

# **Researching-Acting-Reflecting On Public Health Services in Venezuela.**

## **I. A Conceptual Framework<sup>1</sup>**

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This is the first of a duology of articles reporting on an action research project about public health services in Venezuela. This first paper presents a summary of a conceptual framework from which a process of intervention was launched. The second paper, which follows immediately after the first in this special issue, presents a narrative of the intervention process and a final discussion about it.

The conceptual framework is constituted by two different types of interpretive models of the role of the state concerning health services. On the one hand, four “logical” interpretive models are summarized. They correspond to four different theories about the socioeconomic mission of the state in a modern society. Different thematic interpretations concerning the role of the state in health services are derived from such general missions. On the other hand, two different and, to a certain degree, opposed “historical” interpretive models about the present Venezuelan socioeconomic-political situation and their corresponding power structures are outlined. The four “logical” interpretive models are discussed in the light of the two “historical” models in terms of desirable and feasible courses of political action.

**KEY WORDS:** interpretive systemology; critical systems thinking; action research; health systems.

### **1. INTRODUCTION**

According to Venezuelan law, “all people have the right to health care. Public officials are responsible for the maintenance of public health and will provide the means for prevention and assistance to those who do not possess those means.” (Art. 76 of the Venezuelan National Constitution which embodies the rights of Venezuelan citizens —our translation). Now witness a medical report about a 13-year-old boy with a heart disease.

The boy lives in a small town near Mérida. His parents' monthly income is approximately \$32. Basic food requirements to feed properly a family like his for

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<sup>1</sup> A preliminary version of this first part was presented in Stowell et. al. (1993)

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one month cost \$170. He and his family live in a one-room hut. They are not covered by any kind of health insurance.

The boy complained of effort chest pain, his mother took him to the main public hospital in Mérida (“*Hospital Universitario de Los Andes*”). He was attended by a cardiologist. According to this physician, “the clinical examination and Doppler echocardiography demonstrate a severe aortic stenosis. A cardiac catheterization is needed to confirm this clinical diagnosis. If the catheterization confirms the clinical diagnosis, which is highly feasible, a surgical treatment will be indicated.” Now, in order to perform the cardiac catheterization in the **public** hospital, the boy’s family must pay \$330; otherwise they would have to pay at least three times that amount in a private medical center. If heart surgery is indicated they would have to pay about \$6500 at the local public hospital and much more at a private center. Bearing in mind the income of the family, it is obvious that the family cannot even pay for the catheterization.

The boy simply went back to his home town because his family did not have the money to pay for the medical procedure. According to the physician, if the initial clinical diagnosis is correct and the boy is not operated, his life expectancy is reduced to less than half.

This situation —according to public opinion (newspapers, interviews, etc.) and to field research performed by a team of graduate and undergraduate students of our research program (Indriago, 1991; Marín, 1992; Medina, 1992; Mendoza, 1992; Palomo, 1992; Rivero, 1992; Sánchez, 1991 and 1992;)— is common at public health centers. The state does not provide the means for health assistance to many poor citizens. Consequently, their constitutional rights are being continually violated by the state. However, this fact does not bring about a social upheaval, or even legal actions against the state. Furthermore, interviews with poor patients who go to public hospitals reveal that, even though they would like to receive free treatment (many of them cannot get it at all if it is not free), they do not really consider it a **right** (Cuiñas, 1993). On the other hand, according to 95% of the adult inhabitants of a wealthy neighborhood of Mérida, public health services should not be free (Mendoza, 1992). This opinion seems to match that of many government officials. Indeed, the official policy of the present government has a clear radical liberal bias: privatization of public services and no more free services (health, education, etc.).

Taking the above into account, the following judgments can be made concerning public health services in Venezuela:

1) The legal right that poor Venezuelans have to unpaid public health services is continually being violated.

2) Survey of public opinion seems to indicate that, although the poor have a legal right to free preventive and curative medicine, many people in Venezuela do not feel that such a right is **legitimate**.

The relationship between both these judgments leads us to question the social sense (or mission) and the legitimacy of public health institutions in Venezuela. In legal terms, the state is obligated to provide free preventive and curative medical

services to the poor. But, laws can be changed. So the question is: “Should the Venezuelan state provide free public health services? Why?” On the other hand, although present public health institutions do not seem to be accomplishing their legal mission, they do exist and, generally, provide a cheaper service than private health centers. What actual role are they playing in Venezuela? How do they contribute to the power structure of the country?

