



VAMUN

XXXIX

Venezuela (Present Day)

Chairs: Ari Ghaseman and Daniel  
Jachim

Crisis Directors: Taylor Williams

Welcome to the committee on Venezuela- Present Day and to the Virginia Model United Nations Conference. Because of the continually evolving situation in Venezuela, for the purposes of this conference, we have taken “present day” to approximate the nation’s circumstances in Fall 2019. As you will have seen in your dossiers, this committee is made up of representatives of the opposition, as well as international figures from neighboring Latin American countries and the United States. Your task as delegates is to resolve the humanitarian, economic, and political crises in Venezuela. Good luck!

Serving as your Crisis Director in the conference, my name is Taylor Williams. I am a third-year double majoring in Foreign Affairs and Math who’s participated on staff for VAMUN and its spring counterpart VICS for the past three semesters.

Serving as your Chair for this conference is me, Daniel Jachim. I’m a fourth-year studying History, and I intend to pursue graduate degrees in History and Education in order to teach High School. This is my fourth (and last) VAMUN, and I’m hoping this will be a great way to go out!

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# Topic 1: Humanitarian Crisis

## I. Food Shortage

Inherently tied to Venezuela's economic crisis, the food shortage was born out of President Nicolas Maduro's inability to sustain food-assistance programs because of the budget deficit former Venezuelan President Hugo Chavez built during his administration. The recent resurgence of food assistance began in 2016 as an effort by Maduro to boost his political agenda. In one such program, Local Food Production and Provision Committees (CLAPS), food is received in exchange for voter participation. This plan is aided by the fact that the military (which is aligned with Maduro) "has a monopoly over food distribution" in Venezuela. In response, opposition parties have taken up the cause of feeding the masses. Still, however, it is a constant struggle for everyday Venezuelans to find enough to eat.<sup>1</sup>

## II. Spread of Illness

The economic and aid crises in Venezuela have contributed to making the country's health infrastructure virtually non-existent. As a result, preventable diseases have become epidemics and even begun to affect neighboring countries because of how easily they spread in the absence of vaccines. The measles outbreak has spread throughout the Amazon and with poor funding for treatment and health system oversight, there is no quick solution in the near future. Other outbreaks have included malaria and diphtheria- all on top of less treatable conditions like

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<sup>1</sup> Taladrid, Stephanie. "Venezuela's Food Crisis Reaches a Breaking Point." *The New Yorker* (February 2019) <https://www.newyorker.com/news/news-desk/venezuelas-food-crisis-reaches-a-breaking-point>

cancer. Within Venezuela, hospitals and other health facilities lack the funding to properly care for the influx of patients, driving some to migrate to other Latin American countries and thus potentially spread communicable diseases even faster. The effects of these illnesses are further amplified by malnutrition caused by the national food shortage.<sup>2</sup>

### III. Foreign Aid

Foreign Aid to Venezuela has become a controversial topic. Starting around the beginning of 2019, the Maduro regime began blocking shipments of humanitarian aid from coming in to Venezuela<sup>3</sup>. While such a move at first seems confusing, Maduro offers a clear explanation: accepting international aid would mean recognizing the significant economic challenges facing the country, something Maduro has flatly refused to do, going so far as to declare that “Venezuelans are not beggars.” Instead, Maduro asserts that if the United States, the primary supplier of this aid, actually wished to harm Venezuela, due to the United States imposing sanctions and freezing billions of dollars worth of foreign reserves<sup>4</sup>. Guaido, on the other hand, supports the foreign aid, based on the fact that citizens of Venezuela are suffering from malnutrition and other socioeconomic ills, arguing that the Maduro regime was “not allowing the lives of the most vulnerable to be saved, 250,000 to 300,000 are at risk of dying if they do not receive immediate attention.”<sup>5</sup>

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<sup>2</sup> Faiola, Anthony, Marina Lopes, and Rachele Krygier. ““Venezuela’s crisis has become our own.”” *The Washington Post* (October 2018) [https://www.washingtonpost.com/news/world/wp/2018/10/31/feature/as-venezuelas-health-system-collapses-disease-spreads-beyond-its-borders/?utm\\_term=.57343f26512e](https://www.washingtonpost.com/news/world/wp/2018/10/31/feature/as-venezuelas-health-system-collapses-disease-spreads-beyond-its-borders/?utm_term=.57343f26512e)

<sup>3</sup> Pozzebano, Stefano. “Aid is piling up on Venezuela's border. Here's why it's not getting in.” *CNN* (February, 2019) <https://www.cnn.com/2019/02/21/americas/venezuela-aid-power-struggle-intl/index.html>

<sup>4</sup> Bocanegro, Nelson and Marsh, Sarah. “Venezuela's Maduro spurns U.S. aid, rival warns military not to block it.” *Reuters* (February, 2019) <https://www.reuters.com/article/us-venezuela-politics-idUSKCN1PX20S>

<sup>5</sup> Ibid.

