Responding to the humanitarian situation in Venezuela

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Preliminary Note: What is CELAC?

The Community of Latin American and Caribbean States (CELAC, its widely used Spanish acronym, for Comunidad de Estados Latinoamericanos y Caribeños) is a new regional organization, created not just to build regional unity and cooperation, but also to reduce the influence of foreign actors in the region.¹ This makes it unique among regional organizations, and fundamentally different from the Organization of American States (OAS), the regional organization it aims to replace. Formally, CELAC’s goal is to unite all of the Latin American and Caribbean states, to strengthen regional integration, their political, social, and cultural ties, in order to improve the ‘…quality of life, stimulate economic growth, and advance the well-being of all its people.’²

CELAC has been controversial from its birth, largely as the child of socialist governments in South and Central America, who aimed to reduce the influence of the United States in the region. Since it was established in 2010-11, it has seen ups and downs. Right-wing governments in the region view it with suspicion. For this reason, the largest country in the region, Brazil, withdrew in 2020.³ But CELAC retains strong support from other regional actors, especially Mexico and Venezuela, and smaller states like Cuba and Nicaragua.⁴

¹ Warning: when studying this topic, be careful with the website: http://celacinternational.org/ This is a commercial website with no relationship to the organization it pretends to represent.
⁴ The current membership of CELAC includes 32 member states: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Dominica, Ecuador, El Salvador, Grenada, Guatemala, Co-operative Republic of Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, Federation of Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.
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‘…quality of life, stimulate economic growth, and advance the well-being of all its people.”

Unlike the OAS, CELAC has no hesitation about engaging major international issues, especially those that antagonize the United States. Since the organization’s establishment, its Heads of State and Government have showcased concerns regarding nuclear weapons and the use of nuclear weapons and what that means for mankind.

They have strongly encouraged the importance of nuclear disarmament and nuclear nonproliferation, including the Latin American and Caribbean Nuclear-Weapon-Free Zone (NWFZ), the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean, also known as the Treat of Tlatelolco or 1969. More recently, it supported the Treaty for the Prohibition of Nuclear Weapons (the Nuclear Ban Treaty of 2017), which is opposed by the United States and other nuclear weapons states like China, France, and Russia.

CELAC also supports more moderate action on issues less related to disputes with the United States or other foreign powers. For example, CELAC strongly disapproves any and all acts of terrorism. Its Member States agreed to commit to fighting terrorism and adhering to International Law, International Humanitarian Law, and to the International Rules of Human Rights Protection. They wish to ‘…strengthen their national legislations and cooperate with…international partners to prevent acts of terrorism.” They also committed to take action to eliminate terrorism and deny any safe haven to those that perform terrorist acts. The Heads of State and Government have committed to the United Nations’ Global Strategy Against Terrorism. CELAC has indicated a desire to create a function within the United Nations to provide assistance to those who are victims of terrorist acts.

Moderate positions please much of the CELAC membership, but a taste for controversy tends to capture public attention. This does not win the support of all Member States. Many tolerate the fiercer politics of their more aggressive cousins. The Member States tend to divide politically on a left/right axis. The former are especially supportive of aggressive CELAC positions. Those on the right often work to moderate its statements.

The humanitarian situation in Venezuela

No issue is more vexing for CELAC than the situation in Venezuela. Venezuela did more than any other country to create the organization, which by design directly reflects Venezuela’s determination to reduce the regional influence of the United States and spread the values of Venezuela’s Bolivarian socialist revolution.

But the humanitarian situation in Venezuela now affects every country in the region, as five

regimes/community-latin-american-and-caribbean-states-celac/

5 ‘Community of Latin American and Caribbean States (CELAC)’. Nuclear Threat initiative, 14 July 2019, https://www.nti.org/learn/treaties-and-

6 Ibid.
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millions of refugees from Venezuela’s economic disaster migrate throughout the region, and the deprivation facing people living in the country becomes ever more acute. How to address their needs without undermining the authority and legitimacy of the country’s government? That’s the problem facing CELAC.

