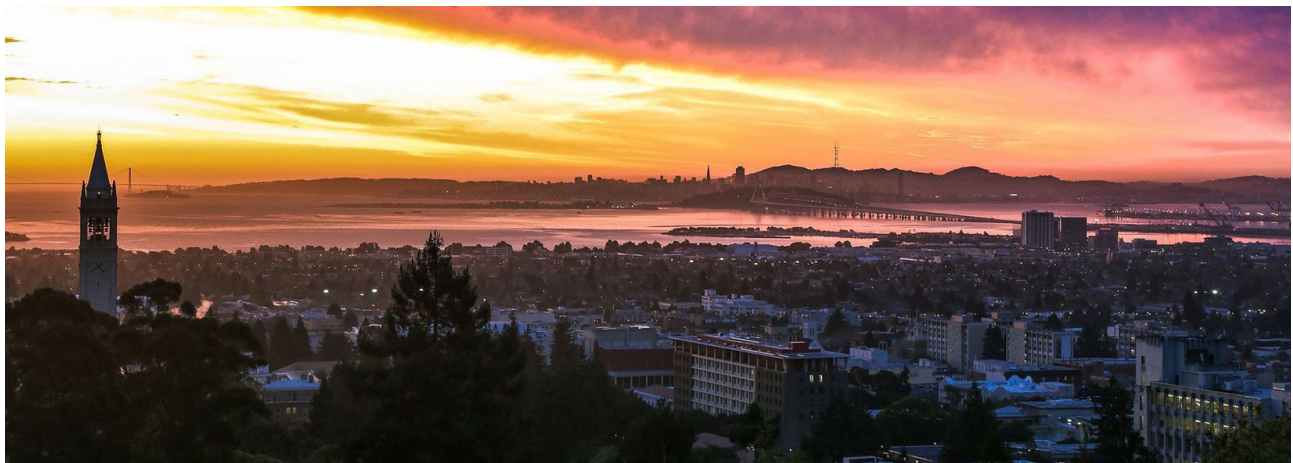


Bay Area Model United Nations Spring 2015

April 25th



BACKGROUND GUIDE
ORGANIZATION OF AMERICAN
STATES: THE SITUATION IN VENEZUELA

THE SITUATION IN VENEZUELA

A Message From the Chair

Dear Delegates,

Welcome to BayMUN 2015 and the Organization of American States! My name is Camilo Ossa and I am a sophomore studying Business Administration and Economics with a minor in Global Poverty and Practice. I was born in Colombia, where I have lived the majority of my life except a couple of years when I lived in Canada. Apart from international relations I am also interested in entrepreneurship, non-profits, and economic empowerment. I am excited to discuss this topic, as it is something that has directly and indirectly affected my home country.

During the conference, the OAS will discuss current democratic and economic instability in Venezuela and the executive order recently enacted by President Barack Obama. After Chávez's death, Nicolas Maduro's government has been widely criticized at home and abroad for his economic policy and the manner with which he has handled fiscal issues. Maduro's term has also been characterized by falling oil prices that the Venezuelan "revolution" and nation as a whole depend almost entirely on. This fall in the commodity's price coupled with rampant debt and triple-digit inflation has given way to protests and uprisings against the administration, which have resulted in events such as the arrest of Caracas mayor Antonio Ledezma on February 19, 2015. Although the committee will discuss two issues, these are intricately related.

There is increasing discrepancy within the international community whether the current administration is capable of averting a domestic crisis and can fully restore access to medication and other basic goods as well as full protection of human rights. The OAS should find solutions that effectively advocate for the protection of human rights, democratic institutions, and economic stability while respecting Venezuela's sovereignty. My vice-chair, Troy, and I are looking forward to see what solutions you will choose to explore and develop. I encourage you to reach out with any questions you might have regarding the topic or the information on this guide.