This dispute over foreign aid has not been peaceful. In particular, border regions (into which the aid would normally flow) have experienced conflicts between the military forces loyal to Maduro and indigenous populations. Consider for instance, conflicts between the Pemon populations and the Maduro loyalists. The Pemon are an indigenous population in Venezuela that live on the border with Brazil, and have constitutional assurances of autonomy. Bearing in mind that much of the foreign aid to Venezuela arrives in neighboring countries, such as Brazil and Colombia, the Pemon have been caught in the middle of the Maduro government's attempts to prevent aid from arriving. In February of 2019, this resulted in a showdown between government forces and indigenous populations which left dozens dead and dozens more injured.<sup>6</sup>

However, despite official stances rejecting foreign aid, the Maduro regime has been willing to accept aid from governments more closely allied with it than the United States. For instance, in May of 2019, the Chinese government provided around 58 tons of medical supplies to the Maduro regime for use in the public healthcare system<sup>7</sup>. However, these political moves have not been unnoticed. Norwegian officials such as Dag Nylander, who are primarily responsible for driving talks between Maduro and Guaido, have noted in a less than pleased manner that Maduro is denying foreign aid as an attempt to weaken Guaido.<sup>8</sup>

This had left in Guaido in a difficult position: clearly, the people of Venezuela need some sort of assistance. However, the state apparatus is actively working to prevent that assistance.

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<sup>6</sup> Ramirez, Maria. "Soldiers held hostage, villagers killed: the untold story of Venezuelan aid violence." *Reuters* (May, 2019)

<https://www.reuters.com/article/us-venezuela-politics-pemon-insight/soldiers-held-hostage-villagers-killed-the-untold-story-of-venezuelan-aid-violence-idUSKCN1SR1L0>

<sup>7</sup> TRTWorld. "More medical aid from China arrives in Venezuela." *TRTWorld* (May, 2019)

<https://www.trtworld.com/americas/more-medical-aid-from-china-arrives-in-venezuela-27037>

<sup>8</sup> Goodman, Joshua. "Norwegian diplomat pushes Venezuela talks against the odds." *Fox News* (May, 2019)

<https://www.foxnews.com/world/norwegian-diplomat-pushes-venezuela-talks-against-the-odds>

The challenge is as follows then: how can Guaido provide for the people of Venezuela? Should foreign aid continue to be pursued as a means of alleviating crippling socio-economic stagnation, or should Guaido consider alternative methods of providing for the people?

# Topic 2: Economic Crisis

## I. Background

### **Venezuela's Rise as an Oil Power**

Venezuela rose to prominence in the oil market in the late 1920s, overshadowing the nation's lack of sustainable economic infrastructure which primed it for future inequality struggles. A few decades later, the OPEC oil embargo further lulled the nation into a false sense of financial security by bringing in 10-figure profits. Venezuela capitalized on this by “nationalizing the oil industry, creating a state-owned oil company called...Petroleos de Venezuela, S.A. (PDVSA), and compelling foreign companies to give it a 60 percent ownership share in oil projects.”<sup>9</sup>

### **Initial Cracks in the Oil Wealth Façade**

Venezuela's dependence on oil was first revealed in the 1980s oil-price dive, which resulted in the nation turning to the IMF for help repaying its tens of billions of dollars in debt.<sup>10</sup> The IMF's aid came with contingencies—agreed to privately between then-President Perez and the IMF leadership in Washington—to shift Venezuela's economy to the neoliberal model.<sup>11</sup>

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<sup>9</sup> Kiger, Patrick J. “How Venezuela Fell from the Richest Country in South America into Crisis.” *History.com* (May 2019) <https://www.history.com/news/venezuela-chavez-maduro-crisis>

<sup>10</sup>Ibid.

<sup>11</sup> Lander, Edgardo and Luis A. Fierro. “The Impact of Neoliberal Adjustment in Venezuela (1989-1993).” *Latin American Perspectives*, Vol. 23, No. 3. Postbananza Venezuela (Summer 1996), pp. 53.

