

## **How we lost democracy: Lessons from Venezuela** **By Miguel Angel Santos**

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I come from a family of immigrants. My father was born in rural Galicia, Spain, in 1933; he spent most of his childhood and adolescent years under an iron-fist dictatorship, a country marred by economic hardship in the aftermath of a bloody civil war. His mother died when he was twelve. He managed to graduate from high school and was among the few accepted into the University of Santiago de Compostela, one of only four universities existing in Spain at the time. But neither he nor my grandfather had enough money to pay for his living expenses in Santiago.

Hence, when he turned seventeen, my father decided to follow the footsteps of his brothers, who had previously sought their fortunes outside of Franco's Spain. He borrowed from an elderly aunt in order to buy his ticket and boarded the *Julio Cesar*, a transatlantic voyage to Montevideo. From Uruguay he bounced to Argentina, where he was kicked away by General Peron back to Uruguay, before finally landing in Venezuela in 1958. His arrival would coincide with the overthrowing of a cruel military dictatorship and the beginning of a political system that would be considered a poster child of democracy, human rights, and economic progress for the following twenty years.

In Caracas, my father met and almost immediately married my mother, who had made her way from Morocco, where she had been born during the period of the Spanish Protectorate. They both worked very hard to raise their four children in much better conditions than those of their own childhoods.

I treasure early memories from our visits to my father's brothers, my uncles, who had settled in Argentina and Brazil, countries then shattered by military dictatorships and hyperinflation. My father considered himself lucky for having settled in Venezuela, a place – he kept on repeating – “with a stable currency, a rampant economy, where you can achieve anything you want with hard work and determination.” I still remember the soft tone of his voice, his repeating the syllables distinctively to emphasize his points, and the spark in his blue eyes when he referred to Venezuela.

As a child, I remember being puzzled by his remarks: I thought that it was axiomatic in every place in the world that thriving in life was just a matter of hard work. The years ahead would only prove how wrong I was, but I am getting ahead of myself.

Back then Venezuela was experiencing the most spectacular economic growth of any country between 1950 and 1977: Income per capita grew at a rate of 2.9% a year for a grand total of 111%.

As he had been deprived from the opportunity to attend university, nothing made my father prouder and happier than attending his children's commencement and graduation ceremonies. But by the time I finished my graduate studies the country was already in free fall.

In the twenty years spanning from 1978 to 1998, income per capita fell sharply, losing 25% of its 1977 peak level. Once one of the world's greatest success stories turned into one of the most spectacular growth failures. We, the privileged ones, lucky enough to have hardworking parents who cared about our education and invested heavily in us, barely noticed the steep decline. As it tends to happen, the loss was unevenly distributed across social strata.

Oblivious to the social pressure pot that was mounting, I decided to follow the advice of my parents and went to work in the private sector. "You will have stability, they will pay better; you will be able to raise a family". They were prescribing the same recipe they have followed; unaware of the fact that the underlying social, political and economic conditions were changing dramatically. We received many warning signals, but decided to ignore them.

We chose to ignore the massive riots of 1989 and the two failed coups staged by Hugo Chavez in 1992. In spite of the fact that all these events had massive approval amongst the population at large, once they were somehow suffocated, we went on living our lives as usual.

Without realizing it, I was following the path so many of my comrades had taken. We considered ourselves too good to be involved in politics. By a singular mix of ignorance, self-indulgence and arrogance, we inadvertently decided to punish the representatives of our rotten political system by walking away from politics and policy. We did not see at the time that by doing so we were sawing the floor where we had been standing.

We did not realized back then that we had been living in a bubble, as an affluent minority that reaped the benefits of oil rents and haphazardly coexisted with a majority largely deprived of all benefits of modern life. A large banking crisis in 1994-1996, ill-handled by our old political establishment, and the ensuing victory of Hugo Chavez in the presidential elections of 1998, shattered our reality and awoke us to the nightmare of autocracy and socialism.

Chavez seized the political momentum and passed a new Constitution extending the presidential term to six years and allowing for immediate reelection. The new Constitution eliminated the public financing of political parties, a change nearly imperceptible to us at the time, which in fact reduced the room of maneuver of the opposition dramatically. He then proceeded to call nationwide elections to "re-legitimize" all powers, winning a large majority at all levels, presidency, state governors, majors, and representatives in the National Assembly. Having conquered all executive and legislative powers, Chavez moved on to control the judiciary and electoral council.

By the time we woke up and reacted, well into the new millennium, it was all too late. To make things worse, a large and sustained boom in oil prices ensued, allowing the government to progressively eliminate the private sector, either by bankruptcy or plain expropriation, without having much impact on consumption. Over the next years, we saw all of our democratic freedoms and civil liberties vanish gradually in front of our eyes. All private TV stations and most of the newspapers where shut down, expropriated, or appropriated by a corrupt elite who made overnight fortunes in exchange for surrendering the news and broadcasting to government propaganda. Private property was undermined, thousands of production units and land plots were

expropriated, invaded, and harassed with impunity. Many opposition leaders were prosecuted and jailed, or expelled from the country into exile. The socialist government imported guns and massively distributed them among the population, in an effort to create local militias that could protect them in the event of a coup or rebellion. Eventually, they lost grip on these thugs and Venezuela became one of the most dangerous countries in the world. According to official figures more than 120,000 homicides have been registered over the fifteen years since Chavez became president for the first time; 24,000 alone in 2013.

