

FORUM: General Assembly three

ISSUE: The question of the Venezuelan refugee crisis

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Introduction

During the 1970s, Venezuela was considered to be the richest country in South America. Venezuela's economy was based around their oil supply. However between 2013 and 2019, Venezuela's economy shrank by more than half leaving roughly 90 percent of the population living below the poverty line. Venezuela has been governed for the past 20 years by the socialist PSUV party, led by President Hugo Chávez. After his death in 2013, Hugo Chávez was succeeded by his right-hand man, Nicolás Maduro. During the 20 years under the PSUV, they were able to gain control of many key institutions, which includes much of the judiciary, the electoral council and the supreme court. But under President Maduro, Venezuela's economy collapsed. With Venezuela's economy being dependent on oil and the oil price drop in 2014, Maduro wasn't able to sustain the food, health and education programmes. The economic mismanagement and corruption drove it's Venezuela into a state of instability. Now with a collapsed economy, The Venezuelan government has still failed to prioritize the well being of their citizens, failing to provide a consolation of any sort for the many citizens facing food and medical shortages.

Definition of Key Terms

- Economic refugees** A person who leaves his or her home country in order to find better job prospects and higher living standards in another country. Economic refugees leave their country to escape poverty or conflict and are willing to start over in a new country for a chance at a better life.
- Economic hyperinflation** A very high and accelerant increase in goods and services. It quickly reduces the real value of the local currency, as the prices of all goods increase. This causes people to minimize their holdings in that currency.

- Humanitarian crisis** A single or series of events that are threatening towards health, safety or well being of a community or large group of people. It may be an internal or external conflict.
- Chavismo** Also known as Chavism and Chavezism, is a left-wing political ideology based on the ideas, programs and government style associated with the former Venezuelan President Hugo Chávez that combines parts of socialism, left-wing populism, patriotism, internationalism, Bolivarianism.
- Capital flights** When assets or money rapidly flow out of a country, due to an event of economic consequence.
- Black market** An illegal economic activity that takes place outside government-sanctioned channels. Black market transactions usually occur “under the table” to let participants avoid government price controls or taxes.
- Mixed economy** An economic system where both the private enterprise and a part of state ownership coexist. All modern economies are mixed where the means of production are shared between the two sectors.

Background Information

Carlos Andrés Pérez Rodríguez of the Democratic Action Party (AD), was the president of Venezuela from 1974 to 1979 and again from 1989 to 1993. 10 years after Pérez's first election, a fall in world oil prices generates disturbance and cuts in welfare spending. In 1983, the Americans cut a deal with Saudi Arabia; in return for the latest American weapons, the Saudis agreed to increase their oil production and exports, in an effort to cripple the economy of the surge Soviet Union. Indeed, the sustained surge in Saudi production collapsed world oil prices and along with the Soviet's Union economy they managed to harm every oil exporting country in the world, including Venezuela.

The elections of 1998, however, bring a dramatic new change of direction. Hugo Chavez wins the presidency with a large majority on a nationalist leftwing program and launches the “Bolivarian Revolution”. that revolution brought in new constitution, socialist and populist economic and social policies funded by high oil prices, and

increasingly vocal anti-US foreign policy. Since, Chavez's political party was a left-wing party, its main focus was to have less poverty, eliminate the inequalities between the different social classes and offer basic public services to the people, such as things like health and education. Venezuela benefited from high oil prices at that time, which enabled Chavez to increase public spending on ambitious programs, but instead of saving the remains when prices were higher, much of this emergency oil fund was either spent or stolen. By the end of Chavez's presidency, this led to the country facing problems of unemployment, inflation, and black market economy. Following Chavez's death, Maduro (right hand man to Chavez) was appointed as President of Venezuela after which the price of oil went down. As a result of Venezuela's economic export earnings depending on its oil exportation (total of 98% earnings), the state of the country declined rapidly into a state of hyperinflation. Maduro's reign slowly turned into a dictatorship. Because of Chavez's strategic placement of supporters in the government.

Key Issues

Economic Crisis

The drop in oil prices and the subsequent depletion of government reserves forced Maduro to simply print more money to pay workers. The hyperinflation in Venezuela is a result of that monetary incontinence. The inflation currently rising at a staggering 3% every day. The International Monetary Fund predicts inflation will skyrocket to 1 million percent by the end of the year as the government continues to print money.