Venezuela has been in the midst of a severe, multifaceted political and economic crisis for several years, the decline in the international price of oil in the 2010s cut the country’s most important source of income in half. Oil income declined more as the Venezuelan industry collapsed, lower production and exports by three-fourths. Left without essential oil income, the government resorted to fiscal policy to maintain income of its supporters, printing money. This aggravated inflation, which undermined the saving and income of the country’s middle class. It was an economic spiral that has left the entire country greatly impoverished, and pushed one-fifth of its people, some five million, to leave Venezuela.

This worsened significantly after the spring 2018 re-election of Nicolás Maduro. Millions of Venezuelans have been displaced due to extreme levels of unemployment, coupled with serious challenges to access to daily necessities such as food and medication. Venezuelans who have decided to stay in Venezuela are struggling with hyperinflation that has devalued the Venezuelan bolivar by several orders of magnitude while wages have fallen far behind in the rate of inflation. This is a fight for a great majority of Venezuelans to democratically get rid of an illegitimate and punitive dictatorship, who is responsible for countless human rights abuses, and above all a government who has failed the people. All of these factors have created a complex humanitarian emergency (CHE) in Venezuela and surrounding countries, particularly Colombia, which has seen approximately 1.4 million Venezuelans immigrate to the country. There also are large communities of Venezuelan economic refugees in Brazil, Ecuador, Guyana, Panama, Peru and Trinidad and Tobago. This emergency has become far more challenging with the emergence of the COVID-19 pandemic, which greatly complicates all relief assistance and integration of refugees, and continues to promote instability within the region.

Background

In order to understand how Venezuela arrived at its current situation, it is important to note that democracy in Venezuela only began in 1958. At that time the major political parties came to sign El Pacto Social', the Social Pact, by which they agreed to share power between themselves in order to terminate the military dictatorship that was in place at that time. That pact gave Venezuela what many Latin American countries did not have during the second part of the 20th century, political stability and a functioning democracy.

However, the effect on this pact was also to exclude sectors of society as these two parties became more entrenched in power. By the 1990’s, Venezuela had become a unique political system, what scholars call a partidocracia, a democracy that represented the modern-history/; and Van Praag, Oriana, ‘Understanding the Venezuelan Refugee Crisis’, Wilson Center, 13 September 2019, https://www.wilsoncenter.org/article/understanding-the-venezuelan-refugee-crisis
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interests of the major political parties only and very little of the people. The military and political elites became dissociated from what the people wanted.

President Hugo Chávez, 1999-2013

It was in that context that Hugo Chávez came to power. In the Venezuelan election of 1998 more than half of the Venezuelan population was below the poverty line, while annual inflation exceeded 30 percent and oil prices were in deep decline. Venezuelan voters rejected the traditional political parties Democratic Action and COPEI, instead they elected the radical opposition leader Chávez as president. Chavez had appeared to the national scene already in 1992 when he tried to stage a coup against the democratically elected government. That coup failed, but he was pardoned and became increasingly popular. In 1999 he was sworn in to office.

Venezuela was led a wave of countries turning left in the region, but Latin America had previously witnessed leftist presidents in Argentina, Chile, Brazil, Bolivia, Ecuador, Peru, Paraguay, and in Uruguay. Hugo Chávez was certainly the most radical of those presidents. Through his first term, Chavez’s plans to reform policies in line, to create his Bolivarian Sociality Revolution (named for the founder of the country, Simon Bolivar) faltered. His initial policies were moderate, capitalist and center-left, and mirrored that of contemporary leftist like Brazilian president Lulu da Silva. Chávez initially believed capitalism was still a valid economic model for Venezuela, but not the hyper-competitive neoliberalism, which always risks sudden and high unemployment.

