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The 2018 Venezuelan Presidential elections

By John Curtis and Daniel
Harari

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Summary

Venezuela is holding Presidential elections on Sunday 20 May.

The country is in the midst of a political, economic and social crisis. The opposition and outside observers doubt that the elections will be free and fair. For this reason, most of the opposition parties and their senior figures have called for a boycott of the election.

The current President is Nicolás Maduro, who succeeded Hugo Chávez after his death in March 2013. Hugo Chávez had led Venezuela for 13 years, and undertaken sweeping social and economic reforms. Mr Maduro, who had served as Chávez's Vice President, won a Presidential election held the month after Hugo Chávez's death, narrowly defeating opposition leader Henrique Capriles by less than 2% of the vote.

President Maduro is running again as the candidate for his United Socialist Party of Venezuela (PSUV).

The political crisis in the country stems from a battle for legitimacy between the government and opposition.

In December 2015, the opposition won the National Assembly elections by a landslide, securing a crucial two-thirds majority. However, a Supreme Court which is packed by government loyalists blocked most of the legislation that the National Assembly passed by declaring it unconstitutional. The Court also blocked the opposition's attempt to call a recall election for Maduro.

In July 2017 a new political body, the Constitutional Assembly full of government supporters was elected in a disputed and widely condemned election. While the Assembly was meant to re-write the Constitution, in August 2017, it assumed for itself legislative powers, effectively neutering the National Assembly.

The government then went on to win municipal and gubernatorial elections at the end of 2017. The opposition claimed these elections were not fair and that the results may have been rigged. The results left the opposition reeling and exercising even less control in the country.

Internationally brokered talks between the opposition and government broke down in February 2018, when the government decided to go ahead with Presidential elections without instigating any of the reforms of the electoral system the opposition had asked for. The elections were first set for March, but then were postponed until May.

The major opposition parties all decided to boycott the elections. However, one opposition leader, Henri Falcón, a former supporter of Hugo Chávez, decided to break with the opposition and stand as a candidate.

Two other much less well-known candidates entered the race. One has now dropped out of the race and endorsed Mr Falcón.

Venezuela is facing a severe economic and social crisis, in part due to the economic policies of Mr Maduro and his government. This has led to falling support for his administration.

Although Falcón may have more support than Maduro, Maduro's control of the organs of state, a divided opposition, and the prospect that many opposition supporters will boycott the elections mean most observers believe Maduro will win another term.

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Venezuela's economy is in turmoil. Venezuela was one of the most prosperous countries in Latin America for most of the second half of the 20th Century. The economy is built on oil and Venezuela has the world's largest proven oil reserves. However, after years of economic mismanagement and a fall in the price of oil since 2014, the economy is now in the midst of a severe crisis with hyperinflation, a currency that has lost almost all its value, and the government defaulting on its debt.

The collapsing economy has led to a humanitarian crisis with, amongst other things, food and medicine shortages. Hunger is widespread, diseases such as tuberculosis and HIV which were once well managed, are now spreading. Many Venezuelans have responded to these crises by leaving the country in a continuing and growing wave of mass migration.

1. The 2018 Presidential elections

1.1 Background

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Venezuela is facing a severe economic and social crisis, that many observers attribute, at least in part, to the economic policies of Mr Maduro and his government. This has led to falling support for his administration. Mr Maduro's government blame the sanctions imposed by the United States, who he claims are waging an "economic war" on the country, supported, in his eyes, by the opposition.

60% of Venezuelans oppose the US sanctions regime according to a poll in December 2017.¹

Although Falcón may have more support than Maduro, Maduro's control of the organs of state, a divided opposition, and the prospect that many opposition supporters will boycott the elections mean most observers believe Maduro will win another term.

1.2 Powers of the Presidency²

The President of Venezuela is Head of State and of the National Executive. Presidents are elected by universal suffrage for six-year terms. In February 2009 Venezuelans approved, in a referendum called by Hugo Chávez, changing the constitution to remove Presidential term limits.³

Presidents must be over 30 years of age and born Venezuelan.

The most significant powers of the President include:⁴

- appointing and removing Cabinet Ministers and the Vice President;
- directing the country's international relations and signing and ratifying international agreements;
- heading up the armed forces in their role as Commander in Chief. The President also has the power to promote and appoint senior officers;
- declaring states of emergency;
- issuing executive orders;
- calling special sessions of the National Assembly; and
- granting pardons.

Presidents are elected by a plurality (i.e. the most votes win, no absolute majority is required) in a single round of voting. The last election took place in April 2013, with the acting President Nicolas Maduro defeating the opposition candidate Henrique Capriles Radonski by 7.59 million votes (50.6%) to 7.36 million votes (49.1%).

Neither the Venezuelan Constitution of 1999 nor its electoral law lays out a regular schedule for when the presidential elections must take

¹ Congressional Research Service paper, '[Venezuela: Background and U.S. Relations](#)', 9 March 2018, page 10.

² This section was based in part on '[Venezuela](#)', in Europa World online, retrieved 17 May 2018. See also the English language version of the Venezuelan constitution on [VenezuelaAnalysis.com](#), accessed 17 May 2018.

³ '[Chávez Wins Removal of Term Limits](#)', Washington Post, 16 February 2009.

place. They simply state that the next president must be sworn in on January 10, 2019. The three most recent regular presidential elections took place in the months of July, October and December. In 2012, the National Electoral Council (CNE) gave 6 months' notice before the election. But in 2018 parties and candidates were given less than 90 days to prepare. Voters had less than two weeks from the announcement to update their registration.⁵

1.3 Political developments - from Chávez to today⁶

- **October 2012**, President Hugo Chávez wins a fourth term in office, with 54% of the vote, defeating opposition leader and governor of Miranda state Henrique Capriles.
- **March 2013**, President Chávez dies at age 58 from cancer.
- **April 2013**, new Presidential elections are held. Chávez's chosen successor Vice President Nicolas Maduro runs against Henrique Capriles. Official results show a narrow victory for Maduro with 50.6% of the votes against Capriles' 49.1%. Capriles contests the results.
- **November 2013**, the National Assembly grants President Maduro emergency powers for a year to help tackle the growing economic crisis. Opposition supporters take to the streets to protest the move.
- **December 2013**, the ruling United Socialist Party (PSUV) and its allies win local elections by a margin of around 10%. The opposition does better in bigger cities including the capital Caracas. The PSUV does better in rural areas and smaller cities.
- **February-March 2014**, student protests over poor security in the western states of Tachira and Merida spread to the capital Caracas, where they win the backing of opposition parties and turn into anti-government rallies. The government accuses the opposition of seeking to launch a coup and breaks up the protests. At least 28 people die in the violence.
- **February 2014** opposition leader Leopoldo Lopez, who is at the forefront of organizing the anti-government protests, is charged with inciting violence. After initially going into hiding Lopez hands himself in to the authorities.
- **November 2014** the government announces cuts in public spending as oil prices reach a four-year low.
- **December 2014**, Venezuela's chief prosecutor formally charges leading opposition figure Maria Corina Machado with conspiracy to assassinate President Maduro.

⁵ This section was taken in part from the Organization of American States (OAS) [electoral guide](#).

⁶ This section is based in part on the Congressional Research Service paper, ['Venezuela: Background and U.S. Relations'](#), 9 March 2018, and the BBC News online ['Venezuela Profile: Timeline'](#), accessed 17 May 2018.

- **February 2015**, Antonio Ledezma, the opposition mayor of Caracas, is charged with plotting a coup with US support. He denies the accusations, accusing government of stifling criticism.
- **September 2015**, opposition leader Leopoldo Lopez, in a closed trial, is found guilty of inciting violence during the 2014 protests. He is sentenced to nearly 14 years in jail. Critics say the trial is deeply flawed and Lopez is a political prisoner.

