

Oguzkaan Schools

JMUN

CRISIS COMMITTEE





Forum: Crisis Committee

Issue: Venezuela Crisis

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I. Introduction

- Venezuela has one of the largest oil reserves in the world.
- People eat from bins and sometimes they eat rats.
- The amount of medical equipments are %80 less than the standards.
- Over 1 million people immigrated to nearby countries.
- 1/5 of the crimes are committed by security forces such as the police.
- Security forces do not hesitate using real bullets to the protesters.
- Venezuela has the highest murder rate in the world .
- There are no cooling systems in mortuaries.
- The average salary is 40\$.
- The minimum wage is 4\$.
- Starving point is 400\$.It is much higher than the average salary.

- The USA applies embargo.
- Without the support of Cuba, Russia and China, it's unlikely for Maduro government to last long.

II. Major Characters

Hugo Chavez



The communist leader Hugo Chavez became the president of Venezuela in 1999. Chavez was aware of the huge oil reserves of the country and the potential of it, so he established an oil based economy which fully depended on the oil prices. With the abrupt increase of the oil prices, Venezuela got richer and richer. The money was used to improve some community services such as healthcare and education. Based on Hugo Chavez's decisions upon the country, the poverty rates decreased significantly and Venezuela became one of the richest countries of South America. While Venezuela was on its golden times, Chavez had been diagnosed with cancer. He left Venezuela in order to get treated in Cuba but unfortunately he died in 2013.

Nicolas Maduro



Many people including Chavez himself believed that Maduro was the one who would replace Chavez after he died. Chavez relied so much on him that he left the country to him while he was receiving treatment in Cuba. After Chavez's death, the 2013 oil crisis occurred and the oil prices decreased drastically. Maduro didn't know how to handle such a crisis. In 2013, elections were made in order to choose the new president of Venezuela. Maduro won the elections with the rate of %50.61 but still many people believed the elections were done unfairly. Later in 2015, the parliament made an election in order to

dethrone Maduro but even though the parliament wanted to dethrone him , he remained as a president. He was able to do it because the law Chavez legislated allowed the president of Venezuela to release, abolish or impose (new) laws as he or she wanted. In 2017 ,parliament members were elected with public elections but it is believed that the elections were unfair since the only members left in the parliament were Maduro's supporters. Moreover, according to the government, 8 million people voted for Maduro's supporters but experts claim that only 3 million people voted. After the elections , Maduro decided to form a Supreme Court. This Supreme Court consisted of friends and family members of Maduro and it had more force than the parliament ,which caused the citizens to protest. With all these events going on ,the economy was severely damaged. Due to money printing plan, hyperinflation occurred. Because of this , the Bolivar (Venezuela's currency) lost all of its value. The workers of the government could buy 1\$ with 10 bolivars but the citizens could buy 1\$ in the black market with 248 thousand bolivars.

Juan Guaidó



The leader of the opposition, Juan Guaidó, has been recognized by more than 50 countries, including the U.S. and most Latin American and European countries. However, Maduro has refused to lose power. Crucially, he still has the support of the military. However, if Guaidó could exceed the power of the protests ,he could have the ability to go against the national defense, and he could stop Maduro and take his place as a president.

III. Definition of Key Terms

Sanctions: Economic sanctions (embargo) are commercial and financial penalties applied by one or more countries against a self-governing state, group, or individual.

Petro: The petro, or petromoneda launched in February 2018, is a supposed cryptocurrency issued by the government of Venezuela.

Hyperinflation: Hyperinflation occurs when the prices of goods and services rise more than 50 percent a month. At that rate, a loaf of bread could cost very little in the morning but it costs a lot in the afternoon.

Opposition: Juan Guaido and his supporters.