This prelude to a greater crisis also foreshadowed how economic hardship might translate into the future political atmosphere with protests and limitations on certain public freedoms.<sup>12</sup> This condition peaked in February 1989 with a series of protesting events in the capital city of Caracas referred to as Caracazo.<sup>13</sup>

### **Economic Devolution as Oil Prices Fall**

In the 1990s, Venezuela was a wealthy country thanks to its incomparable supply of crude oil. The root of its present economic devolution started with inequality as the flow of money from the oil market failed to trickle down to the general population. These conditions prompted the 1999 election of Hugo Chavez and his socialist, populist policies. Under Chavez, Venezuela bolstered welfare programs and accepted billions of dollars in loans to cover the costs.<sup>14</sup> Due to poor budget management, the Chavez administration also tied the economic status to that of a single commodity: oil, an unfortunate circumstance that would go on to exacerbate Venezuela's spiral toward economic crisis.<sup>15</sup> It wasn't long after present-day president, Nicolas Maduro, came to power in 2013 that oil prices plummeted to a low point of \$36.41 in January 2016.<sup>16</sup> Venezuela's heavy dependency on the oil market led its economy to suffer, circumstances made worse by Maduro's response. His administration instituted measures of

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<sup>12</sup> Kiger, Patrick J. "How Venezuela Fell from the Richest Country in South America into Crisis." *History.com* (May 2019) <https://www.history.com/news/venezuela-chavez-maduro-crisis>

<sup>13</sup> Grainger, Sarah. "Victims of Venezuela's Caracazo clashes reburied." *BBC News* (February 2011) <https://www.bbc.com/news/world-latin-america-12593085>

<sup>14</sup> Gillespie, Patrick, Marilia Brocchetto, and Paula Newton. "Venezuela: how a rich country collapsed." *CNN Business* (July 2017) <https://money.cnn.com/2017/07/26/news/economy/venezuela-economic-crisis/index.html>

<sup>15</sup> Kiger, Patrick J. "How Venezuela Fell from the Richest Country in South America into Crisis." *History.com* (May 2019) <https://www.history.com/news/venezuela-chavez-maduro-crisis>

<sup>16</sup> "Crude Oil Prices- 70 year historical chart." *Macrotrends* (n.d.) <https://www.macrotrends.net/1369/crude-oil-price-history-chart>

public censure (releasing discreditable numbers and cracking down on dissenters and the media) all while continuing to rack up debt.<sup>17 18</sup>

Since March 8, 2015, Venezuela has been subject to sanctions by the United States. The effects of these sanctions include “Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela”, “Prohibiting Certain [Transactions] with Respect to Venezuela”, “Taking [Steps] to Address the National Emergency with Respect to Venezuela”, and “Blocking Property of the Government of Venezuela”.<sup>19</sup>

## II. Present Day Conditions

Venezuela is still considered a petrostate. According to the Council on Foreign Relations, this means that it demonstrates the “government income is deeply reliant on the export of oil and natural gas, economic and political power are highly concentrated in an elite minority, and political institutions are weak and unaccountable, and corruption is widespread.”<sup>20</sup>

Judging from the statistics of the IMF, Venezuela’s GDP is estimated to fall by 25 percent by the end of 2019, with consumer prices expected to change by 10,000,000 percent in the same time period.<sup>21</sup> For reference, the last data on Venezuela’s GDP (supplied by the World Bank in 2014) marked it as 482.359 billion USD, with GNI per capita at 13,080 USD and 33.1

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<sup>17</sup> Gillespie, Brocchetto, and Newton. “Venezuela: how a rich country collapsed.”

<sup>18</sup> Kiger, Patrick J. “How Venezuela Fell from the Richest Country in South America into Crisis.” *History.com* (May 2019) <https://www.history.com/news/venezuela-chavez-maduro-crisis>

<sup>19</sup> “Venezuela-related sanctions.” *U.S. Department of the Treasury* (n.d.) <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/venezuela.aspx>

<sup>20</sup> Labrador, Rocio Cara. “Venezuela: the Rise and Fall of a Petrostate.” *Council on Foreign Relations* (January 2019) <https://www.cfr.org/background/venezuela-crisis>

<sup>21</sup> “Republica Bolivariana de Venezuela.” *International Monetary Fund* (n.d.) <https://www.imf.org/en/Countries/VEN>

percent of the population below the poverty line in 2015.<sup>22</sup> Present-day estimates put 90 percent of the Venezuelan population in poverty.<sup>23</sup>

## Topic 3: Political Crisis

### I. Present Day Conditions

As mentioned prior, the current political situation is not good. Currently, Nicholas Maduro retains near total control of the political institution of the country. Guaido, despite enjoying recognition from the United States, Britain, France, Brazil, and most other regional powers<sup>24</sup>, still does not have any real power in the country of Venezuela itself: the military, economic, and judicial institutions are still firmly in the grip of Maduro. A brief read of the Dossier ought to reveal as much: virtually no one in Guaido's cabinet actually holds a significant position in the Venezuelan government. His power, and thus the power of his cabinet, relies on a mixture of charisma and international support, as well as not insignificant support from opposition parties in the official government.