Beginning 27 February 1999, Chávez set into motion a social welfare program called Plan Bolívar 2000. The plan involved 70,000 soldiers, sailors and members of the air force repairing roads and hospitals, removing stagnant water that offered breeding areas for disease-carrying mosquitoes, offering free medical care and vaccinations, and selling food at low prices. He followed the economic guidelines of the International Monetary Fund and continued to encourage foreign investment in Venezuela, even visiting the New York Stock Exchange in the United States to convince wealthy investors to invest. However, several scandals affected the program as allegations of corruption were formulated against Generals involved in the plan, arguing that significant amounts of money had been diverted. The presidency of Chávez was plagued with such disputes, which would leave the economic state of Venezuela in a fragile position for years after his departure.

Hyperinflation in Venezuela under Chávez

Venezuela ended up in its current hyperinflation due to a combination of several factors. The main reason was high government spending and declining tax income. Chávez and his administration implemented social programs such as the previously discussed Bolivarian Missions. These were supposed to improve living conditions for the poor by redistributing wealth and reforming the way land was used. There was also an attempt to promote economic democratization through the establishment of worker-owned cooperatives. Data from the Center for Economic and Policy Research
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(CEPR) indicates that Chávez achieved a high degree of success with these programs. He was able to reduce unemployment from 14.5% in 1999 to 7.8% in 2011. The poverty rate also dropped from 50% in 1999 to 31.9% in 2011, while extreme poverty dropped from 19.9% to 8.6% in 2011.

This prosperity came at a high financial cost. The social programs were good for the people but bad for the economy. Chávez spent more money on these social programs than the country could really afford. According to a CNBC article, public spending accounted for more than 50% of Venezuela’s GDP in 2012. He also borrowed money from countries to keep the programs going. Due to this, by 2013 Venezuela’s foreign aid debt climbed to a little over USD 106 billion. Chávez had been warned about the growing fiscal deficit as early as 2002, but he didn’t pay attention to the warnings.

For Chavez, these social programs were a way to win over the people. Maintaining his popularity with the people was always an important aspect of his administration, because it was a way for him to maintain his power. An article in The Economist states that through the Bolivarian Missions and the “flood of oil money” he was able to “rebuff a referendum in 2004 that would have thrown him from office.” To make matters worse, Chávez and his administration failed to save money for future economic crises, which quickly emerged into the crisis that Venezuela faces today. 8

Although Chávez enjoyed the support of the working class for his spending on education, food coupons, and social services, other Venezuelans opposed his programs, and Venezuela became exceedingly polarized between the Chavistas on one hand, who were proposing radical progressive social transformations that were largely favored by the people, and the elites who were staunchly anti-Chavistas. In 2002 there was an attempted coup against Chavez, with the support of the United States, and the rift between the right and left, or the Chavistas and anti-Chavistas became more pronounced.

Wasted oil riches

Venezuela’s economy is mainly based on selling only one commodity: oil. Venezuela has the largest oil reserves in the world. The World Atlas states that it has 300 trillion barrels of proven reserves. According to Oil Sands Magazine, “...most of Venezuela’s proved oil reserves are located in the Orinoco Petroleum Belt” which is located on the eastern Orinoco River Basin. The Orinoco Belt is approximately 370 miles (600 km) in length and has an area of about 21,357 sq. mi. (55,314 sq. km.) It is estimated that the area contains 1.2 trillion barrels of oil. Another oil rich area in the country is the area near Lake Maracaibo, which is actually a brackish tidal bay near the Caribbean Sea. The lakes basin alone provides almost two-thirds of the total Venezuelan output.

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8 ‘How Chávez and Maduro have impoverished Venezuela’, The Economist, 6 April 2017, https://www.economist.com/finance-and-
With the discovery of oil in Venezuela in the early 1900’s, the country has grown to rely on it as a steady revenue stream. Today, Venezuela “derives over 50 percent of its GDP from petroleum exports “which represents about 95% of total exports”. According to a Forbes article this meant that when oil prices were high, life was good. For instance, in the 1960’s Venezuelans enjoyed a high standard of living when oil prices spiked in the 60’s and 70’s. In the early 1960’s Venezuela was considered to be one of the wealthiest countries in Latin America, producing more than 10 percent of the world’s crude oil, with a per capita (per person average) GDP almost as high as the United States.  

