

ACC Policy Report Series

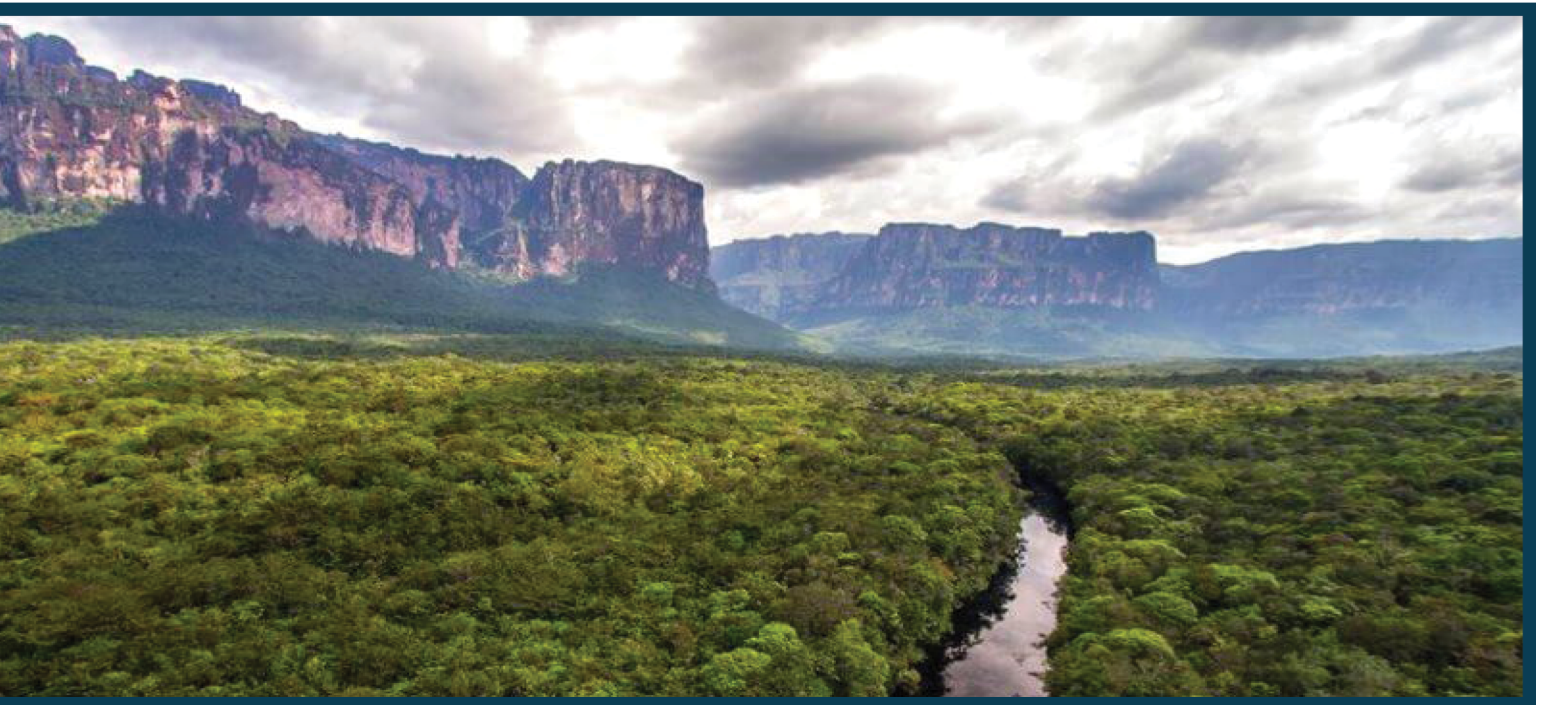
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American
Conservation
Coalition



Venezuelan Socialism is Destroying the Environment

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What is ACC?

The American Conservation Coalition (ACC) is a 501(c)(4) nonprofit organization dedicated to educating and empowering conservatives to re-engage on environmental conversations. ACC believes that economic and environmental success can go hand in hand. Where other environmental groups have disenfranchised those who are right-of-center, ACC seeks to activate the conservative movement on the grassroots, state, and federal levels -- bringing forth bipartisan discussions on environmental topics that impact us all.



