

How did we get here and what comes next? Perspectives on the crisis in Venezuela
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First, let me give thanks to Ploughshares Calgary and the Latin American Research Centre at the University of Calgary (LARC) for giving me the opportunity to share some things that are happening today in Venezuela. What I am going to say here is a product not only of the information taken from several sources but from my own experiences.

Who was Hugo Chavez? Why did he end up in power?

Let me go back some decades before the beginning of the 21st century. Historically, from 1958 to 1998, Venezuela was dominated by two major parties, the centre-right Christian Democratic Party (Copei) and the centre-left Democratic Action (AD) that alternated in the presidency of the country and shared in the main ideas about what was necessary for establishing democracy. They gave continuity to capitalist modernization and imposed a kind of welfare state, based on the income from oil royalties. From the late 1940s and until more or less the 1990s, the government used oil revenues to increase the country's economic growth, although in an unequal way. Some regions' share of those revenues was higher and so they grew more than others did, and some classes benefited more than others did. Thus, modernization meant economic growth, but not necessarily social development. There were also leftist movements in the country. In the 1960s, they opted for a guerrilla struggle against the state, but because they did not have success, they then conformed as political parties with minor participation in the political arena.

With that as a brief introduction, I would like to start by briefly talking about a person who had consequence, in his proposals and actions, in what happened in Venezuela when he gained the presidency. Of course, I am talking about Hugo Chavez.

The consensus of the economic, political, and social elites and the military that gave form to governing the country in 1958 was declining in 1992. In this scenario, Hugo Chavez appeared. However, who was he? He was a paratrooper who commanded a coup attempt of the state, on February 4th 1992, against Carlos Andres Perez, who had been democratically elected as president in 1988. The coup attempt followed violent protests and labour unrest arising from a growing disparity between rich and poor in Venezuela. Although the coup attempt failed, Chavez knew what the people wanted at that time. Thus, from jail, he continued organizing the movement, which brought him to the presidency in the 1998 election.

That year (i.e., 1998) there was a growing and deep discontent with the traditional parties and the way they were handling the country. The prestige of the political parties, especially the traditional parties, and of democracy was declining. According to the Latin-barometer (<http://www.latinobarometro.org/latOnline.jsp>), two thirds of Venezuelans were unsatisfied with democracy and, at the same time, did not have an interest in politics. Almost all institutions were losing the trust of the people, except the church and the military. Two thirds of citizens had confidence in the military and much confidence in the church. The prestige of the military institution could be understood because people wanted a strong government who could fight against the corruption of the politicians, which was seen as a major problem for 89.2% of citizens who considered it a serious problem (Latin-barometer <http://www.latinobarometro.org/latOnline.jsp>).

Chavez used his charismatic personality to gain the support of the majority. He promised to cut off corruption from the government, and to rebuild the republic and its institutions from the base. He would do this through a socialist revolution by using the huge oil revenues from the oil boom that started after he took the presidency, and he would use them to subsidize social programs to benefit the poorer sectors and to buy the support of many countries, especially in Latin America. He was able to combine the revenues from the higher oil prices with his personal magnetism and charismatic personality to impose his authoritarian way of government and centralized control. He was a military man!

During his government tenure, he expropriated many industries, businesses, and farms; according to Chavez, they would produce more and better goods and services, because he had put them in State hands. Many of them, if not all, are inactive today.

1. Who is Nicolás Maduro? Why did he end up replacing Chávez?

Before his death in 2013, Chavez selected Nicolas Maduro as his successor. Maduro was

a leftist activist who helped Chavez establish the political party *The Fifth Republic Movement*. Maduro had been a bus driver with a long career in trade unionism. While Chavez was in the presidency, Maduro had different roles in the government: he was speaker of the national assembly, foreign minister, and vice president, but was always a political activist and socialist militant. In 2013, Maduro won the presidential election by fewer than two percentage points over his opponent from the opposition.

However, Maduro does not have the charisma or the magnetism of Chavez, and he has not benefited from the high oil prices that Chavez had; nonetheless, he has gained the support of the military sector, which controls the most relevant government offices, such as the state-run oil company, the energy company, food distribution, the mineral sector, illegal commerce, and so on. Among other leaders from the Chavez movement, Maduro has also been the one who has the confidence of the Cuban government, which has supported him to the point that people see him as a “puppet president” of the Cuban government.