These questions concern both **possible** social senses of public health institutions and feasible interpretations of the **actual** sense of this sort of institutions in Venezuela. These are the type of questions to which Interpretive Systemology's research program on organizations is addressed and which merge into the question about the holistic interpretive sense of organizations.

The preceding paragraphs attempt to present the scenery prevalent when a research project on the sense of public health institutions in Venezuela was begun in 1991. What we pretend in the following is to give a short account of such a project and, particularly, of certain public actions whose initial articulation was made in terms of the theoretical framework developed during the first years of the project. This account is structured in two papers: the first one contains a summary of the theoretical framework and the second, a narrative of those public actions that began to take place later on. A discussion of such a narrative closes the second paper.

## **2. A THEORETICAL FRAMEWORK FOR AN INTERPRETIVE-SYSTEMIC STUDY OF PUBLIC HEALTH SERVICES IN VENEZUELA**

The construction of that framework was conducted along the methodological guidelines of Interpretive Systemology (Fuenmayor, 1991c). Although we do not have enough space here to provide either a detail account of such methodological guidelines or, even less, of their theoretical foundation (Fuenmayor, 1991a, 1991b, 1991c), in the following we shall comment briefly on the main methodological idea behind interpretive systemology's studies of organizations.

### **2.1 The Social Sense of an Organization**

As stated above, interpretive systemology's research program on organizations is addressed to “comprehending” their holistic interpretive sense. In methodological terms, such an inquiring purpose can be translated into the construction of an “interpretive systemic framework” for the discussion of the social meaning of an organization. An interpretive systemic framework is constituted by a debate between a plurality of “thematic interpretive contexts” (or, “thematic contextual systems”) and their different interpretations about the social sense of the organization under study. Each thematic interpretive context is a theory (or model) which makes a particular social mission for the organization meaningful and justified. In the present study about public health institutions, the interpretive contexts are “theories” about the role of the state in health services. Each thematic interpretive context produces a “thematic interpretation”, a discourse concerning the organization under study. This discourse both puts forward a desired (according to

the normative content of that particular context) state of affairs for the organization in question and judges its present state (again, according to each interpretive context's normative content). Obviously, the judgment about the present state of the organization has an empirical content. A debate is established between the different thematic interpretations. Each one defends its point of view in terms of normative and empirical claims based on its supporting thematic interpretive context.

The purpose of the systemic-interpretive framework and its debate is to open a space of possibilities and their justifications concerning the organization's social sense. Due to the critical nature of interpretive systemology, special attention is given to "oppressed interpretations"<sup>4</sup> and their supporting thematic interpretive contexts (Fuenmayor and López-Garay, 1991).

## **2.2 Logical Interpretive Contexts for Understanding the Social Meaning of Public Health Services in Venezuela.**

Should the state pay for health services? If so, to what extent and how? These are questions concerning the role that a (modern) state should play in health services. Logically speaking, such a role can be thought within a range that goes from a state that does not intervene at all in health services to a state totally responsible for and in absolute control of them. These logical possibilities (possible interpretations) concerning the role that a (modern) state plays in health services obtain their meaning in terms of the general role of the state in a society. In the late modernity, that general role is understood mainly in economic-political terms.

Following this line of argument, the "thematic interpretive contexts" concerning the role of the state in public health services must borrow their leading ideas from the theories developed by the science of political economy. Four "thematic interpretive contexts" or interpretive models were thus designed: "*socialism*," "*socialized liberalism*," "*radical liberalism*" and "*social Darwinism*." These contexts correspond to four different theories about the **economic-political** mission of the state in a modern society (*social Darwinism* being a limiting case).

Each interpretive model is composed of two parts: 1) a conception (theory) about the general (economic-political) role of the state; and, 2) the role of the state concerning health services. Obviously, as stated before, the second part is derived from—and is meaningful in terms of—the first part. Below we will first summarize the main ideas of each model;<sup>5</sup> and, second, present some general considerations regarding the boundaries between the models.

### *2.2.1 Social Darwinism*

**General Role of the State.** The state does not exist (this is why it is a limiting case). Society is considered to be an ecological niche ruled by the survival of the fittest. A systemic order that strengthens the stability of the human ecological

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<sup>4</sup> "Oppressed interpretations" are those which, from the point of view of the researcher, are rather concealed from public debate.

<sup>5</sup> For a more complete version of these models see Cuiñas D. (1993).

niche is generated by competition among individuals in a restricted environment. That order must not be disturbed by any kind of centrally imposed order (such as that represented by the state).

