

VENEZUELA

MARCO CEPIK - 2019

CONTEXT



COMMODITIES . . .

“IN A COUNTRY RICH IN MINES AND AGRICULTURAL PRODUCTS, WHICH CAN SUSTAIN A CONSIDERABLE AND BENEFICIAL EXPORT TRADE, THE LATTER SHOULD NOT ATTEMPT TO ENCOURAGE INDUSTRIES THAT DISTRACT THE INHABITANTS FROM AGRICULTURAL AND MINING OCCUPATIONS. . . . WE SHOULD OFFER EUROPE RAW MATERIALS AND OPEN OUR DOORS TO HER MANUFACTURES, TO FACILITATE TRADE AND THE PROFIT IT BRINGS, AND TO PROVE THE CONSUMER, AT A REASONABLE PRICE, WITH THE PRODUCTS OF THE MANUFACTURING INDUSTRY.”

Colombian Treasury Secretary Florentino González, 1847

% Export Commodity Ratio	1913	2014	Main Products 2013/2014
MEXICO	40.6	17.5	Silver-Copper / Oil-Cars
VENEZUELA	73.4	80.1	Coffee-Cacao / Crude-Refined Oil
BRAZIL	78.2	22.1	Coffee-Rubber / Iron-Soybean
ARGENTINA	43.2	22.8	Maize-Wheat / Soybean-Trucks

SOURCE: KLINE & WADE & WIARDA (2018) Latin America Politics Development, pages 61 and 67

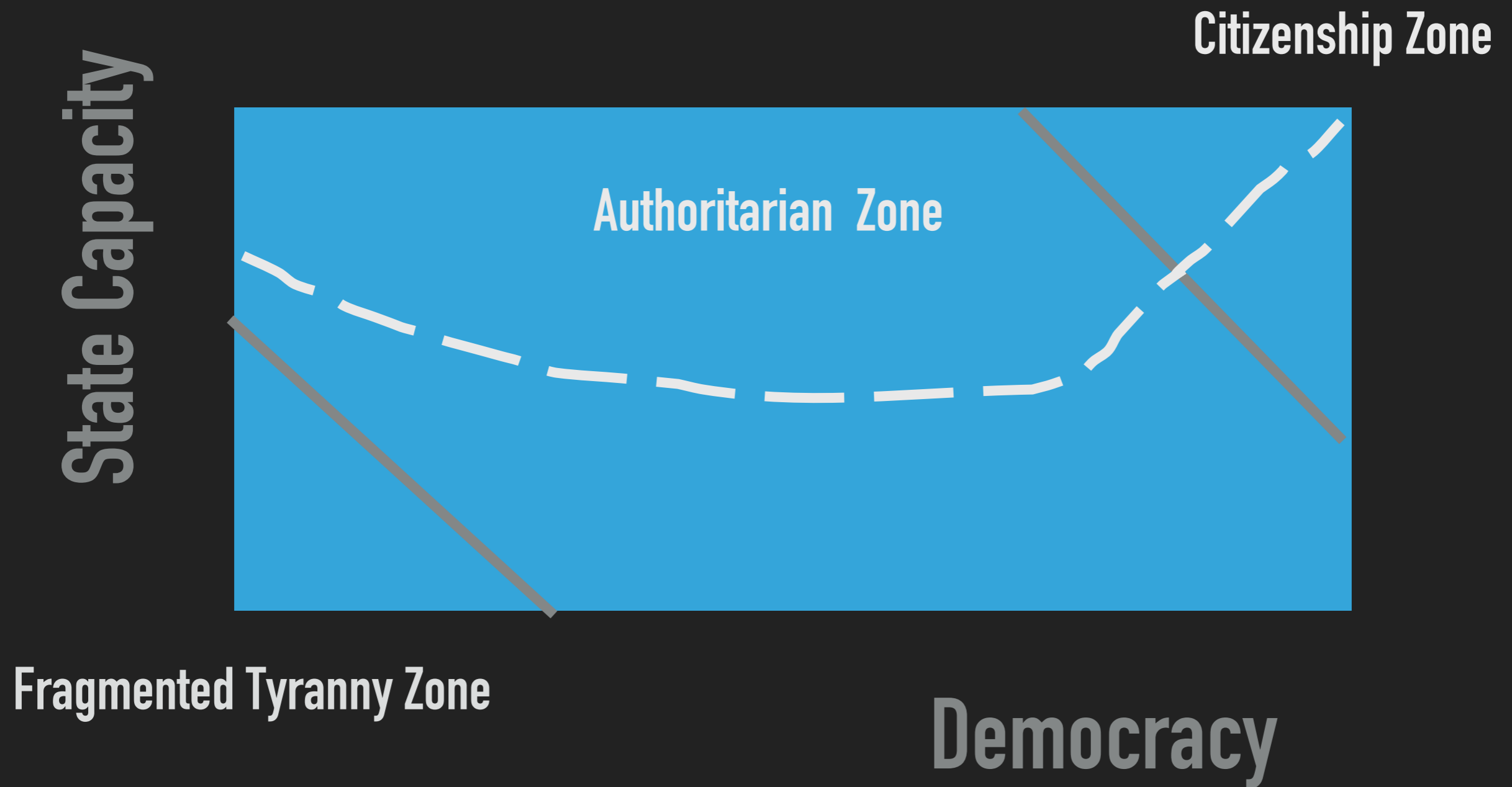
CAF MACROECONOMIC REGIONAL PROJECTIONS...

- ▶ LA projection GDP real growth % from 1.7 (2018) to 2.4 (2019)
- ▶ GDP real growth % in 2017: BR (0.9) / MX (3.0) / CO (1.8) / AR (2.8)
- ▶ GDP per capita (current USD): 10,541 (2018)
- ▶ Exports (million USD): 960,894 (2018)
- ▶ Imports (million USD): 909,716 (2018)
- ▶ Global Fiscal Result / GDP: from - 6.2 % (2017) to - 5.4 % (2018)
- ▶ Current Account / GDP: from -1.7% to - 2.2%
- ▶ Urban unemployment rate: 8.2 %

