under ALBA, such as Mission Barrio Adentro, benefitted both governments at the expense of its citizens.

¹⁰ Guevara, Che. *Ché Guevara Reader*. Edited by David Deutschmann and María Del Carmen Ariet. 2nd ed. Melbourne, Australia: Ocean Press, 2003, 341.

¹¹ Arreola, Gerardo. "Firman Cuba y Venezuela un abanico de acuerdos sin paralelo" [Cuba and Venezuela sign a range of agreements without parallel]. *La Jornada* (Mexico City, Mexico), December 16, 2004. Accessed November 26, 2016. <http://www.jornada.unam.mx/2004/12/16/027n1mun.php>.

The Bolivarian Alliance for the Americas attempts to exclude the United States while unifying countries previously colonized by the Spanish. The alliance embraces “regionness,” which joins social, political, and institutional components of the Latin American nations.¹² It brings countries like Venezuela and Cuba together and aims for solidarity against what the organization views as its main opponent: the United States. The document establishing ALBA delineates the importance of unanimity and liberation within Latin America by stating:

We affirm that the cardinal principle, which must guide the ALBA, is the widest solidarity between the peoples of the Latin America and the Caribbean ... without selfish nationalisms or restrictive national policies, which deny the aim to construct a Great Homeland in Latin America in accordance with the dream of the national heroes of our emancipating fights.¹³

According to Chávez and Castro, several criteria were created to obstruct ALBA from operating on self-interest or profit. The two leaders asserted members of ALBA could not give nor receive special treatment that takes into account a country’s level of

¹² Emerson, Guy. "Institutionalizing a Radical Region? The Bolivarian Alliance for the Peoples of Our America." *Journal of Iberian and Latin American Research* 19, no. 2 (2013). Accessed November 1, 2016. <http://dx.doi.org/10.1080/13260219.2013.853352>, 196.

¹³ Ruz, Fidel Castro, and Hugo Chávez Fría. "Joint Declaration Venezuela-Cuba." In *ALBA-TCP*. 2004. Last modified December 14, 2004. Accessed November 1, 2016. <http://alba-tcp.org/en/contenido/joint-declaration-venezuela-cuba>.

development.¹⁴ Instead, the agreement aims to promote cohesion among the least developed countries so they may create a region of multilateral trade. The coalition aims to create social plans for undeveloped countries to combat illiteracy, the inability to access modern technology, and the absence of sufficient healthcare among poor citizens.¹⁵ It also promotes energy integration among the members in order to establish a fixed reserve of energy commodities and to deter the dependence on an exclusive oil-producing nation.¹⁶

However, it created just that. Venezuela became the major oil producer in the region, which caused many countries to rely on PDVSA for energy. Despite the appeal Barrio Adentro had to many Venezuelans living without healthcare, the methods used to create a “Great Homeland” in Latin America proved ineffective and unsustainable because of excess dependence on each country for its exports. In the case of Mission Barrio Adentro, Venezuela became dependent on Cuban doctors. When Cuban doctors left, Venezuela was not prepared to replace them. Mission Barrio Adentro’s exchange of doctors for oil combines the emphasis on energy consolidation under ALBA with the implementation of social programs. The exchange of medical professionals for oil provided a way in which Cuba could receive more oil than it needed, which allowed it to resell the oil to other countries for profit. In return, Chávez could appeal to his poorer constituency, which was desperate for healthcare reform. Hugo Chávez and Fidel Castro

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

affirmed they created ALBA to serve as a political means to a social end. However, it materialized as a social instrument to achieve political authority.

Chávez and Castro established various methods of financing in order to accomplish the social projects put forward by ALBA. The organization formed a bank with two headquarters located in Venezuela and Cuba, which stemmed from an initial investment of \$1 billion.¹⁷ The Bank of ALBA has the function of financing the programs under the agreement in order to “improve productivity and efficiency, create technological development ... develop projects in social sectors to reduce poverty and eradicate extreme poverty, ethnic, social, and gender exclusion.”¹⁸ A localized trade currency called the SUCRE, or the Sistema Único de Compensación Regional, emerged as a method of government-to-government commerce.¹⁹ The two countries even used the SUCRE as a symbol against the United States. Before signing the SUCRE into legislation, Chávez declared, “Enough with the dictatorship of the dollar, long live the SUCRE.”²⁰ The SUCRE and the Bank of ALBA store member countries’ currency reserves. When the Bank of ALBA is not sufficient in financing social projects, the

¹⁷ Janice, Kiraz. "Summit of the Bolivarian Alternative (ALBA) Concludes in Venezuela." *Venezuelan Analysis*. Last modified January 27, 2008. Accessed December 2, 2016. <https://venezuelanalysis.com/news/3104>.

¹⁸ "Acta fundacional del Banco del ALBA" [Founding Act of the Bank of ALBA]. Petróleos de Venezuela, S.A. Last modified 2005. Accessed November 1, 2016. http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=5405&newsid_temas=111.

¹⁹ Hirst, Joel D. "A Guide to ALBA." *Americas Quarterly*. Accessed November 1, 2016. <http://www.americasquarterly.org/hirst/article>.

²⁰ Gray, Julia. *The Company States Keep*. New York City, U.S.: Cambridge University Press, 2013, 132.

Venezuelan state-owned oil and natural gas company, PDVSA, provides capital and oil at very low prices with relaxed methods of repayment.

While the inclusion of PDVSA in the subsidization of ALBA assists in the creation of energy integration as specified in the alliance's founding document, it creates substantial dependence on the successes of the oil industry within Venezuela. Without revenue from PDVSA, many countries cannot continue their programs. And without the economic successes of the member countries, Venezuela and PDVSA will not receive its payments. Little money is recirculated continue developing PDVSA, because it operates as another bank for the Venezuelan government, instead of an oil company. Because the government places large dependence on PDVSA for social programs but does not reintroduce revenues into the company, not only has the corporation's performance struggled, but the quality of the social programs has also deteriorated.