Sincerely,
Camilo A. Ossa, Head Chair
ossac@berkeley.edu



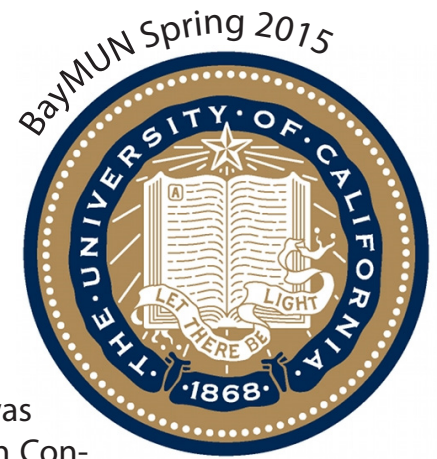


BACKGROUND OF THE ORGANIZATION OF AMERICAN STATES

The world's oldest international institutional system is the Organization of American States (OAS). It developed from a series of meetings undertaken periodically over the course of two centuries, beginning with the 1898-1890 First International Conference between American States in Washington, D.C., at the invitation of the United States (US). The primary purpose of these conferences, held under the International Union of American Republics, was to establish peaceful means of conflict resolution, as well as the establishment of better interstate communication and commerce.

The OAS was built from an agglomeration of treaties and institutions over the following decades. In 1923, the Fifth International Conference of American States adopted the Treaty to Avoid or Prevent Conflicts Between American States, while in 1933, the Seventh International Conference of American States adopted the Convention on the Rights and Duties of States, which affirmed the principle of non-intervention regarding the law and rights of each state in its internal and external affairs, and that all conflicts ought to be settled peacefully. Before its official establishment, what would become the OAS created numerous international regional institutions to tackle issues related to women, children, Indians, geography, history, and the like, and continued to create many more thereafter.

In 1942, the OAS became a regional agency of the United Nations (UN), and has thus participated in the organization since that time, including multiple actions in Haiti. The Charter of the OAS was established via negotiations beginning in 1945. At the Ninth International Conference of the American States held in Bogotá, Colombia, during 1948, the American Treaty on Pacific Settlement and the OAS Charter were adopted; they oblige all of parties to resolve conflict through peaceful means, including "mediation, investigation and conciliation, good offices, arbitration,



and, failing that, recourse to the International Court of Justice of The Hague" (Our History OAS website).

The American Declaration on the Rights and Duties of Man was adopted before the Universal Declaration, and the American Convention on Human Rights was adopted in 1969 and entered into force in 1978. It continued to meet until 1970, when the OAS General Assembly replaced it by treaty. The chief organ of the OAS is its General Assembly, although it possesses numerous other committees, councils, conferences, and organizations that engage with specific issues, including human rights and juridical affairs.

TOPIC SUMMARY AND DISCUSSION POINTS—TOPIC A: GOVERNMENT IN VENEZUELA'S CRISIS.

Topic A discusses addressing the most appropriate government that Venezuela currently needs given the following conditions. Uprisings of discontent initially began in February 2014 over high crime rates, but gradually came to adopt an array of issues, including scarcity, inflation, corruption, and Venezuela's economic woes as a whole. President Maduro's government has responded with what has been seen as "excessive" police force, resulting in the death of dozens, injury of hundreds, and imprisonment of nearly two thousand Venezuelans.

Opposition lawmakers have been arrested, often without the display of a legal arrest warrant, and charged with dubious crimes. This includes lawmakers that have been advocating for an open letter published in newspapers titled "The National Agreement for Transition", which demanded immediate regime change and create a "transition to peace".

The political divide between the government and the opposition has further generated civilian support to engage in violence, which has eroded democratic institutions' role in protecting the human rights of demonstrators and community leaders. The opposition, led by a coalition composed of Mesa de Unidad Democrática (MUD) and Vanguardia Popular (led by former presidential candidate Henrique Capriles and Leopoldo López respectively), has been ignored by Maduro's administration as a legitimate party in fostering a dialogue that might solve Venezuela's domestic problems.

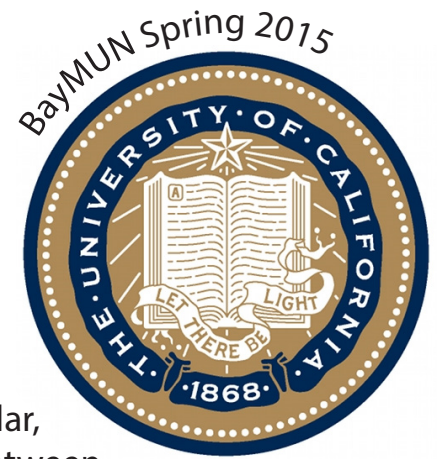


The coalition opposition takes a stance that views the government as failed and illegitimate, in particular calling light to the intensive corruption that is rooted within the administration. It further calls upon all sectors of society, from students to Armed Forces, to unite against government corruption and support a new transition towards democracy.