**Role of the State Concerning Health Services.** There is no role because the state does not exist. Access to private health services is restricted to those individuals who can pay for them.

### *2.2.2 Radical Liberalism*

**General Role of the Radical Liberal State.** The state watches over the competitive process so as to prevent any form of competition (i.e. violence) which is not given in terms of low prices and high quality and to preserve the legal right of citizens to have access to the market.

**Role of the Radical Liberal State Concerning Health Services.** Health care is subject to the laws of the market (under “healthy” competition), just like other services and goods, and must not be provided by the state. Official intervention would hinder the “natural” process of improving health services. Consequently, there should be no public health services. Access to private health services is restricted to those individuals who can pay for them. Obviously, as with any other service, the state watches over competition in health services and provides the legal means for citizens to defend themselves against malpractice.

### *2.2.3 Socialized Liberalism*

**General Role of the Socialized Liberal State.** In addition to the general role ascribed to the radical liberal state, the socialized liberal state (better known as the ‘welfare state’) must provide health, education and other basic social services to the all citizens who cannot pay for the corresponding private services. This is necessary in order to avoid monopoly and other forms of exaggerated concentration of power in a society.

**Role of the Socialized Liberal State Concerning Health Services.** Regarding private health services, the welfare state would play the same role as the radical liberal state. However, it would also ensure free services for those citizens who could not pay for them. This second function can be performed in two different ways: either by directly providing free public services, or, when there are only private services, by providing insurance for those who are unable to pay for them.

### *2.2.4 Socialism*

**General Role of the Socialist State.** The state owns all the means of production and manages all the production and service organizations of the society.

**Role of the Socialist State Concerning Health Services.** The state owns and

manages all types of health services. There are no private health services.

#### *2.2.5 The Boundaries of Social Darwinism. A Limiting Case.*

Liberalism and socialism are the political theories of modernity. Although socialism could be considered as both derived from and reabsorbed by liberalism, here it will be considered as a different model. *Liberalism and socialism are theories or doctrines concerning the **economic**-political role of the state whereby maximum social welfare is reached through a process of economic growth and industrialization.* There are two important points that should be highlighted in relation to the former statement:

- 1) The end guiding both liberal and socialist discourses is “social welfare.”
- 2) Both theories are based on the assumption that social welfare can be reached only by means of an accelerated process of economic growth and industrialization. Hence, the discourse generally loses sight of the end (social welfare) and refers solely to the role of the state so that the greatest economic growth rate can be achieved.

On the other hand, social Darwinism represents the negative limiting case concerning the role of the state: there is no state. Society is viewed as an ecological niche ruled by the law of the survival of the fittest.

#### *2.2.6 The Boundaries between Liberalism and Socialism*

**Liberalism.** The basic principles of liberalism can be summarized as follows:

1) Modern urban societies can reach a high degree of social welfare only by means of an accelerated process of economic growth and industrialization (as stated before, this basic principle is also shared by socialism).

2) The best way to reach a high degree of economic growth and industrialization is through “healthy” competition among private producers of goods and services (owners of the means of production). “Healthy competition” means that competition is given in terms of decreasing prices and increasing quality. Buyers will purchase those products and services which offer the highest quality and the lowest prices. Such “healthy” competition brings about an economic process of increased productivity and, hence, economic growth. Thus, the main economic role of the liberal state is to watch over this free and healthy competition. It must, on the one hand, provide the infrastructure for healthy competition; and, on the other, prevent any form of non-healthy competition. It is obvious that the greater the number and variety of competitors (“competitive variety”), the healthier the competitive process. Therefore, the state must avoid monopoly and oligopoly, which are the negation of healthy competition.

**Socialism.** According to the socialist interpretive context, private ownership of the means of industrial production should not exist. There should be common ownership (represented by the state) of the means of production and distribution. In this way, there would not be a surplus value that is alienated from the worker by the

owners. “The alienated character of the work for the worker appears in the fact that it is not his work but work for someone else, that in work he does not belong to himself but to another person.” (Marx, 1844, pp. 85-86). On the contrary, under common ownership of the means of production and distribution, the worker “would feel at home” (ibid.) and would thus be more productive. This increase in productivity would render more economic growth which, under a fair distribution system, would bring about more social welfare.