Venezuela and Cuba officially began their alliance with the formation of the Bolivarian Alliance of the Americas. Through the formation of ALBA and its supposed emphasis on producing social consciousness throughout Latin America, both countries capitalized on the opportunity to utilize their niches and achieve certain political advantages. For Cuba, its successful implementation of medical diplomacy allowed the country to promote its interests with other countries. Venezuela's wealth of oil has allowed it to force dependency among the members of ALBA, and take responsibility for funding social programs prompted by the government under Hugo Chávez.

2.2 Cuban Medical Diplomacy

Despite the economic difficulties Cuba faced following the fall of the Soviet Union as well as the obstacles it faced from both internal and external forces, the Caribbean country has created a healthcare system praised by many. Soon after the revolution, Cuba created free healthcare for all citizens. The regime asserted the “health of the population was a metaphor for the health of the political body.”²¹ Eventually, Cuban healthcare transformed into a system that specialists, such as the former director of the World Health Organization, Dr. Halfdan Mahler, have applauded. Dr. Mahler stated, “No other country has been as consistent in taking measures towards achieving the goal of ‘Health for All’ as Cuba.”²² Margaret Chan, the current director general of the World Health Organization, also praised Cuba’s implementation of preventative medicine and has requested other countries follow its lead.²³ Cuba owes much of its medical success to the subsidized oil and financial support it has received from the Venezuelan government. Without Hugo Chávez’s aid, the Cuban medical system, much less the entire Cuban nation, may not have outlived the fall of the Soviet Union.

²¹ Feinsilver, Julie M. "Médicos por petróleo: La diplomacia médica cubana recibe una pequeña ayuda de sus amigos" [Doctors for Oil: Cuban medical diplomacy receives a little help from its friends]. *Neva Sociedad*, no. 216 (July/August 2008). PDF, 109

²² Brouwer, Steve. *Revolutionary Doctors*. New York City, NY: Monthly Review Press, 2011, 45.

²³ Hill, Fiona. "Prevention Better than Cure in Cuban Healthcare System." BBC. Last modified December 13, 2015. Accessed November 1, 2016. <http://www.bbc.com/news/health-35073966>.

The formation of ALBA created an organized and legal approach to extending Cuban medical diplomacy throughout the world, especially in Latin America. Nevertheless, it was not ALBA that can take complete responsibility for the implementation of Cuban medical diplomacy. The Cuban government first applied the practice a year after Castro obtained power in 1960. The country initially sent medical crews to Algeria during a civil war with France and to Chile after a damaging earthquake.²⁴ The government understood it could easily send medical professionals all over the world, and by doing so, it could acquire political leverage in the countries it helped. In order to continue sending doctors internationally, the country needed to train more healthcare professionals. Cuba's desire to expand its medical diplomacy throughout the world clearly shaped the successful healthcare system for which the country came to be known. Despite being eight times as poor as a person from the United States, the country has eight doctors for every 1,000 citizens, compared to 2.5 in the U.S. and U.K.²⁵ The growth of Cuba's specialty in medical diplomacy has allowed the country to strengthen the credibility of the healthcare, which it provides to similarly poor nations calling on Cuba for medical assistance in exchange for resources or influence.

Despite beginning Cuban medical diplomacy in 1960, Castro could not generate the influence he desired from the program until his coalition with Hugo Chávez. ALBA provided the trade, support and financing Cuba required to grow as an exporter of doctors

²⁴ Werlau, Maria C. "Cuba's Health-Care Diplomacy: The Business of Humanitarianism." *World Affairs* 175, no. 6 (March/April 2013). <http://www.jstor.org/stable/43556164>, 57.

²⁵ Hill, Fiona.

and medical services. The Bolivarian Alliance for the Americas provided an agency to create policies such as Mission Barrio Adentro, Mission Sonrisa, and ELAM. Without Venezuela's financial backing of Cuba, Cuba would not have had nearly as much influence as a result of its medical exports. However, the methods that formed the exchange of oil for doctors have proved volatile and unsustainable as the prices of oil drop and Venezuela undergoes a severe economic crisis. Critics have questioned the quality of healthcare the Cuban government has provided to Venezuela as well as Venezuela's compliance in funding a product that does not fulfill its duties.

Chapter 3: Mission Barrio Adentro

Once one of the richest countries in Latin America with high growth rates and extremely low levels of inequality, Venezuela did not question its unsustainable dependence on oil until the price collapsed in the late 1980s. Although oil prices and national taxation increased drastically in the years preceding the 1980's, stagnant production per capita and volatile financial investments set Venezuela's economy up for failure as soon as global oil prices fell. In an attempt to develop policies that fairly circulate the revenue from oil companies, Venezuela displayed its government's capacity to greatly magnify levels of debt.

As the price of oil began to fluctuate from the 1970's to 1996, government expenditures on health services dropped approximately 40 percent and the country's capabilities to provide adequate public health resources failed.²⁶ The economic crisis in the years preceding Chávez's presidency left the task of repairing substandard health facilities to the regional governments, which led to the privatization of most medical programs. In 1998, a year before Chávez won the presidency, private spending on healthcare accounted for 68 percent of total health expenditure.²⁷ As a result, 70 percent

²⁶ "Health expenditure, public (% of total health expenditure), Venezuela." Unpublished raw data, The World Bank, 2014. Accessed November 21, 2016.
<http://data.worldbank.org/indicator/SH.XPD.PUBL?end=2014&locations=VE&start=1997>.

²⁷ Ibid.

of Venezuelans did not have consistent access to healthcare. The combination of poor medical amenities as well as the lack of accessibility to healthcare presented Hugo Chávez with reason to completely change the healthcare system.

Knowledge that the over-dependence on oil revenues caused the crippling economic crisis in the 1980s did not obstruct the Venezuelan government under Hugo Chávez from once again exercising extreme reliance on the resource to fund various social programs. The economic crisis of the 1980s and 1990s led to large amounts of poverty among most of the Venezuelan population. The desperation among many Venezuelans caused Hugo Chávez's "21st century socialism" to become very attractive, regardless of the means by which the government implemented it.

