



The Situation in Venezuela: An Update

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President Nicolás Maduro won a second term as president of Venezuela in May 2018, in an election boycotted by the opposition and with low voter turnout. The elections were largely condemned by the international community as unfair and anti-democratic due to the hurdles the government placed on the opposition parties. Venezuela, which is estimated to have the world's largest oil reserves, is in facing of one of the worst economic crises in its recent history. The International Monetary Fund estimates that inflation by the end of 2018 could reach 13,000 percent, by far the highest rate in the world. With soaring prices and shortages of basic goods of all kinds, many Venezuelans are malnourished. Medical facilities are also collapsing in the State.¹ Most public hospitals cannot guarantee treatment due to lack of electricity, medicines and essential medical supplies. The Venezuelan government denies that a humanitarian crisis exists and is rejecting humanitarian aid, arguing that such efforts are part of foreign plots to remove it from power.

The collapsing economy in Venezuela is leading to a migration crisis in the region. The United Nations said 2.3 million people, more than 7% of Venezuela's population, have left the country since 2015, with most heading to Brazil, Chile, Colombia, Ecuador and Peru. Half a million have arrived in Ecuador in 2018 alone.² The scale is equivalent to the movement of people across the Mediterranean into Europe.

With no sign of an economic recovery or negotiations with the Maduro government, Venezuela's neighbours are now facing growing tensions in their border regions. Brazil, which has taken in tens of thousands of Venezuelans, briefly sealed its northern border in early August, with regional authorities claiming they could no longer cope. The step came after Brazilians set fire to a camp for migrants and forced migrants back after a local business was robbed and its owner stabbed. In Colombia too, similar dissatisfaction by the local population against the migrants is

becoming visible. As more and more migrants enter, they are driving down the wages in local markets, sharing the available resources and this is becoming an increasing cause of resentment. The fear of rising xenophobia and blaming the migrant population for petty crimes and other ills has meant that States are tightening border control. Neighbouring countries are now preparing for protracted displacement of people. It will further strain their limited resources leading to more tensions. The governments of Chile, Colombia, Ecuador and Peru had announced that they would admit only those Venezuelans who had passports, in a measure to stem the numbers of migrants, as very few have such documents. Facing condemnation by human rights groups and the UN the measure has been withdrawn.

There are fears that the crisis in Venezuela is affecting the region's political stability and economic growth. MERCOSUR, a major economic and political bloc comprising Argentina, Brazil, Paraguay, Uruguay, and Venezuela, suspended Venezuela in 2016. In March 2017, the secretary-general of the Organization of the American States (OAS) recommended suspending Venezuela from the bloc. However, Venezuela announced its withdrawal from OAS the following month. The United States has imposed sanctions on President Maduro and members of his government and has effectively ensured that no United States financial institution can invest in Venezuela. The U.S. has also banned most loans to Venezuela and is considering some form of oil embargo. The EU and other Western governments have imposed targeted sanctions on dozens of government officials, including the president and vice president. In response Venezuela is seeking better ties with Russia and China. In September 2018, a Chinese naval medical ship made a port call in Port of La Guaira.

With the ballot box's inability to remove President Maduro from power becoming increasingly clear, the military option may become more acceptable to the people and the opposition parties as well as the military establishment itself. Dozens of military officers, including commanders of key units such as the armoured Ayala battalion in Caracas, have been detained for allegedly plotting against the government. Their arrests lend credence to accounts of unrest in the barracks.³ President Maduro has already been targeted, he survived an assassination attempt that used drones armed with explosives at a military parade in August 2018. The failed drone attack led to more crackdowns on the opposition and destabilised the political situation as the government blamed Colombia and the United States for the attack, further escalating regional tensions. This is not to say that a coup is going to happen or that it will achieve stability. The military remains as divided and fragmented as the political class.

Continued isolation is unlikely to provide a solution to the crisis in Venezuela. A regional response to the crisis supported by the international community needs to be created. There is an urgent need for collective action to restore regional stability.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.*

Endnotes:

¹ William Neuman and Nicholas Casey, "Venezuela Election Won by Maduro Amid Widespread Disillusionment," <https://www.nytimes.com/2018/05/20/world/americas/venezuela-election.html>, Accessed on 25 September 2018.

² Tom Phillips, "Fleeing Venezuelans face suspicion and hostility as migration crisis worsens," <https://www.theguardian.com/world/2018/aug/19/fleeing-venezuelans-suspicion-hostility-migration-crisis-ecuador>, Accessed on 25 September 2018.

³ International Crisis Group, "Venezuela: The Region Feels the Impact," <https://www.crisisgroup.org/latin-america-caribbean/andes/venezuela/venezuela-region-feels-impact>, Accessed on 25 September 2018.