Maduro, on the other hand, still maintains support from his own group of allies. Most significantly, Russia and China have been steadfast in their commitment to Maduro's regime, supplying weapons and credit to the government. Iran and Turkey have also continued to recognize Maduro, which may be relevant given recent US policy in the Middle East. Finally,

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<sup>22</sup> "Venezuela, RB." *The World Bank* (n.d.) <https://data.worldbank.org/country/venezuela-rb>

<sup>23</sup> Taladrid, Stephania. "Venezuela's Food Crisis Reaches a Breaking Point." *The New Yorker* (February 2019) <https://www.newyorker.com/news/news-desk/venezuelas-food-crisis-reaches-a-breaking-point>

<sup>24</sup> Reuters, "Guaido vs Maduro: Who is backing whom in Venezuela?" *Reuters* (April, 2019) <https://www.reuters.com/article/us-venezuela-politics-support-factbox/guaido-vs-maduro-who-is-backing-whom-in-venezuela-idUSKCN1S62DY>

internally, Maduro continues to enjoy the support of the Supreme Court, the military, and PDVSA, the state owned oil company, which provides Venezuela with most of its export revenues.<sup>25</sup>

## II. Challenges

The challenges in this political crisis stem entirely from the support for the Maduro regime as compared to the Guaido regime. As part of the Guaido regime, your goal is to minimize your opponents support while maximizing your own.

In terms of maximizing your own support, you are already in a fairly advantageous position, being recognized by many key powers (3 of the 5 G5 countries is nothing to scoff out). However, there has been trouble leveraging that support into actual concrete action. Aid into Venezuela, as mentioned prior, has been stopped at the border and often destroyed by government forces. The question thus becomes how to take the support given to Guaido and converting it into material advantages. Whether this takes the form of arms sales, further sanctions against Maduro, or something as extreme as foreign military intervention, the challenge here is to actuate change.

With regards to minimizing Maduro's support, the challenge is the opposite. Maduro's limited supporters (externally, at least. Internally, support is significant) commit a significant amount of material and effort into their support. The goal therefore will be either to limit the countries and groups supporting Maduro, or finding ways to make them lessen their material commitment to

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<sup>25</sup> Ibid.

his government. Additionally, attempts to leverage countries which do not support Maduro into strengthening their opposition into action may have beneficial effects.

# Questions to Consider:

## Topic 1: Humanitarian Crisis

The first, and perhaps most important question to consider is whether or not to do anything at all about the humanitarian crisis? As unpleasant as it sounds, every humanitarian crisis is a failure of the current government, and it doesn't do much for their popularity. Sometimes the right thing to do is not to do anything at all. However, allowing people to starve when they cry out for bread is certainly not a course of action that will sit well with everyone.

Once you have determined whether or not you will do anything, the question naturally becomes what you can do. As a government not actually in control of the country, options are not endless. The military, police, and judicial system is still controlled almost entirely by the Maduro regime, as well as the various state run corporations. If your government decides to take any action, that action will almost certainly have to take place outside the usual channels, and will require more wit and creativity than normal.

Finally, there is the question of what the most pressing issue is. There is not a correct answer here, rather this a judgement based on what you value. A minister who oversees agriculture may be more concerned with food shortages than the spread of illness, at least until their child falls ill. Conversely, it is possible that you believe foreign aid is required to solve the other problems, so in that case you ought to focus your efforts in to ensuring that foreign aid can continue to flow.

## Topic 2: Economic Crisis

Similar to the humanitarian crisis, there are two key questions to start, so those will be briefly reiterated. First, should anything be done? The economic collapse hurts the ruling government more and more everyday, so economic recovery may bring unexpected downsides with it. Second, the actual options available are rather limited, so will require a not insignificant amount of political gymnastics to execute.

However, unlike the Humanitarian Crisis, there is an obvious first step that needs to be taken, and that step will involve oil. Whether by doubling down on petrochemicals and relying on international markets to change or by diversifying, oil will form the centerpiece of any economic policy. The question thus becomes what you will do about oil? A significant part of Chavez's popularity came from his ability to leverage the oil income of Venezuela to ensure a high standard of living. Will you be able to do the same?

## Topic 3: Political Crisis

The questions here are quite simple. How can you better identify and understand the threats to your government? What methods will you use to alleviate or redirect those threats? And finally, what is the ultimate outcome of this movement--that is to say, what do you want to happen if Maduro is ousted? There isn't that much room for guidance here because the questions themselves are quite simple--they're the questions which have guided policymaking for a long while--and the complicated details are up to you.