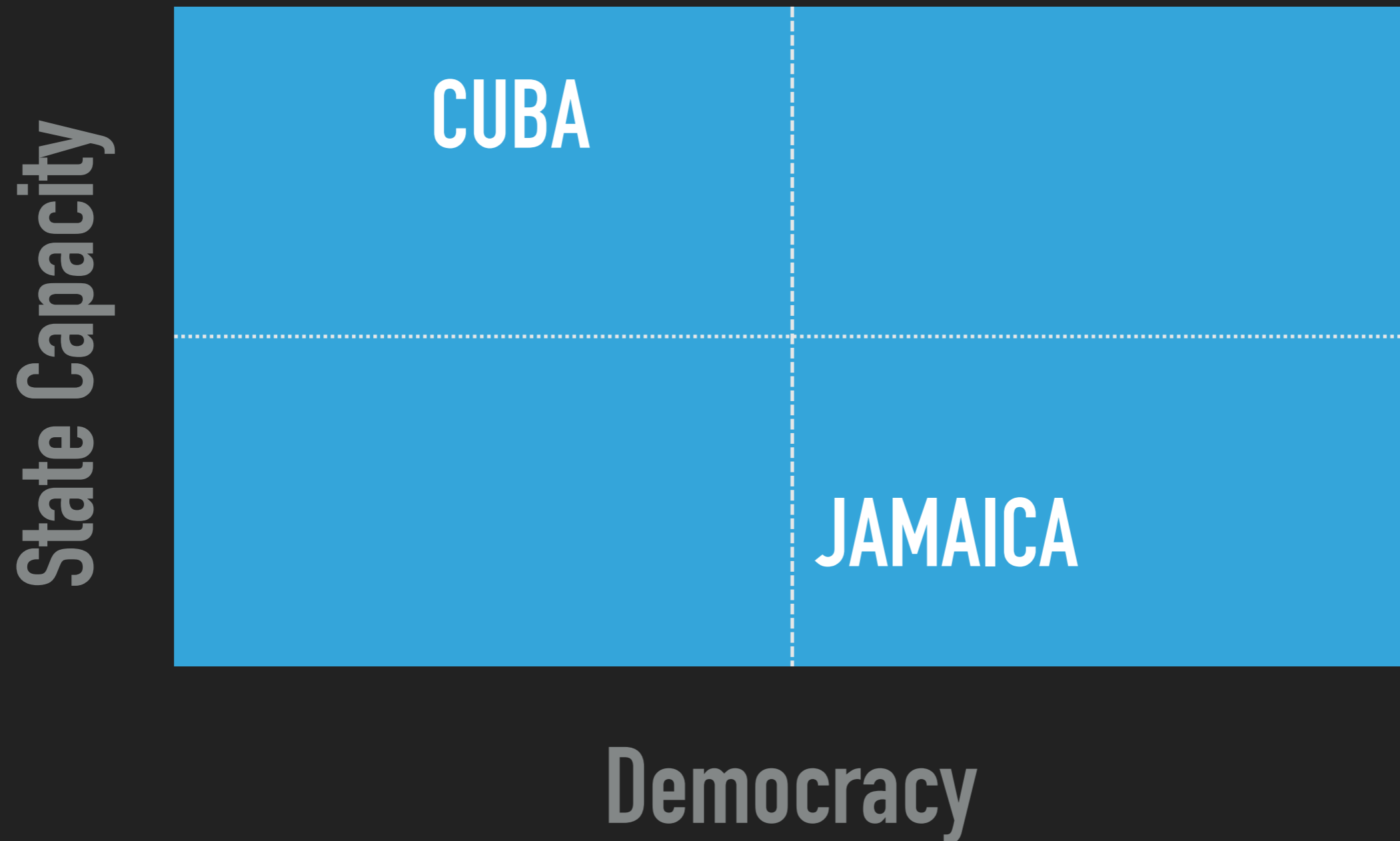
POVERTY AND INEQUALITIES TO OVERCOME

- ▶ LAC – 10 of 15 most unequal countries, 182 million poor
- ▶ VE – HDI 0.76 / Gini 46.9 / 87% poor and desperate in 32 million
- ▶ MX – HDI 0.77 / Gini 43.4 / 42.3% poor in 130 million
- ▶ BR – HDI 0.76 / Gini 51.3 / 11.2 % poor in 210 million
- ▶ AR – HDI 0.82 / Gini 42.4 / 33 % poor in 43 million
- ▶ Age, race, ethnicity, gender, territory, and other inequalities
- ▶ Outsized effects of Climate Change in the Global South
- ▶ How to build strong micro and macroeconomic foundations?

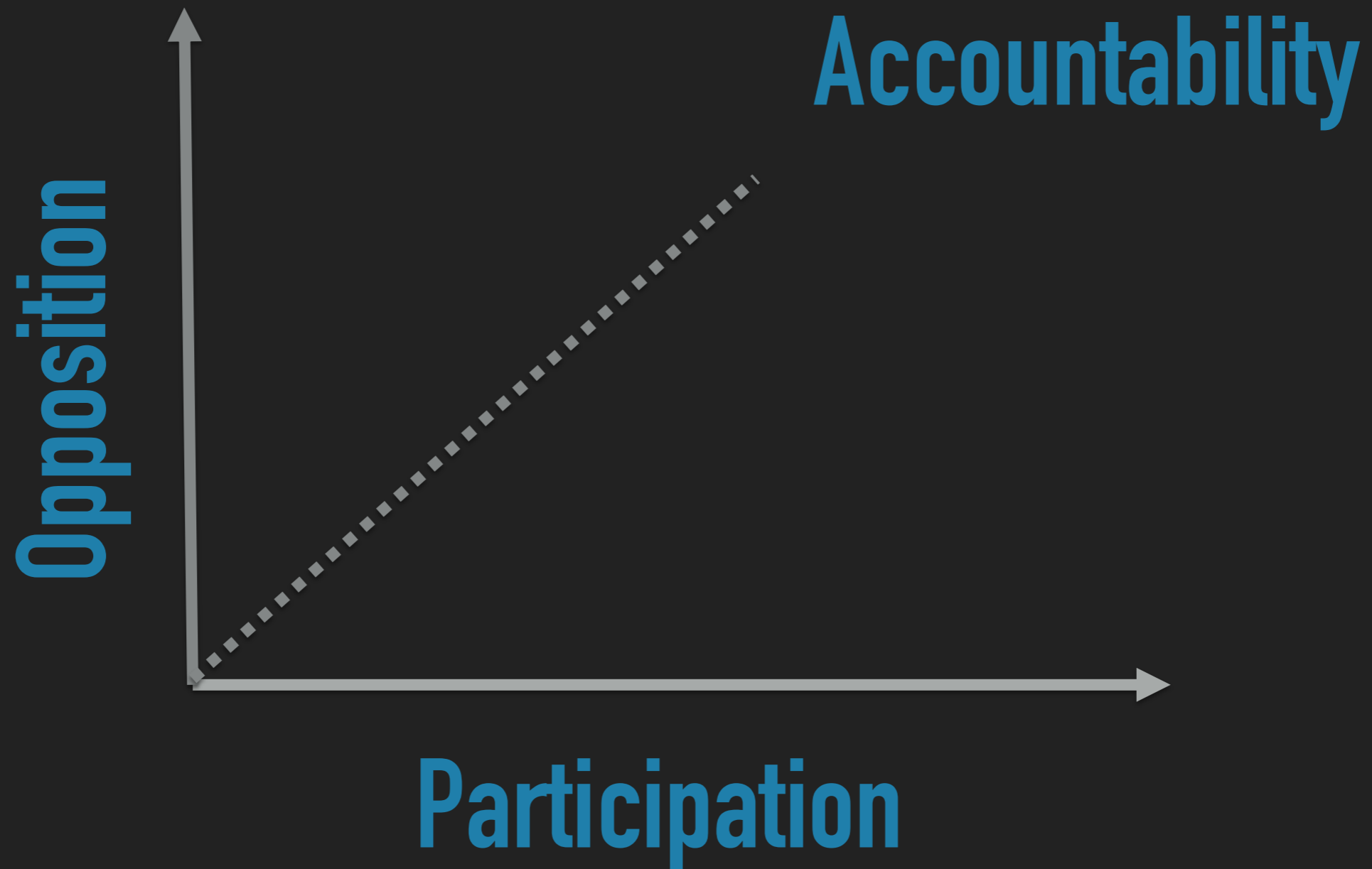
CHARLES TILLY (2007)



