

Has oil been a curse or a blessing for venezuela critical thinking sample

[Politics](#), [Democracy](#)



Has oil been a curse or a blessing for Venezuela?

The oil in Venezuela has become a curse for the country. The present economic challenges facing Venezuela, originate from within the country's leadership. These challenges are due to presence of oil in the country, which arose from state mismanagement of the 2003-2008, when the oil business was flourishing. This has crippled the Venezuela economy. Instead of modernizing the economy, which the government argues to have done, Cha'vez has used the oil boon to reproduce failed economic recipes from the ancient times. These ancient recipes include massive doses of nationalization, summing approximately four-hundred cases by the end of the year 2010 (Corrales 123).

The government through the oil boon employs use of massive prices and exchange-rate control systems; subsidized credits for particularly individuals, companies, or groups who are politically linked; procyclical command management; oppressive regulations on business operations; and overvalued exchange rates that discourage exporters. The oil in Venezuela benefits few firms and individuals who are loyal to Chavez and his close confidants in the political circle. This has resulted to highly charge political approach to economic control has depressed progress and party-anchored accountability. This means the oil in Venezuela benefits the few at expense of majority ((Kornblith and Vinay 129).

Was the Punto Fijo pact a good idea for Venezuelan politics? Why?

The Punto Fijo played a key role in building the tenets of democracy in Venezuela. The Punto Fijo pact allowed the political parties in Venezuela to dialogue and deliberates with the military in order to evade the “ Trienio “ outcome (Thomas et al 108). From the negotiations and deliberations, they came up a fundamental principle that all the citizens of Venezuela were to be incorporated and benefit from the oil boon. This means that the principle through Punto Fijo pact advocated for equal access to the country’s resources especially oil. The pact also benefited the military in that their wages and military equipments were increased due to their political neutrality during wars. The military through the pact received amnesty and public respect. Romulo Betancourt (AD) was the proponent of the pact and when he was elected President he advocated for agrarian changes that redesigned the Venezuelan social structures. The Punto Fijo pact, the Venezuela government formed the Organization of the Petroleum Exporting Countries (OPEC), which was charged with the role of dealing the U. S quota imposed system (Kornblith and Vinay 127).

What accounts for the failure of the traditional political parties in Venezuela?

The traditional parties in Venezuela have failed because of internal conflicts within these parties. This impacts on the turn-out of voters since most of them will abstain from such parties. The parties lack internal democracies on selecting the flag-bearer. The parties lacked the relevant financial muscles to oversee the elections as compared to the parties aligned to the government.

The parties aligned to the government have adequate resources to carry out comprehensive campaigns in Venezuela. The availability of vulnerable electoral system and equipments, which can be manipulated by those in power. There is the problem skewed media coverage during the campaign periods. The media tend to limit their coverage on traditional parties (Kornblith and Vinay 129).

Why did Chavez win the 1998 elections?

Chavez won the elections in 1998 because he chose to create new labor business, and civil community institutions through societal transformation. Chavez was propelled to power through the striving political project, the Bolivarian Revolution. The project was aimed at assisting the poor who were oppressed by the privileged class of citizens. The project was largely anticipated to foster the element of democracy in Venezuela. Hugo Chavez was capable to win the support of liberal sectors of the society and was openly elected president because of his attack of some fundamental standards and system of representative democracy (Corrales 123).

Work Cited

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