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The Situation in Venezuela



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Introduction

Venezuela is a country situated in Northern South America, it has borders with the Caribbean Sea and the North Atlantic Sea, and is found between Colombia and Guyana. It has many precious natural resources, such as petroleum, natural gas, iron, gold, bauxite and diamonds. The capital of Venezuela, Caracas, is in the North Western section of Venezuela, and has a population of over 3 million people (Basic Facts)

Currently, Venezuela is experiencing severe socioeconomic and political crisis that started under the president Hugo Chavez. After Chavez died of cancer in 2013, Maduro was elected during the presidential elections which commenced later that year. Later on in 2017 new elections were held which were rigged by Maduro, resulting in great unrest in the country. Furthermore, after oil prices fluctuated recently, Maduro ordered the government to carry on printing money to pay workers, this resulted in hyperinflation, which led to Venezuela’s downfall.

The hyperinflation resulted in a nationwide humanitarian crisis in Venezuela. The infant mortality rate has reversed back to the rates in 1999, furthermore dangerous diseases



(Quartz)

are now once again very prominent amongst the Venezuelan people. Additionally, the inflation has caused tremendous food shortages, as well as medicines and medical materials not being available any more. Thus, many million Venezuelans are suffering from Maduro’s poor political government.



Definition of Key Terms

Socialism

Socialism is a political system that bases its beliefs in the fact that all people should equally benefit from a country's money and resources. The United Socialist Party in Venezuela was derived from support towards the Bolivarian Revolution, led by Hugo Chavez.

Dictatorship

A dictatorship is a form of government where one person, or a small group of people have absolute power, with not having any effective constitutional limitations. Maduro can be seen by many as a dictator, due to the fact he effectively has total power in the country, without any constitutional limitations holding him back, especially as he is refusing the fact that Guaido should be Venezuela's interim president.

Bolivarian Revolution

This was the period of 199 – 2013, during when Hugo Chavez had his presidency. Chavez was the founder of the fifth republic movement, and further founded the United Socialist Party. The revolution was named after Simon Bolivar, who fought against Spanish colonialization in the 19th century. Chavez passed 49 laws in 2001 (TRTWorld) which sought to evenly distribute wealth amongst the rich and the poor.

Caudillismo

Caudillismo was derived from the former Spanish colonies in Latin America, and was used as a way to describe the leaders who rose up against authority of the government, which lead to independence of those countries. Due to the belief of Caudillismo often entailing a "strong man", many relate this to Maduro.

Hyperinflation

The rapid and (often) uncontrollable currency devaluation, resulting in prices of goods and services rapidly increasing, whilst the value of the currency itself is decreasing. In Venezuela hyperinflation is one of the largest issues during its current downfall. Venezuela's

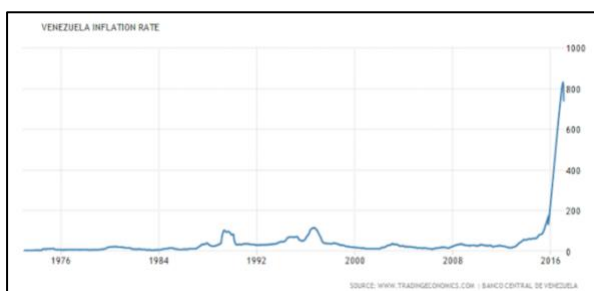


currency, the bolivar fuerte, has experienced an alarmingly high fluctuation in worth. In January 2012 1.0 US Dollar was worth 10.0 Bolivar Fuerte, in January 2018, 1.0 US Dollar was worth 236,000 Bolivar Fuerte (DollarToday). The effects of hyperinflation have been tremendous. Many thousands in Venezuela have had their wages cut, as well as many businesses collapsing.

General Overview

After the death of Hugo Chavez, Nicolas Maduro was elected as president on the 14th of April in 2013. During the early period of his presidency, the economy of Venezuela collapsed, and many Venezuelans blame Maduro, and his government for the country's downfall. In May 2018, Maduro was re-elected as president, however many find this controversial, as the elections were boycotted by opposing parties, thus the elections were deemed unfair by many. Maduro's rival is the 35-year-old Juan Guido, who is the new president of the National Assembly. Due to articles 233 and 33 of the constitution of Venezuela, in circumstances as such in Venezuela, the head of the National Assembly is meant to take over as acting president. Thus, many acknowledge Guido as the rightful president, opposed to Maduro. Along with the US, over 50 countries recognize Guido as the legitimate president of Venezuela. Due to the latter, there has been great speculation that Maduro is currently Venezuela's dictator, as the previous elections in 2018 were false. Furthermore, Guido has radiated his socialist values to the public, and thus we can see a clear divide in Venezuela: Guido's (socialist) supporters, and Maduro supporters.