2. What is happening in Venezuela? (summary of the situation)

Up until the present day, Venezuela has been facing real chaos. We may summarize it by focusing on three major aspects: hyperinflation, unemployment, and political discontent. I would like to start with the economic aspect, which I see as the easiest one to attack in order to solve it. I can explain more after that.

There is a **hyperinflation**. Salaries do not allow people to buy even the most essential goods and services. Prices show not only the cost of the production of goods and services, but also the value of replacing inventory; at the same time, the currency has also been losing value. So, to deal with this, the government has just established strong control of the prices and printed more money! Prices keep rising and the government keeps printing more money to pay its bills. In astronomical figures, Venezuela’s annual inflation rate at the end of 2018 was 80,000%, and it is expected to be 10 million percent by the end of this year. Prices are rapidly increasing on a day-by-day, hour-by-hour, or even minute by-minute basis.

Besides the expropriations, the tight fixed exchange rate and the difficulties of importing have meant that the industrial, agricultural, and commerce sectors are incapable of meeting the expectations and needs of society. They cannot produce the most elemental goods and services. Businesses are no longer able to import goods at the same rate as before, and there are skyrocketing prices and inflation.

Another fact is **unemployment**, which has also been growing while the whole economy is declining—among other things, because oil production and the prices of our main product for export have been decreasing in the last four or five years. Venezuela has been an oil-dependent economy. As this labour-intensive export industry decreased, its impact on the national economy and unemployment rose, as the country had developed an unhealthy dependence on the export of this natural resource for decades. Consequently, the informal economy and black market have also grown. The so-called *bachaqueros*—black marketers who resell goods at hugely inflated prices—have multiplied in each community. We can see them on every important street and in the poorer slum areas. This centralized control has also prompted corruption and bribery from the highest government level to the lowest. Many of these officers are rich and have properties in other countries.

The hyperinflation, high cost of living, unemployment and corruption have fueled growing **political discontent**. The government does not follow democratic rules or the rule of law as stated in the national constitution. President Chavez, who came to power in 1998, had introduced a new “Bolivarian” constitution in 1999. He said the old one represented “the interests of the oligarchic sector.” In 2007, he said more changes were needed to complete the transition to a “socialist republic.” Some of the proposed main changes were allowing the indefinite re-election of the president—not applicable to any other political post,—introducing changes to the country’s administrative structure, and placing the president in charge of administering the country’s international reserves. However, the Chavez government lost the referendum but the ruling governments have been violating the constitution since 2007. In the last years, Maduro has also exacerbated violations of citizens’ economic and social rights. In addition, President Maduro’s last violations of the constitution include the following: He called for a **constituent assembly** that would draft a new **constitution** that would replace the 1999 **Venezuela Constitution** of his predecessor, Hugo Chávez; bypass the National Assembly; and strengthen his grip on power. Even though the national constitution contemplates the convocation of a constituent national assembly only to elaborate a new constitution, this has not been the case.

This constitutional assembly, in turn, called for presidential elections. Therefore, according to the Constitution, both these acts are illegal. Besides, for the election, the main opposition parties were excluded; many opposition leaders were jailed, or they fled the country for fear of being imprisoned. On 8 August, 2017, the Constituent Assembly declared itself to be the government branch with supreme power in Venezuela, banning the opposition-led [National Assembly](#) from performing actions that would interfere with the assembly while continuing to pass measures in “support and solidarity” with President Maduro. As a consequence, Venezuela’s opposition-

controlled National Assembly—which had legitimately been elected in 2015—did not recognize Maduro’s re-election. His re-election was also widely rejected by the international community and deemed illegitimate by over 50 foreign governments; among these are Canada, the USA, the Lima Group, and many European countries.

Therefore, the president of the national assembly, Juan Guaido, based on the national constitution, assumed the interim presidency of the republic, with the support of the national assembly and the ordinary people in the streets. The last surveys report that more than 80% of the population is in favour of a change in the government and support Guaido. Another factor that has triggered this is the increasing military spending used for Maduro to gain support and loyalty from that sector and the presence of military forces from Russia, private military contractors who do secret missions for Russia, besides the already long presence of the Cubans. Therefore, there is a crisis of governance in the country, which has exacerbated the already precarious links between the state and the people.

