

Hospitals lack water, power, masks

# IMF denies loan to Venezuela as it braces for COVID-19

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International Monetary Fund (IMF) Tuesday rejected a request from the Nicolás Maduro administration in Venezuela for a \$5 billion loan ostensibly to prepare the country's collapsing health care system to face the COVID-19 crisis. Venezuela is reportedly the first country to make a request for part of the \$50 billion made available by the IMF to deal with the virus.

With 36 confirmed cases of the COVID-19 in Venezuela, beginning with travelers from Spain, Europe and through the Colombian border, the outbreak is already spreading across Venezuela, whose economy has shrunk more than two-thirds in seven years under the impact of US sanctions and falling oil prices.

The appeal from Caracas refers to the need for “thorough, strict and exhaustive controls to protect the Venezuelan people”, which reeks more of repressive measures than health care provision. It further pleads: “For this reason, we are turning to your honorable organization to request its evaluation about the possibility of authorizing Venezuela a financing line of \$5 billion from the emergency fund of Rapid Financing Instrument.”

This amount would not begin to address the immense needs of Venezuelans under conditions of a collapsing economy, a vast decline in living standards and a breakdown of essential infrastructure, including hospitals, laboratories, clinics, roads, water distribution, agriculture, housing and the energy grid.

Thirty-one years after Venezuela's working masses and youth rose up against the IMF austerity diktats of the Carlos Andrés Pérez government and thousands were massacred by state forces in what became known as the *Caracazo*, the bourgeois-nationalist *chavistas*,

who channeled this uprising behind their election in 1999 through anti-imperialist slogans, now seek to re-establish ties with the IMF, a key instrument of semi-colonial plundering.

The obsequious character of the request, however, does not minimize the criminal response by the IMF, which released a statement within hours indicating: “Unfortunately, the Fund is not in a position to consider this request.” The agency claims that “there is no clarity” on whether it recognizes the Maduro administration as legitimate. This response constitutes a continuation and deepening of the murderous policy of US and European imperialism to deprive Venezuelans of trade and resources to overthrow Maduro and install a puppet regime led by the CIA-sponsored activist Juan Guaidó.

Maduro last Friday announced a state of emergency and instructed the military to manage the crisis and enforce a “social quarantine”. Flights have been cancelled from abroad, classes and all public events were suspended, while people are being asked to avoid leaving their homes unless it is necessary.

Sensitive to the growing opposition to his increasingly authoritarian rule, Maduro cynically declared: “Authoritarianism is not compatible with pandemics because it always seek to hide the truth.” Nonetheless, doctors have told reporters that they are afraid to speak out.

The loan request is only the latest appeal by the Maduro administration for foreign finance and signal to world finance capital that it will defend profit interests.

Over its more than two decades of rule, *chavismo* has denounced the IMF as “assassins” and “robbers”, finally kicking out the agency in 2007. This populist

and nationalist policy, made possible by a temporary boom in oil prices, was aimed at concealing the bourgeois class character of the government, whose subservience to the same imperialist powers responsible for untold suffering in the country is becoming increasingly apparent.

In April 2019, the Center for Economic and Policy Research published a study that estimated that more than 40,000 deaths have been caused by US sanctions against Venezuela in 2017 and 2018. The researchers cite 80,000 people with HIV, 16,000 people with cancer and 4 million with diabetes and hypertension, all groups at higher risk for the coronavirus. “The sanctions are depriving Venezuelans of lifesaving medicines, medical equipment, food and other essential imports,” the study concluded.

Worsening these factors, 2019 oil exports, which account for 99 percent of Venezuela’s export revenue, fell one third chiefly due to US sanctions, further depriving the country of the needed foreign currency for essential imports. The fall of oil prices to below \$30 a barrel has drastically deepened the country’s crisis.

The protracted erosion of the health care system and generalized poverty have increased the vulnerability of the population to infectious diseases and greatly increased the share with pre-conditions. Not only will this increase the morbidity and mortality rates of COVID-19, but hospitals are already being overwhelmed with other outbreaks.

A *Lancet* study last year reported that the country, the first to eradicate malaria in 1961, has seen a resurgence of deadly diseases like malaria, Dengue, measles, Zika and Chagas. These burdens to public health, including overloaded morgues that frequently suffer power outages, are compounded by the one of the highest homicide rates in the world.

Mario Grijalva, a co-author of the report, told NBC News: “The health systems in Venezuela are in a very fragile state. Supplies, medicines, health infrastructures are lacking. So, the logistics to treat these diseases are not working.”

According to a poll by the NGO Médicos por la Salud, only 35 percent of hospitals have running water and only 53 percent have face masks. There are only 206 intensive care unit beds across the whole country.

In the capital Caracas news reports describe long lines in hospitals, nurses carrying buckets of water, a

lack of any semblance of protocol to deal with the deadly pandemic and a major rate of abstention among health professionals. The situation is even more dire in rural areas, where test kits for the virus, other basic equipment and medicines like insulin are simply unavailable.

Moreover, the decision last week by the right-wing Colombian government of president Ivan Duque to shut down its borders with Venezuela will itself be responsible for countless more deaths from various medical conditions. Every day, thousands of Venezuelans cross the border to buy medicines and food, and receive emergency and routine medical treatments.

The National Committee of the Socialist Equality Party (US), the US section of the International Committee of the Fourth International (ICFI) released a statement on March 17 demanding that all sanctions be cancelled. “The response of Iran, Venezuela and other countries is being crippled by economic sanctions that prevent them from acquiring basic medical equipment... The coronavirus is a global disease that requires a globally coordinated response,” it explains.

All capitalist governments are being exposed for placing the protection of corporate profits and the enormous wealth of the capitalist ruling class above the lives of the working class. The “Bolivarian” government in Caracas is pursuing this same fundamental policy.

Workers and youth must organize independently of all bourgeois parties and the trade unions, both the pro-Guaidó or pro-Maduro factions of the ruling class, and fight for the international mobilization of resources to contain and mitigate the impact of the COVID-19. This struggle must go hand-in-hand with the development of a new leadership in the working class under a socialist and revolutionary program, that is, the building of a Venezuelan section of the ICFI.



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