

**The Lyceum of Monterey County  
Model United Nations 2018  
Background Guide**

The Security Council  
**Topic: The Situation in Venezuela**

Countries in the Security Council:

Bolivia	China	Cote d'Ivoire	Equatorial Guinea	Ethiopia
France	Kazakhstan	Kuwait	Netherlands	Peru
Poland	Russian Federation	Sweden	United Kingdom	United States of America

Introduction:

The Bolivarian Republic of Venezuela is experiencing an unprecedented economic and political crisis characterized by severe shortages of food and medicine, increased crime, lack of employment opportunity, and a continuation of what some regard as an **authoritarian government**. There is much debate over how this crisis originated. A number of analysts point to years of economic mismanagement by former president Hugo Chavez and the current president, Nicolas Maduro. Supporters of the administration blame falling oil prices, which revenues support Venezuela's largest economy, as well as and corruption of the country's elite business owners. Regardless of its origins, the Venezuelan crisis has quickly become one of the most critical in the world and is posing unforeseen challenges within Venezuela and surrounding South American countries. With little warning, the Venezuelan crisis has quickly become a top international conflict to watch and monitor in 2019.

A History of the Venezuelan Crisis:

The Bolivarian Republic of Venezuela is bordered by Colombia, Brazil, and Guyana in the South American region. The country borders the Caribbean Sea and the North Atlantic Ocean. It is known historically for its extensive oil deposits and the longtime presidential rule of Hugo Chavez. The high-profile leader rose to power in 1998 on a platform that criticized the country's elite for their contribution to high levels of poverty and inequality and maintained executive office for fourteen consecutive years until his death in 2013. During his presidency, Chavez reclaimed millions of acres of land from private owners and nationalized this land for the development of foreign oil projects managed by ExxonMobil and ConocoPhillips.

Chavez's **nationalization** of an oil-based economy required the expansion of presidential power. During his time in office, Chavez successfully ended presidential term limits, took partial control of the Supreme Court, removed a chamber of Congress, and reduced **civilian** control over the military. Despite these internationally condemned actions, the former president remained popular among poor populations throughout his presidency as the poverty rate fell from about 50 percent to 30 percent between 1998 and 2012 due to the profitable expansion of the oil industry which currently account for 95 percent of the country's export earnings and 25 percent of its **gross domestic product (GDP)**.

Venezuela's dependence on oil revenues left the country vulnerable to shocks to the oil industry. As such, the country entered into steep economic decline when global oil prices fell in 2014. Chavez's predecessor and current president, President Nicolas Maduro, responded by printing large amounts of money which lead to rapid

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**inflation.** Despite these efforts, the **International Monetary Fund (IMF)** predicts that inflation rates in Venezuela will reach ten million percent in 2019.

In many ways the government's response has sent the country into deeper economic decline. Already, poverty rates have jumped dramatically across the country and social services have been significantly reduced, particularly when it comes to medical care. Hospitals in the country are struggling to provide even the most basic services and approximately 85 percent of medicines have become entirely unavailable, resulting in rapid spread of diseases that are spreading across the country and spilling across borders. In addition, food shortages are worsening, and job opportunities are becoming harder to find.

As a result of this economic and political turmoil, more than three million Venezuelans have fled the country since 2015 according to the UN Refugee Agency and International Organization for Migration. It is predicted that another two million could migrate this year. The United Nations has already committed \$9.2 million in health and nutritional aid from its **Central Emergency Response Fund** in an effort to reduce the spread of hunger and preventable disease, but migration rates are not expected to decline.

The mass migration from Venezuela is indicative of a country in crisis and threatens the stability of neighboring states. The Republic of Colombia has received the largest number of migrants so far with Brazil, Ecuador, and Peru, and number of islands in the Caribbean close behind. These are all countries with limited capacity to take in refugees and many are facing criticism from their local populations as a result.

*What to do now?*

The Bolivarian Republic of Venezuela is in economic free fall and continues to contend with government-led mismanagement and corruption, falling currency value, hyperinflation, and sharp decreases in GDP. With no economic upturn in sight and socio-political conditions that are deteriorating by the day, the country is poised to generate a full-scale refugee crisis in coming months and years. The crisis has the potential to hurt millions of Venezuelans, the stability of growing number of South American and Caribbean countries, and the global economy. What can the Security Council do to aid in the management of the developing crisis in Venezuela and to minimize the effects of its collapsing economy? What should be done in order to protect the safety of Venezuelan citizens and its neighboring countries?

*Key terms to know*

- **Authoritarian Government:** a form of government with strong central power and flexible definitions of executive/presidential power with few checks and balances
- **Nationalization:** the process of a major industry (like oil) changing from private to state ownership.
- **Civilian:** a person who is not in the army or police force
- **Gross-Domestic Product:** the total value of goods and services generated from a country in a year
- **Inflation:** When there is an expansion of the total amount of money in a country (in other words, you can get less for your money during a period of inflation than you used to be able to get).

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- **International Monetary Fund (IMF):** An organization of 189 countries that are working to create global economic stability and reduce poverty around the world
- **Central Emergency Response Fund:** A fund created by the UN General Assembly that supports immediate humanitarian response wherever there is a crisis.

*Questions to consider*

- Where did the current crisis stem from?
- How have similar situations and crises been peacefully resolved in the past?
- Which state and regional actors are involved?
- What is the role of the United Nations in addressing authoritarian governments and their response to economic crisis?
- Which States are most able and willing to assist Venezuelans who are fleeing their country?

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O'Neil, Shannon K. (2018). A Venezuelan Refugee Crisis: Contingency Planning Memorandum No. 33. Council on Foreign Relations. 15 February. <https://www.cfr.org/report/venezuelan-refugee-crisis>

Renwick, Danielle (2018). Venezuela in Crisis. Council on Foreign Relations. 23 March. <https://www.cfr.org/background/venezuela-crisis>

*For further research*

- United Nations: Central Emergency Response Fund (CERF): <https://cerf.un.org/>
- Econ Vids for Kids: What is Inflation? <https://www.youtube.com/watch?v=HGPBTEugNnI>
- International Monetary Fund (IMF): <https://www.imf.org/en/About>
- BBC News Topics: Venezuela Crisis: <https://www.bbc.com/news/topics/cp3mvpm3933t/venezuela-crisis>

*Additional research suggestions*

Try searching in the News tab on Google for your assigned country using “Venezuelan Crisis,” “[COUNTRY]’s stance on Venezuela, [COUNTRY]’s migration policy, etc.

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