### 2.2.7 *The Boundaries between Radical Liberalism and Socialized Liberalism.*

The main principles of liberalism stated before are shared by these two forms of liberalism. The difference between the two interpretive contexts rests on two different interpretations of the role of the state in the preservation of “competitive variety.” According to radical liberalism, state intervention must be restricted to the prevention of any form of non-healthy competition (i.e. violence) and to the preservation of the legal right of citizens to have access to the market.

*In addition to* the previously described role of the radical liberal state, the socialized liberal state (or welfare state) must *also* watch over the conditions necessary for citizens to be skillful competitors. Accordingly, the state must provide education, *health* and housing services to those citizens who cannot pay for them. In this way, with their minimum basic needs being satisfied, individuals can become productive citizens. It is the claim of socialized liberalism that if the state does not watch over the minimum living conditions of all individuals, the number and variety of competitors will diminish and the threat of monopoly will endanger economic growth. On the contrary, radical liberalism would deny this assumption and hold that maintenance of high competitive variety would be a “natural” outcome of a “healthy” competitive system because it would “naturally” and in the long run provide welfare for the whole society.

## **2.3 Historical Interpretive Contexts for Understanding the Social Meaning of Public Health Services in Venezuela.**

The former interpretive contexts concern *any* modern (or would-be modern) society. They provide a general interpretive framework for discussing the meaning of certain public services, such as health and education, in *any* modern society. However, in this study we are interested in placing such a discussion on more specific ground, namely, on the social meaning and legitimacy of public health services *in Venezuela at present*. Therefore, we need an interpretive framework that furnishes different arguments supporting and rejecting the idea that “the state must provide free health services to those citizens who cannot pay for them”, not just in any modern society, but in a particular society living a *particular historical situation*. In other words, we must connect the general arguments of the *logic-type interpretive contexts* outlined above with a particular socio-historical situation. However, in terms of interpretive systemology's theoretical foundation (Fuenmayor 1991a, 1991b, 1991c) there is no such thing as *the* particular historical situation of,

say, Venezuela. A historical account is always a possible interpretation. Hence, the idea expressed above of “connecting the general arguments of the logic-type interpretive contexts with a particular socio-historical situation” means to relate the *logic-type interpretive contexts* to *historical-type interpretive contexts*. Let us see how such a relationship between these two types of interpretive contexts looks in the interpretive-systemic study of public health services in Venezuela.

Put in its most concrete terms, the point we are discussing in the study about health services can be stated in the form of two questions:

- 1) Should there be public health services for the poor *in Venezuela now*?
- 2) What is the actual meaning of public health services in Venezuela?

Concerning the first question, we have heard the general “opinion” of the four interpretive contexts outlined above. In particular, we have witnessed an abridged version of a general discussion held between socialized liberalism and radical liberalism. Now, if we allow judgments of fact in the discussion, new arguments come forward. For example, suppose that both positions (socialized liberalism and radical liberalism) accept as a “fact” that 44% of Venezuelan families have a monthly income lower than the amount needed to buy the minimum quantity of food to be properly fed (hereafter, this indicator of poverty will be called “critical poverty”). Suppose that they also agree that the richest 20% of the Venezuelan population receives 65% of national income, whereas the poorest 20% gets only 2.45%; and that 47.8% of the school age population does not go to school (OCEI, 1995). Under this assumed agreement, the argument of socialized liberalism becomes stronger: Such figures place competitive variety in real jeopardy. Forty-four percent of the population has minimum access to the market and are not even consumers of many basic goods. If competitive variety is in jeopardy, the whole liberal system is in jeopardy. Suppose now that an imaginary defender of socialized liberalism finds some “facts,” accepted as such by the defenders of radical liberalism, which support the following hypothesis: *“The formation of private capital in Venezuela does not behave according to the accepted laws of liberalism. Private capital originates rather from the gifts of corrupt governments to a few Venezuelans. Such “gifts” have been paid with oil income, which by law belongs to all Venezuelans.”* Such hypothesis would show the illegitimacy of both the “democratic” state (represented by would-be democratic governments) *and* the whole capitalist structure of the country. This claim of “illegitimacy” would be based on both the present legislation and on the fundamental principles of liberalism. Such hypotheses would weaken not only radical liberal policies, but, in general, any liberal policy to be applied in a country under those hypothetical conditions.

What these two examples show is that we need a new “plane” for our systemic interpretive framework in order to enrich and particularize the discussion concerning a specific public institution. This new “plane” would be constituted by interpretive contexts which account for the formation of capital, its distribution and the degree of legitimacy of the whole Venezuelan capitalist system. Two possible



interpretive contexts that fulfill this need are outlined below.

