

# Venezuela's Disaster is Man-Made

Journalists are now reporting regularly on the crisis in Venezuela, with shortages of everything from toilet paper to [food](#) and now daily street protests. What the news reports too often miss is, Why? Why is a formerly middle-class, oil-rich country now so desperately poor?

The Weekly Standard [notes](#) a New York Times [article](#), "How Venezuela Stumbled to the Brink of Collapse," that spends 1800 words on the country's "collapse into authoritarianism." The Standard summarizes:

*The strongman Hugo Chávez "ran for president in 1998. His populist message of returning power to the people won him victory." Chávez polarized because "populism describes a world divided between the righteous people and the corrupt elite." Now, under the late Chávez's successor, Nicolás Maduro, "The political system, after years of erosion, has become a hybrid of democratic and authoritarian features."*

But never does the article identify what economic system could cause such disaster. It does mention specific policies: subsidies, welfare programs, money printing, inflation, and price controls. But nationalization is never mentioned. And in particular, the Standard points out, the article does not use the word "socialism" (or "socialist"). It does not mention that Hugo Chavez and Nicolas Maduro have headed the United Socialist Party of Venezuela. Socialism is the cause that must not be named.

So it's refreshing to see a rather more forthright [article in the Washington Post](#) this weekend by Mariana Zuniga and Nick Miroff:

*With cash running low and debts piling up, Venezuela's socialist government has cut back sharply on food imports...*

*Venezuela's disaster is man-made, economists point out – the result of farm nationalizations, currency distortions and a government takeover of food distribution. While millions of Venezuelans can't get enough to eat, officials have refused to allow international aid groups to deliver food, accustomed to viewing their oil-rich country as the benefactor of poorer nations, not a charity case.*

*"It's not only the nationalization of land," said Carlos Machado, an expert on Venezuelan agriculture. "The government has made the decision to be the producer, processor and distributor, so the entire chain of food production suffers from an inefficient agricultural bureaucracy."*

My colleague Marian Tupy [notes](#) that according to the Economic Freedom of the World Index, economic freedom in Venezuela fell from just above 7 out of 10 in 1970 to barely above 3 in this decade. Meanwhile, its GDP per capita has fallen over 40 years, while Chile's has tripled.

Venezuela doesn't have to be poor. But to restore its standard of living, it will have to [reverse recent changes](#) in property rights, judicial independence, free trade, and corruption.

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