

For Venezuelans, a long history in South Florida

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Hector Gabino / El Nuevo Herald

Venezuelans at the El Arepazo #2 in Doral celebrate the death of President Hugo Chavez on Tuesday, March 5, 2013.

Felipe Lobón's parents had long planned to move to South Florida from Caracas. But their plans accelerated in early 2003, when a prolonged work stoppage protesting President Hugo Chávez paralyzed Venezuela.

By February, Lobón, then 13, and his family had picked up and left, concerned about high crime and political and economic instability. They moved to a furnished Fort Lauderdale apartment — owned by his grandparents as a vacation home.

“It was pretty much, ‘Let’s get this done before something really bad goes down,’” said Lobón, now a 24-year-old graphic designer. “We figured out how to get the rest of our stuff here later.”

The story was much the same for thousands of other Venezuelans who settled in Miami-Dade and Broward counties during the 14-year rule of Chávez, whose death was announced Tuesday. Many Venezuelans relocated to South Florida, particularly to Doral and Weston, thinking it would be on a temporary basis, but they ended up staying.

They were practically all staunch Chávez opponents, results for election after election showed (Venezuelans living outside the country can still vote, and did so, overwhelmingly, for his challengers). Their reaction to Chávez's death — publicly waving flags and honking car horns in celebration — was strikingly different from the widespread mourning in Venezuela.

South Florida and Venezuela, less than a four-hour flight away, have long had close business, trade and tourism ties. But it wasn't until after Chávez came into power in 1999 that the Venezuelan population in the region boomed, more than doubling in Miami-Dade and Broward counties from 2000 to 2010.

“We’ve seen this slow-motion repetition of what happened in Cuba when [Fidel] Castro exported an entire middle class,” said Jerry Haar, a professor of international business, associate dean and director of the Pino Entrepreneurship Center at Florida International University.

“That was in different waves,” Haar said of Cuban exiles. “With regards to the Venezuelans, it’s been a continuous flow” since Chávez was elected.

The numbers

U.S. Census figures show that about 30,400 Venezuelans lived in South Florida in 2000, a year after Chávez came into power — about 21,600 in Miami-Dade and 8,800 in Broward. By 2010, the total number had ballooned to about 70,000 — 47,000 in Miami-Dade and 23,000 in Broward.

Of course, the history of Venezuelans in diverse South Florida began decades earlier. And it has had much to do with oil, which has defined the politics, economics and culture of Venezuelans' homeland for decades as well as their relationship with the Miami area.

What really put South Florida on the map for oil-rich Venezuelans was the Middle East oil embargo in 1973, which caused world oil prices to quadruple from 1972 to 1974.

The oil boom was on, and business and commerce between South Florida and Venezuela took off.

"I began working in international trade development in the late 1970s and even then, I would say the ties with Venezuela were the single most important factor, the driving force, in the development of South Florida as an international trade and business center," said Manny Mencia, senior vice president for international trade and business development at Enterprise Florida, the state's economic development agency.

Flush with oil wealth and overvalued bolivars that stretched its buying power, Venezuela imported container-loads of everything from auto parts, heavy machinery and electronics to champagne, corn flakes and frozen French fries.

It became South Florida's perennial top trading partner. "For Venezuelans, Miami also became a huge shopping mall and real-estate bazaar," said Manuel Lasaga, a Miami economist.

During the 1970s oil boom, Venezuelans developed expensive tastes — they loved imported goods and Miami shopping sprees.

It was the era of "*tá barato. Dáme dos*" ("It's cheap. Give me two"). Venezuelans crowded the aisles of Dadeland Mall and downtown Miami shopping gallerias carved out of old movie theaters. Flights between Miami and Caracas were almost like a shuttle service.

"The old joke was that when Venezuelans came to visit Miami, they took two hotel rooms — one for the family and the second for all the stuff they bought," Mencia said.

Many began buying second homes in the new condominiums that were rising along Brickell Avenue and in Fort Lauderdale. Even the middle class began dreaming of owning a house or condo in South Florida.

"Back then, to come to Miami was the in thing," said Nelson Peñalver, a businessman who arrived from Venezuela in 1981 to study English and never left. "I wanted to study and get a career going and my parents thought Miami was the best place to do it."

But by the early 1980s, there were jitters in Venezuela. With a world oil glut, the growth in oil revenue began to slow. There were rumors about a currency devaluation, the country was too dependent on imports and the debt crisis had begun to grip Latin America.

Money pours in

There was a gush of flight capital from Venezuela — with Miami banks a big beneficiary.

The devaluation finally came in February 1983; another followed in December 1986.

Suddenly, Miami wasn't so cheap and those condos weren't within reach for many. Trade with South Florida and shopping took a hit.

Venezuelans started to vacation closer to home. Margarita Island off the Venezuelan coast became a favorite and even the names of some of the condo developments there, like Brickell Place, echoed Venezuelans' love affair with Miami real estate.

Despite the turbulence, business ties with South Florida endured and investment followed flight capital.

With the second devaluation in 1986, more Venezuelan entrepreneurs began setting themselves up permanently in South Florida. Many did business with their homeland.

Those numbers have only gone up, and the strong business ties have become a selling point for the region, said Jaap Donath, senior vice president for research and strategic planning at the Beacon Council, Miami-Dade's economic development agency.

"When we've talked to companies that are interested in Latin America, we say, 'If you have to go to New York, it's three hours. It's three hours to Caracas, too,'" he said.

Since the Venezuelan presidential election last October, when Chávez was elected to another term, there has been an uptick of interest in investing in Florida, Mencia said.

And Venezuelans continue to visit Miami-Dade in droves. Last year, there were more than 379,000 overnight visitors from Venezuela — a 7.9 percent increase over 2011.

The last time Venezuela was South Florida's top trading partner was in 1993. It has been dethroned by Brazil and ranked fifth last year with a total trade of \$6.7 billion, but Venezuela is importing more now from South Florida than ever.

"Eighty-nine cents of every dollar of our trade with Venezuela was an export," said Ken Roberts, president of WorldCity, a South Florida media company that analyzes trade data.

But with another devaluation of the bolivar last month, Venezuela's ability to buy has diminished and it could be a tougher year for South Florida traders and retailers.

"Through the years Venezuelans have dealt with many crises," Lasaga said, "but they realize Miami is a safe haven."

For Peñalver, who came as a student, it has become home. He got married, had two daughters, bought a home in the Westchester area and established his own business here. After getting a degree in computer science, he spent 15 years selling computers and software in Latin America.

"I sold quite a bit in Venezuela and did a lot of business with the Venezuelan government," said Peñalver, 51.

But as the profit margin in the computer business fell, he decided to establish his own company, Logistical Outsourcing, which provides corporate clothing, trade show banners, promotional items and marketing solutions.

The business he started in his home has grown to 11 employees, a 5,000-square-foot warehouse

and annual revenue of more than \$2 million.

Concerned with crime and insecurity in his homeland, he recently brought his 81-year-old mother here, and she has become a permanent resident. "I wanted her to participate in my success," he said.

"This is home, but I hope for the best for my country," Peñalver said. "Sometimes I remember Venezuela and I cry. The country I remember isn't there anymore. I wish I could show my kids where I played, where I lived, all the little places I remember when I was growing up."

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