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Venezuela's Failure is a Warning to America

By Joseph Semprevivo

Earlier this month, the cover of New York Magazine posed the question, "When Did Everyone Become Socialist?" The attention-grabbing headline captures an alarming trend as an increasing number of young Americans are becoming more sympathetic towards the revived ideology.

In fact, according to a recent Harris Poll, 50 percent of respondents belonging to either the millennial generation or Generation Z would prefer to live in a socialist country.

Many politicians are attempting to capitalize on the growing support around socialism by proposing policies that would advance the ideology. These include proposals like Medicare for All, a federal \$15 minimum wage and the now infamous Green New Deal — which bundles together programs and policies that make up the dreams of socialism crusaders.

These include people like Sens. Bernie Sanders (I-Vt.) and Elizabeth Warren (D-Mass.), as well as the new standard bearer of the radical economic system, Rep. Alexandria Ocasio-Cortez.

While socialist policies are promised to equalize society via massive wealth redistribution programs and pitched to the American people as shiny new ideas that will advance society, socialism is nothing new. We've seen this movie before.

Exhibit A is Venezuela — once one of the most prosperous countries in South America and looked to in the region as an example to

follow. In fact, at one time, Venezuela was the wealthiest country on the continent. But then socialism began to rear its ugly head.

In 1976, Venezuela started down the socialist path by nationalizing its oil industry. For a while, times were good — thanks to high and rising oil prices. You don't need a crystal ball to see that tying the economy to a single industry was a foolish move — oil prices wouldn't rise forever.

In the late 1990s, President Hugo Chavez was successful in pushing through a new constitution that put in place a charter of positive liberties — meaning a list of things government must do, rather than cannot do. This set the groundwork for future government intervention in areas that would have been unheard of prior. Among many other provisions, the new framework notably included government guaranteed health care.

From there, the downward spiral continued.

The government soon began seizing private property and nationalizing major industries — chiefly the agriculture sector. In fact, during the first decade of the millennia, over 1,100 private enterprises were snatched up by the federal regime.

The end of free market competition and the government takeover of certain businesses and entire industries started to wreak havoc on the economy once the country could no longer rely on high oil prices to fund the massive welfare state. Without the free

enterprise system that encouraged economic advancement and upward mobility, nothing remained to hold the economy together.

Now the situation has degenerated into a full-scale humanitarian crisis. Food shortages plague the citizenry. The country's infrastructure is crumbling — leading to mass power outages and the inability to safely store food. And the currency is imploding, creating a situation of hyperinflation — which essentially makes the Venezuelan bolivar worthless.

It's clear Venezuela has either hit or is near rock-bottom and it's not a coincidence that the downfall coincides with the adoption of socialism. The U.S. should heed this warning before falling into the same trap.

As a small business owner, I've come to appreciate and understand the prosperity that capitalism and free markets have generated in the U.S. and around the world. American lawmakers and voters should think twice before replacing such a tried and proven economic system with one that will inevitably end in collapse and put a stop to the great American experiment.