III. General Overview

a)The Rabbit Plan

It is crucial to remember that people in Venezuela are starving. Because of this issue, some European countries offered to send food and medicine but Maduro rejected their offers by saying that it was a complo of the outer forces. He also said that he had plans to drop the starvation rate. His plan was to send a rabbit to every family since rabbits grew fast and they had very nutritious meat and they also bred quickly. Unfortunately this plan went wrong because people decided to keep these rabbits as a pet instead of eating them.

b)Money Printing Plan

Within all of these plans, this was the plan with the worst impact. Maduro noticed t lack of money that brought about 2013 oil crisis, so he decided to print more money but it led to a bigger issue; hyperinflation. The value of



the Venezuelan bolivar decreased rapidly and significantly. The inflation rates increased approximately %1.000.000 a year. Because of these changes some markets do not count the money anymore, they weigh it. Since it is so worthless that bags are made from money and sold to tourists.

c)Maduro Diet

The Maduro diet is an ironic name for the nutrition of Venezuelan people. Since the economic crisis began, every citizen approximately has lost 10 kilos. It is well known that people eat from bins since they can not afford to buy food. Maduro knew about this and joked by saying “Maduro diet makes you strong” in an interview on TV.



d)Energy Save Project

This project was proposed by Maduro, in order to save energy and make the economy better. The aim of this project was to cut down the electricity for 4 hours a day for 40 days. This included hospitals, morgues and stores. Because of this project , hundreds of Venezuelans died.

IV. Timeline of Important Events

1999 Hugo Chavez was elected as a president.

2001 President Chavez passed laws aiming at redistributing land and wealth.

2005 President Chavez released a law for the benefit of poor people.

2006 July President Chavez signed a \$3bn deal with Russia on including an agreement to buy fighter jets and helicopters.

2006 December Hugo Chavez won in presidential elections with 63% of the vote.

2007 June Two leading US oil companies, Exxon Mobil and ConocoPhillips, refused to hand over the control of their operations in the Orinoco Belt to the Venezuelan government.

2007 December President Chavez suffered from his first defeat when a referendum rejected proposals to increase government control over Central Bank and the power to confiscate property.

2008 September Venezuela and Russia cooperated by signing a treaty. Russian aircrafts visited Venezuela, Russian warships headed there in November.

2010 January President Chavez devalued the bolivar currency to boost revenue from oil exports after the economy shrank 5.8% in the last quarter of 2009.

2010 September Parliamentary elections. Opposition made profit.

2012 April The government started to have strict controls on basic goods in the battle against inflation. President Chavez threatened to expropriate companies that didn't comply with the price controls.

2012 July After six years, Venezuela became a full member of regional trading bloc Mercosur, and it was given four more years to comply with the bloc's trading regulations.

2012 October President Chavez won the elections for the fourth time.

2013 April President Hugo Chavez died at the age of 58 in March after suffering from cancer. Nicolas Maduro, his chosen successor, was elected as a president. The opposition opposed to the result.

2014 Finding food became harder day by day and the supermarkets with empty shelves that only served twice a week didn't help to solve the issue. This issue caused the black market to grow.

2014 February-March At least 28 people died in the suppression of anti-government protests.

2015 18 thousand people were murdered.

2016 June %87 of the citizens didn't have enough money to buy food and %84 didn't want Maduro as a president.

2016 September Hundreds of thousands of people took part in a protest in Caracas calling for the removal of President Maduro, accusing him of responsibility for the economic



crisis. These people collected thousands of signs in order to dethrone Maduro but were rejected by the parliament.

2018 May Opposition revolted against the official victory of President Maduro at presidential elections.

2018 August UN reported that two million Venezuelans have fled abroad to neighboring countries since 2014.

2019 January-February Opposition leader Juan Guaidó declared himself temporary president, appealed to military forces to oust President Maduro.