The judge who signed his arrest warrant later admits that she had been forced to do so. The lead prosecutor, after fleeing the country, denounces the case against López as “a farce,” saying “100 percent of the investigation was invented.”⁷

- **9 December 2015**, parliamentary elections are held. The opposition Democratic Unity Roundtable (MUD) coalition wins a resounding victory securing 112 out of 167 seats in the National Assembly. The ruling socialist party (PSUV) and its allies win 55 seats, losing control of the body after 16 years. The results give the MUD a crucial two-thirds ‘super-majority’ that will allow them to remove justices from the supreme court and approve amendments to the constitution.
- **December 2015**, in the last few days of the old Assembly, before the new opposition controlled chamber takes over, Maduro’s Socialist Party appoints 13 new justices to the Supreme Court, entrenching their control of the institution. The opposition decries this as unconstitutional and another court-packing measure. The opposition claimed that earlier that year 34 justices of the High Court were forced to resign or take early retirement to open up spaces for the new justices. The Socialist Party denied such claims, or that the new appointments were unconstitutional.⁸
- **January 2016**, three Democratic Unity deputies resign from the National Assembly under Supreme Court pressure, depriving the MUD coalition of its supermajority.
- **February 2016**, President Maduro announces measures aimed at fighting the economic crisis, including currency devaluation and the first petrol price rise in 20 years.
- **May 2016**, Maduro declares a state of emergency, giving him extra powers, including the right to impose extra security measures. The President says he needs these powers to tackle the economic crisis. He also accuses the United States of plotting a coup against him and his government.
- **September 2016**, hundreds of thousands of people take part in a protest in Caracas calling for the removal of President Maduro, accusing him of responsibility for the economic crisis.
- **30 March 2017**, the Supreme Court ‘takes over’ legislative powers from the National Assembly, after holding the Assembly “in contempt” of its powers⁹. This move causes international

⁷ [‘Can Venezuela be saved?’](#) Wil S. Hylton, New York Times, 1 March 2018

⁸ [‘Venezuela’s outgoing Congress names 13 Supreme Court justices’](#), Reuters, 23 December 2015’

⁹ [‘Venezuela ‘coup’: Alarm grows as court takes power’](#), BBC News, 31 March 2017

consternation and widespread protests, and even Maduro's government seem to recognise the huge over-reach this represents, with the President urging it to review the ruling "to maintain institutional stability." The Court backtracks and reverses its decision on April 1.¹⁰

- **8 April 2017**, the former opposition Presidential candidate Henrique Capriles is banned from running for office for 15 years due to "administrative irregularities" during his time as Governor¹¹. This move is enacted by the State Comptroller who is a government appointee. It follows the banning of other prominent opposition candidates.
- Waves of protests are launched in reaction to these actions, which police forces meet with aggressive tactics, leading to the death of several protestors.¹² This leads to a joint communique being issued by 11 Latin American states calling on Venezuela's government to "guarantee the right to peaceful protest"¹³. The government respond by calling this "rude meddling".¹⁴
- **18 May 2017** the US Trump administration imposes sanctions on eight Supreme Court judges who have dissolved the legislature, for undemocratic behaviour.¹⁵
- **28 June 2017**, a police officer commandeers a helicopter and uses it to drop several grenades on the Supreme Court. Some called this an attempted coup:¹⁶

It is later claimed by the opposition that this incident has been staged, and it is a hoax organised by the government.¹⁷
- **5 July 2017**, supporters of the government storm the National Assembly.¹⁸
- **16 July 2017**, the opposition organises an unofficial referendum on the government's plans to elect a Constituent Assembly. Just under 6.5 million people are said to have voted and 98% reject the plans for an Assembly.¹⁹
- **21 July 2017**, the opposition controlled National Assembly appoints 13 new justices to the Supreme Court, citing their belief the December 2015 appointments were unconstitutional, and the Assembly's constitutional role in appointing justices.²⁰ However,

¹⁰ ['Venezuela: Supreme court backtracks on powers bid'](#), BBC News, 1 April 2017

¹¹ ['Venezuela opposition leader Capriles banned from politics'](#), BBC News, 8 April 2017

¹² ['Venezuelans return to streets, roused by ban on opposition leader'](#), Reuters, 8 April 2017

¹³ [Venezuela slams nations for 'meddling' over protest call](#), BBC News, 18 April 2017

¹⁴ *Ibid.*

¹⁵ ['Venezuela: Background and U.S. Policy'](#), Congressional Research Service, 14 June 2017

¹⁶ ['Venezuela crisis: Helicopter launches attack on Supreme Court'](#), BBC News, 28 June 2017

¹⁷ ['Caracas helicopter coup 'staged by Maduro'](#), The Times, 29 June 2017

¹⁸ ['Venezuela National Assembly stormed by Maduro supporters'](#), BBC News, 6 July 2017

¹⁹ ['Venezuela referendum: Big show of support for opposition'](#), BBC News, 17 July 2017

²⁰ ['Venezuela opposition congress names alternative Supreme Court judges'](#), Reuters, 21 July 2017

this was a largely symbolic gesture as the current Supreme Court has ruled these appointments unconstitutional. According to the BBC, the Court called for "civil and military authorities" to carry out "coercive actions" in response to the appointments.²¹

- **30 July 2017**, ignoring the unofficial referendum and international calls not to go ahead, the government holds elections for representatives for a Constituent Assembly to write a new Constitution for the country. The opposition parties boycott the poll. All 545 seats are won by leftist parties supportive of the government. The vote is marred by violence that killed at least 10 people and leaves seven police officers injured by a bomb attack. The electoral commission claims the turnout for the vote was 8.1m — 41.5 per cent of the electoral register. The opposition rejects the figure— saying only about 2m had actually voted.²²
- **31 July 2017**, the Financial Times reports that the company which provided the technology for the electronic voting system used for the poll claims the results were fraudulent.²³

On the same day in response to the holding of the referendum the United States announces it is expanding its sanctions regime against senior government figures to include President Maduro. The sanctions freeze any of Maduro's assets under US jurisdiction, and prohibit US citizens from doing business with him.²⁴

- **1 August 2017**, two opposition prisoners being held under house-arrest, Leopoldo López and Antonio Ledezma, are re-arrested and taken away by the intelligence services in the middle of the night. Both figures [are re-released](#) back to house arrest a few days later after an international outcry.
- **5 August 2017**, the new Constituent Assembly (ANC) during its first session unanimously votes to remove the Attorney General Luisa Ortega from her post. Ms Ortega was a Socialist Party loyalist, who in the last year turned into a fierce critic of the government. She rejects her dismissal calling it a "coup against the constitution". The Supreme Court says she will face trial for 'serious misconduct', but has not detailed the accusations against her. Ms Ortega's dismissal is condemned and called "illegal" by the President of the opposition controlled National Assembly. The government then swears in a Maduro loyalist, Tarek William Saab, to replace Ms Ortega.²⁵ Ms Ortega flees the country the next week saying she fears for her life.²⁶
- **19 August 2017**, the ANC approves a decree allowing it to pass legislation, essentially replacing the role of the National Assembly. The ANC initially calls for trials of the political opposition,

²¹ ['Venezuela row as National Assembly appoints judges'](#), BBC News, 22 July 2017

²² ['Venezuelans snub Maduro vote on day marred by violence'](#), Financial Times, 31 July 2017

²³ ['Venezuela poll was rigged, says voting company'](#), Financial Times, 2 August 2017

²⁴ ['US hits Nicolás Maduro with sanctions after Venezuela's 'sham' election'](#), The Guardian, 31 July 2017

²⁵ ['Venezuela's chief prosecutor Luisa Ortega rejects dismissal'](#), BBC News, 6 August 2017

²⁶ ['Venezuela seeks arrest warrant for prosecutor'](#), BBC News, 23 August 2017,

including members of the National Assembly, on charges of treason and alleged involvement in Venezuela's economic crisis.

- **On the same day** a small-scale military uprising occurred with an attack against a military barracks in the north-western Carabobo state.²⁷
- **On 26 August 2017**, in response to the ANC's installation, the U.S. imposes further economic sanctions that restrict the Venezuelan government's ability to borrow on international markets. They stop short of sanctioning Venezuela's oil industry, which many fear would crash the entire economy.
- **15 October 2017**, the PSUV wins 18 of 23 gubernatorial elections. Significant discrepancies between opinion polls and the election results suggest fraud has taken place, but the opposition cannot prove that it occurred on a massive scale. The opposition MUD coalition initially reject the election results, but four victorious MUD governors subsequently take their oaths of office in front of the ANC (rather than the National Assembly), a decision that fractures the coalition.
- **10 December 2017**, municipal elections are held. Most opposition parties do not participate. A few, including A New Time (UNT), led by Manuel Rosales, and Progressive Advance (AP), led by Henri Falcón, field candidates. The PSUV win more than 300 of 335 mayoralties and the governorship of Zulia state. The [Maduro government then requires](#) parties that did not participate in the municipal elections to re-register in order to run in the 2018 presidential contest, a requirement that many of them subsequently reject.
- **January 2018**, the ANC calls for presidential elections to be moved forward from late 2018 (when they are customarily held) to April.
- **25 January 2018**, the Supreme Court bars the MUD coalition from participating as a block in the April elections.
- **22 January 2018**, the European Union (EU) [imposes targeted sanctions](#) on seven Venezuelan officials accused of human rights violations and undermining the rule of law.
- **7 February 2018**, Venezuela's electoral council sets the date of the election for April 22, which most election experts deem too soon to allow adequate time for candidates to register and a fair campaign to be held. This move by the electoral council prompts international criticism, with the United States and other governments signalling that they will not recognize the election results.

