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# General Assembly 4 - Special Political and Decolonisation

The situation in Venezuela



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<b>Forum:</b>	General Assembly - Special Political and Decolonisation
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## Introduction

As UN High Commissioner for Human Rights, Prince Zeid Ra'ad Al Hussein stated in September 2016, "Venezuela has suffered a dramatic decline in enjoyment of economic and social rights, with increasingly widespread hunger and sharply deteriorating health-care." (HRW, 2018)

Venezuela is a country situated in Northern South America, bordering Colombia and Guyana. The Caribbean Sea and the North Atlantic Ocean coincide at Venezuela's coast. The Andes Mountains and Maracaibo Lowlands are in the northwest and Guiana Highlands in the southeast. The capital of Venezuela is Caracas located in the northwest with a population of 3 million. The country is most well-known for its vast oil reserves and large exports of petroleum. (America/, South, and Facts.)



(Durden)

In the past years, Venezuela has suffered the worst economic crisis of the country's history. Venezuelans are struggling to stay alive in a country with the highest inflation in the world. In 2017, the country experienced inflation rates up to 652.67% and predictions show that the average inflation rate in 2019 will soar up to 3,474.73%. ("Venezuela - Inflation Rate 2022 | Statistic") "These inflation rates have resulted in food and medicinal prices skyrocketing. For

example, ordering a dozen eggs in Venezuela it will cost 1,500 bolivares (\$150.76 USD) on the black market.” (Business Insider, 2018) Citizens have been facing extreme food shortages, unemployment, violence and a lack of basic human needs such as water and medication, making it difficult for them to survive. The average involuntary weight loss has even increased to 19 pounds a year. ("Venezuela'S Humanitarian Crisis | Severe Medical And Food Shortages, Inadequate And Repressive Government Response") According to the New York Times, doctors are seeing record numbers of child malnutrition, and so far, hundreds of children have died. (Kohut, Meredith, and Isayen Herrera)

Many Venezuelans are seeking asylum abroad to escape the economic collapse. Over the last four years, an estimated 4 million Venezuelans have migrated, often illegally, to other countries such as, Colombia, Brazil, Mexico, Panama, Chile, Guyana and the Dominican Republic. Many Venezuelans have also ventured to Aruba and Curacao by raft, risking their lives to escape. While many Venezuelans have received asylum, some countries are attempting to make an effort to increase immigration restrictions and to deport illegal Venezuelan migrants. (Cia.Gov)

## Definition of Key Terms

### Inflation

Inflation around the world occurs when there is an increase in prices of goods and a decrease in the value of money itself. In Venezuela, the people are paying a large amount of money for simple goods such as rice and sugar because of the low value of each bolívar. Since 2008 Venezuela has introduced a new currency known as the bolívar fuerte (strong) after inflation rates soared. In the original currency, the bolívar, one bolívar is worth 1,000 bolívar fuerte. This has had a massive impact on the lives of Venezuelans, as the consequences of inflation led to income redistribution, as prices for food and domestic



utilities such as water rose at a rapid rate. Inflation also impacted aspects of life such as incomes, as many wages were cut; the rise in the cost of borrowing and loans; and an increase in uncertainty among many businesses, both international and domestic.

## Importation / Exportation

Importation and exportation are financial transactions in international trade. Importation refers to goods being bought and brought into a country internationally, whereas exportation refers to domestic products being sold to other countries. In Venezuela, part of the problem is the high cost of importing goods from other countries. Venezuela also lacks a variety of products for exportation, as the country relies on its petroleum as the main export.

## Nationalisation

Nationalisation is the transfer of an industry from private to state owned and controlled. Former President Chavez nationalised many aspects of the country such as, the petroleum industry and the bank. By completing this process of nationalisation, Chavez could ensure that the poorer populations could receive a better standard of life.

## Socialism

Socialism is a type of government which believes in social ownership and regulation of means of production, distribution and exchange within a community. In Venezuela, the United Socialist Party is made up of political and social forces that support the previous president, Hugo Chavez's Bolivarian revolution. The current President is also following these socialist views that has engulfed Venezuela since 2007, the year of the party's formation.

## Dictatorship

Dictatorship is a form of government in which the President has complete political power over the people. Recent evidence has proved that the current government under



Venezuelan president Maduro has transformed into a dictatorship. Similarly, to many other dictators, Maduro uses assassinations, torture and sexual abuse against political prisoners, and extreme censorship of the press to control the population. Furthermore, the hunger which pollutes the country is used as another tool for political control.