Humanitarian crisis

The lack of food and medicine accelerated the decline in health. Current estimates show that over 11% of children under age five are severely malnourished. Almost one-third of Venezuelans admit to eating two or fewer meals per day, over 85% say they eat less than before, and others say they've gone at least one full day without

eating. Illness rising from these problems go untreated as doctors and hospitals face an acute shortage in medicine and related supplies. Moreover, diseases like Diphtheria, that one thought had been eradicated, has returned due to the lack of immunity and adequate vaccination. Malaria has also infected people at a rate that hit a 75-year high.

Major Parties Involved and Their Views

Maduro's government

Maduro used the UN general assembly in 2018 to make sweeping statements about the crisis in his nation. He claimed that the US is at complete fault for the crisis in Venezuela and he is to "prevent the humanitarian crisis". He claimed they are targeting Venezuela with false publicity for oil and the whole migrant crisis is a fabrication. Maduro's statements reflect his parties view that there isn't any issue in the nation.

USA

On 1 October 2013 America set sanctions on Venezuela and has renewed its sanctions against Venezuela. In order to do so, officials claimed that the country posed a threat to the national security of the USA. This sent a message to all investors and prevented them from investing, knowing that the economy of the countries that have been sanctioned by the US tend to shrink.

The Human Rights Council (HRC)

They are actively investigating the human rights abuses conducted by the Maduro government. The HRC has written a resolution condemning Venezuela and requests the nation to accept aid.

The National Assembly (Venezuela)

The National Assembly does not recognize Maduro as the legitimate president, but recognizes Juan Guaido as the rightful president of Venezuela.

Latin America

The countries of Latin America have created strong ties, especially in trading and, generally, one directly affects the others. So, naturally, the Maduro government has regional allies that have protected it from external pressure. Recently the Secretary General of the Organization of American States, Luis Almagro, told the Guardian that Argentina had been working behind the scenes to obstruct an OAS assembly to discuss the economic crisis and human rights crises in Caracas.

Timeline of Relevant Resolutions

Date	Description of event
1521	Spanish colonization begins on the north-east coast.
1810	Spanish colonization begins on the north-east coast.
1973	Venezuela's currency peaks against US dollar from oil boom.
1983-1984	Fall in world oil prices generates unrest and cut welfare spending.
1998	Hugo Chavez is elected president, with established parties, launches 'Bolivarian Revolution' that brings in new constitution, socialist and populist economic and social policies funded by high oil prices, and increasingly vocal anti-US foreign policy.
2002	Venezuela's national currency, the Bolivar, plummets 25% against US dollar after government scraps exchange rate controls.

2011	Government introduces price controls on many basic goods in an attempt to curb the 27% annual inflation rate, one of the highest in the world.
2013	President Hugo Chavez dies at age 58 after a battle with cancer. Nicolas Maduro is elected president.
2014	Annual inflation rate rises to 63.4%, the highest in the Americas, cuts in public spending.
2015	Government devalues currency.
2016	Government declares 60-day economic emergency.

Treaties and Events

- UN Agencies are supplying aid to refugees in Colombia, Peru, and other nations.
- UN General Assembly gave Nicholas Maduro the right to state his perspective and defend his actions.
- UN Human Rights Council investigated into the government actions against protestors and have found the Venezuelan government guilty in crime against humanity.
 - The UN have passed a resolution condemning human rights abuse in Venezuela.
 - The UN international Covenant on Civil and Political rights

Evaluation of Previous Attempts to Solve the Issue

All the attempts so far to try to solve the crisis in Venezuela have had limited success. Attempts to send humanitarian aid to the region has failed as Maduro continues to limit the amount of forigen intervention claiming countries like the U.S are creating chaos in the area. As well as that, the other main attack on the crisis in

Venezuela has been through sanction. Countries, such as the U.S, continue to place sanctions on Venezuela to provide an incentive for Maduro to step down. But this hasn't work as well, for Maduro continues to ignore these sanctions, which over time, has had a negative impact on the many citizens of Venezuela.

Possible Solutions

At first, it is crucial that the international community should make efforts in order to cooperate with the Venezuelan Government and offer aid as well with the view of stabilizing the situation. Furthermore, there must be measures which will make sure that the poverty-stricken Venezuelans have access to basic goods and that in general there are no shortages concerning consumer goods. Moreover, it is vital that the diplomatic tensions between the bordering countries of Venezuela are terminated. Finally, Military are to change sides to support the people, allowing for Maduro to be overthrown, and for state reform to happen. Ideally changing currency to a more stable one like the U.S Dollars or Euros. The UN can simply place pressure on the government, military and people to ensure this process occurs. This may be achieved by increasing media coverage.

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