The Maduro administration has responded aggressively to criticism asserting that a fascist coup is being encouraged, and independent media sources have been either fined or been taken off the air, such as Colombian station NTN24. President Maduro has been unwilling or unable to control the state police and paramilitary groups that instill violence across the nation, especially towards the opposition, and during demonstrations.

The protests included not only organized opposition of the MUD and the Vanguardia Popular, but also student dissent. More specifically, they opposed the dramatic shortages of basic necessities as well as the release of previously arrested political protestors. Multiple universities, including the Catholic University of Táchira, University of Los Andes, and University of Zulia, have suspends classed to lead public marches of solidarity against the government.

Techniques of suppression included the use of tear gas canisters, arrests, raids upon universities, as well as entering campus and using rubber bullets. Both the National Police and armed groups known as "colectivos", which supports the socialist government of Venezuela, have carried this out. Officials have claimed that dissenters have used illegal Molotov cocktails and constructing barricades against the police.



QUESTIONS TO CONSIDER FOR TOPIC A

- How can the international community, in particular, member states of the OAS, incentivize cooperation between the Maduro administration and opposition?
- What actions can the OAS take, either collectively, or individually by members, to curb domestic violence and tension in Venezuela?
- What type of powers does your delegation consider Maduro might be abusing and how could the international community influence his executive domestic decisions?
- Would supporting the opposition result in a positive outcome for Venezuelans and for your delegation's interests in the resolution of this issue?

TOPIC B: SOLUTIONS TO VENEZUELA'S CURRENT ECONOMIC CRISIS

On the other hand, Venezuela's economy has suffered extensively since 2014. Its exchange rate, which allows different businesses to assess the value of the dollar at different rates, has led to an over-valuation of the national currency and a black market exchange rate for the dollar. Maduro, fearing that any devaluation of the currency will lead to further inflation, has responded by increasing taxes in order to seek more government revenue, rather than overhauling the economic system. Large companies continue to find that it is difficult to make a profit in the country. These international firms also are preoccupied about nationalization and expropriation that the administration has previously been known for, especially regarding energy production.

Another concern is that of imports and exports; the country derives most of its exports from the United States, and its imports almost entirely consist of petroleum. As global oil prices fall, Maduro should pay creditors in oil, although he already provides subsidies for local consumption.

The White House issued an executive order on March 9, 2015, in which President Obama declares, "that the situation in Venezuela, including the Government of Venezuela's erosion of human rights guarantees, persecution of

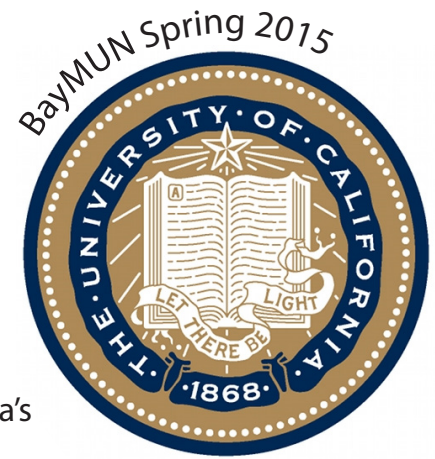


political opponents, curtailment of press freedoms, use of violence and human rights violations and abuses in response to antigovernment protests, and arbitrary arrest and detention of antigovernment protestors, as well as the exacerbating presence of significant public corruption, constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States.”

The executive order freezes the property and assets of all individuals that the Department of the Treasury and State Department deems to be complicit in exacerbating the aforesaid abuses, and it specifically names seven members of Venezuela’s military and security forces. Moreover, these persons are prohibited from doing business with US citizens or entering the United States.

Venezuela’s legislature, in response to the sanctions, conferred wide-reaching powers to president Maduro for a period of nine months, for the ostensible purpose of maintaining the country’s sovereignty in foreign relations. Maduro has declared the language of the executive order as alienating and threatening to Venezuela’s security, and is attempting to rally ten million signatures rejecting the placement of the U.S. sanctions to present to President Obama at the April Summit of the Americas in Panama.

The recently sharp decline in oil prices, which has placed a barrel of oil at approximately \$56 dollars (from a former \$115 in the 2014 summer quarter), represents further economic distress upon the crude oil-exporting socialist state. The loss in state revenues creates difficulties in providing adequate quantities of food and health products, which has similarly occurred in other Latin American countries that are oil-dependent. 96% of Venezuela’s export earnings are from international sales in oil.