The move also [signals an end to MUD-government talks](#) that began in the Dominican Republic in late 2017 in which the MUD had sought broader guarantees, including a reconstituted electoral council not aligned with Maduro.

- **22 February 2018**, the MUD coalition announces it will boycott the April Presidential elections.

²⁷ ['Venezuela arrests over 'uprising attempt'](#), BBC News, 6 August 2017

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- **27 February 2018**, Henri Falcón, former governor of the state of Lara and head of the Progressive Advance (AP) party, breaks with the MUD coalition by registering his presidential candidacy.
- **28 February 2018**, the opposition MUD coalition [announces](#) it is expelling Henri Falcón over his decision to run.
- **1 March 2018**, Venezuela's National Electoral Council (CNE) [announces](#) that the 2018 presidential elections will be postponed from April 22, 2018 (as previously announced), until May 20, 2018, and could be monitored by international observers. The MUD coalition confirmed it will still boycott the elections.
- **6 March 2018**, the United Nations (U.N.) High Commissioner for Human Rights [says](#) that his office have received credible reports of "hundreds of extra-judicial killings [committed by Venezuelan security forces] ... both during protests and security operations." He urges the U.N. Human Rights Council to launch a Commission to investigate those reports.
- **8 March 2018**, Venezuelan opposition activists who recently joined with unionists and university professors and students to form a new movement, the Broad Front for a Free Venezuela, call for protests against the 2018 presidential elections scheduled for May

1.4 Candidates

Javier Bertucci (Independent)

Javier Bertucci is an evangelical pastor running as an independent candidate. He is not credited with having much chance of winning, as he has no known political experience and little name recognition.

According to a Reuters profile of Mr Bertucci, he has promised to restore "values" lost during the country's economic crisis. He believes the evangelical community's work with the poor should aid his candidacy: "If anyone deserves it, it's us, because we've been there for many years, we've been there with the poor, with the needy."²⁸

In line with his religious beliefs Mr Bertucci opposes abortion and adoption for same-sex couples, saying:

"I respect and love any person who has a different sexual orientation, but in a legal sense, I would have to tell them categorically that I would never support this (adoption)."²⁹

Henri Falcón (Progressive Advance)

Henri Falcón, who is running against President Maduro, started out as an ally of Hugo Chávez. The Washington Post profile charts this transition:

Falcón and Chávez were friends when they were in graduate school in the late 1990s. After Chávez became president and started implementing socialist-oriented policies, Falcón joined his "Bolivarian Revolution" and went on to become a lawmaker, a

²⁸ ['Venezuela evangelical candidate pushes Christian values in midst of crisis'](#), Reuters, 22 February 2018

²⁹ *Ibid.*

two-term mayor of the city of Barquisimeto and then governor of the state of Lara in 2008.

In 2010, though, he broke with the ruling party when Chávez attempted to nationalize Polar, the country's main food-processing company.

Falcón joined the opposition and won re-election in 2012. He was the campaign manager in 2013 for presidential candidate Henrique Capriles.

Mr Falcón's past as a supporter of the PSUV party makes some in the opposition suspicious of his decision to break their election boycott, believing he may be running to give legitimacy to the election and Maduro's regime. He has tried to persuade opposition leaders like Henrique Capriles to break the boycott and join his campaign, but to no avail.

Mr Falcón is trying to manage the difficult task of energising opponents of the government who are liable to boycott the vote, and not alienating Maduro's supporters.

As part of his efforts to reach out to PSUV voters and the party elites, Falcón suggested, in an interview with the Miami Herald, he would tread carefully when it came to pursuing legal claims against those in the government:

"We have said that in our government there will be no retaliation or persecution or revenge," he said. "The government we want to form will not devote its efforts to persecuting. On the contrary, it will dedicate its efforts to building the future, to stabilizing the economy, to recovering [state run oil company] PDVSA to strengthening agricultural production to growth, to fighting violence."

"In the end, national and international courts will be the appropriate venues to initiate criminal proceedings against those responsible for serious crimes against humanity, against the administration, or against international laws and conventions," he added.³⁰

He has also sent a signal to the powerful armed forces, who run government ministries and parts of the economy, that they need not fear him. Falcón is reportedly considering keeping Defence Minister Vladimir Padrino in his post should he win.³¹

Mr Falcón is attempting to reach out to "independent" voters who don't like either Maduro or the MUD coalition, according to the Washington Post:

Those voters make up about 40 percent of the population, said Luis Vicente León, director of the Datanalisis polling agency.

"But half of the 'independents' don't want to vote at this point," León said. "Falcón's enemy isn't Maduro or people's preferences. It's abstentionism."

³⁰ ['A Venezuelan politician says he can defeat Maduro. Why does the opposition hate him?'](#), Miami Herald, 8 March 2018

³¹ ['Maduro challenger shakes up Venezuela's presidential vote'](#), Reuters, 18 March 2018

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Falcón may really think he can win, said Félix Seijas Rodríguez, director of the Delphos polling agency, but there's also a chance he's simply taking advantage of the situation to position himself as a leading opposition figure.³²

Mr Falcón is trying to combat the perception that he has no chance of winning, and rejects the MUD's policy of boycotting the elections, saying:

Choosing to fight despite unfair rules does not legitimize the rules: It confirms our willingness to defend our rights," Falcón said. "An electoral boycott has never toppled a government. Popular uprisings, like the one against the Shah of Iran, military movements, coups and elections are the only way to get rid of a bad government. Abstention, however, legitimizes and prolongs the life of dictators and bad governments."³³

In his speeches, Falcón is calling on people to believe in his candidacy:

"For God's sake, people," he said in an afternoon meeting with unions in El Tigre, "let's avoid any more mistakes. Abstaining is a meaningless path against a dictatorial government."³⁴

A poll by the firm Meganalisis released at the beginning of March found that just 17 percent of the population is willing to vote.³⁵

Falcón and his supporters remain defiant, telling Reuters in an interview: "This government is finished." He also went on to note how few governments in history had survived hyper-inflation and economic chaos like Venezuela's current crisis. Reuters report further:

Opinion surveys in Venezuela are often divergent, politicized and misleading in hindsight. But Falcón, his campaign team and some pundits think he may be able to create an avalanche as the campaign gets underway.

"If we really unite, get organised, construct a single narrative, and instead of discouraging people by asking them to abstain, we call them to vote, there's no way this government can beat us," said Falcón.³⁶

In terms of policies Mr Falcón has pledged to lead a government of 'national unity' should he wins. More specifically, according to the Washington Post:

[...] His proposals include creating incentives to reactivate industrial and agricultural production, dollarizing the economy to stop hyperinflation, and giving out \$25 monthly stipends to the poor during a stabilization period. He says he'll free political prisoners but won't prosecute current officials.

³² [The man who's betting he will be Venezuela's next president — if he can get people to vote](#), The Washington Post, 7 April 2018

³³ ['A Venezuelan politician says he can defeat Maduro. Why does the opposition hate him?'](#), Miami Herald, 8 March 2018

³⁴ ['The man who's betting he will be Venezuela's next president — if he can get people to vote](#), The Washington Post, 7 April 2018

³⁵ [A Venezuelan politician says he can defeat Maduro. Why does the opposition hate him?'](#), Miami Herald, 8 March 2018

³⁶ [Maduro challenger shakes up Venezuela's presidential vote](#), Reuters, 18 March 2018

He describes himself as at the center of the political spectrum, “leaning to the left but open to initiatives from any side if they’ll help the country recover.”

