



Written by [Bob Adelman](#) on February 19, 2021

Maduro Allows Certain Businesses to Privatize in Attempt to Resuscitate Venezuelan Economy

In a quiet admission that his socialist policies have all but destroyed what once was South America's most prosperous economy, Nicolas Maduro [has begun to implement some policies to bring it back](#).

After winning reelection in 2007, socialist dictator Hugo Chavez promised to complete the destruction of what was once South America's most prosperous country: "All that was privatized, let it be nationalized."

The process was already well underway, with the government having already nationalized the oil and gas giant PdVSA in the mid-1970s. *Petróleos de Venezuela, S.A.* (aka PdVSA) was the highly profitable privately owned and operated petroleum company that generated most of the government's revenues. Rather than killing the goose that was laying its golden eggs, the Venezuelan government wanted to control it.



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Four years later Chavez, dying of cancer, announced that he was changing the slogan under which he was implementing socialism — the Bolivarian Revolution — from "Motherland, socialism, or death," to "Motherland and socialism. We will live, and we will come out victorious."

Chavez died soon thereafter, and the policies of death and destruction were continued by his protégé Nicolas Maduro. First, however, Maduro had to remove any remaining constitutional impediments. When he lost the national election in 2015, Maduro promised to ignore the election, stating, "I will stop by hook or by crook the opposition [from] coming to power, whatever the costs, in any way."

He succeeded in replacing the constitutional national assembly with an alternate one controlled by him. He replaced members of the supreme court with his own. And then, just to make certain of his position as supreme potentate, he declared a national emergency.

With complete control of all three branches of the government, he applied Chavez' plans with a vengeance. He raided the remaining reserves from PdVSA to continue to expand the socialist welfare state. When that company ran out of money, he printed more, generating runaway inflation that virtually destroyed the country's currency.

He applied price controls, thus assuring that providers of food, toilet paper, and other essentials could no longer operate profitably. When those businesses were forced to close, Maduro made a show of



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taking them over, including his personal takeover of a toilet paper company that was filmed and made the evening news.

An estimated five million citizens have fled the country creating one of the world's most desperate refugee crises in neighboring countries.

According to Bloomberg, [Maduro has now relieved his totalitarian mandates slightly](#), no doubt recognizing that his socialist policies had all but destroyed the country. He has begun quietly to allow some state assets to be leased to private citizens. As Caracas-based journalists Fabiola Zerpa and Nicolle Yapur wrote:

Saddled with hundreds of failed state companies in an economy barreling over a cliff, the Venezuelan government is abandoning socialist doctrine by offloading key enterprises to private investors, offering profit in exchange for a share of revenue or products.

To be clear Maduro is not “abandoning” socialist doctrine, but applying a slightly less onerous form of it, called economic fascism. It’s a façade that tricks citizens into thinking they own a business when, in fact, the government controls it. Maduro is relieving the pressure only slightly and very selectively, allowing private citizens to operate coffee processors, grain silos, and hotels that were previously confiscated and run into the ground by government bureaucrats.

As Jon Miltimore noted at FEE, the “arrangements” include a 10-year limit to the “lease,” and an agreement that works more like a government concession than a transfer of rights of ownership. The citizen runs the business, and the government takes a large piece of the profits. As Ramon Lobo, one of Maduro’s socialist economists put it: “The state acts like a supervisor and receives compensation.”

Most of the socialist/fascist controls remain in place: price controls on food; minimum-wage hikes; currency manipulation through reissuance of new currency to replace the old worthless one; and so on.

The new policy won’t do anything more than allow small parts of Venezuela’s once-thriving economy to recover slightly. Unless and until the once-private capital is given back to its rightful owners, Venezuela’s economy will remain dormant. And Maduro will remain firmly in place through fear.

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