Taking advantage of Cuba's most valuable form of international diplomacy, Chávez chose to import the island's model of public health, which Venezuela funded through its abundance in natural resource wealth. Hugo Chávez, appealing to the country's poor population, based his campaign on redesigning methods of governance and improving the quality of life among disenfranchised communities. Soon after winning the elections with an overwhelming majority, Chávez implemented the 1999 Constitution, guaranteeing healthcare as a fundamental right that should be provided by the state.

In order to promote and develop policies that work toward improving the conditions of the country's health services, Venezuela joined Cuba in the Comprehensive Cooperation Agreement under the auspices of ALBA. The Comprehensive Cooperation

Agreement permits Cuba and Venezuela to create a method of exchanging mutually beneficial goods and services by means of prearranged conditions, operating under shared political ideologies. The agreement's six articles detail bilateral projects between the countries, stating "the participation of public and private sector organizations and entities of both countries will be considered," as well as "universities, research bodies and non-governmental organizations." Encompassing many areas, such as sports, energy, culture, agriculture and education, the agreement places most emphasis on the creation of public health systems throughout the country's poorest areas. The accord requires Cuba to provide medical professionals and services to work in impoverished areas of Venezuela. In exchange, Venezuela must finance the Cuban doctors' costs of housing, meals, and transportation as well as provide the Cuban government with oil and its derivatives.

3.1 Barrio Adentro Phase I

To improve the healthcare system Hugo Chávez inherited, the Venezuelan government began taking measures to slow the healthcare system's privatization process and eliminate the obstacles Venezuelan citizens encountered when attempting to receive medical care. Firstly, Chávez ordered public hospitals to suspend charges for services received in emergency departments.²⁸ This action set the precedent for complete dependence on PDVSA to fund Chávez's missions. Next, the government altered the

²⁸Armada, Francisco, Carles Muntaner, Haejoo Chung, Leslie Williams-Brennan, and Joan Benach. "Barrio Adentro and the Reduction of Health Inequalities in Venezuela: An Appraisal of the First Years." *International Journal of Health Services* 39, no. 1: 165

model of integral healthcare so the organization of primary care was no longer based on age groups, procedures, and medical specialties of the service providers, but on the needs of patients.²⁹ With Cuba's help, primary healthcare centers received new equipment and infrastructure and the Venezuelan healthcare system began to follow a preventative approach to medical treatment. Cuba also aided Hugo Chávez in the implementation of various *misiones sociales*, or social missions, which the government claimed would counteract the increasing levels of social and economic inequality. The missions varied in focus, from healthcare to education.

The largest of these missions includes Mission Barrio Adentro, which strives to administer free public healthcare to every part of the country that did not already obtain the medical resources necessary to provide for its citizens. With the supply of Cuban services and the financial backing of the state-run oil company, PDVSA, the Venezuelan government began to introduce missions such as Barrio Adentro in areas throughout the country. 58 Cuban doctors arrived in Venezuela and began working in the poorest areas of Caracas.³⁰ Faithful to its name, Barrio Adentro (translated to Inside the Neighborhood) involves Cuban doctors living within the same community in which they work. During the first phase of Barrio Adentro, the Cuban doctors resided in homes voluntarily provided by members of the community. The plan calls for every doctor to be accompanied by a Defensor de la Salud, a Defender of Health, who lives in the same

²⁹ Ibid., 165.

³⁰ Sanchez, German. *Barrio Adentro y otras Misiones Sociales en la Revolucion bolivariana*. Melbourne, Australia: Ocean Press, 2005, 10.

barrio and undergoes training by the Ministry of Health so they may provide basic support for the doctors.³¹ Mission Barrio Adentro began establishing the first Health Committees in the neighborhoods and Cuban medical professionals began to assess the most prominent ailments among the population. By the end of July, the program had expanded to almost every state in Venezuela, and more than 4,000 Cuban doctors had arrived in the country by November.³²

The official expansion of Barrio Adentro to the national level occurred in 2004, after the government analyzed the successes and failures of the initial program. The government began developing more medical centers at a very high rate, which required PDVSA to funnel more money into the program. The number of medical centers grew to almost 3,000 in 2007 from just 13 in 2003.³³ More residences were also built for the increasing number of doctors entering the country from Cuba. Community involvement increased through the creation of more health committees, which provided medical education to its citizens. The number of health committees increased from 2,124 in 2003 to almost 8,951 in 2006.³⁴ The exponential increase in construction and stocking of the centers required PDVSA to funnel more money into the program during a short time period. Currently, all of the health centers as well as the machinery within them cannot be

³¹ *Telesur* (Venezuela). "Barrio Adentro suma más de 704 millones de consultas médicas gratuitas en Venezuela" [Barrio Adentro adds more than 704 million free medical consultations in Venezuela]. April 15, 2015. Accessed November 21, 2016. <http://www.telesurtv.net/telesuragenda/12-anos-de-Barrio-Adentro-20150415-0079.html>.

³² Sanchez, 12.

³³ Armada, 168.

³⁴ *Ibid.*

maintained at the current level of PDVSA income. The government directed massive amount of money into the construction of these areas, but did not save anything to reinvest.

The number of Cuban medical professionals has also grown immensely since Barrio Adentro's beginning. More than 20,000 Cuban medical personnel, including doctors, nurses, dentists, and other healthcare workers have lived in Venezuela at one time.³⁵ Cuban medical experts greatly outnumber Venezuelan healthcare providers. In May of 2005, 14,000 Cuban medical doctors and 3,000 Cuban dentists practiced in Venezuela versus just 1,000 Venezuelan doctors and 1,000 dentists.

In order to phase out Cuban medical professionals from the Venezuelan labor force, both governments created universities to educate medical students. Originally, the presence of Cuba physicians working in Barrio Adentro was expected to last only five years. To achieve this goal, the Venezuelan government sent medical students to the Latin American Medical School (ELAM) in Havana. While there, the students participate in a six-year medical curriculum reserved for low-income students who dedicate themselves to the practice of medicine in underdeveloped communities within their home countries.³⁶ The National Training Program for Comprehensive Community Physicians provides a similar structure of education for students attending one of six Venezuelan universities. The educational programs depend on Cuban teachers who are practicing

³⁵ Ibid.