3. Is Venezuela a polarized society right now?

Venezuela was, in fact, a polarized society back in the first years of the Chavez government, but is not now, and polarization has been decreasing. Each day, relevant leaders from Chavez’s followers are abandoning the government and Maduro’s leadership. For example, these include Luisa Ortega Diaz, ex general attorney until 2017, who denounced the arbitrary measures the government was taking against the national assembly; Hector Navarro, former Minister of Electrical Energy and Education, and dissident of the chavismo, who is promoting a movement called *Platform in Defense of the Constitution*, which has recognized Guaido as president; the national assembly representative elected from the officials in the list of the Tupamaro leftist movement, Arkiely Perfecto, who declared she recognizes Guaido as the legitimate president, and abandoned the officialism. Finally, but maybe more importantly, is the case of [Carlos Rotondaro](#), former president of the Venezuelan Social Security Institute in charge of providing treatment and medicines and social security to workers, who has demarcated himself from the Maduro government, and has publicly said how drugs and any other treatments are restricted to be used in time for elections and only for those who declare their loyalty to the government and the Socialist Party. That declaration confirms what [Cuban doctors who were in Venezuela \(and defected from the Cuban government’s medical program\) were reporting about the use of medical services and supplies being used as a national strategy in Venezuela to compel patients to vote for the government.](#)

This situation leads me to consider the **social aspects involved** in that chaos.

I would like to point out three more critical features that indicate how 90 percent of Venezuelans live in poverty as the extreme poverty has grown to 61% of Venezuelan households: **education, health and violence**. Let us start with education. We are facing an increased cycle of loss of interest from the government in education, and, in consequence, its decline. This forces us to conclude that the government does not respect the most basic human rights to education, as established in the Constitution. Children are abandoning schools, either because they are not eating or because they must up take precarious jobs to add something to the income of their households. Many teachers from the public and private schools report that there are children who faint because they have not had breakfast, for example. Sharp shortages of food have meant that more than a third of Venezuelans are eating only once a day.

A similar situation is happening in higher education. Autonomous public universities are suffering from the drastic reduction of their budgets, which affects their teaching and researching and puts these universities at risk of closure. University professors are living below the poverty line: their average salary is around \$20 monthly. Besides this, there has also been an enormous exodus of students and staff. For instance, in one university, around 80% of the students and 65% of the professors have left the campus; many of these are part of the more than 3 million people who have emigrated in the last few years. This is another end result of this socialist revolution.

In reference to health, there are reports of hospitals lacking even soap, drugs, and the most elemental equipment to answer to the health needs of the people. A ‘perfect storm’ of poor hygiene and malnourished patients has left families grieving and experts fearing a total collapse. People sick with cancer, for example, must find the means to buy the medicines needed for their chemotherapy in Colombia or another country, if they have the money, because those kinds of drugs are not available in Venezuela. Without these drugs, patients are missing complete treatment and therefore face consequences in recuperating from cancer. Moreover, high blood pressure, diabetes, diarrhea, measles, malaria, dysentery—all of these are some of the very common illnesses that cannot be treated in Venezuela because hospitals do not have the minimum medical supplies to take care of them.

Finally, this entire situation is the perfect scenario for generating violence. People are even afraid to go outside their homes because they could be attacked, kidnaped, or even assassinated by the delinquency that is present. I have a close example of how violence is occurring, even in the rural areas. Farmers must pay the so-called “vaccine” (i.e., bribe), either for their personal safety or for their farms, to be protected from the delinquency of the guerrillas.

That vaccine must be paid in dollars. Let me inform that this currency (i.e., dollars) is officially illegal in Venezuela.

Furthermore, since 2016, Venezuela has been the second worst country in the world for the homicide rate for every 100,000 inhabitants (surpassed only by Honduras and El Salvador) (United Nations Office for Drug and Crime, UNODC, <https://dataunodc.un.org/crime/intentional-homicide-victims>).

Official repression has also increased in general terms at the national level, which has been carried out by state security forces and armed groups of civilians (known as “collectives”) who act in support of or with the consent of the formal security forces. This repression was more intense particularly in the border states in the period between 22 and 23 February, 2019, when a group of the civilian population demonstrated in support of efforts to receive international humanitarian aid. Among the people massacred were communities of the Pemón indigenous peoples.