Conceivably the largest issue for Venezuelans is the hyperinflation. The annual inflation rate reached an unbelievable 1,300,00% in the 12 months to November 2018, and is estimated to reach 10,000,000% in 2019 (BBC News World Latin America). The root of



(Business Insider)

The poverty rate halved, and the infant mortality decreased (Independent News 2018). Shortly after the death of Chavez in 2013, global oil prices decreased significantly. Maduro responded by demanding the government to simply

problem which caused hyperinflation, started under the presidency of Chavez. In 2005 – 2014 the global price for oil was extremely high, thus oil revenues were recycled into welfare programs, and building housing for the poor, this system was applauded globally, and had tremendous effects in Venezuela.



print more money, in order to pay the workers and commence with welfare activities. This act proceeded by Maduro greatly accelerated the process of inflation in Venezuela. Another factor which made matters worse, was as many countries didn't recognize Maduro's government as legitimate, they cut of trading links, an example of this is that in 2018 the US made direct sanctions on Venezuela's oil exports, this further fueled the process of hyperinflation.

Another increasingly problematic issue in Venezuela is the humanitarian crisis. Last year alone, the average Venezuelan lost 24 pounds of bodyweight due to hunger (HuffPost), Furthermore, it has been recorded that the mortality infant rate has retorted back to 1990 levels (Human Rights Watch). Moreover, illnesses which were formerly under control, examples of which are tuberculosis, measles, diphtheria and malaria, have once again outbroken in the country. In response to this many countries, NGOs and other organizations have donated money, or sent in various products, in order to further improve the situation for families and the people in Venezuela. Additionally, the unstable government in Venezuela has lead to an alarmingly high number of protests and casualties derived form the crisis. In response to this the military has taken significant action to suppress the uprisings, however this has led to more casualties and violence.

Major Parties Involved

United States of America

In the past The United States (U.S) has always had close relations with Venezuela, as Venezuela was one of the U.S's major oil suppliers. However, relations have worsened



(Time Magazine)

since the election of Chavez in 1999. In the past recent years, U.S policy makers have expressed deep concerns, concerning the lack of human rights and democratic conditions in Venezuela. In previous years, due to the increase in the scale of Maduro's power, the Obama and BBTrump Administrations have imposed more sanctions,

first aimed at certain government officials, and hereafter at broader aspects of the Venezuelan economy.



In January 2019 the U.S has correlated its attempts to work with Guaido, and the U.S State Department rebuked Maduro's "illegitimate usurpation of power" (Congressional Research Service). On the 23rd of January 2019, President Trump recognized Guaido as Venezuela's current President, and motivated other governments to do the same. Furthermore, the U.S government has taken further actions to impose sanctions on Maduro's government and their officials.

During the Venezuelan crisis, the U.S government has provided a plethora humanitarian and emergency food. Since the 10th of April 2019, the U.S has provided more than 213.3 million US dollars for Venezuelans who have fled to find shelter in other countries, and has given generous donations to help other countries hosting Venezuelan refugees, including 130 million US dollars to Colombia (Congressional Research Service). During the course of February 2019, Guaido requested for immediate international humanitarian assistance, which the U.S responded to, this foreshadows cooperation in the future to find a solution to this crisis.

Cuba

Cuba and Venezuela established a relationship shortly after the Cold War. In 1999 Chavez formed an alliance with Fidel Castro, and Venezuela has had a significant trade link with Cuba ever since. However, their relationship was truly cemented in 2000, when both countries signed an agreement for Cuba to provide Venezuela with technical support and other assistance, in exchange for oil from Venezuela. To date, Cuba strongly supports Venezuela, and has sought to repel anti-Maduro actions from international operations.

Brazil

Brazil is one of the many countries which views Guaido as Venezuela's interim President. The current situation between Brazil and Venezuela can currently be seen by many as a war at the border. Venezuela current leader, Maduro, has closed the border with Brazil, thus refusing any humanitarian aid from Brazil, by simply denying the fact that there is a humanitarian crisis in Venezuela.

Russia



Russia has continued to remain a strong supporter of the Maduro government, despite the trade relationship between Cuba and Russia not being very poor. Russia is keen on the Maduro government to solve the current issue peacefully, without the help of external interference. Furthermore, relations between Russia and Venezuela have grown stronger through the Russian Rosneft company, which has invested billions of dollars into Maduro's government in exchange for oil.