V. Some Graphics

Who buys Ver

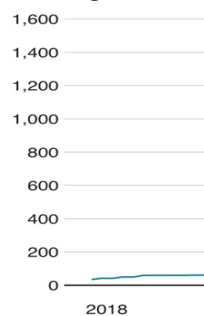
Percentage of crud



Source: EIA, 2017

How many bo

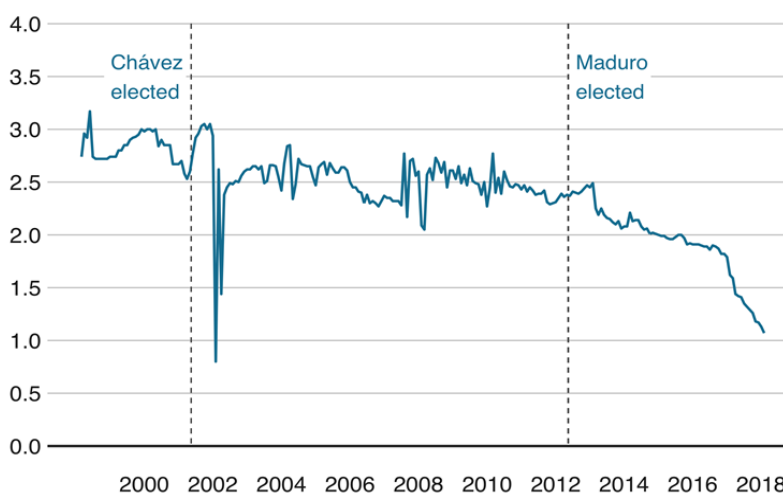
Exchange rate



Source: Bloomberg

Oil production is falling

Millions of barrels per day

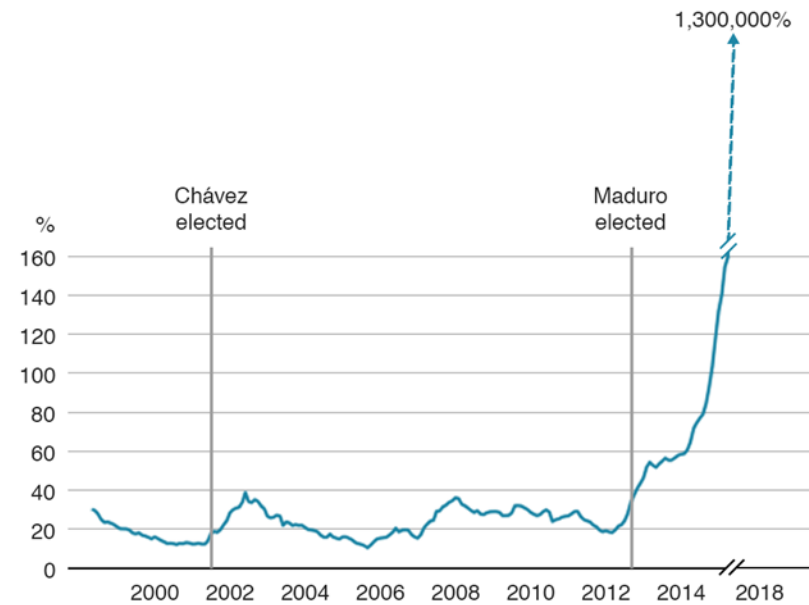


Source: OPEC

BBC

Venezuela's inflation spiked after Maduro's election

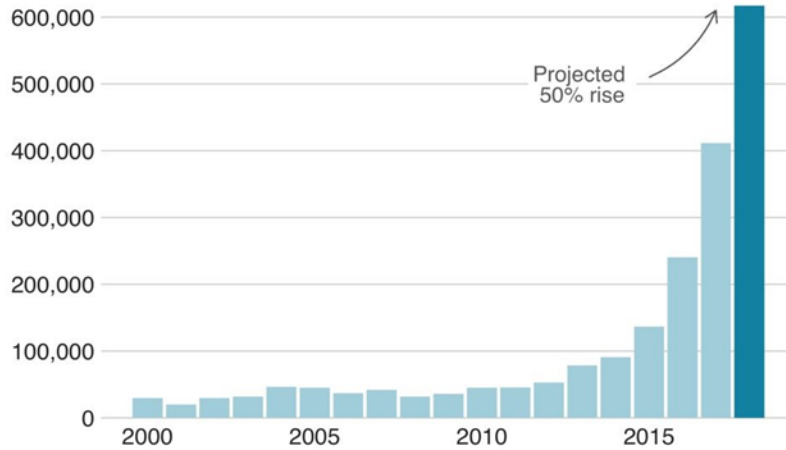
Estimate for 2018 is off the scale



Source: Bloomberg/Reuters estimate for 2018

BBC

Rising cases of malaria in Venezuela



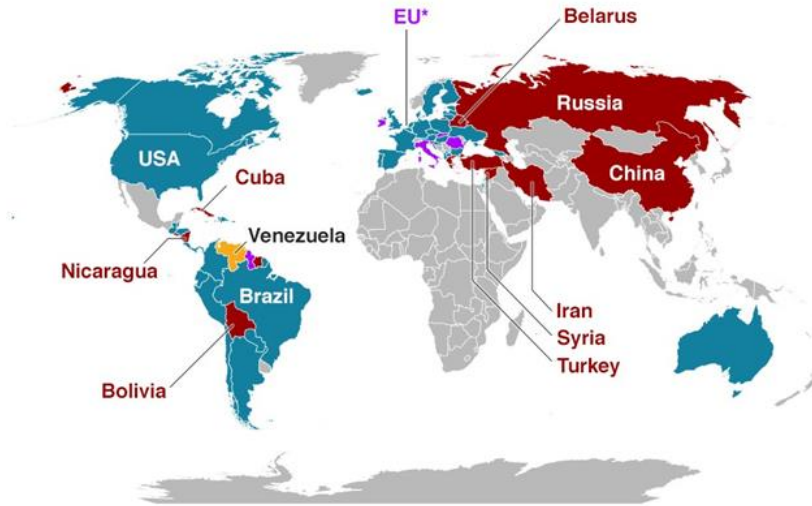
Note: Projected figure for 2018 - Sociedad Venezolana de Salud Publica

Source: Pan American Health Organisation, Icaso

BBC

Where do countries stand on Venezuela?

■ Support Maduro ■ Recognise Guaidó as interim president ■ Calling for new elections