³⁶ Feinsilver, 7

doctors in the Barrio Adentro program. The goal has been to use the Cuban doctors to produce the next generation of Venezuelan healthcare professionals. However, Venezuela has an extreme shortage of doctors and the program has not been sufficient in providing enough physicians for public practice. The shortage has made Venezuela extremely dependent on Cuban doctors to carry out the responsibilities of the mission because Venezuela cannot provide enough medical professionals. As Cuban doctors have left Venezuela to provide medical aid in other countries, Venezuelan doctors have been left to care for many more patients than they can handle. Seeing hundreds of patients a day has left the doctors overworked and underpaid, which deterred Venezuelans from wanting to become doctors and resulted in a decrease in the quality of care.

The first phase of Mission Barrio Adentro attempts to achieve various guidelines created in order to successfully provide free healthcare in impoverished areas of Venezuela. The plan maps out areas of cities from which patients are drawn. Under the program, each area should have a medical center providing coverage for between 250 and 400 families. However, because of the shortage in doctors, the coverage area actually includes many more families and some regions do not even have nearly the amount of access Mission Barrio Adentro originally planned.

3.2 Latter Phases of Mission Barrio Adentro

In order to add to the first phase of Mission Barrio Adentro, Hugo Chávez decided to implement the second stage of the mission at the end of 2004. The first phase

of Barrio Adentro involved the implementation of consultation centers and educational services for the community. Moving forward, the government hoped to create centers that could provide intensive therapy and emergency care to all of the communities involved.

The goals of Barrio Adentro II include the creation of 600 Integral Diagnostic Centers.³⁷ These centers were expected to provide emergency care and intensive therapy services 24 hours a day. 150 of the 600 total Integral Diagnostic Centers will have the capability to perform emergency surgery. The centers should have provided diagnostic services such as x-ray, echosonography, micro analytical systems for viral and congenital diseases, electrocardiogram, and clinical ophthalmology.³⁸ The second phase planned to construct one High-Technology Diagnostic Center in each state of the country, plus two or three more centers in the larger states. The High-Tech Centers were planned to have the newest diagnostic equipment that will allow for the detection and diagnosis of diseases, including MRI machines, computerized axial tomography, tridimensional ultrasound, mammography, bone densimetry tests, videoendoscopes, and clinical laboratories.³⁹ The government claimed it planned to construct 600 rehabilitation and

³⁷ Sanchez, 16.

³⁸ Aguirre, Virginia. "Barrio Adentro en Salud: un proyecto politico y social de la Republica Bolivariana de Venezuela" [Barrio Adentro in Health: A Political and Social Project of the Bolivarian Republic of Venezuela]. *Salud Colectiva* 4, no. 2 (May-August 2008): 221-38. <http://www.redalyc.org/articulo.oa?id=73140211>, 233.

³⁹ Sanchez, 16; Aguirre, 233.

physiotherapy centers to provide electrotherapy, thermotherapy, hydrotherapy, occupational therapy, speech therapy, podiatry, and natural and traditional medicine.⁴⁰

All of these machines are expensive and require constant maintenance. The Venezuelan government pumped money into the creation of the different medical centers and the required equipment, but it did not focus on future funds necessary to preserve the facilities. While PDVSA had the funds to purchase the machines at the start of the program, the economic turmoil the company has faced is causing the technology to be left unattended. While Venezuela could provide the initial investments, the finances necessary for upkeep were not a priority. The quick launch of Mission Barrio Adentro was more beneficial to accomplish Hugo Chávez's own objectives of gaining popular support.

In order to address the health emergencies not protected under the first two phases of Mission Barrio Adentro, the Venezuelan government created Barrio Adentro III. Its goal was to improve, restructure and expand the infrastructure of the country's 300 existing state-run hospitals. The plan included the addition of 18 clinics offering radiotherapy and chemotherapy, targeting a coverage area of 85 percent of the population.⁴¹ Next the government created Barrio Adentro IV, which included the establishment of 12 new hospitals, each specializing in a different area of medicine, such as toxicology, gastroenterology, and orthopedics. A derivative of Mission Barrio

⁴⁰ Sanchez, 16.

⁴¹ Armada, 176

Adentro, the government formed Mission Milagro to treat cataracts and other vision-related health problems. Mission Sonrisa was also a subsidiary of Barrio Adentro. Barrio Adentro carried out many tooth extractions, leaving people in need of prosthetic teeth. Mission Sonrisa provided dental prosthesis in the 140 clinics the government constructed throughout Venezuela. Other than Cuban doctors and healthcare professionals, Cuba sent teachers who specialize in sports, recreation, and physical well-being. Over 8,000 experts in sports have come from Cuba to work in the neighborhoods accommodated by Barrio Adentro.⁴² The government called the athletic program Barrio Adentro Sport. The many names and layers the government created for the program implied success and innovation. However, the constant additions to Barrio Adentro illustrate Chávez's impromptu policies, often created on an ad hoc basis.

Not everyone agreed with the implementation of Barrio Adentro, nor with the plans it attempted to conduct. Most backlash by Hugo Chávez's political opposition objected to Cuban presence within the country. People also argued doctors, medical products, technology, and pharmaceuticals from Cuba were of substandard caliber. Occasionally public hospitals would deny entrance to patients of Barrio Adentro until referrals became directed toward two hospitals that openly supported the program. Surprisingly, the majority of criticism did not include disapproval of Barrio Adentro's financing mechanisms, which were extremely volatile and lacking in transparency.

⁴² Sanchez, 18

3.3 Financing

Imperative to the creation and application of the missions was Hugo Chávez's absolute control over the state-run oil company, *Petróleos de Venezuela, S.A.*

Approximately three years after the election of Chávez, employees of PDVSA engaged in a two-month strike which led to the termination of almost twenty-thousand employees and a drop in GDP of 27.6 percent by the first quarter of 2003. The Chávez government capitalized on the strike, blaming the neoliberal opposition for causing the lockout that left much of the population debilitated. According to the Chávez administration, the company put "political and even financial interests above the interests of the nation." Chávez accused the oil corporation of hoarding large amounts of capital while the education and health sectors became depleted.