## Caudillismo

The word Caudillismo, meaning a leader possessing political and military power, derived from 19th century in Latin America when leaders gained power through popularity. This system of government was very informal. There is no precise definition of this word when it comes to Maduro's rule, however, many refer to caudillismo by expressing Maduro's nature as a "strongman". ("Caudillismo | Latin American Politics")

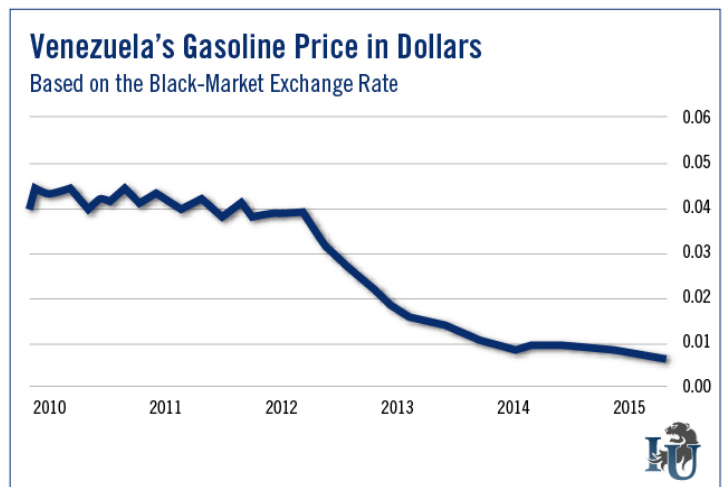
## General Overview

The Venezuelan crisis is the largest recession in Western Hemisphere history and is almost twice as large as the Great Depression of the United States. The current state of economic instability in Venezuela is largely due to the decrease of oil prices. The economy relies heavily on the country's oil reserves, which are the largest in the world. In 1999, after the election of president Hugo Chavez, Venezuela witnessed the Bolivarian Revolution which planned to tackle poverty and redistribute the country's oil wealth. When Chavez came to power oil was roughly at \$7-9 USD a barrel, but by 2004 the oil price increased to over \$100 a barrel. Chavez decided to implement social policies using the oil wealth to help the poorer population of Venezuela. He did this through bringing social change including improving healthcare, access to food, scholarships, citizenship rights, and job training. However, the mistake Chavez made was deepening the country's dependence on oil throughout this process of delivering basic social services. During Chavez's reelection in 2006, the government took actions to nationalise heavy state assets such as the electricity sector, the



oil sector and even investing in buying the bank of Venezuela. Under president Chávez, the government implemented multiple illogical economic policies, such as overvalued exchange rates, overregulation of the private sector and price controls. These policies destroyed the country's ability to produce goods, including food. The agricultural gross domestic product even shrank by an average of 4.7 percent annually. ("From Riches To Rags: Venezuela's Economic Crisis | The Big Picture")

(Gearhart)



As the oil prices went up, Venezuela continuously spent all the country's savings and by 2012 oil accounted for 95% of Venezuela's exports. Soon after the oil prices peaked, Chavez's health declined and he died of cancer in 2013. Nicolas Maduro was the successor of Chavez, and came to power at a time when Venezuela's economy had crashed due to the decrease in oil prices. This resulted in the government being in severe debt and no longer being able to buy the necessary food, medicine and goods imports that it was previously purchasing. Basic needs such as, milk, rice, sugar, soap, toothpaste disappeared. Venezuela total stock of foreign debt is about \$150 billion and this number continues to rise. Maduro has not been recorded taking any actions towards resolving the current problems within the country. While Maduro and a close circle of his people benefit from not having to go shopping or pay bills, the people in the street who are experiencing the detrimental effects of

the economic crisis are calling out to the government to resolve the ongoing crisis. ("Venezuela's Debt Problem: To Default Or To Pay")

(Vivanco)



Moreover, Maduro's tactics to combat political opponents are extremely violent. He often places his opponents in prison and uses lethal force against street protestors. In recent months, Maduro's security forces killed 46 demonstrators. Additionally, Venezuelan elections have been continuously postponed in order for Maduro to maintain political power. In July 2017, Maduro held a rigged election with a handpicked legislative body to replace the country's parliament (the one place that's controlled by his political opponents). Meanwhile, city streets are full of black markets, outbreaks of violence, disease and street protests due to the lack of action the government has taken to help the starving population. ("How Venezuela's Repressive Government Controls The Nation Through Hunger")