During the last weeks, the situation has deteriorated even more, as a series of blackouts and a shortage of water have immobilized the country, although people have continued protesting in the streets at the same time. Even worse, this energy and water supply crisis was announced several years before. Venezuela has suffered for a long time now with a shortage of energy and water, especially in the interior of the country. It is only now, when the situation has worsened, that Caracas, the capital, has been affected.

In 2006, Chávez promised that Venezuela would become a world energy power. However, a few years later, in 2009, the country began to suffer major problems in its supply of energy. The government responded by issuing an emergency electrical decree in 2010 that would allow it to directly purchase equipment and spare parts, as well as to develop plans to improve the functioning of the system and to build 40 new plants. In 2009, the government also militarized the country’s electrical installations. Therefore, it is very difficult to even approach any energy installations in the country as the National Guard protects them. Recently, the country has suffered some electrical outages, but the government has claimed they were caused by acts of sabotage. However, the question is, how could someone implement such sabotage? Furthermore, as experts have said, energy infrastructures are so important for the national security that they are under an analogic system that does not allow a cybernetic attack. These facts reveal that the Maduro government is lying. The corruption, lack of transparency and mismanagement have made it impossible even to deliver the minimal demand for electricity.

Added to this electricity crisis has been the shortage of water. Ten percent of the energy generated in Venezuela is consumed for bringing water to the cities. News reports have noted how Caracas is affected by this, but let me say that in the middle of this chaos, most cities and towns in the interior of the country have been punished even harder. Just to give you an idea of the extent of the energy crises: in the interior of the country is Maracaibo, where people have only four or six hours per day of electricity, yet the normal temperature is 32 degrees Celsius. People not only do not have electricity to fight against that weather, they cannot even drink a glass of cold water.

4. What is the opposition’s proposal?

As we have seen, people have suffered for many years and are fed up with the government. Since at least 2007, the opposition has consistently been growing, and it gained the majority in 2015 in the election of the national assembly. Today, this opposition has gained more strength with the deepening of the economic and social crisis. People are angry because they are hungry, babies are dying, salaries do not meet needs, people with chronic diseases do not have access to treatment, and unemployment is growing. Venezuelans are desperate and need a solution for this.

In order to confront this dire situation with real solutions, during 2018, community leaders, academics from different universities, and politicians in the national assembly were working to build a consensus about how to deal with the crisis to solve the most urgent problems. This resulted in the *Plan País* (Country Plan). This plan lays out the general plans that point to the solution for the most critical problems. It highlights four areas of consensus, as follows: (1) in matters of economic policies, (2) in terms of the empowerment of citizens and the guarantee of access to public services, (3) in the area of hydrocarbons, and (4) in relation to social policies for rising out of the crisis.

There are three key issues that could possibly help implement the *Plan País*: unity and consensus among the different groups and movements of the opposition, mobilization in the streets of the country, and international support. However, international implications have the risk of oversimplifying the crisis. Trump’s deep involvement in the search for a change of government has resulted in many dismissing the matter as just another case of U.S. interventionism. Intellectual leftists from Latin America and from the developed north want to see this scenario as another case of Yankee imperialism interference because they underestimate and ignore the real problem, which is none other than the Maduro regime’s violation of the most elemental human rights. They also ignore that Venezuela’s huge natural resources are, in fact, an

important variable in the issue of international involvement. On one hand are the United States, the European Union, and many Latin American countries (Lima Group), and on the other hand are Russia, China, Iran, and Cuba: all of these countries have strong interests in Venezuela's resources and the benefits they could derive from them. Therefore, to understand the situation in Venezuela, views must go beyond the ideological divide among left and right.

5. What will happen next?

The Venezuelan crisis is now part of a new geopolitics which confronts in a new way the cold war among the western countries (USA, Canada, EU, and most Latin American countries) with Russia, China, Iran, and Cuba. However, I think that there are conditions, not only political conditions but social and economic, that could drive the country to overthrow the Maduro regime and start the building of a different country. I have put all my desires on that, although I know that it is not enough. Many interests and tensions could change the direction of the country. Thus, the end result is yet to be determined.