

**Forum:** Security Council

**Issue:** The Question of Venezuela

**Student Officer:** Srivats Ramaswamy

**Position:** Assistant President

---

## Introduction

The Venezuelan crisis can be sorted into two categories: economic and political. To start, the Venezuelan economic crisis is one of the worst economic crises the world has ever seen. The crisis began in 2014, when there was much-alleged meddling from the Maduro government that resulted in debt, losses, and a very depleted budget. Venezuela's biggest export is oil, and therefore they absolutely rely on the resource for financial security. Venezuela may not be the largest distributor of oil, but they are well endowed in the possession of oil and are responsible for the world's largest oil reserves and in 2014. In fact, there was a time that Venezuela profited significantly from their rich oil reserves, with their highest prices being near \$100 per barrel. As a result of the severe inflation and loss of revenue on behalf of the Venezuelan government, the Venezuelan people have suffered the most, with many medicines as well as basic staple goods and necessities being unavailable. This has prompted mass protests across the country – especially concentrated in Caracas – at the displeasure of Maduro's socialist government and their role in producing the record high 90% poverty rate in Venezuela.

On the political side of the issue, there has been a political dispute between two branches of the government, the Legislative Branch (National Assembly) and the Executive Branch (Nicholas Maduro). Spearheaded by the opposition leader Juan Guaido, the National Assembly and opposition believes that Maduro unjustly won the election, citing several constitutional acts that back them in claiming that Maduro usurped a vacant position. These constitutional acts specifically claim that the head of the National Assembly, Juan Guaido, should take over as acting president. This has now proved to be a fatal power struggle, prompting many protests from the people and both political parties; these protesters have rallied in response to the economic crisis created by Maduro, and have also called for the complete removal of Maduro from office.

## Definition of Key terms

### **Economic Depression**

An economic depression is a complete shutdown of a country's economy, where they no longer generate enough capital from exports that they cannot afford imported goods either. This often leads to immense and tremendous poverty, as seen in Venezuela.

### **Usurping a Vacant Presidency**

Usurping a Vacant Presidency involves assuming presidential power through illegal or fraudulent means. In the case of Venezuela, the opposition believes Maduro assumed the presidency, in an illegal manner, likely election fraud, and, therefore, the presidency is still vacant and open to rule by the head of the National Assembly, Juan Guaido.

### **Socialism**

Socialism is an ideology developed by economist and philosopher Karl Marx. Marx wished to see the world rid of privatization and buy into the idea of public property and equal public distribution of goods and services. Socialism is the ideology supported by Maduro's party, The United Socialist Party of Venezuela (PSUV).

### **Coup**

A coup is the overthrow or removal of a government, either in a peaceful manner or a violent manner. In the context of Venezuela, the opposition wishes to force a coup; however, they currently are unable to do so as they still need the backing of the military, something that holds the key to Maduro's removal.

## Background

### **Political crisis**

From the political aspect of the situation in Venezuela, a new dilemma threatens the current government. In 2013, after the death of Socialist leader and PSUV Party president Hugo Chavez, Nicolas Maduro was presented as his successor and narrowly defeated his opponent in the general election. Since then, President Maduro has proceeded to mishandle the Venezuelan economy, resulting in a severe depression, leaving as many as 90% of the population in poverty. This has sparked mass protest from the public, increasing support for the opposition and calling for the overthrow of Maduro. In response to the opposition parties gaining cumulative majority control in the National Assembly, Maduro created a new legislative body with his loyalists whose powers superseded that of the National Assembly. Then, in 2018, when the new election cycle began, President Maduro – who was the less favored candidate – pulled off an upset win and re-entered a new 6 year term. The election evidently showed signs of manipulation and election fraud on behalf of the PSUV Party. After his new inauguration ceremony, the opposition began making plans

for a potential coup. The National Assembly claims that Maduro is a usurper to the Presidency of Venezuela, which they believe still remains vacant. The National Assembly has cited Articles 233 and 333 of Venezuela's constitution, which states that in such aforementioned cases of usurpation, the head of the National Assembly takes over as acting president. Subsequently, the Head of the National Assembly Juan Guaido declared himself the acting president on January 23rd. Since then, he has garnered support amongst the people and has urged the military to back him as the President in order to force a coup. Around the world, the reactions and opinions have been mixed, with more than 50 countries including the United States recognizing Mr. Guaido as the rightful leader of the nation. However, two of the world's biggest superpowers as well as two of Maduro's biggest supporters, Vladimir Putin of Russia and Xi Jinping of China, have continued to back Maduro amidst this uncertainty.