QUESTIONS TO CONSIDER FOR TOPIC B

- How can the international community support Venezuela's rampant debt and increasing currency devaluation?
- How can regional organizations such as MERCOSUR, UNASUR, and CELAC, support Venezuela's basic goods and medication needs?
- What can the United States and the international communities do instead of the Executive Order to protect international economic stability without undermining Venezuela's economic structure? Should Venezuela's economic policy be modified? If so, in what ways?
- Should the current management of fiscal and economic issues be a purely domestic issue? How much input or power of intervention should your delegation and other delegations within the OAS have?

THE ORGANIZATION OF AMERICAN STATES AND VENEZUELA

Concerning Venezuela's economic and democratic troubles, the OAS has not yet taken significant action. On March 7, 2014, Panama spearheaded an initiative in the OAS to formally discuss human rights abuses in Venezuela by attempting to have opposition lawmaker Maria Corina Machado speak to the General Assembly. The delegates refused to consider the topic as a formal part of the agenda, but she was allowed to speak in the time reserved for ad hoc issues.

However, the OAS overwhelmingly voted to disallow media access to her speech, and the only resolution to pass was one expressing concern over the recent violence and supporting the government's actions, a resolution which Panama, the US, and Canada opposed. In response, Venezuela severed all ties with Panama, after having removed all American diplomats in February.

On the other hand, US Secretary of State John Kerry and Machado have suggested that the OAS invoke the Inter-American Democratic Charter, which espouses the region's commitment to democracy against its destruction by coup or gradual erosion. (The Charter was ironically invoked in the 2002 coup



that temporarily ousted Venezuela's Hugo Chávez.) However, use of the Charter is unlikely, given the support Venezuela holds in the General Assembly and the lack of a clear unconstitutional interruption of democracy.

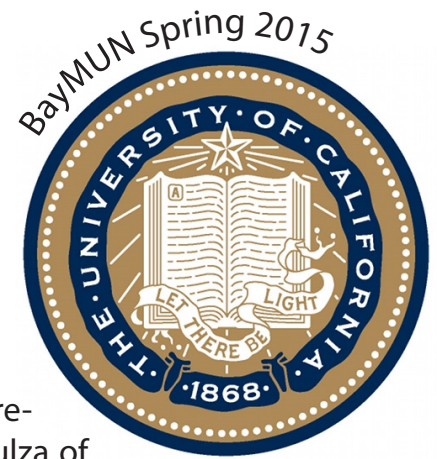
Governments including Peru, Costa Rica, Panama, Colombia, and Chile have expressed concern about the political situation. However, these have been ignored by president Maduro and have led to an unproductive debate over unilateral sanctions.

RELEVANT BLOC SUMMARIES

Panama has sided with the United States in bringing greater attention to Venezuela's human rights record. Venezuela consequently severed all diplomatic ties with Panama, and denounced the country as a puppet of the United States. Panama has been working through the Organization of American States to attempt to galvanize a dialog with President Maduro. In addition, Canada, Mexico, Guatemala, Peru, Honduras, Costa Rica, Colombia, Paraguay and Chile all supported lawmaker Machado's attempt to speak in March 2014.

Cuba remains Venezuela's chief ally, while Bolivia, Nicaragua, Ecuador, Uruguay, and Argentina have supported Maduro for ideological reasons. Cuba has similarly denounced the "imperialism" of the U.S. sanctions upon Venezuela, and maintains its historical ties with Venezuela. Its former president, Fidel Castro, who retired in 2006 for purposes of health, sustained strong political relations with the late president Hugo Chavez.

The Caribbean bloc – consisting of more than a dozen countries – and Brazil have done likewise due to their extensive oil-related economic ties with the state in question. For example, on March 14, 2015, the Union of South American States (USANUR) unanimously signed a declaration calling



on the United States to drop the sanctions because they constitute a threat to Venezuela's sovereignty and a violation of the principle of nonintervention. In addition, the Secretary-General of the OAS General Assembly, José Miguel Insulza of Chile, does not favor intervention in Venezuela.

The international community has limited itself to calls for dialogue and a non-violent solution. President Maduro rejected discontent from Colombia and Chile as interference in internal affairs. The OAS must demand that both sides act responsibly and that the government ensures the protection of human rights, complying with the government's legal obligation according to international law.

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