

Jamaica Editorial endorses Sir Ronald's comments

Keeping our fingers crossed that PetroCaribe won't be scuttled

Friday, February 28, 2014

PRESIDENT Nicolas Maduro is no Hugo Chávez. However, based on news coming out of Venezuela yesterday, it is clear that Mr Maduro is being buoyed by the popularity that the late President Chávez enjoyed among the masses.

An Associated Press report tells us that, while it is difficult to find toilet paper or flour in Venezuela these days, and inflation is among the highest worldwide, the political Opposition is frequently outmanoeuvred and "hasn't united behind a single strategy or managed to broaden its appeal beyond the largely middle-class, educated followers it's had on its side all along".

Add to that the fact that President Maduro has the backing of the military and, like his predecessor, has near complete control of broadcast media and institutions from congress to the judiciary, and you get the picture of a head of government whom it will be difficult to unseat.

However, President Maduro cannot ignore the cries of his people, for it is not only those in the opposition who are subjected to the hardships.

It is against that background that we hope Caricom leaders have taken note of the advice offered by former Caribbean diplomat and Sunday Observer columnist, Sir Ronald Sanders, this week.

Sir Ronald, in his February 23 column, discussed the need for Caribbean governments that now benefit from the PetroCaribe agreement with Venezuela to start adjusting their budgets to reflect a loss of benefits now derived from the oil arrangement.

As Sir Ronald so correctly pointed out, it will be difficult for President Maduro "to continue the largesse of PetroCaribe" which was implemented by Mr Chávez.

Inflation, Sir Ronald pointed out, is now at 56 per cent; the Government's budget deficit is almost 50 per cent; rating agencies Moody's and Standard & Poor's have downgraded Venezuelan bonds to junk status; and the bolivar fuerte has weakened steeply against the US dollar moving on the black market from roughly 8 to 1 a year ago to 87 to 1 now.

To make matters worse, the country is experiencing food shortages and foreign currency restrictions imposed by the Government which has angered many Venezuelans.

We would not be surprised, therefore, if President Maduro has a rethink of the PetroCaribe arrangement in a genuine attempt at addressing some of the social and economic problems affecting his country.

And, given information from inside the Venezuelan Government, shared with Sir Ronald, that in many Caribbean countries the loan component of the agreement has not been used for the social programmes for which Mr Chávez intended it, we could not blame the Venezuelans if President Maduro is influenced to call a halt to PetroCaribe.

Naturally, in our current situation, Jamaica would suffer a terrible blow if the PetroCaribe deal was to be scuttled, and we are keeping our fingers crossed it won't be.

But, just in case that's not enough, Sir Ronald has offered to Caribbean governments a few suggestions to soften any such blow. They would be wise to take his advice... just in case.