His economic adviser, Francisco Rodríguez, chief economist at the Wall Street investment bank Torino Capital, says the candidate wants to expand social services, restructure the country’s debt and open Venezuela to foreign aid. The Maduro government has rejected most offers of international humanitarian assistance.³⁷

He has also pledged to remove the Constituent Assembly. However, it is not clear how he might do this. In the unlikely event Falcón wins, then the Assembly and President Maduro will still be in full control of Venezuela in the period between the election and his inauguration in January 2019. This will give them both opportunities to try and block his taking of power.³⁸

Nicolas Maduro (United Socialist Party of Venezuela)

Towards the end of 2017, after significant street protests and facing a growing economic crisis and international pressure, President Maduro looked like he might not survive the rest of his term, and if he did there was speculation he might not be the Socialist Party candidate. However, as Reuters report he is now riding the wave of his victories in local and regional elections:

The unpopular successor to Hugo Chávez has not only survived, he is ending the year on a political high and is even a front-runner for the 2018 presidential election.

The upturn in Maduro’s fortunes began with a surprise victory in last month’s gubernatorial elections, thanks to abstentionism by disillusioned opposition supporters and election conditions stacked in favour of his Socialist Party.

He then seized the initiative by announcing Venezuela’s intention to restructure its more than \$120 billion foreign debt. The high-stakes moves allows him to blame a U.S.-led “capitalist conspiracy” for hyperinflation and shortages while potentially freeing hard currency to import food and medicines ahead of next year’s vote.

Government sources say a buoyant Maduro is now considering driving home his advantage by bringing forward the normally year-end election to February or March.

The president, so toxic last month that few gubernatorial candidates wanted to be seen with him, might now be his party’s best bet to retain power against an opposition in disarray.

Speculation about alternative candidates - from powerful Socialist Party No. 2 Diosdado Cabello to up-and-coming governor Hector Rodriguez - has quietened in recent days.

[...] Maduro is taking credit in government circles for pushing through a Constituent Assembly super-body that cemented the

³⁷ [The man who’s betting he will be Venezuela’s next president — if he can get people to vote](#), The Washington Post, 7 April 2018

³⁸ [‘A Venezuelan politician says he can defeat Maduro. Why does the opposition hate him?’](#), Miami Herald, 8 March 2018

socialists' power - albeit in an election boycotted by the opposition and marred by fraud accusations even from the company running the voting machines - and for breaking the opposition coalition.³⁹

Maduro is also being aided by the woeful state of the opposition according to the piece:

Though the opposition is trying to rally Venezuelans to oust the socialists once and for all in the 2018 vote, there is no hiding their woeful state.

Leaders struggled to explain the October gubernatorial poll defeat, first blaming fraud then admitting they shot themselves in the foot via abstentionism.

The coalition openly split over the Dec. 10 municipal elections, with major parties opting for a boycott but others deciding to run candidates. That confused strategy - a far cry from their unity in 2015 parliamentary elections - has undercut western pressure on Maduro.⁴⁰

Maduro is using the international sanctions imposed upon his government as a rallying point for his supporters. He is also warning social benefits could be lost if the opposition carried through their plans to participate in international bailouts. BBC Monitoring's translation of a report in the Venezuelan government newspaper, *Correo del Orinoco*, explains:

The newspaper said Maduro, whom it said was speaking in a meeting with the country's education sector in Caracas, told his audience that the future of "public, free and quality education in the country" was at stake in the elections. His words were broadcast by state-run *Venezolana de Televisión*.

"The oligarchic right [opposition] are proposing to hand the country over to the International Monetary Fund (IMF) and the first thing that (that financial organisation) does is eliminate public education, is privatise education, that is the first thing that the IMF does," Maduro said, cited in the *Correo del Orinoco* story.

"IMF, go to [hell], because you are not going to get your claws here ever again into the Homeland of Bolívar [Venezuela]," he added.

According to *Correo del Orinoco*, Maduro, who is standing for the Frente Amplio de la Patria (Broad Front for the Homeland) ruling coalition, said Venezuelans should think carefully about who they voted for on 20 May.

"Think carefully, [think] if you want education to be privatised, if you want the IMF to plunder Venezuela, or if you want more free education and even more quality. I am asking for your vote, let's aim for 10 million votes, to consolidate our path and advance over the difficulties and obstacles," the Venezuelan president said.

"Let the world hear, Venezuela is free, independent and sovereign. Let that be heard well," Maduro added.

³⁹ ['Venezuela's Maduro keeps eye on prize: 2018 presidential vote'](#), Reuters, 24 November 2017.

⁴⁰ Ibid.

An electoral briefing by the Organization of American States (OAS), details how the government is using the tools at its disposal to help ensure a Maduro victory:

Workers at state oil firm PDVSA received a notice on February 20 that they are only permitted to follow approved government accounts on social media or face disciplinary actions and/or firing.

Almost half of Venezuelans depend on a new government ID system for what little food they get, and the threat of not getting that food if they vote against the government in an election is ever-present under an increasingly authoritarian regime. What paltry foodstuffs the government hands out are more necessary than ever: two-thirds of Venezuelans lost weight in 2017, an average of 24 pounds. The year prior, more than 70 percent lost an average of 19 pounds.⁴¹

1.5 Polling and prospects

The Washington Post reports that some polls show support for Henri Falcón, but his biggest challenge will be convincing people to turn out and vote:

Only one significant challenger has stepped up to run against Venezuela's powerful president, Nicolás Maduro, and his vast political machine in elections next month. But former governor Henri Falcón's biggest challenge may be getting people to believe that voting could make a difference.

Maduro's increasingly tight grip on Venezuela's politics amid a catastrophic economic crisis has prompted the opposition coalition to boycott the upcoming vote. The group's leaders are criticizing Falcón, a 56-year-old politician, who was once a ruling party supporter, for participating in what they maintain is a sham vote.

The polls, however, show that Falcón has a fighting chance — if he can get people to vote. A March survey by the firm Datanalisis indicated that 75 percent of the adult population rejects Maduro and that Falcón was leading him by 10 points. That same poll, however, showed that only 28 percent of the people opposing Maduro plan to vote.

Other polls say Venezuelans distrust the process so much that turnout will be lower than in any other presidential vote since the election of Hugo Chávez two decades ago.⁴²

Reuters suggest that while Maduro is unpopular, his control of the organs of the state, and ability to give out electoral give-aways before the vote, mean any upset is unlikely:

Despite such optimism and Maduro's unpopularity on the streets, there appear to be plenty of ways for the government to assure victory.

It is ratcheting up welfare handouts and pressure on state workers, has skilfully fomented divisions within the opposition,

⁴¹ ['Update: What Is Happening with Venezuela's Presidential Election?'](#) OAS, 22 February 2018

⁴² ['The man who's betting he will be Venezuela's next president — if he can get people to vote'](#), The Washington Post, 7 April 2018

barred Maduro's two main rivals from standing, brazenly uses state resources in its campaigns, and benefits from a compliant election board.

The board's head, Tibisay Lucena, is on U.S., EU and Canadian sanctions lists accused of violating democracy. Even its chosen vote machine operator, UK-based Smartmatic, accused her institution of fraud in a vote last year.

"Though Falcón is twice as popular as Maduro and could beat him in a competitive race, the 20 May vote will not be competitive," wrote Eurasia consultancy.⁴³

1.6 What next after the elections?

Caracas-based consultant Dimitris Pantoulas, when asked by Reuters what the prospects were for Venezuela after the election, told the news organisation: "If Maduro wins, as looks likely, it will be a very unstable government [...] At home, he is flirting with a coup d'état and abroad he will be a pariah."⁴⁴

An article in the New York Times, focusing on the opposition leader and political prisoner Leopoldo Lopez, examines the prospects of some sort of military coup:

In recent months, there has also been rumbling about war. Trump has made oblique suggestions of a "military option" in Caracas, and even relatively moderate voices have begun to fantasize about cavalry. In January, the Harvard scholar Ricardo Hausmann, who served as Venezuela's minister of planning from 1992 to 1993, published a proposal suggesting that the Legislature invite a multilateral invasion force to help support a new government, making a comparison to the liberation of Europe. I spoke with several opposition leaders who welcome this idea, but this might say more about the country's desperation than the wisdom of the proposal. It's difficult to imagine Russia and China, after years of propping up the Venezuelan economy in exchange for oil, allowing a foreign invasion to threaten their investment. An even greater concern is internal: Maduro is polling at about 30 percent approval in a devastated economy, but nothing would rally former *chavistas* to his side like an occupying army. Venezuela is a heavily armed society and increasingly violent. To invite a military intervention is to welcome civil war.⁴⁵

The author also recorded Lopez's thoughts on such an action:

López was also flexible in his thinking about transition. Through most of our conversations, he strongly opposed the idea of military action, but when we spoke late the other night, he said he was beginning to think differently. An unwelcome mechanism can bring welcome change.