By taking complete jurisdiction of PDVSA, Chávez could carry out his radical agendas funded completely by the national oil company. While the world price of oil steadily increased, the Chávez regime utilized the revenue of PDVSA to fund social programs as well as provide highly subsidized crude to Latin American allies that share similar anti-imperialist, anti-capitalist ideologies. PDVSA has essentially become a bank in place of an oil company that the government drains to hold the support of the lower class. It has disregarded all obligations to reinvest its revenues into research and development, which has resulted in a steady decline in the company's success. Overtime, the stagnation of oil revenues has negatively affected funding for Chávez's missions and the quality of the economy as a whole.

Funding mechanisms for Mission Barrio Adentro have been overly ambitious as Venezuela faces falling oil prices and PDVSA revenues continue to decline. The value of the bolivar has dropped rapidly, which has contributed to high levels of inflation within the country. Increases of social contributions from PDVSA, despite the drop in revenues, has essentially bankrupted the company as well as the country. It has led to the soaring levels of inflation, which have caused the average Venezuelan's quality of life to plummet.

The agreement with Venezuela has been the most substantial medical cooperation plan Cuba has tackled since Fidel Castro came to power in 1959. The exchange of oil-for-doctors called for the distribution of “30,000 experts in medicine, 600 comprehensive health clinics, 600 rehabilitation and physical therapy centers, 35 high technology diagnostic centers, and 100,000 ophthalmologic surgeries, among other things.”⁴³ In exchange for Cuba's expertise, Venezuela agreed to provide 53,000 barrels of petroleum per day, even though the total at various points in time amount has exceeded 90,000 barrels of oil equivalent per day.⁴⁴

Because the cost of Cuban medical aid is not valued as income, Venezuela does not include it in its fiscal budget and its value is judged incorrectly. As a result, the value of the oil Cuba receives is not comparable to the value of health services Cuba provides.

⁴³ Feinsilver, 4.

⁴⁴ Oletta, Jose Felix. "La Mision Barrio Adentro, objetivos mas alla de la salud" [The Mission Barrio Adentro, Objectives Beyond Health]. *Cuba in Transition* 17 (2007): 446-52. PDF, 447.

Cuba does not have to adjust to the changing price of petroleum, which benefits the country while oil prices remain high because the agreement is in terms of goods and services versus monetary valuations.

The Venezuelan government does not publish documents detailing specific mission expenditures or payments made to compensate Cuba for its services. However, one may take into account the percentage of social spending as a percentage of GDP versus international policy payments as a percentage of GDP to quantify expenditures. From the late 1990s to 2005, social programs represented approximately 10 percent of gross domestic product on average, which is equal to \$5 billion U.S. dollars.⁴⁵ Most payments directed towards social spending come exclusively from non-budgetary sources. One may conclude most financing arises through PDVSA, not through taxation or government accounts. In 2015, the oil corporation increased its social contributions by more than 72 percent, to \$9.2 billion, despite its fall in revenues.⁴⁶ International expenditures reached 40 percent of GDP, or \$20 billion, which also came from mainly unconventional, non-budgetary sources.⁴⁷ Total government health expenditure as a percentage of GDP has maintained an average level of roughly five percent since the

⁴⁵ Ibid., 449.

⁴⁶ "National Health Accounts, 1995-2014." Unpublished raw data, <https://knoema.com/WHONHA2016/national-health-accounts-1995-2014?country=1000840-venezuela-bolivarian-republic-of><http://www.bloomberg.com/news/articles/2016-07-03/venezuela-s-pdvsa-revenue-plunges-amid-commodity-price-collapse>.

⁴⁷ Oletta, 449.

beginning of Barrio Adentro in 2003.⁴⁸ That being said, the Venezuelan government has spent more on international strategies than domestic initiatives. However, the steady rise of oil prices up to 2008 and then again in 2009 has allowed for the increased spending on social programs and the development of living standards for the poorest citizens of Venezuela.

3.4 Chávez's Medical Missions Fall Short

Mission Barrio Adentro has the appearance of a social program created to provide primary medical care to the poorest areas of Venezuela. However, the plan has done little except for provide an incentive for impoverished citizens to support Chávez and his Bolivarian regime. Mission Barrio Adentro has failed to meet its original targets. Less than half of the planned primary care facilities have been constructed.⁴⁹ By May of 2007, only 2,708 modules were built while another 3,284 modules had yet to be completed.⁵⁰ The financing for the modules came exclusively from a \$126.5 million investment from PDVSA, resulting in an average cost of over \$46,000 per module.⁵¹ Coming entirely from oil revenues, the \$46,000 to fund each module seems excessive because for the government, land does not cost anything. As a result of Chávez's 2001 land law, the

⁴⁸ Feinsilver, 5.

⁴⁹ Jones, Rachel. "Hugo Chávez's health-care programme misses its goals." *The Lancet* 371 (June 14, 2008): 1988. doi:10.1016/S0140-6736(08)60853-3.

⁵⁰ Ibid.

⁵¹ Feinsilver, 112.

government has seized thousands of acres of land to use as it sees fit.⁵² Of the centers that the government has constructed, very few of them have the capabilities to stay open. Approximately 30 percent of the medical units remain unstaffed due to a doctor shortage throughout the entire country, which has left only one doctor available for every 3,000 Venezuelans.⁵³ The original goal of Barrio Adentro was to provide approximately one doctor for every 1,200 citizens.⁵⁴ In 2006, 4,000 Cuban doctors left Venezuela to participate in similar medical diplomacy programs in countries like Bolivia and Brazil despite Cuba continuing to receive oil and financial support from Venezuela.⁵⁵ Even if the Cuban doctors stayed in Venezuela, the country would still not have a sufficient number of medical professionals to adequately attend to its citizens. Despite the educational aspects of Mission Barrio Adentro, Venezuelan doctors have yet to replace the Cuban doctors entirely. Although the program began with the intention of phasing out Cuban doctors for Venezuelan doctors, some have criticized the quality of education received by the Venezuelan medical students. While Venezuela continues to give substantial support to Cuba, the mission has failed to generate medical graduates and has consistently fallen short of achieving original goals and expectations.