## Major Parties Involved

### The United States of America

The conservative rule of Venezuela ended with Chavez's election in 1999. Since then, American-Venezuelan tensions increased, particularly after Venezuela accused the administration of George W. Bush of providing support to the failed coup attempt against Chavez and the new socialist government in 2002. Additional ties were broken as Venezuela proved its unity with Bolivia when a US ambassador was perceived cooperating with violent anti-government groups. During Chavez's presidency, many interference allegations were made about the USA causing this deterioration in relations. For example, the US opposed and lobbied against numerous Venezuelan fire arms and aircraft purchases.

In contrast, some restorations of American- Venezuelan relations were made during Barack Obama's presidency through his support of the Venezuelan government and their economy. However, relations still were full of tension after the US declared Venezuela a national security threat and ordered sanctions against seven officials who the US thought had been involved in corruption or violated human rights. Once again, President Maduro belittled the sanctions and stated that they were attempting to dissolve his government.

The USA, being Venezuela's most important trading partner for both oil exports and general imports, plays a definitive role in the economic crisis that exists today. In 2006 economic relations were very successful and allowed both countries to profit for years. Although economic relations were kept in place, the Department of State in the US prohibited the sale of any defense mechanisms or services because of Venezuela's lack of cooperation when countering terrorism.

Since the election of President Donald Trump, relations between the leftist Venezuelan government and Washington have been very tremulous. Trump's presidency has made several allegations about sanctions which must be enforced within Venezuela's oil



industry, including a full-scale ban on oil shipments to the USA. However, these will be highly unlikely to be imposed because of Trump's large emphasis on the oil industry in the USA. Early in 2018, forty-four Venezuelan officials have been sanctioned, including the President himself. The new sanctions have continued by the USA directing sanctions towards individuals connected to Maduro. Donald Trump's administration blames Maduro for the recession and hyperinflation. ("US Imposes Sanctions On Venezuelans")

## People's Republic of China

China has been known as a country which stayed on the sidelines as the economy in Venezuela collapsed. After many years of exporting Venezuelan oil through oil for loan agreements, China was able to secure energy supplies and create an anti-Washington ally in South America. In the last few years relations between the countries have worsened as Venezuela requested additional loans from China. This conflicted the Chinese government who was already waiting for the repayment of \$19.3 billion from Venezuela. Although China wants to help Venezuela, their new policy restricts them from lending new funds until the loans have been paid off with interest. ("China Stays On The Sidelines As Venezuela Spirals Downward")

## Brazil

The state of Brazil is facing an extreme wave of immigration from Venezuelans. According to the United Nations, around 5,000 Venezuelans leave their homeland every day placing extreme pressure on many of the surrounding countries with open borders to asylum seekers. Since the beginning of the crisis, Brazil has seen tens of thousands of Venezuelans flee to Brazil and claims that these people are living proof of the crisis that the Venezuelan government denies. (Londoño, Ernesto)



## Colombia

Relatively, Colombia faces similar immigration, with more than half a million recorded Venezuelans living in Colombia last year. Many makeshift refugee camps are being set up in parks and parking lots. Hospitals have become overcrowded and flooded with Venezuelans. Colombia has been one of the most productive countries making an effort to combat the crisis. President Juan Manuel Santos has restricted border control and has contributed to the United Nations High Commissioner for Refugees setting up an additional to complement the Colombian government's efforts. The Colombian government is worried about the financial impact this crisis will have on Colombia.

## Cuba

Over the past 15 years the Venezuelan and Cuban governments have become close allies both economically and politically. Venezuelan president Chavez's rule was hugely inspired by Fidel Castro's communist regime which controlled the economy, partook in currency manipulation and seized all private industries which abolished domestic production of goods. Shortly afterwards, even quicker than it did in Cuba, this impoverished the nation. The current Cuban government relies on Venezuela's oil supplies, while Cuba supplies Venezuela with doctors, teachers and military advisors. (Trinkunas, Ted)

## Timeline of Key Events

Timeline of events in reverse chronological order leading up to present day.

Date	Description of Event
1900s	Venezuela is a country which is classed as an upper middle-income economy by the World Bank and very stable in a region afflicted with authoritarianism and unrest.
1980 - 1990s	The country is beginning to see a shift in the economy which comes with a large debt crisis and staggering rates of unemployment and inflation.