After the failed coup d'état attempted by a faction of the Venezuelan army on February 4, 1992, there have been intense discussions about the legitimacy of democratic governments in Venezuela. The opponents in this debate seem to believe that their political positions are radically different. Nevertheless, a hermeneutic examination of main public discourses (by politicians, businessmen, economists and other scholars, priests, leaders of community organizations, etc.) taking part in this debate shows a surprising result: Putting aside some circumstantial differences, most of those who participate in the main mass media seem to agree on a basic interpretive context concerning the historical development of the country's economic-political situation. This first (widespread) interpretive context will be called "Legitimizing the Private Sector and Illegitimizing the Public Sector." In order to see and draw the boundaries of such an alleged widespread interpretive context, it is necessary to draw another context that can serve as a contrasting background for the first one. The second (contrasting) context will be called "Illegitimizing the Entire Economic-Political Structure." Discourses belonging to this second context can be found in the more marginal regions of the public sphere; e.g. in some minor newspapers and in some rather unknown books. In the following, an outline of both interpretive contexts is presented. We will start by presenting the common "region" or common discourse of both contexts; i.e. a normative and empirical discourse which is shared by both interpretive contexts. Thereafter, the differences will be outlined. However, before introducing the "discourses" of the interpretive contexts, a clarifying note concerning the presentation of these discourses is due.

The discourses of the interpretive contexts and their thematic interpretations can be presented using two different discursive styles. On the one hand, the discourses might be presented as if they were seen from the outside by a sort of commentator or arbitrator. The logic interpretive contexts and their thematic interpretations were presented under this type of *external discourse*. On the other hand, the discourses of the interpretive contexts might be presented from the inside, as though they were delivered by an imaginary advocate or defender of that particular interpretive context. We will call this second style *internal discourse*. Concerning the following historical interpretive contexts, we will use both styles. In order to distinguish between the two, the *internal discourse* will be appear in *italics*.

### 2.3.1 *The Common Region between the Historical Interpretive Contexts*

There is a certain narrative which would be accepted by both contexts. Some aspects of this narrative would not be offered spontaneously by one or the other context because they would weaken its argument, but they would both accept their veracity. Now witness an outline of this common narrative.

*Venezuela has lived a period of uninterrupted (would-be) democracy (government elected at the public polls) since 1958. During this period, approximately 95% of national income has come from the sale of oil, which,*

*according to Venezuelan law, is state property. During this “democratic” period, the official discourse has pivoted around the intention of using oil revenues to finance an accelerated industrialization process within a capitalist or liberal system (Baptista and Mommer, 1987). Such an intention is grounded on the belief that, if such a process is accomplished, the country's economy would pass from a weak, monoproducer, rentist economy to a strong, diversified, capitalist, industrial economy.*

*Since the advent of democracy in 1958, government has been in the hands of two political parties with similar ideologies. They have developed a sophisticated “clientelist” mechanism for securing votes. By means of a very efficient hierarchical organization, these two political parties involve an important portion of the population in a complex system of individual compromises with the political party. Individuals feel that, due to their relationship with the party, they has received, are receiving or will receive a special “gift” (a job, a legal permit, a pile of bricks, a house, etc.) which they would not receive otherwise. Hence, the votes of individuals are conditioned on the possibility that they will obtain a special advantage through their personal relationship with persons who are attached, directly or indirectly, to the party. Obviously, the gifts and favors of the party have their origin in public property. The nature and cost of the gifts varies enormously according to the “importance” of the person. Whereas a peasant might get a few bricks or a simple promise for his vote, other “more important” citizens could get an apartment or a juicy contract for a public work.*

*Apart from the corruption involved in the clientelist system, many government officials have embezzled state funds.*

*A few figures will outline the crisis being lived in Venezuela for the past 15 years, after it had been one of the richest countries in the third world:*

*During this period the real salary of the working class was halved. The proportion of families living in conditions of extreme poverty tripled between 1984 (11%) and 1994 (36%). In 1995, the richest 20% of the Venezuelan population received 65% of national income whereas the poorest 20% got only 2.45% (Baptista, 1997). In 1994, 47.8% of the school age population does not go to school (OCEI, 1995).*

*During this period, both the absolute expenditure per capita on public health services and its relative proportion of the national budget was halved. Today, 14% of the infant population under two years of age presents clear signs of malnutrition and more than half of the population above 60 years of age does not have access to health services.*

*Below we will present the distinguishing features of each interpretive context.*

### *2.3.2 First Historical Interpretive Context: Legitimizing the Private Sector and Illegitimizing the Public Sector.*

*Democratic governments have embezzled and wasted a good portion of oil revenues. Corruption has taken place in three main ways: 1) The giving away of*

money to the population for demagogic purposes; 2) the acceptance of bribes from individual citizens and private companies, and 3) the use of state resources for private purposes.