⁵² Albertus, Michael. "This Land Was Your Land." Foreign Policy. Last modified November 13, 2015. Accessed November 26, 2016. <http://foreignpolicy.com/2015/11/13/this-land-was-your-land-venezuela-land-reform-Chávez-maduro/>.

⁵³ Jones.

⁵⁴ Maybarduke, Peter. "A People's Health System: Venezuela Works to Bring Healthcare to the Excluded." Multinational Monitor. <http://multinationalmonitor.org/mm2004/102004/mybarduke.html>.

⁵⁵ Feinsilver, 112.

Even after the actions Barrio Adentro has supposedly carried out, much of the Venezuelan population is dissatisfied with the caliber of its public health services. In 2014, 63.6 percent of Venezuelans felt displeased with healthcare provided by the state.⁵⁶ In fact, dissatisfaction with medical services has surpassed the dissatisfaction with corruption of public officials, which has exacerbated opposition to the current Venezuelan president, Nicolas Maduro.

Venezuela is currently undergoing the worst economic crisis it has experienced in its history. Because of the crisis, infant mortality and deaths of Venezuelans with curable illnesses has increased. The death rate among babies under a month old rose over 100 percent, from .02 percent in 2012 to two percent in 2015.⁵⁷ Hospitals do not have enough money to purchase antibiotics, bandages, or food. Patients can only purchase life-saving cancer medications on the black market and doctors perform surgeries without gloves, soap, or water.⁵⁸ Hospitals have discharged patients undergoing cardiology complications

⁵⁶ Rodriguez, Mariana. "La deficiencia de bienes y servicios basicos son mas perjudiciales que las percepciones de corrupcion para el presidente Maduro en Venezuela." *Perspectivas desde el Barometro de las Americas: 2016*, 2016, 1-10. PDF, 2.

⁵⁷ Casey, Nicholas. "Dying Infants and No Medicine: Inside Venezuela's Failing Hospitals." *New York Times* (New York City, United States), May 15, 2016, Americas. Accessed November 21, 2016.

http://www.nytimes.com/2016/05/16/world/americas/dying-infants-and-no-medicine-inside-venezuelas-failing-hospitals.html?_r=0.

⁵⁸ Ibid.

due to a scarcity of medical supplies, such as catheters, working blood-processing machines, and heart valves.⁵⁹

Although Mission Barrio Adentro has constructed hospitals and provided the initial medical devices needed for the program, the lack of maintenance has left the centers completely unusable. Of 45,000 hospital beds within the government's public hospitals, doctors can utilize 16,300.⁶⁰ Of the \$1 billion necessary to purchase medical imports, the government supplied less than \$200 million in 2014 compared to the \$807 million it provided in 2010.⁶¹ Despite years of economic strength as a result of high oil prices, budgetary mishandling of the government through programs such as Barrio Adentro created an unsustainable process of financing, slowly causing medical funding to wither away.

While oil prices remained high, the government could provide poor Venezuelans with sufficient public medical care through Mission Barrio Adentro. However, when oil prices fell, the government blamed the neoliberal activities of the political opposition and the capitalist nature of the energy industry. The government under Nicolas Maduro has even called the doctors of the public hospitals conspirators in the current healthcare crisis.

⁵⁹ Forero, Juan. "Venezuelans Suffer amid Crumbling Health System." *Wall Street Journal* (New York City), March 13, 2015, Latin America. Accessed November 21, 2016. <http://www.wsj.com/articles/venezuelans-suffer-amid-crumbling-health-system-1426265474>.

⁶⁰ Ibid.

⁶¹ Ibid.

Maduro has continued exorbitant spending on welfare programs, such as Barrio Adentro, even though the means to do so are nonexistent.

The Venezuelan economic crisis has greatly impacted the Cuban government as well as the Cuban doctors working as part of the Barrio Adentro mission. Venezuelan crude and its derivatives accounted for 78 percent of Cuba's total consumption in 2009.⁶² The value of Venezuelan oil and grants form over 10 percent of Cuban GDP.⁶³ The decrease in prices has led Venezuela to cut back on shipments to Cuba. Venezuelan shipments of crude fell almost 20 percent at the beginning of 2016, which has caused Cuba to greatly reduce its electricity and fuel consumption.⁶⁴ Because of the Venezuelan government's inability to provide funding for research and development, PDVSA does not have the capabilities to extract the large amounts of oil beneath the country, leading to a decrease in shipments made to Cuba. Due to the movement of oil revenues into social programs instead of recirculation of funds back into the company, refineries similar to the Cienfuegos refinery in Cuba have been forced to shut down or pause production. The 65,000 barrels per day refinery has been performing at its minimum

⁶²Arreola, Gerardo. "La alianza con Venezuela, 'clave' para las reformas: gobierno cubano" [The alliance with Venezuela, "key" for reforms: Cuban government]. *La Jornada*, October 13, 2016, 2.

⁶³ Greenberg, Jon. "CNN's Anna Navarro: Cuba's Economy Survives Largely on Venezuelan Aid." *Tampa Bay Times* (Tampa Bay), December 18, 2014. <http://www.lexisnexis.com.ccl.idm.oclc.org/hottopics/lnacademic/?shr=t&sfi=AC00NBGenSrch>, 2.

⁶⁴ Arreola, "La alianza con Venezuela, 'clave' para las reformas: gobierno cubano," 2.

output capacity of 50,000 barrels per day due to servicing problems.⁶⁵ Despite the fact that Cuba's economy greatly relies on Venezuelan imports, Cuba has survived worse. If Venezuela experiences complete collapse, Cuba's real GDP could contract 7 to 10 percent.⁶⁶ Relative to the economic crisis following the fall of the Soviet Union, Venezuela's impact would be minor, especially now when the United States has begun working towards normalizing relations with the island.