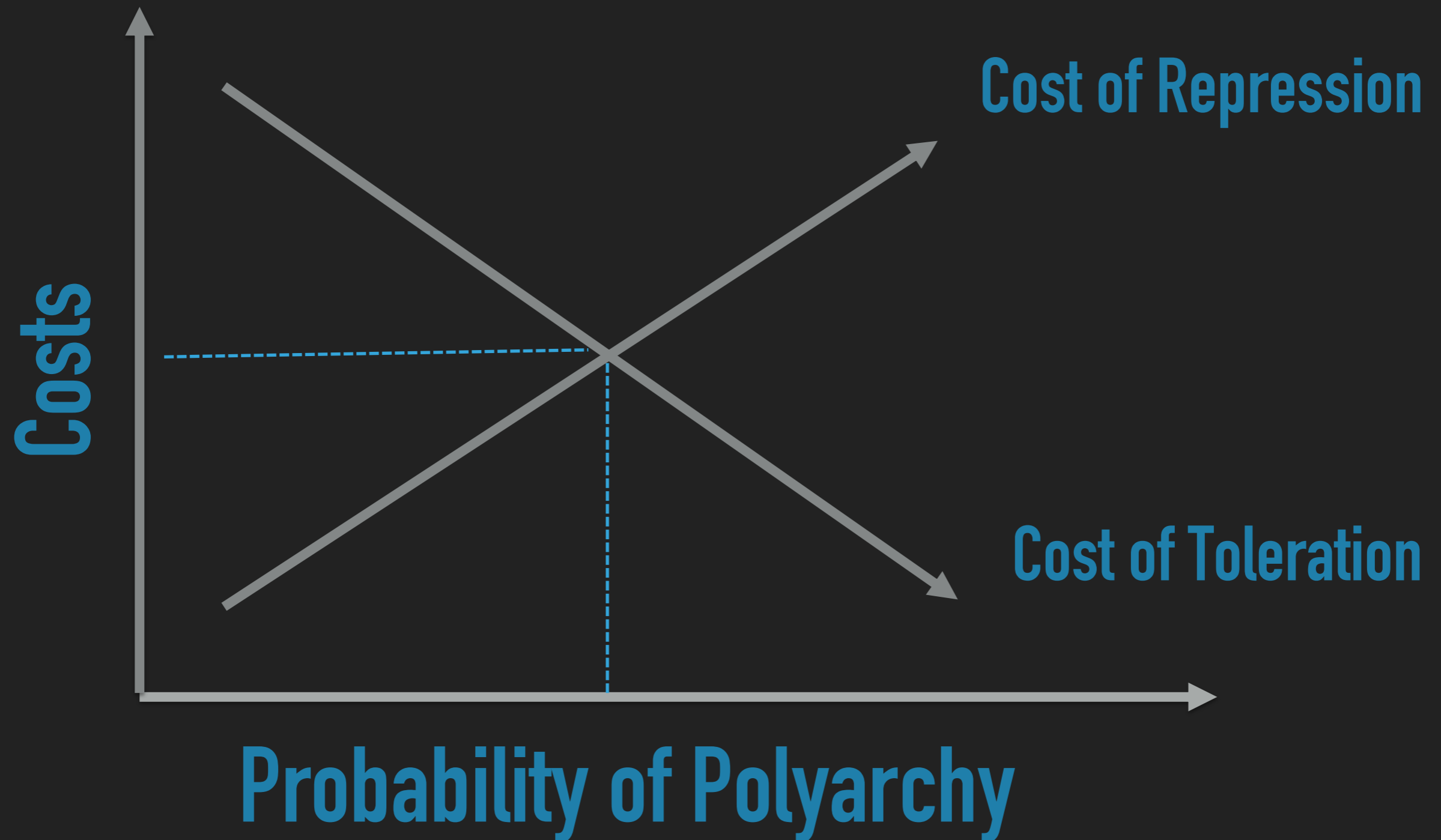
CHARLES TILLY (2007)



