

Venezuelan elections may mean more immigration, flight capital for South Florida

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With nationwide elections just finished in Venezuela, it's wait-and-see time in that country and South Florida.

While President Hugo Chavez consolidated his power by winning the majority of races on Sunday, the immediate impact this may have on South Florida – a leading destination for Venezuelan immigrants and flight capital since Chavez's 1999 election – is not clear.

A handful of opposition candidates may have won symbolic inroads with a few key gubernatorial and mayoral races, but instability persists, said Jerry Haar, professor of management and international business at **Florida International University** and a **Greater Miami Chamber of Commerce** board member.

There's been a continuous drip of wealth and influx of immigrants from Venezuela to South Florida since Chavez took power, Haar said. And while immediate fallout from the elections isn't certain, the elections won't stop the flow.

In 2000, the **U.S. Census Bureau** estimated there were 32,000 Venezuelans living in South Florida. By 2006, that estimate more than doubled to 79,000.

Chavez, who has spent nearly a decade in power, has used his popularity – and the country's significant oil wealth – to pursue a socialist agenda and nationalize a number of private companies.

While maintaining popularity, Chavez still represents instability and several unknowns, Haar said. Chief among his problems are rampant inflation (estimated between 25 percent and 35 percent) and the simultaneous plummeting in oil prices. Worse, the inflation is likely to continue, Haar said. With no other major exports, this bodes ill for the country's stability.

"You have this oil economy, this boom – but how sustainable is this?" Haar asked.

Susan Purcell, director of the **Center for Hemispheric Policy** at the **University of Miami**, agreed with Haar that "raging" inflation is a factor that could send more people to South Florida. But, crime is a major problem, too.

"People might also leave – more middle-class people – because crime is out of control," Purcell said.

According to the **U.S. Department of State**, Venezuela's crime is pervasive and the country suffers one of the highest per-capita murder rates in the world.

Still, if Chavez tries to make an end run around his elected opposition with force – as he reportedly threatened before the elections – or engage in bureaucratic maneuvers, the situation could deteriorate even more, Purcell said.

"At the very least, [the loss of people and money] will continue because the investment climate is very bad," she noted.

And, since there is a substantial segment of upper- and middle-class people who haven't left yet, the country still has a lot to lose, Purcell added.

The number of Venezuelans leaving for South Florida with their checkbooks remains unclear, but, given multiple strikes against the country's economy, one thing is clear, Haar said. "Put it this way: I don't see any money going back in."