While the Cuban government may survive Venezuela's economic crisis, Cuban doctors working for Mission Barrio Adentro may not. The current economic and political catastrophe in the South American country has caused many of the remaining Cuban health experts to seek protection in other countries, often immigrating to the United States through a special application process. Originally, the Cuban doctors went to Venezuela to work for Mission Barrio Adentro because they believed it would provide better opportunities than staying in their home country. While working in Venezuela, the Cuban officials provide each medical professional with an allowance of 3,000 bolivares, equal to about U.S. \$3, plus an extra U.S. \$29 per month deposited into a Cuban controlled bank account.⁶⁷ The large amount of inflation in Venezuela has caused the

⁶⁵ Marsh, Sarah. "Cuban-Venezuelan oil refinery at Cienfuegos to be partially shut - PDVSA." *Reuters*, July 12, 2016. <http://www.reuters.com/article/refinery-operations-pdvsa-cienfuegos-idUSL8N19Y5NN>.

⁶⁶ Greenberg, 2.

⁶⁷ Penton, Mario J. "Crisis in Venezuela makes life hell for Cuban medical professionals." *Miami Herald* (Miami), June 22, 2016, Cuba. Accessed November 21, 2016. <http://www.miamiherald.com/news/nation-world/world/americas/cuba/article85293402.html>.

bolivar to lose almost all of its value, causing the doctors to struggle to survive. The Cubans also fear losing their job if officials suspect them of denouncing the program. Under the Cuban Medical Professional Parole program that provides visas to Cuban healthcare experts, over 2,000 applications were received in 2015.⁶⁸ Other Cubans often flee to Colombia from Venezuela. Of the illegal immigrants detained in Colombia from January to July of 2014, 42 percent were Cuban.⁶⁹

The Cuban doctors not only fear the economic stresses of working in Venezuela, but the physical danger as well. Violence within the country has escalated and medical professionals have accused the Venezuelan government of concealing violent crimes against Cuban doctors, even murder. Between 2003 and 2010, 68 Cuban doctors were killed in Venezuela.⁷⁰ Chávez did call for an increase in the protection of Cuban doctors.⁷¹ However, this was because it benefited him politically to keep Cuban doctors working in Venezuela. The doctors provided more than just medical services to Venezuelans. Government handlers reportedly forced the doctors to attend government parades, monitor the political beliefs of their patients, and tell people that Barrio Adentro

⁶⁸ Ibid.

⁶⁹ Kraul, Chris. "Exported to Venezuela, miserable Cuban doctors clamor to get into U.S." *Los Angeles Times* (Los Angeles), September 11, 2014. Accessed November 21, 2016. <http://www.latimes.com/world/mexico-americas/la-fg-venezuela-cuba-doctors-20140911-story.html>.

⁷⁰ Werlau, 65.

⁷¹ Cohrs, James A. "Venecuba: An Analysis of Cuban Influence in Venezuela and its Support for the Bolivarian Revolution." *International Studies Capstone*. http://digitalcommons.cedarville.edu/cgi/viewcontent.cgi?article=1001&context=international_studies_capstones, 20

would discontinue if they did not vote for Chávez.⁷² The threat to the Cuban doctors as well as their role in promoting Chávez's political views caused many to leave the program and defect to the United States or surrounding countries.

Cost inefficiency has been a major problem in the Barrio Adentro program. Barrio Adentro costs approximately \$10 billion a year to execute and the city of Caracas pays Cuba an extra \$5.4 billion a year for the continued employment of the Cuban doctors and medical professionals.⁷³ The Cuban government also receives oil subsidies through the Comprehensive Cooperation Agreement with Venezuela. The payments given to Cuba fund room and board, provide a stipend to the Cuban doctors and supply a small income for the doctor's Cuban family. The Cuban government does not disclose how it utilizes the remaining portion of the payments from Venezuela. While Venezuela reportedly pays \$5,000 a month to each doctor or medical expert, the actual amount the Cubans receive is sometimes less than \$100.⁷⁴ While obtaining large sums of oil from Venezuela that is later sold for profit, the Cuban government retains most of the money it receives instead of giving it to the doctors.

The inadequate salaries the doctors receive within Cuba have led many to start their own private, and sometimes illegal, practices. The two best hospitals on the island

⁷² Ibid.

⁷³ Ibid., 18.

⁷⁴ Ibid.

are for-profit, but doctors also provide healthcare on the black-market.⁷⁵ For example, surgeons, who make less than \$20 a month from the state, have begun providing breast augmentations in order to receive more money.⁷⁶ The relaxation of economic restrictions has caused many doctors to pursue more economically advantageous procedures without the state's knowledge. If more doctors chose to participate in such actions, the number of people who will be willing to practice abroad is likely to decrease drastically and missions such as Barrio Adentro will continue to suffer as the numbers of doctors in Venezuela continue to decrease.

⁷⁵"Nip and tuck in." *The Economist*, November 17, 2012. Accessed November 21, 2016. <http://www.economist.com/news/americas/21566670-medicine-big-business-cuba-nip-and-tuck>.

⁷⁶ Ibid.

Chapter 4: Conclusion

Similar to the economic depression Venezuela encountered in the 1980's and 1990's, the current financial, social, and political crisis could have been avoided if the government stopped depending so heavily on oil revenue. Although easier said than done, it should have diversified the economy and created efficient and transparent social programs to support the Venezuelan citizens. Missions, such as Mission Barrio Adentro, appeared to provide organized and effective care because of the information provided by the government. Hugo Chávez claimed the first phase of Barrio Adentro was a success, so he initiated the second, third, and fourth phases. The population perceived the constant additions and supposed upgrades to the mission as progress. However, the billions of dollars put into the program did not develop it to the extent the government had said it would.

The unproductive and often nefarious financing of Mission Barrio Adentro supplied Cuba with substantial amounts of oil, despite the fact that its government constructed medical centers that stand mostly vacant and supplied thousands of medical supplies without proper maintenance mechanisms. The Venezuelan government provided a large amount of oil to Cuba on a daily basis in exchange for medical personnel as a Latin American subsidy strategy, promoting socialist messages and a reliance on Venezuela's oil contributions. The dependence of ALBA member countries, including Cuba, on Venezuelan oil appealed to the government, until Venezuela began to feel the

effects of low gas prices and countries discontinued aid or could not repay the government.