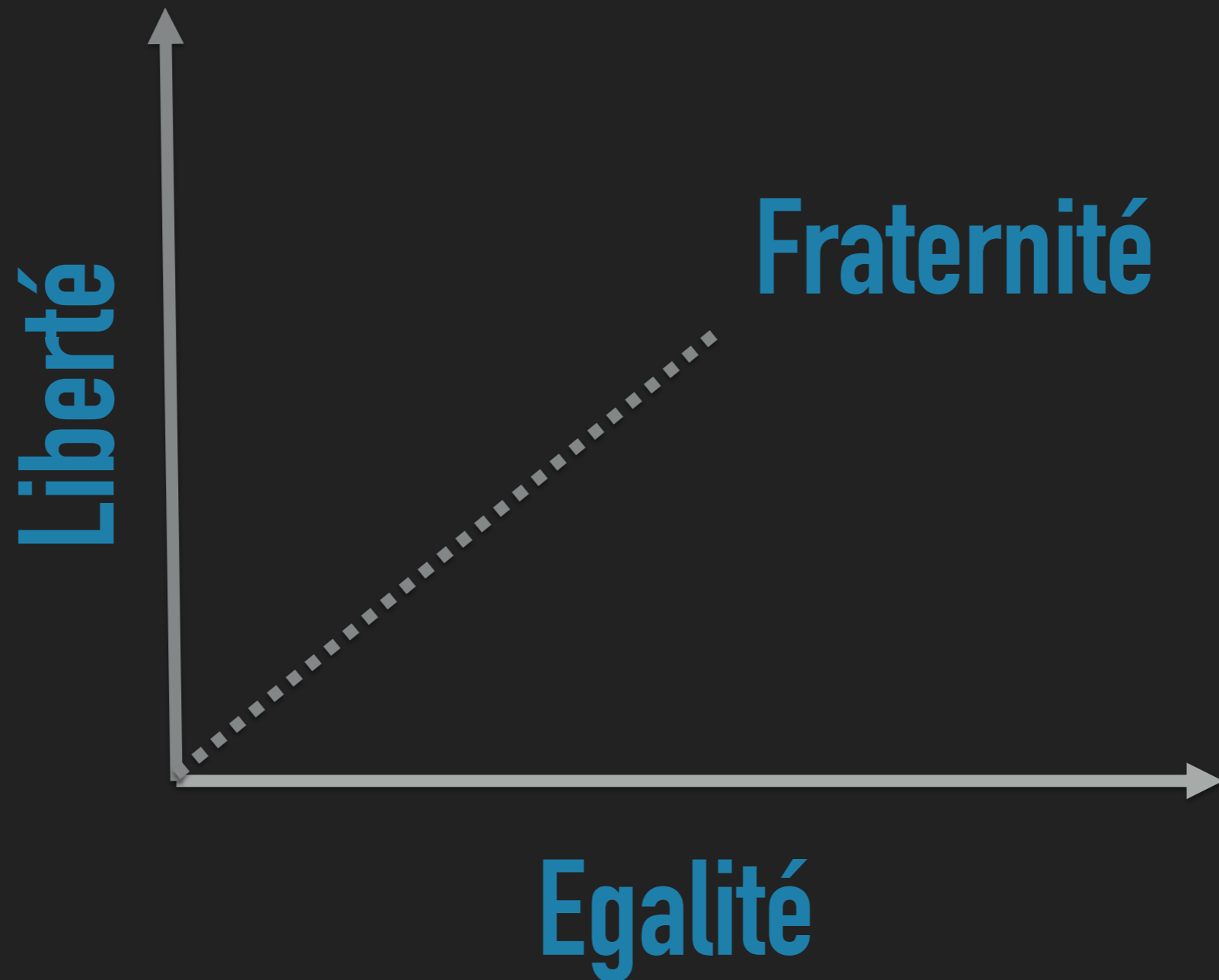
FROM 2D TO 3D PRINCIPLES – WG SANTOS



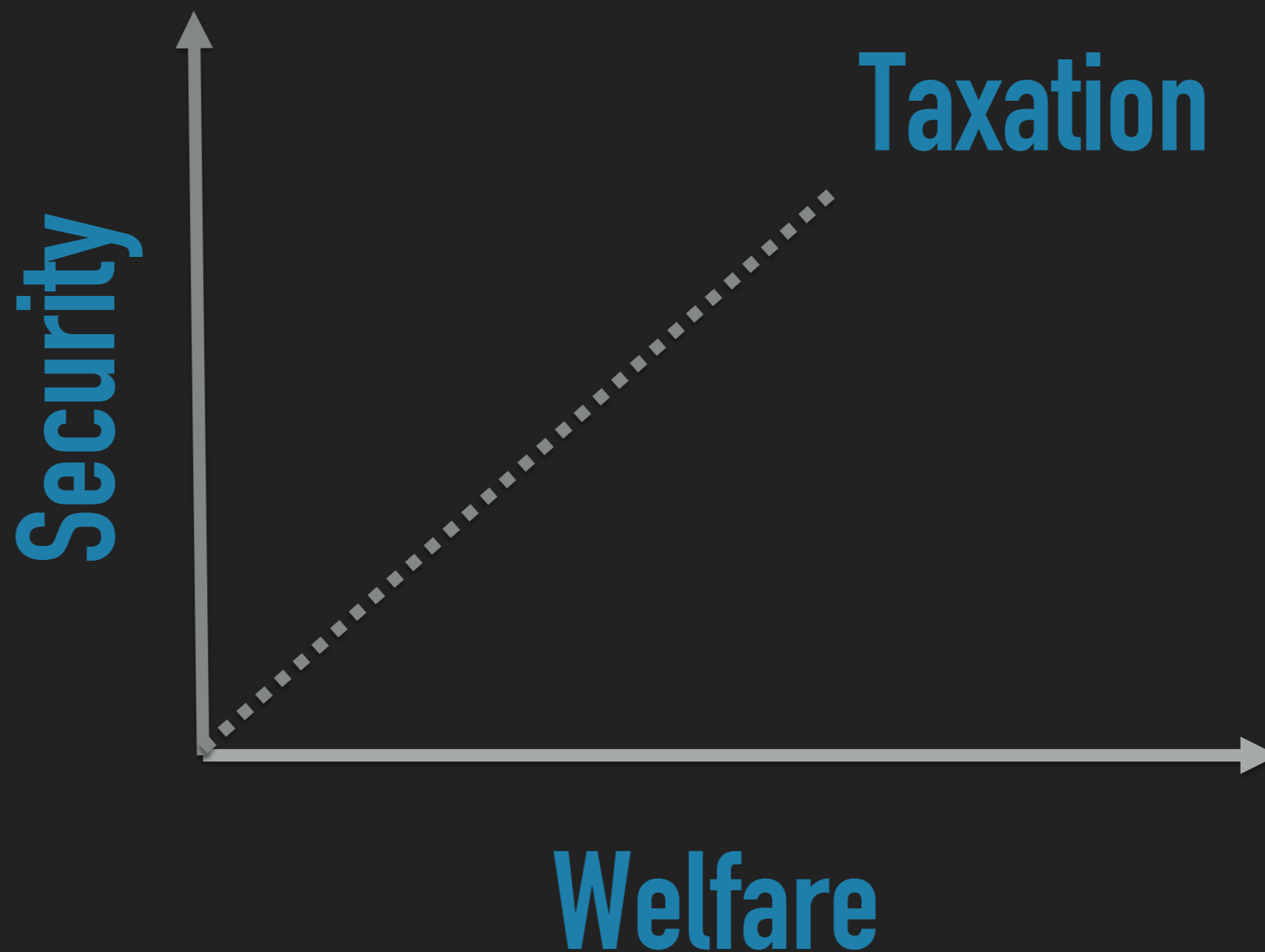
DAHL AS A REALIST...



WHICH VALUES?



STATE CAPACITY — 3D PERSPECTIVE



	MX	VE	BR	AR
DEMOCRACY	1911-1912 2000-2015	1946-1948 1958-1998	1946-1953 1956-1964 1990-2015	1916-1929 1946-1950 1973-1975 1983-2000 2003-2015
SEMIDEMOCRACY	1917-1919 1924-1928; 1988-1999	1999-2015	1985-1989	1932-1942 1951-1954 1958-1961 1963-1965 2001-2002
COMPETITIVE OLIGARCHY	-	-	1900-1919	1900-1915
NONDEMOCRACY	1900-1910; 1913-1916 1920-1923 1929-1987	1900-1945 1949-1957	1930-1945 1954-1955 1964-1984	1930-1931 1943-1945 1955-1957 1962; 1966-1972; 1976-1982

MILITARY COUPS 1900–2015 – SMITH & SELLS (2016)

19 LAC countries	MX	VE	BR	AR
N = 167	03	05	06	06
1.6 per year	1913 1914 1920	1908; 1936 1945; 1948 1952	1930; 1937 1945; 1954 1955; 1964	1930; 1943 1955; 1962 1966; 1976
8.8 per country	No Military Regime	1948–1958 Military Regime	1964–1985 Military Regime	1966–1973 1976–1983 Military Regimes

PREATORIANISM AS POLITICAL DECAY

“IN A PRAETORIAN SYSTEM SOCIAL FORCES CONFRONT EACH OTHER NAKEDLY; NO POLITICAL INSTITUTIONS, NO CORPS OF PROFESSIONAL POLITICAL LEADERS ARE RECOGNIZED OR ACCEPTED AS THE LEGITIMATE INTERMEDIARIES TO MODERATE GROUP CONFLICT. EQUALLY IMPORTANT, NO AGREEMENT EXISTS AMONG THE GROUPS AS TO THE LEGITIMATE AND AUTHORITATIVE METHODS FOR RESOLVING CONFLICTS. (...) EACH GROUP EMPLOYS MEANS WHICH REFLECT ITS PECULIAR NATURE AND CAPABILITIES. THE WEALTHY BRIBE; STUDENTS RIOT; WORKERS STRIKE; MOBS DEMONSTRATE; AND THE MILITARY COUP.”

Samuel HUNTINGTON, *Political Order in Changing Societies*, 1968, p. 196.

CIVILIAN PREATORIANISM AND IMPEACHMENT

- 13 /15 nonconstitutional power grabs led by civilians (1990–2004)
- Military shirking ? from conditional subordination to tutelage
- Coup? Chavez (2002), Zelaya (2009), Lugo (2012), Rousseff (2016)
- Colored Revolutions: legitimate grievances and covert operations
- Against Rousseff: funds for social programs without Congress ok.
- Against Lugo: police murder of 17 farmers, 5 hours trial
- Against Zelaya: non-binding poll on holding a referendum, ousted
- Against Chavez: won the 2000 election and the 1999 Constitution

CORRUPTION AND DEMOCRACY

“THE BIGGER CHAINS OF CORRUPT TRANSACTIONS ARE NOWADAYS TRANSNATIONAL. ESPECIALLY SO UNDER FINANCIAL DEREGULATION AND THE PROLIFERATION OF TAX HAVENS AND SECRECY, THAT ALLOWS FOR STAGGERING FIGURES OF TAX EVASION AND ILLICIT INTERNATIONAL FINANCIAL FLOWS. I SIMPLY CANNOT SEE HOW CAN WE HOPE FOR A LESS CORRUPT POLITICAL ENVIRONMENT AT THE NATIONAL OR TRANSNATIONAL LEVEL IF WE ADOPT THE RHETORIC OF PURGING ENTIRE POLITICAL SYSTEMS THAT NEW DEMOCRACIES MANAGE, HOWEVER PRECARIOUSLY, TO BUILD.”