1999	Hugo Chavez elected as President of Venezuela, an anti-establishment figure who declared his support for the poorest populations of the country.
1999 - 2013	This was the years of the Bolivarian Revolution, a socialist government who wanted to create and preserve a political ideology for the people of Venezuela. President Chavez's policies included nationalisation of key industries, the creation of social welfare programs, the resistance to free market capitalism and the support of a communal state.
2013	President Hugo Chavez died of cancer at the age 58
2013	President Nicolas Maduro is elected at the time when Venezuela's economy began to collapse. This was the beginning of the economic crisis.
2017	President Nicolas Maduro held a rigged election.
2013 - 2018	Venezuela's economy is worse than ever before resulting in a detrimental food shortage and lack of basic needs as well as ongoing violence and unrest within the country. This has also led to a refugee crisis as Venezuelans flee the current situation.

## Previous Attempts to Resolve the Issue

The Venezuelan government mostly denies the existence of the crisis and they have not made an effort to implement effective policies to rectify the people's suffering. So far, only limited efforts to obtain international humanitarian assistance have been made proving grievously inadequate. Attempts to urge dialogue between the Venezuelan government and foreign powers have been made by Colombia, the United States and Chile, amongst many others, yet these efforts were met with anger from the Venezuelan government.

In February this year, Venezuela launched a cryptocurrency, a digital currency called the Petro to help its struggling economy. This new virtual currency is theoretically backed by the precious metal and crude oil industry. The government's aim is to provide citizens and foreign nationals a stable currency with which to trade goods and services. Some investors say this is an innovative approach to finding a solution, while others argue it will not solve food shortages and the dropping oil prices because technically, there is no ownership in the



underlying precious metals or oils. To date, there does not appear to be any way to sell the petro for precious metals, oil or foreign currencies, which means ultimately it may not be a viable currency.

The United Nations recently adopted a resolution which condemns the sanctions placed on Venezuela by the United States, Canada, the European Union and their allies. The resolution highlights the effects of sanctions on the poor within Venezuela. Instead of sanctions, the UN urges states to resolve their issues through peace talks and dialogue between nations. This resolution can be viewed in Appendix A.

Furthermore, the United Nations Human Rights Council has drafted a resolution on the violation of human rights in Venezuela. This resolution acknowledges the excessive violence which is being used by the Venezuelan government towards its political opponents and the general population. This drafted resolution can be viewed in Appendix B.

## Possible Solutions

The simple use of mediation between Venezuelan and current international relations, such as Washington and China, is a possible solution for the economic crisis. However, there are only a few countries which Venezuela would see fit to implement this mediation process. These countries would include Cuba and Brazil. By implementing peace talks with the Venezuelan government, foreign powers could provide additional potential aid to the current crisis.

Another possible economic solution would be a negotiated settlement regarding addressing the food and medical shortage, the basic needs of the citizens, in exchange for certain reforms to be made within the country. By gaining international aid, Venezuela could potentially resolve the economic crisis while reinstalling a democracy and letting go of the nationalised oil industry.



President Maduro and his administration should take effective steps in addressing the humanitarian crisis in Venezuela. The first step he should take is development of policies to address the crisis in the health sector and the food shortages and ensure that these policies are publicly known in Venezuela. He should also make sure that government supporters distribute food and other goods at government-set prices that do not discriminate against political opponents. Additionally, ensuring that regular factual updates on simple health indicators such as infant mortality rate and other common diseases spreading is important in attempting to solve and fix the situation. Investigation should also be taken into opportunities for international aid from humanitarian agencies and facilitate the implementation of programs to help the citizens to access medicines, medical supplies and treatment and food.

Furthermore, Maduro needs to end the use of authoritarian intimidation tactics and the punishment of critics of the current government. This would involve ordering security forces to stop the mistreatment of detainees and from arresting people who participate in protests.

Situations like the current one in Venezuela could be avoided through diversification of the economy. In Venezuela's case, when the oil prices increased and the country gained wealth, it should have been making investments in a variety of aspects of the economy rather than just on importation.

## Appendices

### Appendix A

A UN resolution condemning the sanctions placed on Venezuela:

<http://undocs.org/A/HRC/37/L.34>



## Appendix B

A drafted UN resolution acknowledging the Venezuelan government's violation of human rights and requesting suspension of the country from the council:

<https://www.unwatch.org/draft-resolution-suspend-venezuela-un-human-rights-council/>

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