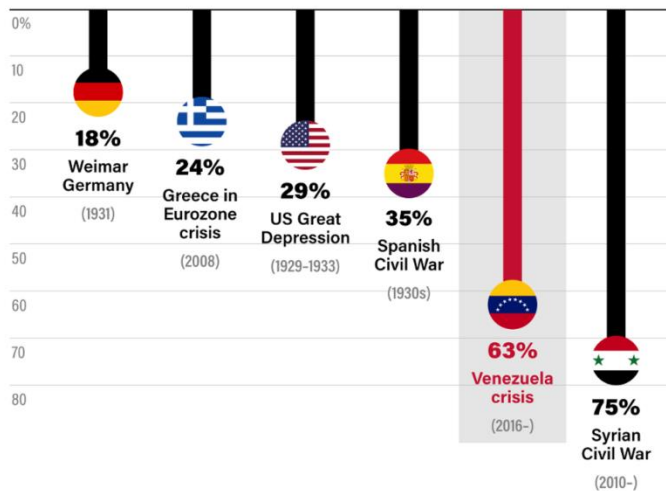
*The EU has called for new elections but some individual member countries have expressed their preferences.

Data as of 12:00 GMT 5 Feb 2019

BBC

HOW BAD IS VENEZUELA'S COLLAPSE?

Historical economic contractions during war or crisis [% change in GDP]



Subscribe at gzeromedia.com
Sources: IMF, Riehart & Rogoff

SIGNAL

VI. The Countries and Their Views



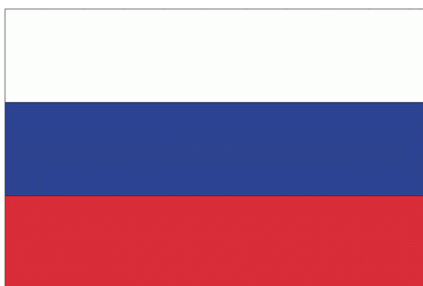
CANADA

Canada is deeply concerned with the suffering of the Venezuelan people and remains strongly committed to the protection of democracy and human rights. In response to attacks on Venezuelans' democratic and human rights by the regime of Nicolás Maduro, Canada has imposed sanctions. Since 2017, Canada has allocated over \$55 million in order to help solve the crisis in Venezuela.