China

China's interest in Venezuela is predominantly economic. From the years 2007 until 2016, China supplied Venezuela with 62.2 billion US dollars, which was given for infrastructure, and economic development operations. Furthermore, China supplies Venezuela with loans for military equipment in exchange for oil. However, reportedly this stopped in 2016, due to Venezuela being late with its oil deliveries. China, in contrast to Russia, is supporting the idea of new presidential elections in Venezuela.



Timeline of Key Events

The following timeline of events are in reverse chronological order, proceeding to current day.

Date	Description of event
1900s	Venezuela was a country with a reasonably stable economy, and has the greatest number of oil reserves in the World, potentially making it extremely rich.
February 2 nd , 1999	Hugo Chavez was elected as the President of Venezuela, he was popular as he promised support for the poorest people in Venezuela.
1999 - 2013	Hugo Chavez's presidency commenced during this period, in which he led the Bolivarian Revolution.
March 5 th , 2013	President Hugo Chavez dies of cancer at age 58.
April 19 th , 2013	Maduro was elected as President of Venezuela, during this period the economy of Venezuela had already begun to accelerate towards its downfall, leading to the economic crisis in later years.
2017	Maduro held rigged elections which triggered various protests all over the country. Additionally, Guido has claimed presidency, resulting in rivalry between the latter and Maduro.



2013 – 2018

Venezuela is experiencing its worst economic downfall yet, resulting in hyperinflation, food shortages, a high crime rate, and more, as well as Venezuela facing a terrible humanitarian crisis.

UN involvement, Relevant Resolutions, Treaties and Events

The following are events that have occurred in order to attempt to alleviate the Venezuelan crisis.

- Council meeting at the request of the US to confer about the humanitarian situation in Venezuela, 10 April 2019 (S/PV.8506)

Previous Attempts to solve the Issue

President Maduro, and his government have frequently denied the existence of the current crisis in Venezuela, and thus have not made any significant efforts to solve the issue at hand. However, there have been various efforts in order to urge the Venezuelan government to discuss solutions with foreign powers, but rather than following this advice, the government often turned away in anger.

In 2018 Venezuela issued a new currency, named the “Bolívar Soberano”, due to the fact that the International Monetary Fund (IMF), warned Venezuela earlier that year that inflation could reach one million percent this year. The new currency is worth 100,000 Bolívares. This was an attempt by the Venezuelan government to reduce hyperinflation in Venezuela, however due to the fact that hyperinflation is still on the increase currently, evidently this solution didn’t work.

Furthermore, the United States of America have tried to intervene the crisis in Venezuela with their army, however have held back. In response to this Venezuela’s ally Russia have deployed around 100 soldiers in Caracas (France24), to oppose the threat from the U.S.A. This has led to increasing the already high tensions between the U.S.A and Russia.

Possible Solutions



Due to the fact that there is a major issue concerning the lack of human rights in Venezuela, and the fact that a lot of humanitarian aid has repetitively been refused, a possible solution to the deteriorating living standards in Venezuela could be to open up borders with countries offering aid, or accept help from abroad. These countries include Brazil, and various other countries. Although this would not solve the problem at the core, it would greatly help the horrendous situation concerning basic human rights within Venezuela. Additionally, it could decrease the rate at which Venezuelan refugees are fleeing to other countries, thus reducing the strain of the economy on other countries.

Moreover, President Maduro should take measures in order to address the humanitarian crisis further. New policies should be established and developed, in order to further better the current issues, including food shortages, and the health conditions. The government could distribute food, other goods and more at set prices.

Another potential solution would be to hold a another set of presidential elections. This is as the elections were previously rigged by Maduro, furthermore many opposing parties of Maduro boycotted the elections, making them unfair. Thus, the second set of elections would ensure that Venezuela has a president that the people of Venezuela has voted on, and wanted. The elections could be inspected or run by the UN, in order to ensure that they are completely democratic and fair. This would build up trust again between the government and the people, as currently many Venezuelans are fleeing the country.

Another possible economic solution would be to introduce a new currency. The worth of the new currency should be based on gold reserves, just as hyperinflation in Germany was successfully reduced by introducing the 'renten mark', which was a new currency, based on gold reserves. This could reduce hyperinflation in Venezuela to stable levels, this would enable the people in Venezuela to afford medicine and food again.

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Appendices

- i. A draft resolution written by the Security Council from United States of America. https://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2019_186.pdf
- ii. A draft resolution written by the Security Council from the Russian Federation. https://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2019_190.pdf

