

Venezuela Without Chavez

By [The Moscow Times](#)

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Up until the late 1990s, Venezuela experienced profound economic problems and declining living standards. It was the people's deep disappointment in the political leadership at the time that enabled revolutionary and left-wing populist Hugo Chavez to win the presidential election in 1999.

Chavez offered Venezuela's large number of poor villagers and urban residents a simple contract. In return for their electoral support, they would receive a share of the country's oil revenues along with generous social benefits, such as free health care and education, along with food items at low prices fixed by the state.

During those years of "Bolivarian socialism," hundreds of thousands of people were able to move out of their shanties and into relatively decent housing. From 2002 to 2011, the number of Venezuelans living in poverty fell from 49 percent to 30 percent, and the average number of years of education each child received rose from six to 7.6.

Chavez reformed social policy and restructured the country's institutions, eventually earning

him international status. The Comandante, who understood as well as any autocrat that control over the country's main television networks was a crucial tool in consolidating political power, shut down private television companies that were critical of his government and forced the owners of other stations to change their editorial policies or face closure as well. Venezuelans were treated to expansive, daily television coverage of Chavez, including a weekly program called "Hello, Mr. President," which on average ran about six hours per showing.

Medium and large Venezuelan businesses experienced serious difficulties, and many were nationalized. In addition, a law was passed to fight "unreasonable profiteering," according to which an army of state auditors was charged with checking prices charged by manufacturers and retail chains. The law stipulated that first-time violators could be fined up to \$300,000, and repeat offenders risked losing their property.

Chavez transformed his country into the global headquarters of anti-capitalist and anti-U.S. populism and provided economic and ideological support to like-minded socialist political forces. Leftist parties that won elections in Bolivia, Ecuador and Nicaragua emulated the Venezuelan economic and political models by establishing control over domestic mass media, businesses and civic organizations, as well as cracking down on opposition leaders and groups.

Cuba was the top recipient of Venezuela's generous oil assistance. In return, Havana provided Caracas with military and political advisers who played a significant role in running the country. Venezuela's circle of friends grew to include China, Iran, Belarus and Russia.

The high price of oil was one key to the success of Chavez's rule. But politicizing society and the business community often leads to economic problems, even in an oil-rich country like Venezuela. According to Viktor Semyonov of the Russian Academy of Sciences' Latin America Institute, many Venezuelan businesses that had been profitable became money losers after they were nationalized by Chavez.

To overcome the effects of the economic crisis and to fulfill its social commitments, Venezuela resorted to massive borrowing. The national debt rose to \$32 billion, and inflation reached 18 percent in 2012, one of the highest rates in Latin America. It will be interesting to see how leftist regimes dependent on Venezuela fare now that their patron saint has died.

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