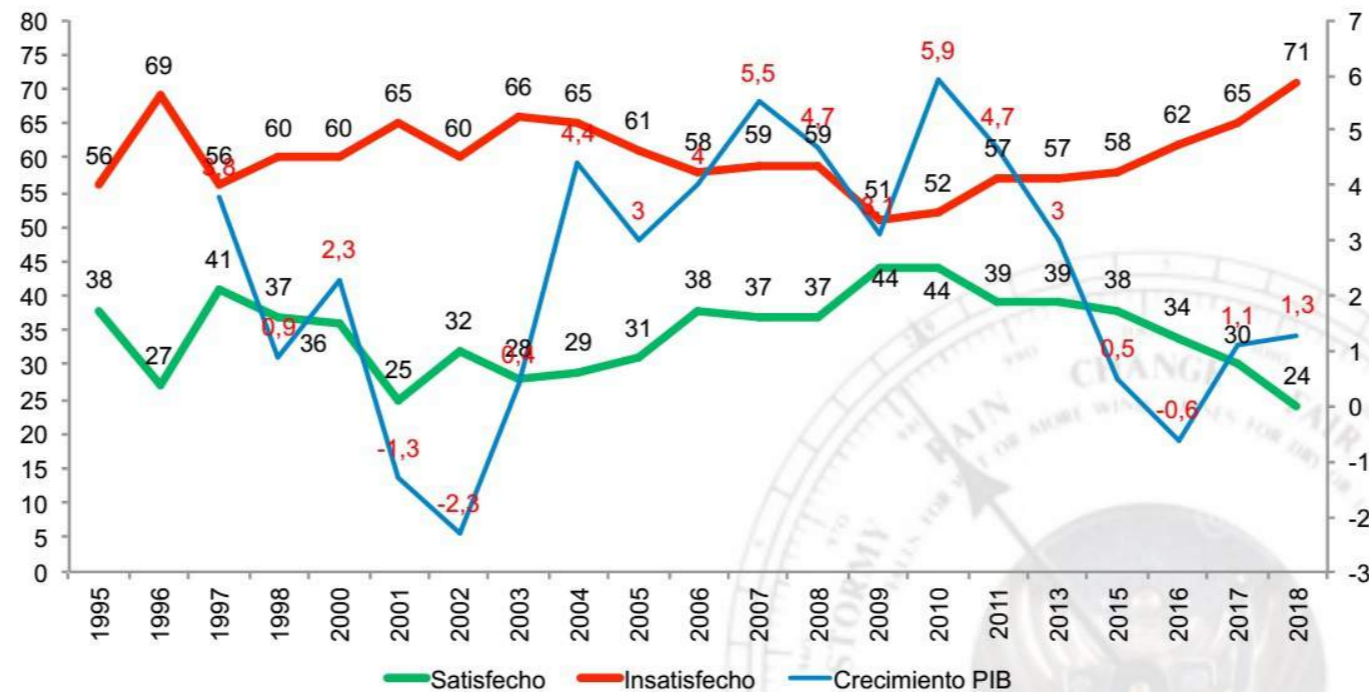
Bruno REIS, *The Fight Against Corruption as a Threat to Democracy*, 2018.

ANGER AND FEAR – WITHER GOVERNABILITY ?

SATISFACCIÓN CON LA DEMOCRACIA TOTAL AMÉRICA LATINA 1995 – 2018



P. En general, ¿Diría Ud. que está Muy satisfecho, Más bien satisfecho, No muy satisfecho o Nada satisfecho con el funcionamiento de la democracia en (país)?
Aquí: 'Muy satisfecho' más 'Más bien satisfecho' y 'No muy satisfecho' más 'Nada satisfecho'. No se grafica No sabe / No responde.



HOW IS DEMOCRACY ERODING ?

- Party Systems are weaker and challenged as representation tools
- Electoral competition heavily dependent on money and internet
- Programmatic differences exist, but are narrowed by TINA claims
- Labor-mobilizing parties challenged by fragmented social scene
- Violence, corruption, and economic crisis empower authoritarians
- Judiciary: either excessive politicization or lack of accountability
- Human Rights abuses and environment crimes are tolerated
- Tax reforms enhance collection, not burden redistribution
- Changing international context and de-democratization surge



“US TRADE AND INVESTMENT FLOWS TO LAC STILL TOWER OVER THOSE BETWEEN CHINA AND THE LAC REGION. ON TRADE, IN 2016 TOTAL TRADE (EXPORTS AND IMPORTS) BETWEEN CHINA AND LATIN AMERICA AMOUNTED TO NEARLY US\$ 213 BILLION, WHEREAS TOTAL US–LAC TRADE WAS ABOUT US\$ 758 BILLION THAT SAME YEAR. ON FDI, THE USA ACCOUNTED FOR 20% OF LAC’S OFDI INFLOWS IN 2014 (US\$ 31.8 BILLION), COMPARED WITH CHINA’S 6% SHARE THAT SAME YEAR (US\$ 9.5 BILLION).”

Wise and Chang (2017)

“THIS LEADERSHIP MUST BE WILLING AND ABLE TO RISE UP TO THE TASK OF PROVIDING SYSTEM-LEVEL SOLUTIONS TO THE SYSTEM-LEVEL PROBLEMS LEFT BEHIND BY U.S. HEGEMONY. THE MOST SEVERE AMONG THESE PROBLEMS IS THE SEEMINGLY UNBRIDGEABLE GULF BETWEEN THE LIFE-CHANCES OF A SMALL MINORITY OF WORLD POPULATION (BETWEEN 10 AND 20 PERCENT) AND THE VAST MAJORITY.”

Arrighi and Silver (1999, p. 289)

VENEZUELA

A. Background

B. Who is Who?

C. What is going on?

A. BACKGROUND





1811 – Independence from Spain (July 5th)

1830 – Separates from Gran Colombia

1854 – Abolition of Slavery

1899 – Most of disputed territory given to British Guiana

1935 – Oil Production Venezuela's highest GDP per capita in LAC

1958 – End of Pérez Jimenez Dictatorship and Punto Fijo (AD-COPEI)

1989 – Caracazo riots

1992 – Coup attempt by Chavez

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- 1998 – First Chávez election (56.2%)**
 - 1999 – Constitutional Referendum in April (72%)**
 - 1999 – Constituent Assembly election in July (124 out of 131 seats)**
 - 1999 – Constitutional Referendum in December (71.8%)**
 - 2000 – Presidential Election Chávez (59.8%)**
 - 2001 – 49 Presidential Decrees, Bolivarian Revolution**
 - 2002 – Coup attempt against Chávez, PDVSA overhaul, and protests**
 - 2004 – Recall referendum won by Chávez (59% against 41%)**
 - 2005 – 21st century Socialism and Bolivarian Revolution**
 - 2006 – Presidential Election Chávez (62.8%)**
 - 2007 – Constitution Referendum to amend 69 articles (49%, defeated)**