About ACC Policy

The American Conservation Coalition is changing the narrative on environmental discussions through the promotion of free-market and pro-business environmentalism in legislatures, college campuses, the political arena, and beyond. ACC Policy is committed to curating the most important content from today's political discourse to educate thought leaders, staffers, and conservationists alike on critical environmental issues.



Contact Information

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Introduction

Over the past 20 years, Venezuela has plunged into economic and political disarray. Once one of Latin America's richest countries, Venezuela's socialist journey, initiated by Hugo Chavez and fueled by oil dependence, has completely incapacitated the nation and left behind a legacy of economic failure, corruption, and environmental degradation. The following report aims to shed light on the ramifications of Venezuela's closed economic system, most notably, how socialism has debilitated the resource-rich country and created a system incapable of curbing ecological calamities.

Background

Many observers characterize Venezuela as a "petrostate," an informal term referring to a country whose "income is deeply reliant on the export of oil and natural gas."¹ Venezuela's economic fortunes and pitfalls have been bound to the price of oil for most of the country's modern history, a dependency that worsened after Hugo Chavez was elected president in 1998.

Chavez campaigned on a socialist platform, pledging to use Venezuela's vast oil wealth to reduce poverty and inequality, and gain the support of the working class.² His early years were successful in this regard: rising crude oil prices in the 2000s enabled the expansion of social services and a rise in minimum wages, effectively lifting many Venezuelans out of poverty.³ Additionally, he tried to expand Venezuela's influence abroad through PetroCaribe, a program that allowed Caribbean Basin countries to purchase subsidized oil.⁴ In tandem with these policies, Chavez moved the economy in a less market-oriented direction by nationalizing hundreds of private businesses and foreign-owned assets, reducing the country's capacity to produce anything but oil.⁵ In effect, government spending was misdirected – aimed at gaining the support of the working class rather than promoting economic productivity or diversification.

Chavez's pursuance of "21st century socialism" is characterized by a "dramatic concentration of power and open disregard for basic human rights practices."⁶ The late president set the stage for Maduro's dictatorship; he ended term limits, took control of the Supreme Court, harassed the press, and closed independent news outlets.⁷ His economic and social policies left a legacy of declining oil production, combined with massive debt and high inflation, leaving the country even more inept to deal with the fluctuations of the boom-bust oil sector.

¹ <https://www.cfr.org/backgrounder/venezuela-crisis>

² Ibid.

³ <https://www.aljazeera.com/news/2019/02/brought-venezuela-economy-ruin-190201152238535.html>

⁴ <https://www.cfr.org/backgrounder/venezuela-crisis>

⁵ <https://www.bloomberg.com/quicktake/venezuela-price-revolution?sref=dm1Fvk5v>

⁶ <https://fas.org/sgp/crs/row/R44841.pdf>

⁷ <https://www.cfr.org/backgrounder/venezuela-crisis>

The realities of this mismanagement came to a head in 2014 when global oil prices tumbled and Venezuela's economy went into free fall. Some economists consider Venezuela's massive economic deterioration as the "single largest economic collapse outside of war in at least 45 years and more than twice the magnitude of the Great Depression of the United States."⁸ Bret Stephens, a New York Times columnist, sums up the Venezuelan experience as a predictable result of socialist policies. He explains that:

"Government overspending created catastrophic deficits when oil prices plummeted. Worker co-ops wound up in the hands of incompetent and corrupt political cronies. The government responded to its budgetary problems by printing money, leading to inflation. Inflation led to price controls, leading to shortages. Shortages led to protests, leading to repression and the destruction of democracy. Thence to widespread starvation, critical medical shortages, an explosion crime, and a refugee crisis to rival Syria's."⁹

What does this mean for the environment?