### Economic crisis

With the economic facet in mind, Venezuela has suffered greatly under the guidance of Nicolas Maduro, and continue to do so as this uncertain political situation plays out. Reports have claimed that the Venezuelan Government has been running out of monetary funds, with the Central Bank of Venezuela estimating that the country has \$10.4 Billion in foreign reserves left and debt worth \$7.2 Billion. Despite this, Venezuela has some of the most plentiful oil reserves in the world – near Saudi Arabia and Iran – but their state-owned oil producing body, PDVSA, has remained inefficient and not well managed under Maduro, leading to complete drop in Venezuelan oil revenue that has resulted in complete economic failure.

### Social crisis

When former Venezuelan president Hugo Chavez was in office, health care and food was affordable and accessible. However, with this practice not being profitable for internal companies, the Venezuelan government decided to import from companies abroad using their oil money. With the fall of oil rates, however, the government has had less to spend and therefore the prices of many commodities have also increased to amounts that are unaffordable to many. This has led to a shortage of goods, and many products have disappeared from stores and are now being sold on the black market at extremely marked up prices. An example of this would be the fact that 85 of 100 common medicines are now missing from the country. Many Venezuelan analysts, such as Jose Guerra, say that the nation is in the middle of a food crisis.

Besides this shortage of commodities, hyperinflation has also impacted Venezuela; the nation currently has three different exchange rates for the Venezuelan bolivar (currency). The nation has one for “essential goods,” one for “non-essential goods,” and one for the people. As a result, many Venezuelans have preferred the dollar over bolivars. Besides this, President Maduro additionally announced a large salary increase that would consequently further inflate the nation's currency, to the point where Venezuela's situation could begin to mirror that of Greece's. In response to this, the people have actively come out to protest against Maduro and his failures.

### Major Parties Involved

## **United Socialist Party of Venezuela (PSUV)**

This is the main ruling party in Venezuela that was collectively created by the merger of multiple parties in 2006. It contains the Fifth Republic Movement Party (MVR), which was created solely to assist the candidacy of a young Hugo Chavez. This party holds socialist ideals that trended positively during Chavez's reign, but since have turned into totalitarian-based beliefs under current President Nicolas Maduro. This party is largely seen as the enemy to Venezuela's future by the international community.

## **Democratic Unity Roundtable (MUD)**

This is the main opposition coalition party in Venezuela that was formed in 2008 to unify all opposition to Hugo Chavez's reign. One of the parties within the coalition is the Popular Will Party – the specific party that Juan Guaido is part of. This coalition presents very leftist ideals but denounces socialist views and condones all the protests and demonstrations against Maduro.

## **Petróleos de Venezuela, S.A. (PDVSA)**

The PDVSA is the nationally owned oil production company of Venezuela. Despite their budding economic success under President Hugo Chavez and their naturally plentiful supply of petroleum, this body has underperformed and not produced or sold nearly enough oil to sustain growth under Maduro's guidance. This has led to a complete downfall of the Venezuelan economy and has left the society as a whole in peril. The PDVSA firmly stands behind Maduro and supports his reign, despite all that the country has endured at his behest.

## **Venezuelan Military**

The military plays a key role in any nation, but particularly in the crisis of Venezuela. The military has become very partisan-dependent and firmly backs Maduro. This has been an issue that Guaido and the Popular Will Party has wrestled with, as they have continued to attempt to convince the military to assist in the coup against Nicolas Maduro.

## **The United States of America**

The United States of America is one of the many countries that denounce Maduro's claims to the presidency and endorse Juan Guaido's claim instead. While the United States to date has done little, they have pledged and remained committed to assisting in the organization of free elections as well as sending aid packages to the people of Venezuela.

## **The Russian Federation and The People's Republic of China**

These are the two most notable nations that continue to assert that President Maduro's claim to the presidency is legitimate. This also directly contrasts with the United States' policy, considering that the nations very often have very different stances towards foreign governments and certain ideologies. For example, due to the fact that both China and Russia both have roots in Communism, they support Maduro because of his socialist values.