BOLIVIA

Bolivia's leftist President Evo Morales affirmed his long-standing alliance with President Maduro, with a tweet offering to stand by Venezuela's side by meddling in South America's affairs. "In Venezuela, there is no problem of democracy or dictatorship, the problem is not Nicolás Maduro, the problem is Venezuelan oil." said the Bolivian president.



RUSSIA

"Relations between Russia and Venezuela are excellent," Alexey Seredin, Minister Counselor at the Russian Embassy in Caracas, said in an interview. Many argue that Russia's power is not strong enough to keep Maduro in power. Yet, with Chinese support, Russia's efforts have appeared at least to ease some of the immediate pressures.



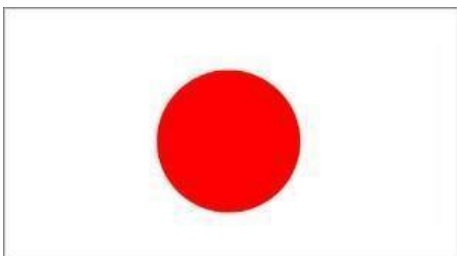
CUBA

Cuba believes that Maduro is the legitimate president of Venezuela. Since this island is Venezuela's main political supporter in Latin America, they supply Venezuela with large numbers of security and military advisors to spy on the military ranks.. Cuba has also been providing Venezuela with hundreds of doctors, nurses, teachers, engineers and other professionals. What's more, "Cuba is willing to put an end to Venezuela's political crisis if president Maduro requests it." One of the top diplomats of Havana (Cuba's capital city) said. Furthermore, due to Cuba's support for Maduro, the US government decided to impose sanctions on Cuba. Besides that, the USA continues its pressures on Cuba.



CHINA

While Beijing has continued its support for Maduro in recent years, China has been Venezuela's other major financial supporter. It regards the socialist regime in Venezuela as a geopolitical ally and an important trading partner. Over the past decade, Beijing has lent Caracas \$70 billion, mostly for development projects, in exchange for future oil shipments. Even so, China has a permanent seat on the Security Council and it objects to UN intervention in Venezuela's political affairs.



JAPAN

"Japan strongly hopes that movement towards recovering democracy in the country is carried out effectively and continues to monitor the positions of various nations," Chief Cabinet Secretary

Yoshihide Suga told .What's more, Prime Minister Shinzo Abe did not clearly state a position on the issue, merely saying that his country wished for a democratic, peaceful and stable resolution.



NETHERLANDS

"After Maduro took over the management from President Chavez in full crisis, mismanagement increased. Other problems started to occur: employment decreased, the value of the money diminished and the inflation rose. Even the gas stations were empty in Venezuela. Everything collapsed. The consequence of that was a humanitarian crisis and a refugee crisis." said Borsboom talking about the crisis' background.



GERMANY

As a liberal country, Germany believes Guaido to be the only choice for Venezuela. "Nicolas Maduro lacks any democratic legitimacy. He is not a democratically elected president. This man is trampling on democracy, human rights and the law " Maas said in a speech. German government deeply concerns about Venezuela, from the "collapse" of the healthcare system, hyperinflation and food shortage to the murders.



SOUTH AFRICA

The South African government is one of the few remaining allies of Venezuelan President Nicolás Maduro on the UN Security Council. As others abandoned him, South Africa was one of three

countries which opposed to USA's resolution suggesting Juan Guaidó as the president of Venezuela. South Africa was one of four countries which voted for an alternative Russian resolution that advocated negotiations between Maduro and his opponents to resolve the crisis.



ISRAEL

The US and Israel's support for overthrowing Maduro is a part of a broader regional issue targeting Palestinian solidarity. The emergence of Juan Guaidó was supported by countries including the USA, Canada, Australia and Israel. Among 25,000 members in the 1990s, it's now about 6,000 and getting fewer and fewer. Most of them live in Caracas. Those who remain are ensured to be safe by Jewish community forces. Jewish community members, who tend to be economically comfortable, are provided with a driver, a bulletproof car and security at home.