Conversely, when oil prices went low, life was bad, and this is what happened to Venezuela starting in 2014. That year, the price of oil dropped sharply from USD 100 to about USD 70 a barrel, and the price decline continued to a low of USD 33 dollars a barrel in early 2016. Venezuelan oil, which is low-quality, high in sulfur and expensive to refine, suffered most from the drop. There were fewer buyers than ever for Venezuela’s oil. The slump in oil prices have sent Venezuela into an economic downward spiral. Lower oil prices brought with it a reduction of Venezuela's foreign reserves, and this in turn reduced the government's ability to “subsidize basic goods and services for its people”.

Maduro attempted to repair the budget gap the way other countries have done in the past, when they had no other way to pay their debts, print money. AIER notes that printing money set the wheels in motion for hyperinflation: “The budget shortfall was closed by printing money. Hyperinflation took hold, destroying the savings of individuals and making productive business investment nearly impossible.”

A comment made by a Venezuelan nurse, Maigualida Oronoz, helps understand what living with hyperinflation is for the average citizen in Venezuela. In an interview, she said, ‘We are millionaires, but we are poor, we can just about eat, but if some health emergency happens we’ll die because the prices of medicines are sky-high and rise every day.’

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According to economist Theodore Cangero, hyperinflation continues under Maduro because ‘He is continuing the disastrous economic policies of the late President Chavez.’ In some respects, Maduro is stuck. To stay in power and sustain the Bolivarian Socialist Revolutionary movement, he must serve his supporters in the United Socialist Party of Venezuela (Partido Socialista Unido de Venezuela, PSUV). They get special subsidies and employment preferences. But in a country with virtually no income, the only way to do this is by printing money, which worsens inflation. In an interview with Reuters, Rodrigo Cabeza, Nicolas Maduro’s former finance minister, said that “Venezuelan President Nicolas Maduro has refused to recognize the country’s hyperinflationary problem and has no plan to address it.”


A government in crisis

Venezuelans trying to cross the border into Colombia, 2019

Under the leadership of President Chávez, who ruled from 1999 until his death in 2013, his Bolivarian Socialist Revolution turned into a humanitarian crisis. This sparked a presidential crisis.

In 2017, the Supreme Court of Venezuela came under the direct control of President Maduro, when the parliament, the National Assembly (la Asemblea Nacional) empowered him to directly appoint its judges and stripped most of its oversight powers.

The National Assembly, with its members chosen by vote, is the only semi-independent constitutional body left other than the president. In the 2015 elections, it fell under the control of the opposition, led by Juan Guaidó, making it the only government institution that was run by an opposition majority. He had no power, so long as the President refused to acknowledge its resolutions. Through coercion and suspected bribery of Assembly members, forces loyal to Maduro reasserted control over the National Assembly. In the 2020 elections, carefully controlled voting pushed the opposition out of power there.

Efforts by President Maduro and his supporters in the military and his United Socialist Party of Venezuela (Partido Socialista Unido de Venezuela, PSUV) strip the political opposition and other government bodies of power have met with large public protests. With the support of the security services, including the military, President Maduro made protests dangerous and ineffective. Protestors were detained and murdered. Meanwhile, despite these protests Maduro had created his own Congress that he could control.

On 20 May 2018 this new formed congress called for presidential elections. However, during these elections, all of the popular opposition candidates are either jailed, exiled, or

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banned from running. In other words, there was no legitimate way for the opposition to run. So, the illegitimate presidential elections are held anyways by Maduro’s government.

The most recent parliament elections, on 3 December 2020, saw voter participation decline sharply. Just 31 percent of Venezuelans eligible voters voted, according to Venezuelan electoral officials loyal to Maduro. Authorities said that the ruling PSUV and allied parties captured 67 percent of seats in the National Assembly. Turnout for the previous parliamentary election in 2015 was more than double that percentage. The election ended the formal role of opposition leader Juan Guaidó.13

These elections have been widely criticized and called illegitimate by foreign observers and domestic critics. The European Union, the Organization of American States, the Lima Group and individual countries including Australia and the United States rejected the electoral process and its outcome.