"In 1958, there was a military coup that began the transition to democracy," he said. "And in other Latin American countries, there have been coups that called elections. So I don't want to rule anything out, because the electoral window has been closed.

⁴³ [Maduro challenger shakes up Venezuela's presidential vote](#), Reuters, 18 March 2018

⁴⁴ ['Maduro challenger shakes up Venezuela's presidential vote](#)', Reuters, 18 March 2018.

⁴⁵ ['Can Venezuela be saved?'](#) Wil S. Hylton, New York Times, 1 March 2018

We need to go forward on many different levels. One is street demonstrations; a second is coordination with the international community. But this is how I'm thinking now: We need to increase all forms of pressure. Anything, anything that needs to happen to produce a free and fair election."⁴⁶

On 7 May US Vice President Mike Pence called for the OAS to suspend Venezuela from the organisation. According to PBS online he also called on President Maduro to postpone the upcoming elections:

"To uphold the democracy and freedom, we call the members of the OAS to suspend Venezuela from the Organization of American States," said Pence, the first U.S. vice president to address the group since Al Gore in 1994.

Pence asked Venezuelan President Nicolas Maduro to suspend the May 20 presidential election, which he called "no more than fraud and sham." Pence also urged Maduro to "open Venezuela to international aid, and do it now."

Venezuela has refused to allow international aid, alleging that would amount to foreign intervention. The South American nation also denies there is an ongoing humanitarian crisis, even though thousands of Venezuelans have fled to other countries in the region.

Venezuela did not send an official to hear Pence's speech, but minutes later Samuel Moncada, Venezuela's deputy foreign relations minister for North America, called Pence remarks a "farce" and a "monstrosity".

Moncada said in April 2017 his country started a two-year process to withdraw from the Washington-based Organization of American States.

"We want to leave. We are counting the days so we can leave, but this is the most dangerous place in the world for Venezuela and I have to show up to defend Venezuela," he said.⁴⁷

Correo del Orinoco, a Venezuelan government newspaper, reported on 8 May that President Maduro has pledged a political reconciliation, should he win re-election:

The first thing I will do, I announce to the world, once the people of Venezuela exercise their sovereign will and elect me, I will call a great national dialogue for peace, and I will request to (Dominican Republic) President Danilo Medina that Dominican Republic should be the venue (for the dialogue), for stability, a great national political dialogue with all the sectors and parties. A dialogue for peace.⁴⁸

Given the inability of the two sides to reach agreement in the last round of international talks, and President Maduro's record of confrontation with the opposition, such an outcome is unlikely.

CNBC, the American broadcaster, report that President Trump's administration may well impose sanctions on Venezuela's oil industry

⁴⁶ *Ibid*

⁴⁷ 'U.S. asks Organization of American States to suspend Venezuela', PBS online, 7 May 2018

⁴⁸ BBC Monitoring translation of Correo del Orinoco website- Spanish-reported 7 May 2018, published 8 May 2018 13:37.

should Maduro win. This would be a crippling blow to the Venezuelan economy, and one which so far, the US has stepped back from doing.⁴⁹

2. Economic crisis

Venezuela was one of the most prosperous countries in Latin America for most of the second half of the 20th Century.⁵⁰ The economy is built on oil and Venezuela has the world's largest proven oil reserves.⁵¹ However, after years of economic mismanagement and a fall in the price of oil since 2014, the economy is now in the midst of a severe crisis with hyperinflation, a currency that has lost almost all its value, and the government defaulting on its debt. This has led to a humanitarian crisis with, amongst other things, food and medicine shortages (see [section 3](#) below for more).

2.1 The Chávez Presidency

Under the leadership of Hugo Chávez, president from 1999 until his death in 2013, the Venezuelan economy underwent a period of significant growth, whilst poverty and inequality fell. The role of government increased considerably, financed by a dramatic rise in the price of oil, the backbone of the Venezuelan economy. A large nationalisation drive was undertaken across many sectors of the economy, including oil and gas.⁵² Spending on social programmes rose sharply.

However, despite a substantial windfall provided by higher oil prices, the Venezuelan economy at the end of Chávez's rule was structurally weak. Inflation remained relatively high throughout his time in office, the Venezuelan bolivar underwent numerous devaluations, government intervention caused output in key areas of the economy to slump and, consequently, shortages of basic goods and services became a regular occurrence.

⁴⁹ ['Trump could 'punish' Venezuela with oil sanctions immediately after presidential vote'](#), CNBC, 16 May 2018.

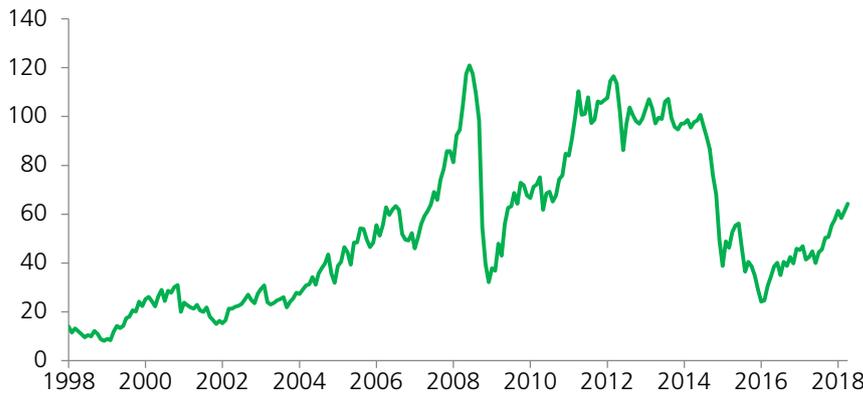
⁵⁰ Ayuso, Anna and Susanne Gratius, Economy (Venezuela), in Europa World online, London, Routledge [retrieved 11 May 2018]

⁵¹ OPEC, [OPEC share of world crude oil reserves, 2016](#); BP, [BP Statistical Review of World Energy June 2017](#), p12

⁵² ["Factbox: Venezuela's nationalizations under Chávez"](#), Reuters, 8 October 2012

Oil price - Venezuelan crude oil basket since 1998

\$ per barrel, Bloomberg estimate, monthly data to April 2018



During these boom years – when the oil price was high – the government failed to build up financial reserves, as countries dependent on a single commodity would be expected to do in order to protect themselves from a fall in the price of that commodity. Due to the expansion of state spending under President Chávez, Venezuela more often than not still ran a budget deficit despite bumper oil revenues.⁵³

Further information is available in the Library briefing paper “[Venezuela: the Chávez Legacy](#)”.

2.2 Oil price decline and economic mismanagement

The steep fall in the global price of oil, which had been around \$100 per barrel since 2011, fell sharply from mid-2014 to around \$40 by the end of 2014.⁵⁴ It dipped to around \$20 by early 2016 but subsequently recovered and remained around \$40 until mid-2017. In the past year it has risen and at the end of April 2018 was above \$60.