Although the first type of corruption is not legally punishable because it takes the official form of “welfare programs,” it has been very harmful to the country, both in an economic sense and in a social sense. Economically, it has been a way of squandering the oil revenues that, otherwise, could have been invested in developing an appropriate industrial infrastructure. In the social sense, Venezuelans have been spoiled so that they have become lazy and have not learned to be hard and competitive workers. This bad quality of human resources has had terrible consequences for economic development.

The other two types of corruption, although legally punishable, have not been punished. Many politicians and officials have gotten away with their pockets full of money.

Apart from those forms of corruption, public institutions have been extremely inefficient. Among other things, they employ many more people than are needed, since employment is a way of buying votes.

Under these circumstances, two courses of action are necessary:

- 1) Direct action against corruption in the public sector.
- 2) Privatization of public enterprises. If public institutions and other state enterprises (health, education, water supply, mail service, oil exploitation and other mining activities, etc.) were owned and managed by private enterprises, corruption would diminish considerably and, in general, those organizations would become much more efficient. With more efficient organizations there would be greater economic growth. Greater economic growth would bring about higher demand for labor which, according to the “laws of the market”, would produce more employment and higher salaries. Consequently, the privatization process would give rise to greater social welfare in the long term. Otherwise, the country's economic growth and industrialization process would never take off. Without economic growth and industrialization there would always be poverty. Obviously, if public services are privatized, people would have to pay for them (in this way, they would learn their value). Unfortunately, at the beginning of this process, some people would not be able to receive these services because they could not pay for them. This sacrifice would, however, be necessary for the economic development process to take off and bring about social welfare in the long run. Public charity programs, disguised under a mask of “social welfare programs,” do nothing for the welfare of the population in the long run. They are nothing but a way of perpetuating the state of poverty for clearly demagogic purposes (getting votes in order to maintain the power of political parties).

In consequence, public health services should be subject to the market. “Healthy” competition among the different private health centers would bring about an improvement in the quality of their services. At the beginning, some people would not receive those services because they would not be able to pay for them. In the

*long term, however, most of the population would be able to pay as a result of their own efforts.*

Observe that the policy recommended by this historical interpretive context is founded, on the one hand, on a radical liberalist approach, and on the other, on the historical idea of the illegitimacy of the public sector versus the legitimacy of the private sector.

### *2.3.3 Second Historical Interpretive Context: Illegitimizing the Entire Economic-Political Structure.*

This second historical interpretive context is presented as a reaction against the first one. As its name indicates, the first historical interpretive context claims the illegitimacy of public management. However, according to the second context, such a claim is intimately linked to a dogmatic assumption, namely, the legitimacy *per se* of the private sector, i.e. the legitimacy of the formation of private capital in Venezuela. According to the second context, such a dogmatic assumption made by the first context can be clearly seen in its recommendations for action, in which the illegitimacy of the public sector is attacked from the platform of the legitimacy of the private sector. On the contrary, in the case of the second interpretive context, the illegitimacy of the public sector both is founded upon and has led to the illegitimacy of the private sector. How is this recursive relationship of illegitimacy possible? Following there is a summary of the argument of this second historical interpretive context.

*Venezuelan law and all its official discourse are based on the principles of liberalism. The officially declared intention of the state policy pivots around the idea of transforming the country into a modern liberal society. This means that the development of Venezuelan capitalism should take place according to the principles of liberalism. [This declaration of principles is supported by the two historical interpretive contexts]. However, this has not been the case at all. The formation of private capital in Venezuela is illegitimate in terms of the liberal principles by which it is pretended to be justified. Such an illegitimate formation of private capital has led to a concentration of power which allows a relationship of domination of the public sector and of the rest of society by the private sector. The pole of domination constituted by those private capitals has determined the political course of the country, thereby perpetuating the illegitimacy of the whole system.*

*Venezuelan private industry has never been competitive. Its wealth has **not** been the result of a healthy competitive system. Private capital has been accumulated under two mechanisms quite opposed to the principles of liberalism:*