The fragile economic and political state of Venezuela, as discussed in the previous section, has allowed environmental degradation to take a backseat to more pressing humanitarian issues. While there is no denying the plights of the Venezuelan people, issues related to conservation, natural resource management, and access to ecosystems are vital to the stability and prosperity of a country. According to the United Nations Environment Program (or UN Environment), achieving peace by taking natural resources and the environment into consideration "is no longer an option – it is a security imperative."¹⁰ Similar sentiments are expressed by Andrew Holland, chief operating officer of the American Security Project, who notes "climate change is never going to be the one thing that causes war or that causes a government to fall or that drives migration, but it is a factor within that that makes all of the other factors more difficult."¹¹

Mismanagement in action

Much of Venezuela's last decade has been marked by a severe and persistent drought, an occurrence that scientists say will become more frequent due to global warming.¹² According to Venezuela's Ministry of Electricity, between 2013 and 2016 Venezuela's rainfall measured 50 percent to 65 percent lower than normal.¹³ This rainfall deficit left the country dry and dramatically reduced Venezuela's capacity to generate electricity via its hydroelectric power generators. Maduro tried to cope with the outages through compulsory three-day weekends. On top of the devastating effects of Maduro's policies and declining global oil prices, these

⁸ <https://www.nytimes.com/2019/05/17/world/americas/venezuela-economy.html>

⁹ Ibid.

¹⁰ <https://www.wola.org/analysis/environmental-security-venezuela-solution/>

¹¹ <https://www.scientificamerican.com/article/where-climate-change-fits-into-venezuela-s-ongoing-crisis/>

¹² Ibid.

¹³ <https://www.circleofblue.org/2016/world/venezuela-drought-aggravates-instability/>

mismanaged shortages debilitated the Venezuelan economy, cut agricultural output and inhibited the lives of ordinary people.

Retired Lieutenant Commander, Oliver-Leighton Barrett, a senior research fellow at the Center for Climate and Security explained that it is “obvious that Venezuela’s governments’ poor decision-making prior to, and in response to, water scarcity contributed significantly to millions of Venezuelans leaving their homeland in search of better lives in neighboring states.”¹⁴ It follows that Maduro’s mismanagement of this ecological stress has acted as a multiplier of other food, water, and energy scarcities, aggravating pre-existing vulnerabilities and weaknesses.

Mining

The ramifications of a desperate and economically flailing Venezuela reached new heights in 2016 when Maduro signed an executive order initiating plans for the Orinoco Mining Belt, or Arco Minero del Orinoco. In a last-ditch attempt to stimulate the economy, Maduro designated a 43,183 square-mile swath of Amazon rainforest into a “Special Economic Zone” devoted to large-scale mining projects run by national and multinational corporations.¹⁵ Maduro assigned special military protection to these zones, authorizing the armed forces to participate in all mining activities, while also increasing their operational capabilities inside the region. The ubiquitous presence of the military in civil society is nothing new for Venezuela. Business and the army are often closely linked, a trend emerging with Chavez, with active or pensioned high-ranking military personnel serving on about 30 percent of known public company boards.¹⁶ By implicating the military in this project, Maduro is facilitating impunity for himself and his cronies, and essentially, legalizing environmental degradation.

The area Maduro slated is substantial, encompassing about 12 percent of the nation's territory. It hosts seven national monuments and five national parks; the most significant of these is Canaima National Park – a 12,000-square-mile UNESCO World Heritage site.¹⁷ The transformation of this largely wild landscape into a mining zone has meant the destruction of thousands of acres of dense jungle, of which is home to millions of species and essential sources of water necessary for generating hydro-energy.¹⁸ According to the Amazon environmental information network, RAISG, Venezuela is the only country where Amazon rainforest deforestation rates increased between 2000 and 2013.¹⁹ A study conducted by Red Era, an aggregate of Venezuelan environmental groups, found that 92 percent of the women from the Yé'kuana and Sanema Indigenous communities had mercury levels above the 2-milligrams-per-kilo limit established by the World Health Organization.²⁰

¹⁴ <https://climateandsecurity.org/2019/02/07/drought-mismanagement-and-political-instability-in-venezuela/>

¹⁵ https://www.earthisland.org/journal/index.php/magazine/entry/arc_of_desperation/

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ <https://theconversation.com/why-global-environmentalists-are-silent-on-venezuelas-mining-crisis-98043>

¹⁹ https://www.earthisland.org/journal/index.php/magazine/entry/arc_of_desperation/

²⁰ Ibid.

