



## A brief History of Venezuela that is ignored by Western Media

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**Gregory Wilpert (GW):** It's The Real News Network and I am Gregory Wilpert. Almost every time U.S. media talk about the current political and economic crisis in Venezuela—the hyperinflation, the food shortages, and the political polarization—they like to say that Venezuela once was a rich and ‘exceptional democracy.’ But according to them, all of that changed when Hugo Chavez was elected in 1998.

**Andrea Mitchell (AM):** This was once this prosperous democracy; a jewel of Latin America 20 years ago before Chavez, who has then succeeded by Maduro, who is in his regime, in his administration, and it has been a disaster on all counts, both democratically and certainly economically.

**GW:** But what was Venezuela really like before Chavez? And why did Venezuelans elect him in the first place? Contrary to popular opinion, most political scientists called Venezuela before Chavez became President a “pacted democracy.” What they mean is that in the 40 years between the end of Venezuela’s last dictatorship under Marcos Perez Jimenez, in 1958, and Chavez’s election, in 1998, Venezuela was a limited democracy. Unlike in most of Latin America in the 1970s and the 1980s, there were regular elections. However, these elections were often marred with fraud, corruption, and political violence.

Economically, Venezuela went through a tremendous boom period in the early 1970s, when OPEC imposed an oil embargo and the price of oil quadrupled in a year. Oil provides almost all of Venezuela’s export earnings. As a result, Venezuelans and the rest of the world believed Venezuela would join the first world in little to no time.

All of that changed though in the 1980s, when the price of oil declined and Venezuela faced several economic crises, which led to higher poverty rates and inflation. The most important sign that something was wrong took place in 1989, when then-president Carlos Andres Perez unexpectedly imposed IMF Structural Adjustment program and lifted the price controls and subsidies on gasoline, transportation, and bread. Poor Venezuelans were outraged. Their incomes had already been declining due to inflation and now a newly elected president

wanted them to pay more. Riots erupted throughout Venezuela. President Perez immediately cracked down by sending the military into the so-called barrios, the poor neighborhoods, where they shot people at random, in what came to be known as the “Caracazo.” After a week of the military’s violence, over 400 people—some say as many as 3,000—were killed. The events, which took place in February to March 1989, got practically no international media attention – quite in contrast with the overwhelming attention the protests in China got a few months later.

For many Venezuelans, including Hugo Chavez, who was a mid-level military officer at the time, the Caracazo was proof that it would be impossible to change Venezuela by way of its limited democracy. Chavez thus began to plot the overthrow of Carlos Andrés Perez. Three years later, in February 1992, he was ready and tried to take over the government. The attempt ultimately failed, but Chavez became a folk hero when he went on television, taking responsibility for the failure, and adding that it was only “for now.”

In the next presidential election, in 1993, candidates realized that Chavez had become a popular figure and the eventual winner of the election, Rafael Caldera, gave Chavez amnesty. Venezuela then lurched into another economic crisis. Poverty rose to unprecedented levels of as high as 50 percent and the price of oil dropped to as low as \$8 dollars per barrel. Chavez began touring the country and working on a political program. By 1998 he was ready and campaigned on a platform of making a radical break with the country’s past. He did not promise socialism, but said he wanted to create a participatory democracy, with social justice.

Chavez ended up being elected with one of the largest margins of victory in Venezuelan history until then, with 56 percent of the vote. He was sworn into office on February 2, 1999.

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