*1) During the democratic period in Venezuela, specially in the seventies when oil prices suddenly increased, the state lent huge amounts of money to a few private entrepreneurs to make overnight purchases of large and highly sophisticated industrial structures. These were “key in hand” manufacturing systems, totally imported from developed countries (mainly the USA) and whose installed capacity was much greater than their actual production. These loans were given at very low*

*interest rates and, in many cases, they were never paid back. As a result of the protectionist policies of would-be liberal governments, the owners of these new and easily-obtained industrial structures did not have to worry about foreign competition. Moreover, the main sectors of the market were distributed among a few monopolistic enterprises that did not have to worry about domestic competition either.*

*2) The principal customer of many of these new enterprises was the government itself. Juicy contracts were negotiated through bribery with the result that the “customer” paid much higher prices than it would have through open bidding.*

*This was the way in which oil revenues were used “for industrializing the country.” The state's wealth was simply given away to a few Venezuelans. The following figures show the results of this process. At present, a 24% of the national income is used to the service the public foreign debt of Venezuela (García, 1997). Such debt is approximately \$34 billions (Country Report of The Economist Intelligence Unit, 1992). Besides this, **24 Venezuelan businessman have accumulated \$58 billions in foreign banks during the past 15 years**—almost twice the entire foreign debt (El Nacional, October 19, 1992). In the meanwhile, 69,9% of households live in conditions of poverty (Agroplan, 1994). The point is that most of the private capital accumulated under the official policy of using oil revenues to industrialize the country has emigrated out of Venezuela. As a matter of fact, according to Baptista (1991), whereas private benefits have increased throughout the history of Venezuelan “democracy,” private investment has decreased in the last 20 years and worker's real salaries have been cut in half during that period.*

*The ways in which this illegitimate power structure is maintained in violation of the rights of most Venezuelans are roughly these:*

*a) Almost all the mass media, television in particular, is in the hands of the country's most powerful economic trusts. In a society with little political “culture,” the media can manipulate public opinion with great ease. The private sector hand out fabulous sums of money to finance the electoral campaigns of the two main parties. Setting up an “election carnival” every five years, the two major political parties hide their community of interests with the capitalists from the population.*

*b) As commented above, in order to cover up their illicit enrichment, private entrepreneurs pay bribes to public officials. Inasmuch as a bribed official loses his right to monitor and control powerful groups, which lessens the rights of the common citizen, corruption mechanisms become an effective way of maintaining an unjust social order. Paradoxically, a vicious circle is closed when the bribed officials (perhaps without their knowledge) are exploited by the same order they are helping to maintain. The system of corruption itself reflects the great social unbalance in Venezuela because while for some high-ranking officials and politicians the spoils (products of corruption) amount to millions of dollars, the smaller public employees' booty does not go beyond a few hundred. However, both are equally compromised with the bribe mechanism and the loss of their rights and dignity as citizens.*

c) *Public institutions also contribute toward hiding and supporting this stabilizing system and thereby toward maintaining the dominant power structure. For most of the population, these institutions are major sources of expectations for bettering their conditions of life. Public health services are an example of this.*

d) *The clientelist system described above, by means of which political parties maintain direct control over the votes, has also been a very effective mechanism for maintaining the power structure.*

e) *Finally, police repression has played its role. For example, the government's repressive forces killed about 1,500 persons during the two-day outburst of popular protest that took place in February, 1989.*

Now we can, from the perspective of this reactive historical interpretive context, discuss the course of action recommended by the first historical interpretive context.

Remember that the main course of action recommended by the first historical context was the privatization of public enterprises (including health services) and the elimination of welfare programs, which were considered as unjustified public charity with demagogic purposes. According to the first interpretive context, this giving of public alms to the poor did not really remedy poverty. It was considered to be a demagogic strategy to perpetuate the illegitimate public sector, as well as a very bad lesson for a population that must learn to earn its living conditions through its own efforts. The arguments were obviously based on a “radical liberalist” approach and on the assumption of the legitimacy of the private sector versus the illegitimacy of the public sector.

From the perspective of the second historical interpretive context, the course of action recommended by the first context is seen as the final step in the process by which the powerful Venezuelan economic trusts will take absolute control of the country. The “internal discourse” of the second interpretive context would then proceed as follows.