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- 2007 – Constitution Referendum to amend 69 articles (49%, defeated)**
 - 2009 – Referendum to abolish term limits (54%)**
 - 2012 – Presidential Election Chávez (54%)**
 - 2013 – Chávez death and Maduro as interim president**
 - 2013 – Special Presidential Election Maduro (50.6%)**
 - 2015 – National Assembly elections (MUD 65.27% seats, PSVU 32.93)**
 - 2016 – Recall attempt, Economic Emergency Decree, Refugee Crisis**
 - 2017 – Supreme Tribunal of Justice (TSJ) takes control of Legislative**
 - 2017 – Constituent Assembly elections (turnout between 11 and 42%)**
 - 2018 – Presidential Election Maduro (67.8%), but 42% voter turnout**
 - 2019 – Juan Guaidó (MUD) self-proclaims he is the interim president**

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- ▶ **Area: 916,445 km² (about twice the size of California)**
 - ▶ **Population (2019, estimate): 32.8 million**
 - ▶ **Capital District: Caracas (city 1.9 million, metro area 2.9 million)**
 - ▶ **Whites 43.6 % Mestizos 51.6 Black 3.6 Amerindians and others 1.2**
 - ▶ **Religion 2010: 71% Catholic, 17% Protestant, 8% Irreligious**
 - ▶ **GDP 2018 (estimated): USD 96.3 billion (nominal) 320.1 billion (PPP)**
 - ▶ **GDP by sector 2017: agriculture 4.4%; industry 38.2%; services 57.4%**
 - ▶ **Largest world oil reserves: 302,81 billion barrels in 2017**
 - ▶ **Oil Sector: 95% of exports and 11,29% of the GDP (2014)**
 - ▶ **Prolonged economic recession since 2014**

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- ▶ GDP per capita 2019: USD 3,100 (nominal) or USD 11,066 (PPP)
 - ▶ GDP Growth: -18% in 2018 and -25% estimated for 2019 (IMF)
 - ▶ Inflation 2018: 130,060 % (BCV) or 929,797 % (IMF) or 1,698,488 % (AN)
 - ▶ Life expectancy at birth (2016): 74.54 years
 - ▶ HDI (2017): 0.76
 - ▶ Population below poverty line: 19.7% (2015) to 87% (2017 estimated)
 - ▶ Gini coefficient: 0.52 (2018)
 - ▶ Unemployment: 34.3% (2018)
 - ▶ Median Age (2018): 28.7 years old

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- ▶ **Defense Budget (USD): 1.12 billion in 2017**
 - ▶ **Armed Forces Personnel (2018): 123,000**
 - ▶ **Navy (25,500), Army (63,000), Air Force (11,500)**
 - ▶ **Bolivarian National Guard (GNB): 38,000 (Interior Ministry)**
 - ▶ **Bolivarian National Militia: 200,000**
 - ▶ **Bolivarian National Police (PNB): around 20,000 in 2016**
 - ▶ **Bolivarian National Intelligence Service (SEBIN)**

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- ▶ **Bolivarian Republic of Venezuela is a Federal State**
 - ▶ **23 states, Capital District, Ultramar Dependencies, 335 municipalities**
 - ▶ **Political Regime is Presidentialism**
 - ▶ **Five branches: Executive, Judiciary, Citizens, Electoral, Legislative**
 - ▶ **President is the head of state, government, supreme commander**
 - ▶ **President is elected to a six-year term**
 - ▶ **President may serve indefinite terms, but only consecutively**
 - ▶ **President elected by direct, plurality, single round voting**
 - ▶ **Presidents can be recalled by referendum,**
 - ▶ **33 ministries in the current cabinet**

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- ▶ **Supreme Tribunal of Justice (TSJ) as head of Judiciary branch**
 - ▶ **Six Chambers: constitutional / administrative / criminal / electoral / civil / social**
 - ▶ **32 justices appointed by the 2/3 majority of the National Assembly**
 - ▶ **Each justice serves a 12-year term, non-renewable**
 - ▶ **Judges can be removed by 2/3 majority of the National Assembly**
 - ▶ **If Attorney General, Comptroller, and Human Rights Ombudsperson**
 - ▶ **Have previously agreed a “serious failure” and suspended the judge**
 - ▶ **Lower courts include district, municipal and first instance**

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- ▶ **The Citizens Branch consist of three components:**
 - ▶ **The Prosecutor (“Fiscal General”)**
 - ▶ **The Ombudsperson (“Defensor del Pueblo”)**
 - ▶ **The Comptroller (“Contralor General”)**
 - ▶ **They form the Moral Council (“Consejo Moral Republicano”)**
 - ▶ **Each can submit actions to the STJ**
 - ▶ **Each is appointed by the National Assembly**

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- ▶ **National Electoral Council (CNE) as an independent power since 1999**
 - ▶ **Responsible for organize and guarantee transparency**
 - ▶ **Elections and referendums at local, regional, and national levels**
 - ▶ **Members shall be appointed by 2/3 majority of the National Assembly**
 - ▶ **Composed of five members, three nominated by civil society**
 - ▶ **Each member serves a seven-year term**
 - ▶ **Voting age is 18, not mandatory.**
 - ▶ **Polling stations equipped with touch-screen DRE Machines**
 - ▶ **VVPAT, or printed paper ballot, inspected by voters**

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- ▶ **Legislative branch formed by unicameral National Assembly**
 - ▶ **Deputies are elected to five year terms, no reelection limit (2009)**
 - ▶ **Ley Orgánica de Procesos Electorales (LOPE): new electoral system**
 - ▶ **States and Capital elect three representatives each, plus the result:**
 - ▶ **Dividing the state population by 1.1% of the total country population**
 - ▶ **Three seats reserved for indigenous people, elected by all citizens**

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- ▶ December 2015 elected 167 representatives to National Assembly
 - ▶ 113 elected in 87 districts
 - ▶ Uninominal and plurinominal (two to three)
 - ▶ 51 elected by proportional representation, party-organized lists
 - ▶ MUD obtained 109 seats, GPP (PSUV) 55.
 - ▶ Constitutional and presidential crises initiated after this election

B. WHO IS WHO?

HUGO RAFAEL CHÁVEZ FRÍAS

- ▶ 45th President (1999–2013)
- ▶ Born in Sabaneta, Barinas State, July 28, 1954
- ▶ Died in Caracas, March 05, 2013 (aged 58)
- ▶ United Socialist Party of Venezuela (PSUV) – 2007
- ▶ Fifth Republic Movement (MVR) – 1997
- ▶ Revolutionary Bolivarian Movement (MBR–200) – 1983
- ▶ Venezuelan People's Liberation Army (ELPV) – 1977
- ▶ From 1998 to 2012, won 09 elections and referendums
- ▶ Social reforms following Bolivarian Revolution
- ▶ ALBA–TCP, TELESUR, PetroCaribe, PETROSUR, CELAC
- ▶ Socialism of the 21st Century and Anti–Imperialism



NICOLÁS MADURO MOROS

- ▶ 46th President (2013–2019)
- ▶ Born in Caracas, November 23, 1962
- ▶ Secretary General Non–Aligned Movement (since 2016)
- ▶ Former Pro Tempore President of UNASUR (2016–2017)
- ▶ Former Vice–President of Venezuela (2012–2013)
- ▶ Former Minister of Foreign Affairs (2006–2013)
- ▶ Former President of National Assembly (2005–2006)
- ▶ First elected as Deputy in the National Assembly in 1998