AUSTRALIA

Australia has recognized Juan Guaidó as the president of Venezuela, joining the United States, Canada and Venezuela's South American neighbors. "We now urge all parties to work constructively towards a peaceful resolution of the situation, including a return to democracy, respecting for law and upholding of human rights of the Venezuelan people," said Payne. The Australian opposition leader, Bill Shorten, and Labor's foreign affairs spokeswoman, Penny Wong, supported the government's decision upon the rejection of Maduro's presidency. Australia calls for a transition to democracy in Venezuela as soon as possible.



INDIA

The recent crisis in Venezuela has witnessed people to take sides for either Maduro or Guaidó. However, India, as usual, has maintained neutrality. In addition, India helps Venezuela be one of the largest buyers of Venezuelan oil, despite the US sanctions. On the other hand this friendship allows Venezuela to purchase medicine, food supplies and other necessary goods from India.



UNITED KINGDOM

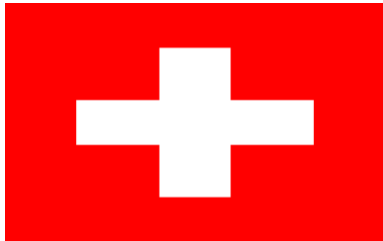
The British government has recognized Juan Guaidó as the interim president of Venezuela. Foreign secretary Jeremy Hunt said that the United Kingdom considers the 35-year-old opposition leader constitutional interim president until credible elections can be held. 'The oppression of the illegitimate, Maduro regime must end' stated the Foreign Office. In conclusion Juan Guaidó is the one and only president of Venezuela in the eyes of the UK government.



FRANCE

France, like many other European countries, decided to recognize Juan Guaidó as interim president of Venezuela following the refusal of Nicolas Maduro to organize early presidential elections. "We need to demand free and transparent elections, so that Venezuelans can really express their views and start building a future," said Mr Macri. Since the beginning of this crisis, France has affirmed its unfailing support for the Venezuelan people and their legitimate demands. "The origins of the ongoing crisis in Venezuela are political and institutional; hence, the solution can only be a political one" said the European Union

High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission, Ms. Federica Mogherini.



SWITZERLAND

“Venezuela needs a government that acts with public spirit to overcome the current crisis” says Pierino Lardi, former president of the Swiss-Venezuelan chamber of commerce. “The question is who has a control over the armed forces and police,” Lardi asked in an interview, adding that the Maduro government has a lot to lose and is unlikely to give in easily. “But it was a strong signal that the opposition marches were attended by so many soldiers who symbolically took off their helmets and put their guns down,” he says. What’s more the Swiss Foreign Minister Ignazio Cassis and US Ambassador Edward McMullen signed the agreement that meant for the Swiss government to support opposition leader Juan Guaidó.



USA

Clearly, the United States of America is the main country supporting the opposition leader Juan Guaidó, since he completely wants to get Chavez’s socialism out of the country and bring a more liberal economy model. The USA is also imposing sanctions on this country because of Maduro’s policies.



COLOMBIA

Diplomatic relations between Colombia and Venezuela have become increasingly strong since Bogotá backed up Juan Guaidó, the Venezuelan opposition leader

who has become the figurehead of opposition to Maduro. But before that, in 2016, Farc signed an agreement with the Colombian government, but when two dissident rebel leaders announced in August that they were returning to war, Colombian officials claimed that they were already in Venezuela.

VII. Questions that a Resolution Must Address

The resolution that will be written during 4th annual session of OSJMUN must find logical solutions to the issues of hyperinflation, the presidential crisis and above all the situation of Venezuelan people. It would be great to find ways to prevent crimes and bribery in the selection of government workers.

VIII. Notes from the Chair

Dear Delegates,

As your committee directors, we would like to introduce you to this crucial issue of Venezuela crisis that is deeply discussed. The issue of Venezuela crisis is not only the matter of Venezuela, it is also the matter of the whole globe . We entirely believe that you will handle this vital crisis as it should be handled. We hope that you will have fruitful debates during the conference.

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