## Timeline of Events

Date	Description of event
<b>April 4th, 2013</b>	Nicolas Maduro is elected as the new President of Venezuela. He narrowly beats his competitor, but he was the favored successor of Hugo Chavez, the long serving leader, within his own party.
<b>February 18th, 2014</b>	Protests against Maduro's economic mismanagement begin, leading to the arrest of the then opposition leader Leopoldo Lopez, who is still under house arrest to this day.
<b>March 29th, 2017</b>	Venezuelan Supreme Court declares that it will take full control of the National Assembly, sparking protests against the government. These protests were meaningful enough to force the Supreme Court to let the National Assembly remain autonomous, but at the cost of 100 lives.
<b>July 17th, 2017</b>	The opposition lead the charge on a referendum against Maduro's new legislative body, with 7 million Venezuelans voting against the creation of the new body.
<b>May 20th, 2018</b>	Maduro wins his second election, but both opposition candidates claim a rigged process.
<b>November 8th, 2018</b>	The number of displaced Venezuelan refugees reaches 3 million. Furthermore, the economy continues to decline, leaving millions in severe poverty.
<b>January 10th, 2019</b>	Maduro is inaugurated. Immediately after, Juan Guaido and the opposition promote the message that Maduro is usurping a vacant presidency.
<b>January 21st, 2019</b>	Venezuela's economy continues to crash. Violence continue to rise, with 107 episodes of looting plaguing the country.
<b>January 23rd, 2019</b>	Guaido declares Maduro's presidency to be illegitimate and claims the office, citing constitutional acts that enable the National Assembly power over the presidency in times of uncertainty.

## Previous Attempts to Resolve the Issue

Many countries have been eager to come to the aid of Venezuela – including the United States – however due to the Maduro government’s paranoia and complete control of the government, much of the proposed aid has been blocked. Furthermore, the United Nations Security Council has discussed this topic on multiple occasions with a number of resolutions being submitted on the issue in the latest meeting on February 28th, 2019, with ones coming from the United States and others from Russia. The resolution presented by the United States called for new elections and recognition of Juan Guaido as interim president. Ultimately, however, it failed – with nine votes in favor (Germany, Poland, Peru, US, United Kingdom, France, Belgium, Dominican Republic, Kuwait) three against (Russia, China, South Africa) and three abstentions (Equatorial Guinea, Indonesia, Côte d’Ivoire) – due to multiple vetoes. The resolution submitted by Russia called for an open dialogue between the ruling party and the opposition. Unfortunately, this also failed – with four votes in favor (Russia, China, South Africa, Equatorial Guinea), seven against (Germany, Poland, Peru, US, United Kingdom, France, Belgium) and four abstentions (Côte d’Ivoire, Dominican Republic, Indonesia, Kuwait). Overall, unless Venezuela accepts assistance, the international community and the Security Council cannot properly assess the situation and take appropriate measures.

- FAILED: [United States Resolution S/2019/186 on the Crisis in Venezuela](#)
- FAILED: [Russian Federation Resolution S/2019/190 on the Crisis in Venezuela](#)

## Possible Solutions

- The Venezuelan Economy requires severe mediation and thorough management to emerge from its downfall. This may include drafting and passing a resolution that the Security Council can actually agree upon that solely focuses on the economic side of the issue. In order to revitalize the economy, a structure for loans from MEDCs or world bodies and repayments needs to be created, in order to avoid a situation similar to that of Greece or Spain. Moreover, investments need to be made into new industries, and this can be done by both NGOs and MEDCs.
- Unlike the aforementioned economic solutions, political solutions to the situation in Venezuela are much harder to collaboratively implement and without breaching the nation’s sovereignty. Some political solutions that are feasible echo those already presented by both the United States and Russia. It is necessary to open formal dialogue between the ruling party and the opposition, in an attempt to make progress on the dispute of the election results. Furthermore, this forum could be overseen by the Security Council, in order to ensure that the talks are sustainable and secure.

## Bibliography

Al Jazeera. “Venezuela's Worst Economic Crisis: What Went Wrong?” Business & Economy | Al Jazeera, Al Jazeera, 3 May 2017, <https://www.aljazeera.com/indepth/features/2017/05/venezuela-worst-economic-crisis-wrong-170501063130120.html>.

Melimopoulos, Elizabeth. “Venezuela: A Simple Guide to Understanding the Current Crisis.” *News / Al Jazeera*, Al Jazeera, 2 Feb. 2019, <https://www.aljazeera.com/news/2019/01/venezuela-simple-guide-understanding-current-crisis-190130111707920.html>.

“UN Documents for Venezuela.” Security Council Report, <https://www.securitycouncilreport.org/un-documents/venezuela/>.

“Venezuela: Competing US, Russia Resolutions Fail to Pass in Security Council | UN News.” United Nations, United Nations, 28 Feb. 2019, <https://news.un.org/en/story/2019/02/1033832>.

“Venezuela Crisis in 300 Words.” BBC News, BBC, 1 May 2019, <https://www.bbc.com/news/world-latin-america-48121148>.