*The source of legitimacy in the normative discourse of the first context is the private sector. If that source of legitimacy is shown to be a mere illusion, the whole normative content of that discourse loses its legitimacy. A private sector whose capital has been accumulated through robbery of the public wealth cannot claim the illegitimacy of a public sector. Obviously, from this perspective and even accepting the principles of liberalism, the idea of present sacrifice by the poor for the sake of the future is totally meaningless. The argument supporting such an idea is based on the assumption of the existence of a competitive industry (which would be the country's source of wealth) and of a modern rational state which would protect the rights of its citizens. However, in Venezuela there is neither a competitive industry that provides wealth nor a modern rational state based on the notion of “rights”. On the contrary, the state has been an instrument of a very few Venezuelans to expropriate a good part of the oil income (which, by law, belongs to all the Venezuelans). Under these circumstances, every dollar not spent by the state on public services will be used, not for reinforcing a productive industry, but for filling*

*the pockets of a few owners of economic trusts and of corrupt politicians.*

*In summary, [according to the second interpretive context], the whole Venezuelan economic-political system is totally illegitimate in terms of its own liberal principles. The only way out seems to be a drastic social revolution of the poor masses in order to install a modern state with equal rights for its citizens.*

Observe that the argument of the second historical interpretive context could be based on either socialism or liberalism. If it is based on liberalism, a **socialist revolution might be seen as a first step toward reaching the social conditions of competitive variety necessary for a liberal system.**

*However, a successful social revolution of the poor seems impossible at present. On the one hand, among the profound historical transformations taking place in the crisis of modernity, the modern notion of justice, which served as the main ideal for the social revolutions of the past 200 years, is rapidly fading away.<sup>6</sup> On the other hand, the international power structure would not allow such a revolution. If a social revolution were to take place, the country would be immediately invaded by the United States armed forces, supported, passively or actively, by the governments of other developed countries.*

So, what course of action can this second context propose if it accepts that, **at present**, a social revolution is not feasible? The replies from the defenders of this context, among which the authors count themselves, could be schematized in the following manner:

1. There are those, more radical, who believe that the only thing to do is to continue a persistent and radical critique (which includes a continuous inquiry into the situation) so as to prepare the conditions for a revolution.
2. There are those who think that some other type of intervention is (also) appropriate in order to alleviate local conditions affecting some people —i.e. those related to health services in a particular region.

The first group thinks that the kind of intervention espoused by the second group is only a half-measure, which helps to disguise the illegitimacy of the whole system. In the face of this argument, the second group subdivides into two further groups:

2.1 Those who think that public charity (i.e. organize collections of money from citizens in order to pay for, say, a particular medical procedure) is the only way to alleviate the suffering of some of those who cannot pay for health services.<sup>7</sup> They discard the possibility of a revolution as utopic. This sub-group gives little credit to the sort of critique praised by the first group. In turn, according to the first group, public charity is one of the best ways to perpetuate the unfairness of the system.

2.2 Those who does not discard the convenience of a future revolution when the conditions for its possibility are riper. They do not neglect the importance of public

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<sup>6</sup> For a more detailed discussion of the crisis of the modernity see Fuenmayor (1997).

<sup>8</sup> Many of those who make public charity in this sense feel more at ease with the first historical context; however, we are here considering only those who, in spite of spousing the historical account of the second context, feel that charity is the most viable action at their hands.

critique, but think that there is also a valid course of action very different from public charity, namely, political and legal intervention through community organizations. In this way, they would help the poor to organize themselves and claim their rights to public health services.

As already commented, although this position does not deny the importance of critique in the form of public discourse (newspaper articles, mass media presentations, books, public talks), it considers that *such critique would have much greater emancipative power if the critical discourses were orchestrated and articulated through a practice of community political action*. Under this way of seeing things, one of the authors of this paper became involved in a course of intervention briefly narrated in the second article of this duology.

### 3. CONCLUDING REMARKS

A problem was posed: that of many poor people (among which there are many children) in Venezuela who do not have access to any sort of health service. A conceptual framework to discuss the problem was presented. This is a conceptual space inhabited by different ideas and their arguments. From their various perspectives, the problem and the goods to which it is associated can be seen in different ways. Furthermore, they can be debated. The debate was performed. The authors took sides by a way of seeing the problem and the arguments that support it. Everything is ready for a first attempt to intervene in the public arena. Everything is ready to begin the second paper of this duology. Under different discourses and through different media (newspapers, radio, TV, public talks), the conceptual framework will be released on the public arena. Thereafter, two main courses of social action will be intended. After the tempest, after some success —illusion?— and a deep failure, the calm reflection will come back.

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