

# The 2008 Financial Crisis And The Breakdown Of Democracy In Venezuela

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## Introduction:

This project highlights the policies adopted by the Venezuelan government during and after the 2008 financial crisis and the ensuing breakdown of democracy.

## Key findings:

In the year following the 2008 economic crisis, President Hugo Chávez clamped down his authoritarian control over the banks in Venezuela. In an antidemocratic move, “Mr. Chávez threatened to nationalize the entire banking system if bankers did not obey the law.” (NYT)

As a country experiences a level of economic strife, they can experience an erosion of democracy as leaders capitalize on the uncertainty generated through economic collapse.

## Methods:

We read newspapers published in Venezuela as well as academic reports from an international perspective. Our study will illuminate how Venezuelan democracy eroded through the breakdown of institutions following economic collapse.

## Analysis:

“Despite their vast differences, Hitler, Mussolini, and Chávez followed routes to power that share striking similarities. Not only were they all outsiders with a flair for capturing public attention, but each of them rose to power because establishment politicians overlooked the warning signs and either handed over power to them (Hitler or Mussolini) or opened the door for them (Chávez).



Mr. Maduro attributes the country’s problems to what he calls an economic war waged against Venezuela by the United States. But most economists place the blame on poor government management, corruption and broken policies, like tight controls over foreign exchange, an overvalued currency and price controls on goods. (NYT)

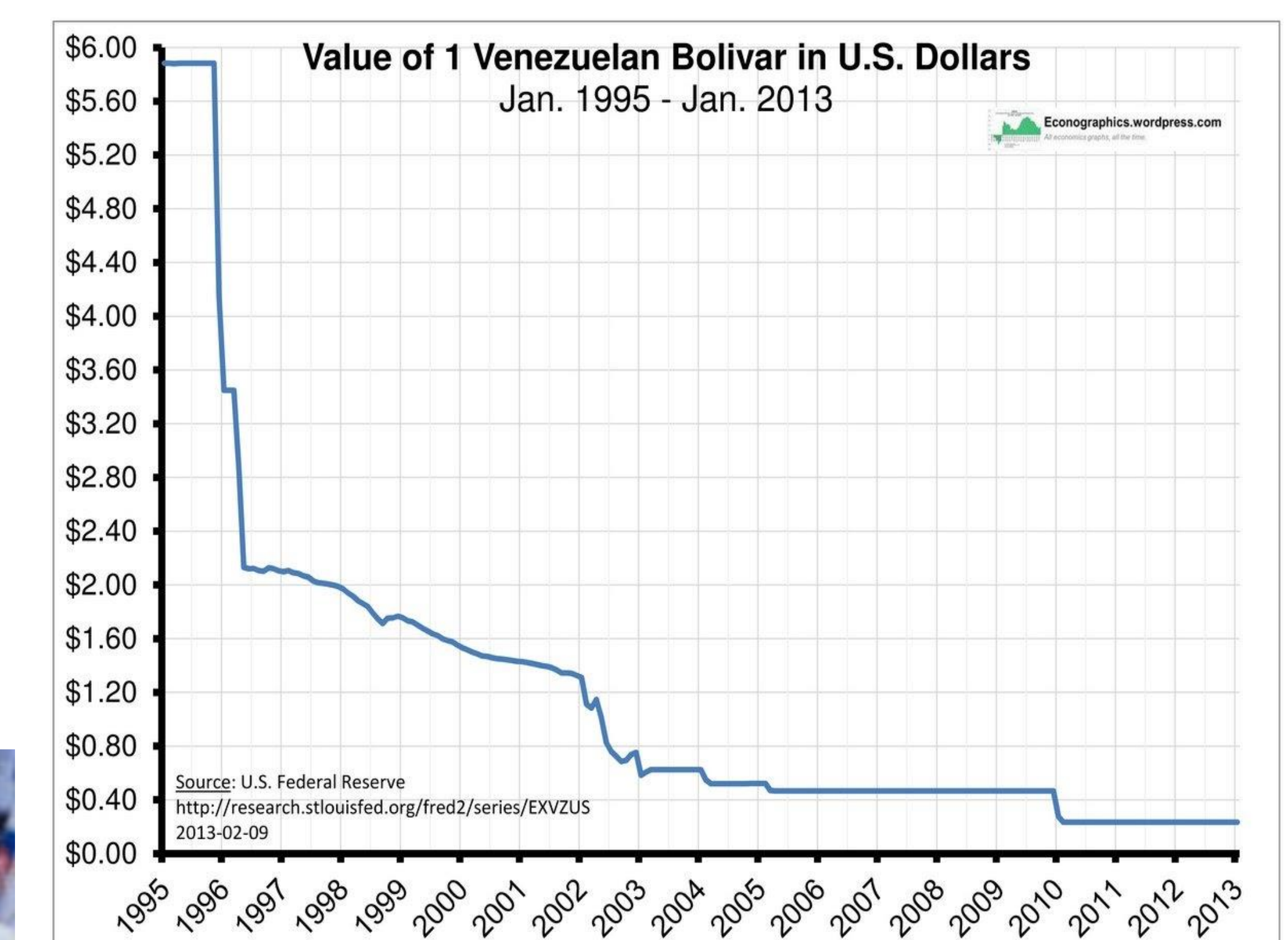


In July 2019, UN High Commissioner for Human Rights Michelle Bachelet concluded that Maduro’s security and intelligence apparatus use widespread and arbitrary repression of civil society and the democratic opposition. For example, the July 5 UN OHCHR report noted at least 7,523 instances of extrajudicial killings.



## Conclusions:

As Venezuela's economy experienced greater economic strife, the government was able to take more drastic action threatening its democracy. When considering relevant concepts such as globalization, media’s influence, and regional issues, it becomes clear that Venezuela’s backslide into authoritarianism was inextricably linked to not only the national economy but the global economy’s slide into a recession.



## References:

Romero, Simon. “Venezuela Takes Greater Control of Banks.” *The New York Times*, The New York Times, 7 Dec. 2009

Levitsky, Steven, and Daniel Ziblatt. *How Democracies Die*. Penguin Books, 2018.