Oil price - Venezuelan crude oil basket since 2013

\$ per barrel, Bloomberg estimate, monthly data to April 2018



⁵³ IMF, [World Economic Outlook database](#) April 2018 and “[How Venezuela Stumbled to the Brink of Collapse](#)”, New York Times, 14 May 2017

⁵⁴ Based on Bloomberg figures of price of Venezuelan crude oil basket

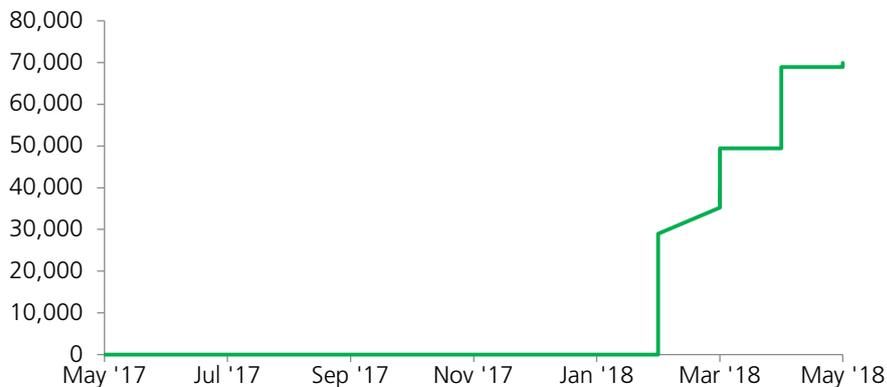
The lower oil price put enormous pressure on the economy given its dependence on oil to provide a massive chunk of government revenue and over 90% of its exports (crucial in acquiring the foreign currency Venezuela needs to purchase imports).⁵⁵

Oil is not the whole story, however. The economy has also been mismanaged in other ways dating back to the Chávez era. Despite periodic currency devaluations, the country's official exchange rate had left the bolivar overvalued. Tight controls on imports in order to support the official exchange rate made it difficult for importers to get their hands on enough dollars to buy supplies (Venezuela has to import much of its food for instance). This shortage of imports pushed up the price of goods in the shops. President Maduro has frequently resisted devaluing the official exchange rate and instead introduced price controls leading to products either not being supplied or going on the black market.⁵⁶

Nevertheless, the government has been forced to devalue the currency on many occasions, including recently amid soaring inflation. In February 2018 the official exchange rate went from 10 bolivars per US\$1 to 25,000.⁵⁷ Subsequent devaluations leave the official rate at 69,913 to US\$1 – a decline of over 99.9% in three months. The black market rate is much higher still: one widely-used measure puts it at over 697,200 bolivars per US\$1 as of 11 May 2018.⁵⁸

Official exchange rate Venezuelan bolivars/US\$, year to May 2018

Black market estimate as of 11 May 2018, is approx. 697,000/US\$1



In March 2018, President Maduro announced that three zeroes would be taken off the currency in June. So, for example, 1,000 bolivars would equal to 1 bolivar.⁵⁹ This move in and of itself will make no difference to the real value of the currency.

⁵⁵ ["How Chávez and Maduro have impoverished Venezuela"](#), The Economist, 6 April 2017

⁵⁶ US Congressional Research Service, [Venezuela: Background and U.S. Policy](#), 14 June 2017

⁵⁷ Bloomberg data

⁵⁸ [dolartoday.com](#) [accessed 11 May]

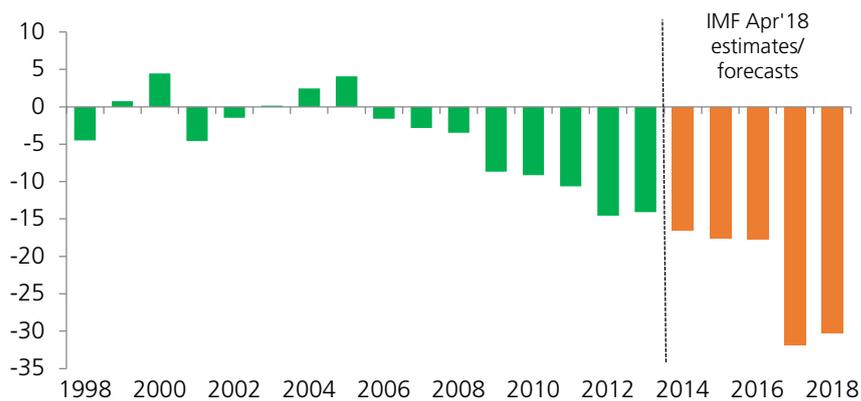
⁵⁹ ["Venezuela knocks three zeros off ailing currency amid hyperinflation"](#), Reuters, 22 March 2018

2.3 Large budget deficit and hyperinflation

By failing to build up reserves when oil prices were high, huge pressure was put on the public finances once prices declined. These large budget deficits, estimated by the IMF to be at 17-18% of GDP during 2014-2016 and 32% of GDP in 2017, were not addressed by cutting spending and/or increasing tax revenues; instead the government monetised the deficit by printing money.⁶⁰ This has led to soaring inflation.

Venezuela - Government annual budget balance since 1998

% of GDP (IMF data)



Official inflation figures have not been released since 2015 but the IMF estimates the annual inflation rate was 255% on average in 2016, rising to 2,800% by the end of 2017.⁶¹ Since then, it appears that inflation has accelerated. One estimate, collated and published by the opposition-led National Assembly, puts the annual inflation rate at 13,379% in April 2018.⁶² On a monthly basis, prices are estimated to have increased by 80% in April compared with price levels in March. Venezuela now meets a widely-used definition of hyperinflation (of prices rising by at least 50% per month).⁶³ The IMF in April 2018 forecast inflation to average 13,865% in 2018.⁶⁴

⁶⁰ "[How Chávez and Maduro have impoverished Venezuela](#)", The Economist, 6 April 2017

⁶¹ IMF, [World Economic Outlook database](#), April 2018

⁶² "[Venezuela annual inflation nears 14,000 pct -legislature](#)", Reuters, 7 May 2018

⁶³ Hanke and Kruas (2012), [World Hyperinflations](#), Cato Institute working paper, p10

⁶⁴ IMF, [World Economic Outlook database](#), April 2018

Venezuela - Annual CPI inflation (%) since 1998

Annual average (IMF data)



With hyperinflation, a resulting debased currency, budget shortfalls and lack of hard currency to buy much-needed imports, the government announced it would introduce a state-backed crypto currency, the petro, as “an instrument for Venezuela’s economic stability and financial independence”.⁶⁵ It is said to be backed by blockchain technology and oil reserves. The new currency is possibly an attempt by the government to raise desperately-needed cash – you can’t use bolivars to buy petros but you can use dollars.

The government states that the price of a petro is linking to the price of a barrel of oil, so approximately \$60. With 100 million petros “pre-mined”, this equates to \$6 billion if all are sold at face value. The government claims that a pre-sale has raised \$5 billion, although it is unclear, if this is true, who has purchased them.⁶⁶ The US government has already banned any US individuals or companies, and anyone using the US financial system from trading the petro.⁶⁷

2.4 Collapse in GDP and living standards

The economy has fallen into a severe and prolonged depression. Economic output as measured by GDP has fallen by 35% in the four years from 2013 to 2017, according to IMF estimates (the Venezuelan government stopped published GDP data in 2016).⁶⁸ The IMF estimates that GDP fell by 16.5% in 2016, 14% in 2017 and forecasts a further 15% contraction in 2018.

⁶⁵ [“Venezuela's crypto-currency: salvation or scam?”](#), The Economist, 17 March 2018

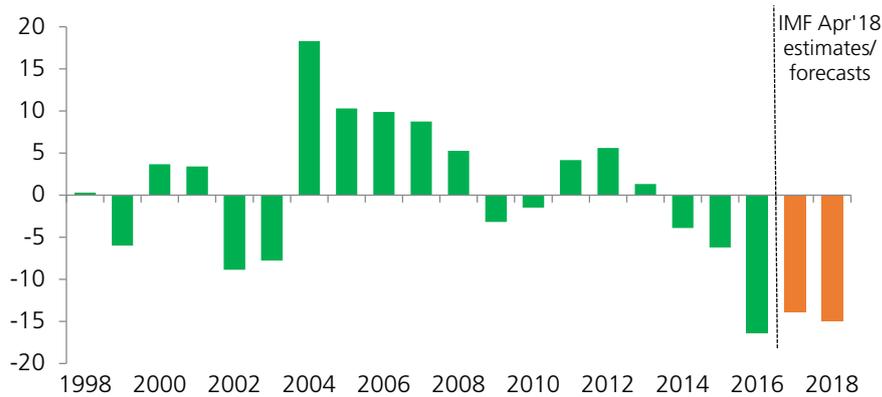
⁶⁶ [“Slippery start for Venezuela's petro crypto coin”](#), AFP news agency, 28 March 2018

⁶⁷ [“President Trump bans deals in Venezuela's crypto-currency”](#), BBC News, 20 March 2018