The large amounts of financial support provided by Venezuela combined with the inefficiency and financial mishandling by the government has obstructed Mission Barrio Adentro from achieving any significant success. The Venezuelan government has instead exhausted revenues from PDVSA to fund the Cuban government and gain political support from impoverished Venezuelans by claiming the program could solve the health crisis. The overuse of the government's oil revenues during a time when the commodity's price was strong left little room to handle a decline in government savings. As a consequence, the quality of Venezuelan healthcare has deteriorated even more so than the healthcare crisis in the 90's that left 70 percent of the population without access to medical services.

Overall, the Venezuelan government is to blame for creating an ineffective social program, which relied heavily on unsustainable forms of financing and inefficient courses of action. The main goal of the program has been to gain support from poor Venezuelan citizens instead of providing sustainable and effective healthcare to the population. Cuban medical experts existed as living propaganda for the Venezuelan regime. The Cuban government did not have to uphold its obligations under Mission Barrio Adentro because the Venezuelan government did not hold it accountable for its substandard medical practices. Promotion of Chávez's administration was just as important, if not more important, than the successful execution of Mission Barrio Adentro.

Venezuela faces the largest economic decline and the second highest murder rate in the world. The inflation rate is expected to reach 2,200 percent by the end of 2017.⁷⁷ All of these problems come together in the Venezuelan hospitals, where people sleep on dirty beds, machines are broken, and medicine is nearly impossible to find. Patients have arrived in hospitals with diseases such as diphtheria, which Venezuela supposedly eradicated over 20 years ago.⁷⁸ Maternal mortality rates offer important indications of a country's human development and healthcare services. Even before the economic crisis began in Venezuela, Barrio Adentro did not improve maternal mortality rates within the country. After Chávez's re-election, maternal mortality rates began to rise. The level currently stands at 112, which is the same as the rate 50 years ago.⁷⁹ A 2014 report on a children's hospital located in Caracas found out of 11 areas of the hospital, 10 did not provide satisfactory resources because of limited medical professionals, equipment and supplies.⁸⁰

While the reasoning behind Mission Barrio Adentro was promising, the political characteristics Chávez created to gain popular support permeated the entirety of the

⁷⁷Lange, Jason. "IMF says hyperinflation, mass migration loom for Venezuela." Reuters. Last modified October 8, 2016. Accessed November 27, 2016. <http://in.reuters.com/article/imf-g20-venezuela-idINKCN1272AV>.

⁷⁸Ulmer, Alexandra. "Venezuela doctors sound alarm on reported return of diphtheria." Reuters. Last modified October 6, 2016. Accessed November 27, 2016. <http://www.reuters.com/article/us-venezuela-health-diphtheria-idUSKCN1262GP>.

⁷⁹Fraser, Barbara. "Venezuela: aid needed to ease health crisis." *The Lancet* 388 (September 3, 2016): 947-48. Accessed November 27, 2016. DOI:[http://dx.doi.org/10.1016/S0140-6736\(16\)31523-9](http://dx.doi.org/10.1016/S0140-6736(16)31523-9), 947.

⁸⁰de los Rios, Jose Manuel. "Ministerio del Poder Popular para la Salud (MPPS) - Hospital de Niños." Last modified 2014. PDF, 4.

program and hindered its success. The 1999 Constitution gave everyone the right to adequate healthcare. However, the government never made Mission Barrio Adentro part of the national healthcare system. It alternatively became a program of international diplomacy with Cuba, funded by oil wealth, which exhausted national accounts and created Venezuela's current economic disaster.

The future of Venezuela as well as Mission Barrio Adentro is uncertain. Both founders of the healthcare program have died, and both Venezuela and Cuba face radical change in their futures. Cuban leadership following Raul Castro, who is currently 85 years old, is unclear. As the privatization of medical practices in Cuba increase, Cuban medical diplomacy could come to a complete standstill, as doctors no longer find the opportunity appealing.

In Venezuela, Nicolas Maduro could face a recall referendum. However, to do so the opposition must collect signatures from at least 20 percent of the voting population, which amounts to 4 million people, before they may schedule the referendum.⁸¹ If the referendum is held in 2016, a presidential election will take place. If it is called for 2017, the vice president, Aristóbulo Istúriz, will replace Maduro and most likely maintain similar practices as the current administration.⁸² Even with these changes, the restructuring of Mission Barrio Adentro and Venezuela's healthcare system as a whole would take time. For long-term adjustments in improving the overall economic state of

⁸¹*BBC*. "Venezuela's Maduro recall referendum drive suspended." October 21, 2016. Accessed November 27, 2016. <http://www.bbc.com/news/world-latin-america-37724322>.

⁸² Fraser, 948.

the country, the Venezuelan government should work towards privatizing PDVSA, which would reduce the company to solely hydrocarbon exploration and extraction versus its current responsibility of funding Venezuela's social initiatives. However, this action may not prove successful until governmental volatility recovers to ensure confidence in PDVSA's transition. To alleviate the current medical crisis in Venezuela, the government must primarily provide medicine and supplies to the population. Doing so would require foreign financing and an increase in drug manufacturing. The funding of healthcare must be restructured to more efficiently provide for the population. The government must also provide mechanisms to decrease reliance on Cuban medical personnel by increasing incentives to practice as a doctor. Not only did Mission Barrio Adentro siphon money from government funds to pay Cuba for ineffective healthcare, it kept Venezuelans from studying medicine. The ability for Cuba to continue receiving oil payments so Chávez could maintain his ally was a more attractive plan than replacing Cuban doctors with Venezuelans. The superfluous spending to fund missions like Barrio Adentro bankrupted PDVSA and did not result in an improved healthcare system for impoverished Venezuelans. Instead, Cuban and Venezuelan healthcare diplomacy resulted in the humanitarian crisis the country currently experiences.

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http://www.nytimes.com/2016/05/16/world/americas/dying-infants-and-no-medicine-inside-venezuelas-failing-hospitals.html?_r=0.
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