

Food changes and food security: main effects of economical and trade policies on Venezuelan consumer, 1990-2002

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Abstract

During XX Century Venezuela lived deep changes in the territorial, political, social and economical scope. Since a rural and farmer Venezuela, which prevailed until almost 1940 decade, it became in a urban country with growing modernity demands. Those changes were promoted mainly when alter being an agricultural exporter economy, Venezuela was converted in an oil exporting country. After continuous improvements in the terms of partition of industry profits between government and foreign oil companies, the level of public income significantly increased until finally, in 1976, the oil industry was nationalized. This success rebounded in favorable way in the public expenditure level, producing a dynamic effect on all the Venezuelan productive sectors and increasing the living level of the Venezuelan average habitant.

Until the beginning of 1980's decade Venezuela showed a clear growing tendency in food consumption. However, this situation begun to change when the contradictions related with the capitalist accumulation model based on oil rent became evident, forcing the country to introducing important changes in policies and functioning forms of its economy (Anido and Gutierrez, 1998). The most important effects can be observed in the food and nutritional deterioration of Venezuelan people, measured by the Food Consumption Availability (FCA) per capita at retail level. The main reasons which explain this result were the decreasing values of domestic food production as well as the intermittent behavior of food imports levels along these years, as a result of persistent devaluation practices of exchange rates and the resulting deterioration in the terms of trade. However there were some slight improvements in the food situation at the beginning of 1990's decade, as consequence of the implementation of the Structural Changes Program based mainly in control reduction and trade opening.

Based on FCA data (INN-ULA, several years), the Weight-for-Height, Weight-for-Age and Height-for-Age indicators (INN, several years) and some macroeconomics variables, the

first part of the article describes and analyzes the most important changes which happened in food domestic production, food consumption and food imports in Venezuela, as well as the main effects of public policies on the food security situation of the country (specially in the last fifteen years). In the second part, by using Household Budget Surveys (IIES-BCV, 1988; BCV, 1998) the author estimate linear demand systems in different decades (based on the Stone Linear Expenditure System), to explain the budget assignation of average Venezuelan consumer in the whole categories of goods and the main changes in his consumption preferences, particularly in the case of food goods.

The main results allow confirming that even when the food availabilities covered the minimal average requirements of food energy and nutrients along the studied period, there were deficiencies in some years. Moreover, as a result of the relevance of prices and income concentration levels in explaining food demand in the country (Anido and Gutierrez, 1998), the calorie and nutrients intake had deteriorated in accented way in the poorest stratum of population. It can be observed if anthropometrical indicators of child population along the 1990's decade are analyzed, showing an increasing part of the children with values under the standards four the country (even the situation among states is very heterogeneous). Such situation reveals the great food insecurity risk, especially in the poorest people, explained mostly because the social programs applied to reduce it temporally have not been widely effective. Finally, the research found that in a decreasing real-income situation combined with persistent inflation situation, the Venezuelan average consumer tries to keep his food consumption reassigning his budget among the different goods categories and increasing his food expenditure. Into this last kind of good he moved to the cheapest suppliers of calories.

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