The role international and regional bodies

United Nations High Commissioner for Human Rights (UNHCR) has been heavily involved in arranging for the welfare of Venezuelan refugees, ensuring their legal status, housing and sustenance. The High Commissioner, Zeid Ra’ad al Hussien has gone further, directly criticizing the Venezuelan governments, noting concerns that reports of extrajudicial killings cast doubt on fairness of election and democracy in Venezuela, stating “this context in any way fulfills minimal conditions for free and credible elections.” On 23 March 2018 a United Nations official informed that the organization would not offer electoral assistance in the elections, without explaining the motives. Spokesperson Farhan Haq stated that a letter was sent to Venezuelan authorities regarding the request of electoral experts, but did not explain the content.

In a recent report, experts from the Organization of American States (OAS) recommended that Venezuela be formally investigated for crimes against humanity, by the International Criminal Court (ICC) in The Hague, Netherlands. The report estimated that between 2014 and 2020 in Venezuela, Venezuelan security forces or paramilitary groups committed 18,093 murders, detained 15,501 people in the country for arbitrary reasons and tortured hundreds. While the ICC opened an examination into the situation in Venezuela in February 2018, it has not launched a formal investigation, as the OAS has urged.14

Country Positions

Changes of government: Because it was formed under the leadership of left-oriented governments, changes of government can have a significant effect on how countries relate to CEALC. Its most stalwart supporters are long-standing leftist governments such as Cuba, Nicaragua, and Venezuela. Other leftist governments that played an important role in the emergence of CELA, distanced themselves from


14 Ruby Mellen, ‘The Hague should formally investigate Venezuelan ‘crimes against humanity,’
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it when those governments fell. Two prominent examples are Bolivia and Ecuador, which supported the creation of CELAC under their leftist-socialist governments, but have become less engaged and supportive since recent changes of government brought right-oriented leaders to power.

The following are a few revealing examples:

**Bolivia:** After the controversial elections of 20 October 2019, Bolivia’s President since 2006, Evo Morales, resigned and fled to Mexico.\(^{15}\) With the end of Morales’ left-oriented presidency and his replacement by a leader associated with the right, Bolivia’s foreign policies changed immediately. While President Morales was highly active in CELAC, that was not true of his successor. *Interim President Jeanine Áñez Chávez inherited the last months of Bolivia’s role as CELAC President Pro Tempore, but showed little interest in its role or the work.*\(^{16}\)

**Brazil** leads rightist opposition to CELAC. The greatest shock to the young organization came on 14 January 2020, when Brazil suspended its membership. According to Brazil’s Foreign Minister, Ernesto Araújo, Brazil pulled out because the organization had become a ‘stage’ for authoritarian states led by Venezuela, Cuba, Nicaragua, and Venezuela. Araújo says Brazil remains committed to working in all other regional bodies, especially the Organization of American States (OAS) and Mercosur, which unites the countries of South America’s Southern Cone.\(^{17}\) Brazil’s far-right populist president, Jair Bolsonaro echoed these sentiments in his criticism of leftist Latin American governments. The exit of Brazil, a year after Bolsonaro was elected president, shocked many.

**Colombia** is cautious in CELAC. The government of President Iván Duque Márquez is comfortable with support from the United States, which was important in its effort to end the fifty-year civil war against the FARC rebel movement. But Colombia also encourages regional solidarity. Most recently, Colombia leads several countries struggling with millions of refugees fleeing extreme poverty caused by the collapse of the Venezuelan economy. Border tension with Venezuela is major problem for Colombia, and its foreign policy priority.

**Cuba** is the Member State closest to Venezuela politically, viewing the Bolivarian Socialist Revolution as a brother movement to its own commitment to socialist rule. Cuban provides medical assistance to Venezuela, and benefits from Venezuela export of subsidized oil


\(^{16}\) ‘Bolivia no asistirá al cambio de presidencia de la Celac por roces con México’. *El Imparcial*, 23 December 2019,

products. **Cuba and Nicaragua** are Venezuela’s most loyal supporters internationally.