DELICY ELOÍNA RODRÍGUEZ GÓMEZ

- ▶ 29th Vice President (since June 2018)
- ▶ Born in Caracas, May 18, 1969
- ▶ Bolivarian National Intelligence Service (SEBIN)
- ▶ President of the Constituent Assembly (2017–2018)
- ▶ Minister of Foreign Affairs (2014–2017)
- ▶ Minister of Communication and Information (2013–2014)



DIOSDADO CABELLO RONDÓN

- ▶ President of the Constituent Assembly (since June 2018)
- ▶ Born in El Furrial, Monagas State, April 15, 1963
- ▶ Vice President of the PSUV (since 2011)
- ▶ 6th President of National Assembly (2012–2016)
- ▶ Minister of Public Works and Housing (2009)
- ▶ Governor of Miranda State (2004–2008)
- ▶ Minister of Interior and Justice (2002–2003)
- ▶ Vice President and Acting President (2002)
- ▶ Established the Bolivarian Circles in 1998–2002
- ▶ Sanctioned by USA, EU, Canada, Switzerland, and Panama



MAIKEL JOSÉ MORENO PÉREZ

- ▶ President of the Supreme Tribunal of Justice (since 2017)
- ▶ Born in El Tigre, Anzoátegui State, December 12, 1965
- ▶ Vice President of the STJ (2015–2017)
- ▶ Magistrate of the Criminal Cassation Chamber STJ (2014)
- ▶ First instance Judge (since 2002)
- ▶ Destitute as judge by the Reorganization Commission (2007)
- ▶ Councilor at the Venezuelan Embassy in Italia and Trinidad
- ▶ Started career as lawyer and intelligence operative (1980s)
- ▶ Indicted for murder in 1987, served two years in prison



JORGE ALBERTO ARREAZA MONTSERRAT

- ▶ Minister of Foreign Affairs (since 2017)
- ▶ Born in Caracas, June 06, 1973
- ▶ Minister of Higher education, S&T (2016–2017)\
- ▶ Vice President of Venezuela (2013–2016)
- ▶ Minister of Science and Technology (2011–2013)



NÉSTOR LUIS REVEROL TORRES

- ▶ Minister of Interior, Justice and Peace (since 2016)
- ▶ Born in Cabimas, Zulia State, October 28, 1964
- ▶ Bolivarian National Guard (GNB)
- ▶ Federal Dependencies Administrator
- ▶ General Commander of the GNB (2014–2016)
- ▶ Sanctioned by USA, EU and Canada



VLADIMIR PADRINO LÓPEZ

- ▶ Minister of Defense (since 2014)
- ▶ Born in Caracas, May 30, 1963
- ▶ General-in –Chief Venezuelan Army (Infantry)
- ▶ Strategic Operational Commander National Armed Forces
- ▶ Since 2016, in charge of food and medicine distribution
- ▶ Sanctioned by USA, EU and Canada



HENRIQUE CAPRILES RADONSKI

- ▶ 36th Governor of Miranda State (2008–2017)
- ▶ Born in Caracas, July 11, 1972
- ▶ Co-founder and prominent in the Justice First (PJ) party
- ▶ Supported the coup attempt in 2002, siege of Cuban embassy
- ▶ Presidential candidate defeated by Chávez in 2012 (44.3%)
- ▶ Presidential candidate defeated by Maduro in 2013 (49.1%)
- ▶ PJ is the biggest MUD party in the National Assembly (30/167)



LEOPOLDO EDUARDO LÓPEZ MENDOZA

- ▶ Mayor of Chacao in Caracas (2000–20008)
- ▶ Born in Caracas, April 29, 1971
- ▶ Co-founder of Justice First party
- ▶ National Coordinator of Voluntad Popular party (2009)
- ▶ Imprisoned on 18 February 2014 (arson and conspiracy)
- ▶ Transferred to house arrest in 2017
- ▶ Nominated by Almeland for the Nobel Peace Prize in 2018
- ▶ Released during Guaido's coup attempt on 30 April 2019
- ▶ Currently a "guest" at Spain's ambassador house in Caracas



JUAN GERARDO GUAIDÓ MÁRQUEZ

- ▶ President of the National Assembly (since January 2019)
- ▶ Born in La Guaira, Vargas State, July 28, 1983
- ▶ Founding member of Popular Will (VP) party (2014)
- ▶ Mentored by Leopoldo López, VP and MUD leader
- ▶ Elected deputy for the first time in 2015, with 97,492 votes
- ▶ Self-proclaimed interim president of Venezuela
- ▶ Recognized by USA, 16 OAS states, 12 Lima Group, and EU
- ▶ In February, Guaido toured CO, BR, AR and EC
- ▶ Along with Pence and Duque, asked for foreign intervention



C. WHAT IS GOING ON?

INTERIOR AFFAIRS

- ▶ Crisis: politics, policies, oil prices, corruption, and sanctions . . .
- ▶ Constituent National Assembly election boycotted by the MUD (2017)
- ▶ 2018 snap election: Maduro (67.8%), Falcón (20.9%), Bertucci (10.8%)
- ▶ Democratic Union Roundtable (MUD) boycotted the 2018 election
- ▶ Election contested by NGO's, MUD, EU, OAS, Lima Group, USA
- ▶ February 2019: two presidents, two legislatives, two judiciaries . . .

INTERIOR AFFAIRS

- ▶ State governors 2019: 21 PSUV, 04 AD (Acción Democrática)
- ▶ Municipal alcaldes 2019: 326 PSUV, 09 form Concertación
- ▶ Energy blackouts in March and April
- ▶ Guaidó called for National Emergency after the blackouts
- ▶ Failed April 30 Putsch/Uprising and López release
- ▶ Counterintelligence and repression by Maduro's government
- ▶ Pro and Anti Government Protests continue to unfold

INTERIOR AFFAIRS

- ▶ Negotiation Talks begin in Oslo (May 29)
- ▶ Aftermath Repression: 800 arrests Bachelet Report UNHCHR
- ▶ Guaidó: Travel Ban, 15 years suspension, bank accounts freeze
- ▶ Failure of negotiations in Norway, Dominican, and Barbados
- ▶ Guaido and the Los Rastrojos photo op: CO narco-paramilitary role
- ▶ September Agreement: Claudio Fermin, Felipe Mujica, Henry Falcón
- ▶ PSUV back to National Assembly, Edgar Zambrano out of jail
- ▶ New CNE, 2020 elections for the National Assembly?