⁶⁸ IMF, [World Economic Outlook database](#), April 2018

Venezuela - GDP growth since 1998

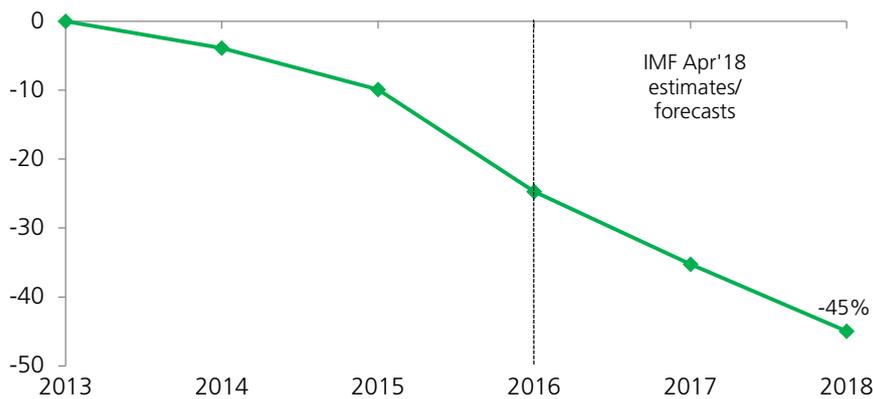
Annual % change (IMF data)



All told, GDP is forecast to have fallen by 45% in the five years to 2018, an almost unprecedented collapse (the US great depression saw GDP fall by 28% from 1929 to 1933 for instance).⁶⁹

Venezuela - Change in GDP level (real terms) since 2013

% cumulative change compared with 2013 GDP level (IMF data)



Another startling economic statistic is that the volume of imports is expected to have declined by 80% from 2013 to 2018.⁷⁰ Oil production, almost the only way the country can acquire dollars and a key component to a future economic recovery, has also fallen sharply. Estimates from Bloomberg point to oil production falling by 25% in six months, from 2.0 million barrels per day in the third quarter of 2017 to 1.5 million in the first quarter of 2018.⁷¹ There are reports of discontent among the workforce of the state-run oil company PDVSA, with many employees quitting their jobs.⁷²

It is not surprising therefore that living standards have also been badly hit. The IMF estimates that unemployment is around 33%, while the government has repeatedly raised the minimum wage in a desperate effort to preserve some purchasing power of households. As of early

⁶⁹ Ricardo Hausmann, "Venezuela's Unprecedented Collapse," Project Syndicate, 31 July 2017

⁷⁰ IMF, [World Economic Outlook database](#), April 2018

⁷¹ Bloomberg data on Venezuelan oil production

⁷² "[Under military rule, Venezuela oil workers quit in a stampede](#)", Reuters, 16 April 2018

May 2018 it has been increased three times in 2018 alone, most recently in late April, when the monthly minimum wage was increased by 155% to 1 million bolivars.⁷³ Most employed Venezuelans are on the minimum wage.⁷⁴

Although official figures on poverty are not published, a survey by three Venezuelan universities showed a large increase in the poverty rate in recent years from 48% in 2014 to 87% in 2017. This rate is based on the percentage of households who can't afford a basket of basic food items.⁷⁵

President Maduro has consistently blamed the US and "oligarchs" for waging "economic war" on Venezuela and causing its economic crisis.⁷⁶

2.5 Debt default

Until late 2017 the government had managed to keep up with its debt repayments despite the economic collapse and deteriorating public finances. Exacerbating the difficulties were additional financial sanctions imposed by the US government on Venezuela in August 2017, including prohibiting US institutions from being involved in new debt or shares issued by the Venezuelan government and the state-run oil company PDVSA.⁷⁷ The Venezuelan government's increasingly desperate attempts to raise money and avoid default were viewed at the time as unlikely to be sustainable in the long-term.⁷⁸

This indeed proved to be the case. On 2 November 2017, President Maduro announced that Venezuela would seek to restructure and refinance its debt.⁷⁹ What this means in practice is not clear. There is little detail as to how this restructuring is intended to proceed. Estimate of total foreign debt varies but is thought to be around \$100 billion.⁸⁰

A major obstacle is US sanctions which prohibit investors from buying Venezuelan debt, such as a new bond issue which would likely be part of a future restructuring agreement. Furthermore, without a credible economic adjustment programme to put the economy on a path of

⁷³ ["Venezuela boosts minimum wage 155 percent to fight inflation"](#), US Associated Press, 30 April 2018

⁷⁴ Ricardo Hausmann, "Venezuela's Unprecedented Collapse," Project Syndicate, 31 July 2017

⁷⁵ Moody's Analytics, ["Venezuela Outlook: Hyperinflation Sets In"](#), 11 April 2018

⁷⁶ For example, ["Venezuela's Maduro says will win in 'economic war' post-election"](#), Reuters, 10 May 2018

⁷⁷ ["Trump ramps up sanctions pressure on Venezuela"](#), Financial Times, 25 August 2017; ["Venezuela's path to a debt restructuring grows more treacherous"](#), Financial Times, 31 August 2017; and ["Maduro Now Owns Venezuela's Economy—and Its Collapse"](#), Bloomberg, 29 August 2017

⁷⁸ ["Venezuela Cut Deeper Into Junk by S&P"](#), Bloomberg, 11 July 2017 and ["Fitch cuts Venezuela's rating over sanctions pressure"](#), Financial Times, 30 August 2017

⁷⁹ ["Venezuela seeks the restructuring of its massive foreign debts"](#), The Economist, 9 November 2017

⁸⁰ ["Venezuela seeks the restructuring of its massive foreign debts"](#), The Economist, 9 November 2017

recovery, investors will remain wary of the ability of the Venezuelan government to meet its debt repayments.⁸¹

Since the announcement, Venezuela has continued to make some debt repayments, seemingly from state-owned enterprises such as the oil company PDVSA. This may be because in a scenario where creditors do not receive payment, they may be able to seize assets of the debtor (the Venezuelan state) should a court agree (Venezuelan bonds were issued under New York law) – this could mean seizing oil assets such as tankers and its subsidiary Citgo, the US-based refiner, further harming the economy.⁸²

Ratings agencies have declared Venezuela to be in default.⁸³ China and Russia have also lent money to Venezuela in the past and face losses on these loans. Russia has agreed to restructure some \$3 billion of debt owed to it by Venezuela.⁸⁴

Where things go from here is not clear.

3. Social crisis

3.1 Hunger and lack of medicines

Venezuela's prolonged and severe economic crisis is having a devastating effect on the health and wellbeing of the Venezuelan people.

Hunger

Reuters report on the latest annual survey conducted by Venezuelan universities into the continuing food crisis:

CARACAS (Reuters) - Venezuelans reported losing on average 11 kilograms (24 lbs) in body weight last year and almost 90 percent now live in poverty, according to a new university study on the impact of a devastating economic crisis and food shortages.

The annual survey, published on Wednesday by three universities, is one of the most closely-followed assessments of Venezuelans' well-being amid a government information vacuum and shows a steady rise in poverty and hunger in recent years.

Over 60 percent of Venezuelans surveyed said that during the previous three months they had woken up hungry because they did not have enough money to buy food. About a quarter of the population was eating two or less meals a day, the study showed.

Last year, the three universities found that Venezuelans said they had lost an average of 8 kilograms during 2016. This time, the

⁸¹ "[Venezuela: what happens now after official default](#)", Financial Times, 14 November 2017

⁸² "[Venezuela stopped bond payments in September](#)", Financial Times, 9 April 2018; "[Venezuela: what happens now after official default](#)", Financial Times, 14 November 2017

⁸³ "[ISDA declares Venezuela, PDVSA in default on their debts](#)", Financial Times, 16 November 2017

⁸⁴ "[Venezuela debt: US, Russia, and China play for high stakes](#)", Financial Times, 21 November 2017

study's dozen investigators surveyed 6,168 Venezuelans between the ages of 20 and 65 across the country of 30 million people.⁸⁵

El Pais interviewed one of the researchers involved in the university study who recounts how restricted many Venezuelans' diets now are:

"People are developing strategies to survive but not to feed themselves. Now it's not even possible to substitute ingredients. The fall in the consumption of maize flour, an ingredient that under Venezuelan laws is enriched with iron and vitamins, has been dramatic, as is the drop consumption of fruit and vegetables, which provide micronutrients," says doctor Marianella Herrera, one of the team investigators.

Yucca and rice are now the staple diet for most Venezuelans. For the first time, maize flour – the main ingredient for the country's emblematic *arepas* is no longer one of the top foods in the Venezuelan diet.