It is important to remember the chain of events which led to these disastrous mining policies. Chavez's socialism effectively incapacitated the resource-rich nation, not only creating a system incapable of curbing ecological calamities, but one which engages in ecocide for short-term financial gain. Venezuela's economic, political, and environmental problems go even deeper than the Orinoco Mining Belt; given the ineptness and carelessness of Maduro's government, who knows when Venezuela will begin to recover. Underscoring the irreversible damage these policies have on Venezuelan ecology is Juan Carlos Sánchez, co-winner of the 2007 Nobel Peace Prize and an expert with the UN's Intergovernmental Panel on Climate Change. He explains that "mining will produce an immediate benefit" but once the mining stops the region be left without clean water and forests. "You will lose everything."²¹

Lack of transparency

The systemic issues arising from Venezuelan socialism go further than poor crisis management. It has been increasingly difficult to measure, assess and protect the nation's environment due to a veil of secrecy regarding environmental and scientific statistics.²² Many vital government environmental and social indices have been hidden from public view, including updated data on inflation, unemployment, crime, deforestation, ecosystem and wildlife endangerment, mining, water and air quality, pollution, climate change, energy, national fisheries, and more.²³ This trend towards data secrecy has intensified dramatically under the government of Nicolás Maduro, effectively debilitating researchers, regulators, NGOs, activists, courts, and other institutional bodies who attempt to track these environmental indicators.²⁴

This lack of information widely contrasts with the former presidency of Hugo Chavez, in which many macroeconomic and social indexes were disseminated publicly to boast social and economic advancements. Professor Alejandro Álvarez Iragorry of the Climate 21 Coalition attributes Maduro's extreme censorship to the embarrassing state of Venezuela's domestic affairs. The catastrophic economic crisis, terrible financial insecurity, and massive outflux of Venezuelan's (more than 4 million people have left the country)²⁵ reflect poorly on Maduro's socialist regime.²⁶

Little international attention

Interestingly, though Venezuela has been a hotbed for environmental degradation there is little attention from the international community condemning these actions. Typically noisy environmental groups, including Greenpeace and the World Wildlife Fund, have generally been silent. A theory offered by Isaac Nahon-Serfaty is that Chavez's "leftist revolution" which favored the poor, has granted Venezuela a benevolent image, exonerating it from suspicions of

²¹ Ibid.

²² <https://news.mongabay.com/2019/10/venezuelan-crisis-government-censors-environmental-and-scientific-data/>

²³ Ibid.

²⁴ Ibid.

²⁵ <https://www.npr.org/2019/06/07/730687807/u-n-says-more-than-4-million-people-have-left-venezuela>

²⁶ <https://news.mongabay.com/2019/10/venezuelan-crisis-government-censors-environmental-and-scientific-data/>

ecocide.²⁷ In this sense, international organizations who promote socialist values are choosing to ignore the realities of Venezuela's environmental spiral in order to leave the socialist name untarnished. This theme of indifference is commonplace on the left and, in some cases, dark sides of Chavez's regime seem to be encouraged. In a lengthy obituary in *The Nation*, New York University professor Greg Grandin held that "the biggest problem Venezuela faced during his rule was not that Chávez was authoritarian but that he wasn't authoritarian enough."²⁸

This indifference is not only worrisome – it is irresponsible. Some have argued that these leftist ideals have influenced academia, disproportionately favoring one side of the debate. Venezuelan professor Gisela Kozak Rovero notes that "the appropriation of leftist discourse...has allowed the Bolivarian revolution²⁹ to build alliances with academics in different latitudes and the promotion of militancy disguised as research..."³⁰

Conclusion

The larger lesson of Venezuela's catastrophe is a blaring red flag against socialism and government intervention. Not only did these strategies fail the once-rich nation – they facilitated its demise. Widespread nationalization of private industry, currency and price controls, and fiscally irresponsible expansion of welfare programs ushered in a system plagued by mismanagement and incapable of tackling major humanitarian and ecological crises. The environmental complications of this negligence act as a multiplier; exacerbating already dire political, social, and economic circumstances and creating a worse situation for the people of Venezuela.

²⁷ <https://theconversation.com/why-global-environmentalists-are-silent-on-venezuelas-mining-crisis-98043>

²⁸ <https://www.thenation.com/article/archive/legacy-hugo-chavez/>

²⁹ A term used to describe Chavez's plans to give back to the poor.

³⁰ <https://theconversation.com/why-global-environmentalists-are-silent-on-venezuelas-mining-crisis-98043>