Political parties were not banned, but were rather nullified. Private donations decreased sharply as the industrial apparatus went into bankruptcy, was expropriated, or switched hands to the government new, government-sponsored, business elite. Political parties, activists and non-governmental organizations receiving funds from abroad were prosecuted on the grounds of treason. Without public financing and no media, the voices and impact of the political opposition were reduced to a minimum.

More than ten years ago, while I was working at the private family office of a Venezuelan tycoon, my whole life changed. He called me one day into his office and said "Chavez is going to step down... we need to be prepared for the transition". He also said that some people were preparing a transition government plan and suggested that I help them to organize their ideas. So I did. It was a turning point. The people I met were highly qualified professionals, seasoned at their respective areas of expertise, and concerned about the fate of our country. After spending years analyzing our social ailments, they had gathered to draft a comprehensive policy plan; a set of remedies to tailored to our particular circumstances and history. We worked hard together, were together the day Chavez barely overcame a military coup, in April 2003; and sat in front of the TV screen together more than a year later, as he won the presidential referendum of 2004.

In the aftermath of the referendum, we decided to launch a think-tank called "Social Alliance". I resigned my position and went on to work there, compiling and editing the outcomes of our work of all those years. In 2006 we published all of these proceedings in a book, *Venezuela: A National Alliance to Attain Development*, which became highly influential at the time and granted most of us an advisory position in all the opposition presidential bids that came later.

Since then, quite simply put, I have worked on a transition plan for a transition that never occurred, and served as macroeconomic advisor for four presidential candidates in three presidential elections (such is Venezuela). We have fought hard in every campaign, 2006, 2012 and then 2013, under increasingly difficult political circumstances.

We have been deprived from access to media, facing the almighty propaganda apparatus of the state. We have been forced to run highly constrained campaigns from a financial standpoint, and face an elite that does not blink at politically abusing of the massive oil windfall. We lost the first election, in 2006, amidst a large boom in oil prices, by a landslide: 63%-37%. We lost the second, in October 2012, the last showdown of Hugo Chavez, by 11%. The third, in April 2013, might have gone either way. As reported by the National Electoral Council, we were defeated by Nicolas Maduro - Hugo Chavez's heir - by a margin of 1.4%.

It was a disheartening defeat, since irregularities surrounding the electoral process outscored by millions the 200,000-vote difference. We might have won in April 2013, yes, but we lacked the institutions necessary to enforce our victory. We are aware of the large number of flaws and manipulations within the Venezuelan electoral system, but we choose to use it anyway. Elections are the way we have chosen to bring about political change. We want to do it the way we are, resolved but pacific, while at the same time holding on to the principles we believe in.

Since then, the economic crisis has accelerated, public protests have become widespread, and rampant inflation and a nationwide scarcity of basic goods have thrown the country into chaos. Political repression has accelerated, with opposition leaders and majors being jailed with little or none justification, and without the due legal process.

I wish I could have brought to you a full story of hope. We are not there yet, but we are still fighting, and we are getting closer. I am still determined, as most of my comrades fighting daily in the streets and in every corner of Venezuela, to reestablish the country conditions that attracted my father and millions of other immigrants from around the world sixty years ago. I dream of that place that made my father proud and grateful: A country where hard work and determination can lead people to live a better life. Amazingly, the more restricted the campaigns that we run and the higher inequality in access to media and financing, the more votes we have managed to get.

The Venezuelan experience may seem far-fetched for someone standing in the thriving economies of northeast Asia. I find that thought, the idea that any country has surpassed an elusive development and institutional threshold, after which there is no regression, not only delusive but also extremely dangerous.

Democracy can never be taken for granted. Politics and policies cannot be left at the mercy of the political establishment. There are times when long disconnects between political elites and their constituencies create a significant leadership vacuum, as it did in Venezuela. As we have learnt, political vacuums tend to be filled by authoritarian figures, which storm onto the political scene carrying a message of reinvindication. They erect themselves as fighters of social injustice, and in the process awaken the worst fears and resentments underlying society. They polarize the debate and degenerate its language. By then it may be too late.

Reestablishing democracy and progress after these long episodes of autocracy and stagnation comes at a high cost: blood, sweat and tears. That is yet another reason of why we should care about the least advantaged, and the process of politics and policy-making. If we do not do it out of conviction, solidarity and human kindness; we should do it out of necessity. If not, those stigmatized and marginalized by the political system, will eventually come after us, and will bring our system of priviledges to ashes. The new saviors will tend to concentrate power, inhibit political and economic freedom, often crashing economies into bankruptcy.

After years of stagnation, growing inequality, and hopelessness, people may be willing to trade some freedoms, and even democracy, in exchange for recognition and entitlement. Throughout all these years, as we gradually lost our civil liberties, we reached out to those we had previously ignored, in desperation. Needless to say, it did not work. As Amartya Sen has rightly pointed out, no one is willing to defend a system from which she derives no benefits.