**Ecuador**’s formative role in the creation and establishment of CELAC is closely associated with the tenure of President Rafael Correa Delgado, 2007-17. Correa’s presidency was part of the Latin American *pink tide*, a turn toward leftist governments in the region. Correa allied himself with Hugo Chávez of Venezuela, and his successor since 2013, Nicolas Maduro. He was best known internationally for protecting WikiLeaks founder Julian Assange in the Ecuadorian Embassy in London. Since replacing Correa in 2017, current President Lenín Moreno Garcés has led the country in a more conservative direction, in which CELAC plays only a limited role.  

**Mexico** has become an active supporter of CELAC under the leadership of President Andrés Manuel López Obrador (widely known as AMLO), elected in 2018. In January 2020, Mexico took the rotating presidency of CELAC. AMLO represents a compromise figure for CELAC. He is a committed socialist, but also cultivates his personal relationship with US President Donald Trump, who he avoids antagonizing.

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**Proposals for action**

CEALC is caught in a tricky situation by the topic of Venezuela’s humanitarian situation. The organization’s natural impulse is to rally to support of its founding government, the country that shaped and gave purpose to the organization. But many Member States are affected by the problems in Venezuela, and none are blind to their humanitarian implications. Whether to stick by Venezuela, or not? To support it wholeheartedly, gently distance themselves, or become critical?

Some possibilities the Member States of CELAC might consider, but they are in no way limited to:

- **A resolution calling on the international community** to help countries hosting Venezuelan refugees. It could be very specific about what they are asked to do. It could ask the international community, including major donors such as China, the European Union, Saudi Arabia, Turkey, and the United States, to share the resources with recipient countries who need to support their new refugee communities. The resolution also could ask the UN Secretary-General to authorize assistance from UN organizations such as the UN World Food Program (WFP), United Nations Children’s Fund (UNICEF) and the UN High Commissioner for Refugees (UNHCR).  

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- A resolution commending supportive foreign governments such as Cuba and Iran, recognizing their past assistance to Venezuela and encouraging all governments to give generous assistance to the people to the Venezuela, working through its sovereign government institutions.

- A resolution specifically aimed at the United States and other unsympathetic governments, reminding them of their responsibility to stay out of the domestic affairs of Venezuela and the Venezuelan people, warning them not to take advantage of Venezuela’s weakness for their own purposes, and generally not to intervene in the domestic affairs of sovereign states.

- A resolution calling on refugee host countries to prevent foreign intervention in Venezuelan affairs from being organized on their territory. Specifically, the resolution would ask CELAC Member States to prevent and stop any foreign activity directed against the government of Venezuela, like the attempted coup led by rogue individuals from the United States, which started from a base in Colombia.21

- A resolution demanding foreign countries stay out—except for humanitarian assistance—would be most loyal to the principles of CELAC and its Member States. The resolutions could explicitly tell the US to stay out of Venezuela affairs, while supporting aid from sympathetic governments such as Cuba, Iran and sympathetic but less generous Mexico.

- Alternatively, CELAC Member States might criticize the government of Venezuela. Such a resolution would be unprecedented. It would have to come from member governments more critical of events in Venezuela and more hostile toward the Maduro government. Such a resolution might expect serious opposition from other Member States.

Resolution drafters should note the particular role of CELAC. Because it strives to strengthen the sovereignty of its Member States, CELEC does not demand or require that its Member States do anything. Instead, it usually calls upon or requests Member States to work harmoniously toward the policies they agree on.

Most CELAC resolutions stress the role of the Meetings of National Coordinators. These are Member State officials who meet to review action on its resolutions. They also work with their own home governments to implement its resolutions. The National Coordinators are officials of the Member States, responsible for helping get the work of CELAC, as mandated in its resolutions, implemented by each of their own Member States. It is natural for CELAC resolutions to stress the role of the Meetings of National Coordinators for oversight and implementation, to make sure its mandates actually get done.

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