MACROECONOMIC SITUATION

- ▶ GDP growth from 18.3 (2004) to -18.6 (2016) and -14.5 % (2018)
- ▶ Oil Prices: USD 111.6 (Jun 2014), 35.6 (Jan 2016), and 52.6 (Jan 2019)
- ▶ Oil production: 2.6 MMbb/D (2010) to 1.3 (2018) to 734,000 (June)
- ▶ Hyperinflation: 471.8 % (2016) to 233,818 % (CAF) or 1.35 million % (?)
- ▶ External Debt was 82.5% of GDP in 2016, in default by 2019
- ▶ Shortage of food, medicines, repair parts, steel etc.
- ▶ Power outage: fourth times; affected transports, comm, public serv
- ▶ 18.1 % unemployed, 64% lacked food (Jan 2016)
- ▶ Exchange rate: 20,000 bolivares per dollar in August

Source: CAF Proyecciones America Latina (2018)

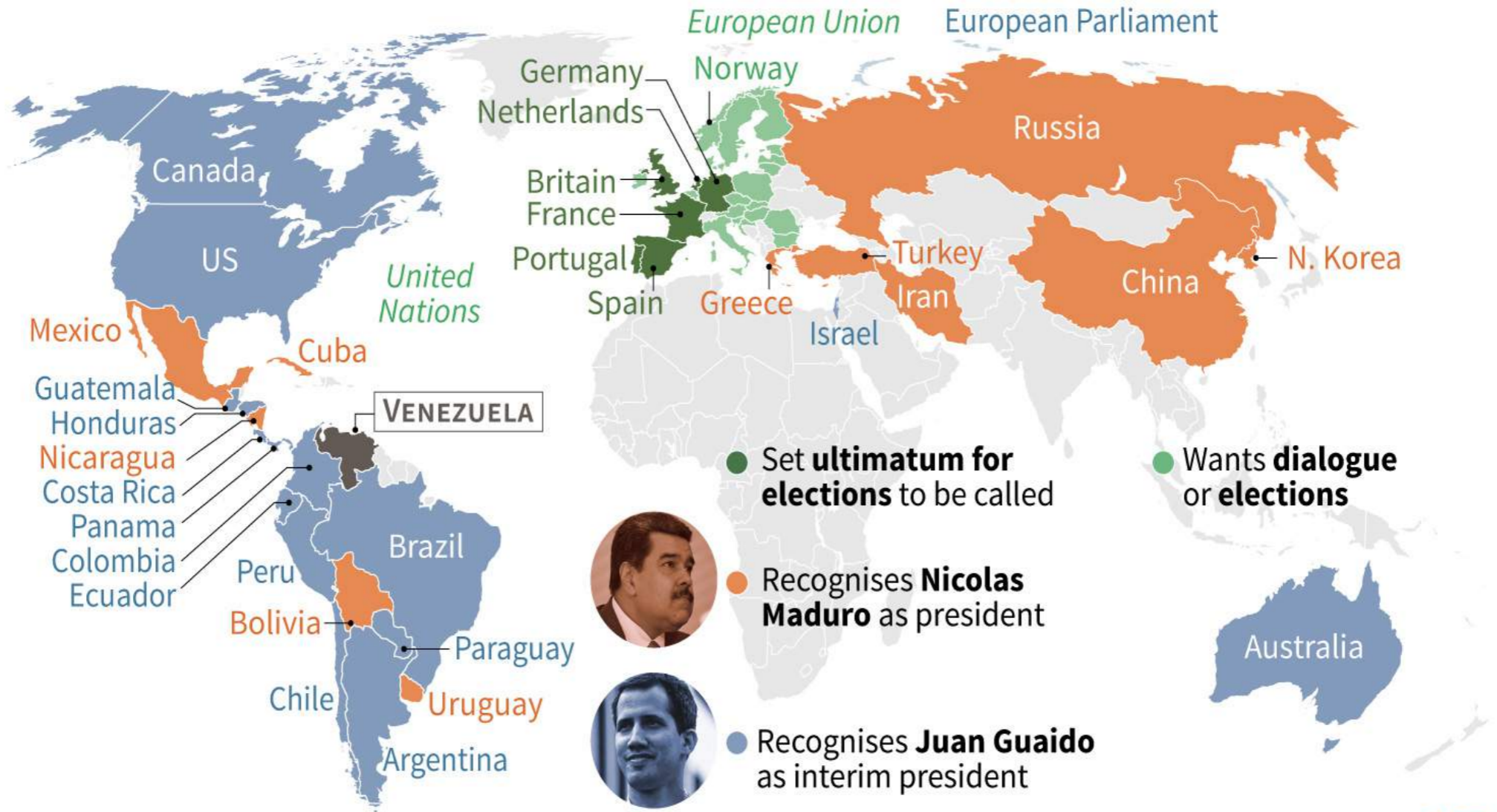
MACROECONOMIC POLICY



EXTERNAL AFFAIRS

- ▶ Trump team Venezuela: Elliott Abrams, John Bolton, Marco Rubio . . .
- ▶ Bipartisan consensus against Maduro wrecked by invasion threats
- ▶ International support for Guaido stabilized around 50 countries
- ▶ USA food and medical supplies refused by Maduro's government
- ▶ Limited defections in the armed forces, national guard, or police
- ▶ Most important was Hugo Carvajal, former head of SEBIN
- ▶ Borders with Colombia and Brazil closed, MID supported by CH-PY
- ▶ UN Security Council resolutions blocked by USA and Russia
- ▶ Guaido tour to CO, BR, PY, AR, and EC (March 03)
- ▶ Montevideo Declaration and UN Human Rights Bachelet

Who should lead Venezuela?



Source: Photos AFP

© AFP

EXTERNAL AFFAIRS

- ▶ Guaidó was given control of the CITGO by the USA government
- ▶ USA sanctions frozen 10 billion USD in Venezuelan accounts
- ▶ Bank of England sequestered 1.2 billion USD in Venezuelan gold
- ▶ Sanctions USA, EU, and Canada: individuals, diplomacy, and industries
- ▶ USA sanctions on PDVSA: from purchases ban to diluents'
- ▶ Oslo Talks: Stalin González (opposition) and Jorge Rodríguez (government)
- ▶ 04 million emigrants (UNHCR-IOM)
- ▶ \cong 12% of the estimated pop (32.8 million) in June 2019

EXTERNAL AFFAIRS

- ▶ Borders with Brazil and Colombia reopened in July
- ▶ Ecuador imposes new visa rules in August
- ▶ Full economic boycott and prevent oil to Cuba in August
- ▶ Rio Pact (TIAR) against VE requested at OAS, 16 out 19 in favor
- ▶ Cuba was not present, Trinidad and Tobago abstained
- ▶ Uruguay voted against and has decided to withdraw from TIAR
- ▶ Bolsonaro and Trump used VE during their speeches at UNGA
- ▶ Maduro visits Moscow in September
- ▶ Venezuela Crisis and failed regionalism: UNASUR, MERCOSUR, CELAC, ALBA

https://www.youtube.com/watch?v=pnU20v_4fSk

<https://www.aljazeera.com/programmes/the-big-picture/2018/02/battle-venezuela-180207041856271.html>

<https://www.youtube.com/watch?v=STcepwXxwWA>

<https://www.as-coa.org/articles/timeline-venezuelas-political-standoff>



Alejandro Cegarra's photo series "State of Decay"

CODA



-
- ▶ LAC is culturally diverse, but predominantly conservative
 - ▶ More developed than Africa (for now), but way behind Asia
 - ▶ Highly unequal, with very low social mobility
 - ▶ Politically, the LAC elites fear revolution more than anything
 - ▶ Few political forces trust democracy or have much love for it
 - ▶ Peripheral and subordinated, elites refuse regional cooperation
 - ▶ National economies lack complementarity
 - ▶ State capacity suffers from fragile fiscal basis and low accountability
 - ▶ Digital era: challenges for development and democracy
 - ▶ Social movements are active and strong, but organized labor is declining
 - ▶ Triangular relations with USA and China are crucial
 - ▶ Very different tales from MX, VE, BR, and AR, all LAC

Obrigado

Gracias

Thank you

谢谢