Herrera says most Venezuelans are anaemic because their diet lacks the iron found in meat, green leafy vegetables and the national maize flour, which has become increasingly scarce and is now substituted by the government with imported versions that do not have the extra vitamins. This other flour – like Mexican maize flour which can be used to make tortillas but not *arepas* – is distributed through Local Food and Production Committees (CLAP) which are controlled by government supporters.⁸⁶

The El Pais report goes on to detail how the government is accused of using its hunger assistance programmes to exert political control, and punish those who don't support its agenda:

The number of people reached by Venezuelan mission and social programs has fallen, according to the survey. In 2017, fewer than 200,000 people received help from the medical mission *Barrio Adentro*, created by former president Hugo Chávez with the support of the Cuban government, which sent thousands of Cuban doctors to treat people in Venezuela's poorest suburbs.

Now, social policies are centred on the CLAP and money vouchers that a person can receive by using a *Chavista* ID card. Of the 13.4 million Venezuelans who benefit from government social programs, 12.6 million receive food. This figure represents how many people have a *Chavista* ID card: in three out of four Venezuelan homes some family member has the card, which was launched last year and used recently in state and municipal elections to influence votes.

"We see that Venezuelans view the ID card as something that will allow them to receive what the government is distributing, and it is not necessarily related to a citizen's political affinities. If this were true, the government would have to have at least a 75% approval rate. This is undoubtedly a tool of control which the government could use to regulate access to social services," warns the sociologist María Gabriela Ponce.

The distribution of food via CLAP does little to alleviate the problem of food scarcity in the country, and instead exacerbates inequalities, say the researchers. The frequency of food packages is discretionary and intermittent. A little more than half of the

⁸⁵ ['Venezuelans report big weight losses in 2017 as hunger hits'](#), Reuters, 21 February 2018.

⁸⁶ ['Venezuelans going to bed hungry as food crisis deepens'](#), El Pais online, 23 February 2018.

homes which are part of the program do not receive packages periodically. This figure jumps to 69% in small cities where poverty is higher. Meanwhile in the capital Caracas, 64% of beneficiaries confirmed that they receive a package once a month, and 24% every two months.

Lack of healthcare and disease

The New York Times reported in March this year that tuberculosis and other diseases that were once contained are now spreading rapidly throughout the country:

Tuberculosis, a disease that until recently seemed to be under control in Venezuela, is making an aggressive comeback, overwhelming a broken health care system ill equipped for its return, doctors and infectious disease specialists say.

The illness — like malaria, diphtheria and measles — has surged in Venezuela during a profound economic crisis that has battered almost every aspect of life and driven an exodus of Venezuelans, including many experienced doctors.

Though normally associated with the very poor, tuberculosis has begun to stalk a broader population of Venezuelans, including the middle class. Declining nutrition from food shortages and rising stress throughout the country may be weakening immune systems, doctors say, leaving people more susceptible to illness.⁸⁷

In May the paper also [reported](#) that HIV/Aids is now devastating indigenous communities in the Orinoco Delta region of the country.

Amnesty International produced a report in March 2018 which highlights how the healthcare system is under severe strain, and this is fuelling migration:

“People in Venezuela are fleeing an agonizing situation that has transformed treatable health conditions into matters of life and death. Basic health services have collapsed and finding essential medicine is a constant struggle, leaving thousands with no choice but to seek health care abroad,” said Erika Guevara-Rosas, director of Amnesty International in the Americas.

“Inaction is not an option. The international community and the Venezuelan State must start cooperating immediately to defuse this explosive crisis.”

Local human rights organizations have said that Venezuela is suffering from an 80% to 90% shortage in medicine supplies; half of the nation’s hospitals are not functioning; and there has been a 50% drop in the number of medical staff at the public centers that provide 90% of health services.

The Venezuelan government has denied the existence of food and health crises and rejected offers of aid and cooperation from the international community.⁸⁸

The National Assembly commissioned a report into the conditions of the country’s healthcare system. CNN reported its findings in March 2018:

A survey of 104 health facilities in Venezuela, commissioned by the opposition-controlled National Assembly, paints a grim picture

⁸⁷ [‘We’re Losing the Fight’: Tuberculosis Batters a Venezuela in Crisis](#), New York Times, 20 March 2018

⁸⁸ Amnesty International, [‘Venezuela: Unattended health rights crisis is forcing thousands to flee’](#), 9 March 2018.

of a collapsed system hurting for even the most essential goods and services.

According to the report, most laboratory services and hospital nutrition services are intermittent or completely inoperative. Staggering statistics highlight the shortages of items such as basic medicines, catheters, surgical supplies and infant formula.

Venezuela has been in a downward spiral for years, caused by a combination of mismanagement of government funds and the plummeting price of oil. Skyrocketing inflation has created extreme shortages of food, medicine and other essentials, while planned (and unplanned) power outages are common throughout the country and don't discriminate between critical services like clinics and hospitals and the average household.

Water, the survey found, was rarely available at the participating facilities -- 79% of them had no running water at all.

Fourteen percent of intensive care units have been shut down because they're unable to operate -- and the vast majority of open ICUs have intermittent failures due to a lack of supplies, according to the report. Almost a quarter of paediatric ICU's have closed.

Since 2016, new-born deaths have been on the rise, but official records are difficult to come by. Venezuelan President Nicolas Maduro fired Health Minister Antonieta Caporale in early 2017, days after her department released its first batch of health-related data in two years. It showed soaring infant and maternal mortality rates. Pregnancy-related deaths rose 66% and 11,466 infants died -- a 30% increase.

The governor of Táchira state, Lady Gómez, told CNN recently that three people died in her region on the same day due to power outages. Two of the deaths happened at Hospital Padre Justo de Rubio, where a battery failed. The other death happened in an emergency room, where staff didn't have enough gas to run the hospital's generators. The deaths included a 4-month-old and a 78-year-old man.

At Caracas Maternity Hospital, doctors told CNN their maternity ward is operating and the infrastructure is working, but there is no medicine to give to patients. Instead, patients are expected to bring any medicine or supplies needed for their treatment themselves. Most end up paying inflated prices on the black market, or depend on émigré relatives to send them supplies.⁸⁹

3.2 Refugees

The conditions in Venezuela have caused mass migration, which is beginning to accelerate. Shannon O'Neil, senior fellow for Latin America at the Council on Foreign Relations, told the Financial Times, "we are potentially facing the biggest refugee crisis in our hemisphere in modern history."⁹⁰

The biggest destination for Venezuelan refugees is Colombia. There are now more than 600,000 Venezuelans in Colombia, twice as many as a

⁸⁹ ['Venezuela's health system is in worse condition than expected, survey finds'](#), CNN, 28 March 2018.

⁹⁰ ['Venezuela's imploding economy sparks refugee crisis'](#), Financial Times, 16 April 2018

year ago.⁹¹ Colombia is ill-equipped to support the arrivals, having only just ended its civil war with paramilitary groups like the FARC.

Another 70,000 Venezuelans are estimated to have fled to Brazil.⁹²

The UN refugee agency UNHCR reported on the situation in July 2017. At that point only 27, 000 Venezuelans had applied for asylum. However, the report makes clear these figures are only a fraction of the total number of Venezuelans who have emigrated and who may need assistance. Many do not register as asylum seekers, even if the violence, insecurity and deprivation in the country caused them to flee.⁹³

The report also highlights the vulnerability of Venezuelan migrants, who are susceptible to exploitation and abuse, as well as sexual and gender based violence. Criminal gangs are said to be targeting the migrants.⁹⁴

An article published by the Brookings institution suggests that the total number of Venezuelans who have fled abroad may be as high as 4 million:

Some estimates suggest that there are already 4 million Venezuelans who have left the country in search of better living conditions: over 10 percent of the country's population.

To keep proportions, bear in mind that the estimates of refugees who left Syria during the war account for about 5 million individuals. Considering that the situation on the ground is deteriorating by the minute and the lack of food and medicine in Venezuela will probably get much worse, the 4 million figure will only go up, and very rapidly.⁹⁵

Neighbouring countries such as Brazil and Colombia are struggling to cope with the influx. Brazil in particular has a [poorly developed system](#) for registering, tracking, and looking after migrants and refugees, as well as restrictive laws on migration.

⁹¹ *Ibid*

⁹² *Ibid*

⁹³ ['As asylum applications by Venezuelans soar, UNHCR steps up response'](#), UNHCR, 14 July 2017

⁹⁴ *Ibid*

⁹⁵ ['Venezuela's refugee crisis will exceed Syria's; we must help'](#), Brookings, Dany Bahar, 12 February 2018.

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