

VENEZUELA in Perspective

An Orientation Guide



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CHAPTER 1: GEOGRAPHY

Introduction

The Caribbean Sea and the North Atlantic Ocean form the coastal borders of Venezuela, which lies at the northern tip of South America. Venezuela shares land borders with Colombia on the west and southwest, Brazil on the south, and Guyana on the east.¹ Venezuela controls several islands and archipelagos off its coast.² At 912,050 sq km (352,144 sq mi), the country is about twice the size of California and it is one of the 10 most ecologically diverse nations in the world.^{3, 4} Venezuela is home to more than 1,400 bird species, 300 mammal species, more than 1,000 species of fish, and about 25,000 orchid varieties.^{5, 6} The landscape features mountains, jungles, rivers, savannas, and coastal plains. Nearly 40% of the country is covered by forests, while vast plains and grasslands cover nearly 50%. Within its borders are the largest lake on the continent (Lake Maracaibo) and the world's highest waterfall, Angel Falls, which tumbles 979 m (3,212 ft).⁷



Geographic Divisions

The country is divided into four major regions: the Maracaibo lowlands, the Andean mountains and highlands, the Orinoco plains, and the Guyana Highlands. Lying in the northwest, the oval-shaped Maracaibo lowlands are open to the Caribbean Sea on one side and surrounded by mountains on the other three. Lake Maracaibo occupies most of this flat and swampy area. The southern part of the region has dense tropical rain forests, with the landscape changing to scrub and grasslands closer to the Caribbean. The nation's only desert lies in this region, near the city

¹ Central Intelligence Agency, "Venezuela: Geography," in *The World Factbook*, 14 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

² *Encyclopædia Britannica Online*, "Venezuela," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

³ United Kingdom Foreign and Commonwealth Office, "South America and South Atlantic Islands: Venezuela," 16 May 2011, <http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/south-america/venezuela?profile=all>

⁴ Central Intelligence Agency, "Venezuela: Geography," in *The World Factbook*, 14 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

⁵ List of Countries of the World, "Animals in Venezuela," 2011, <http://www.listofcountriesoftheworld.com/ve-animals.html>

⁶ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 48.

⁷ *Encyclopædia Britannica Online*, "Venezuela," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

of Coro on the Caribbean coast. Although the lowlands are mainly hot and dry, they contain rich agricultural lands and substantial petroleum deposits.^{8, 9, 10}

The Andean mountains and highlands in the north and northwest are the highest mountains in the country and contain the highest peak, Pico Bolívar, which rises 5,007 m (16,427 ft). The least populated part of the country is located along the westernmost mountains of this region, which parallel the Colombian border. Fern forests cover the bottom slopes, but the trees thin out at higher altitudes and only shrubs and lichen grow. Fertile valleys between the mountains support extensive agriculture. These valleys are the most densely populated areas of the country and include Caracas, the nation's capital.^{11, 12}

The plains (*llanos*) region of the country follows the course of the Orinoco River. Containing both savannas and tropical rain forests, these lowlands extend west from the Caribbean to the mountainous border with Colombia. The rolling hills of this region never rise above 200 m (656 ft) in elevation. Cattle are raised in this relatively sparsely settled area.^{13, 14}



© Cathy McGee
Orinoco Delta

The Guyana Highlands stretch south and east of the Orinoco River, extending more than 1,609 km (1,000 mi) to the northern border with Brazil.¹⁵ The highlands constitute about 40% of the nation's territory and consist mainly of plateaus and cliffs. The area is the most remote in the nation and remains largely unexplored. River erosion has created many bluffs, known locally as *tepuis*, which can reach considerable elevations. Angel Falls is located on one of these *tepuis* near the Brazilian border.^{16, 17}

⁸ Richard A. Haggerty, ed., "Geography," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/8.htm>

⁹ Federal Research Division, Library of Congress, "Country Profile: Venezuela," March 2005, <http://lcweb2.loc.gov/frd/cs/profiles/Venezuela.pdf>

¹⁰ *Encyclopædia Britannica Online*, "Venezuela," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹¹ Richard A. Haggerty, ed., "Geography," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/8.htm>

¹² *Encyclopædia Britannica Online*, "Venezuela," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹³ Richard A. Haggerty, ed., "Geography," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/8.htm>

¹⁴ *Encyclopædia Britannica Online*, "Venezuela: Relief," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁵ World Atlas, "Landforms," n.d., <http://www.worldatlas.com/webimage/countrys/saland2.htm>

¹⁶ Richard A. Haggerty, ed., "Geography," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/8.htm>

¹⁷ *Encyclopædia Britannica Online*, "Venezuela," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

Climate

Although Venezuela is completely within the tropics, the wide variation in elevations creates a range of temperatures and precipitation.¹⁸ The warmest temperatures occur between May–September. January is generally the coldest month.¹⁹ Most of the country enjoys average temperatures above 24°C (75°F).²⁰ Between elevations of 800 m–2,000 m (2,625 ft–6,562 ft), temperatures average between 12–25°C (54–77°F). This temperate zone includes many of the major cities, including Caracas. Between 2,000 m–3,000 m (6,562 ft–9,843 ft) in elevation, the average temperatures are cooler, ranging from about 9–11°C (48–52°F). Above 3,000 m (9,843 ft), temperatures can become quite cold, and some areas may have snow year round. In this zone, average yearly temperatures hover below 8°C (46°F).²¹



© Florian Meyer
Weather in Caracas

Venezuela has two seasons. The dry season lasts from December–April, with January–April being the driest months. The winter wet season occurs from May–November, with the rainiest months being August–October.²² Considerable variations in precipitation exist among the regions. The northeastern coast gets significant rain in the summer while the northwestern coast receives relatively little. The interior of the country receives sufficient rain to support the savannas and the tropical rain forests as well as crops. Floods and droughts are common throughout the plains, but the northern coast is vulnerable to serious flooding.²³

Bodies of Water

In addition to its Caribbean and North Atlantic sea coasts, Venezuela has hundreds of lakes and lagoons and as many as 1,000 rivers.^{24, 25} Rains swell the rivers and lakes during the rainy season, threatening to flood nearby towns and cities.²⁶

¹⁸ *Encyclopædia Britannica Online*, “Venezuela: Climate,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁹ Federal Research Division, Library of Congress, “Country Profile: Venezuela,” March 2005, <http://lcweb2.loc.gov/frd/cs/profiles/Venezuela.pdf>

²⁰ *Encyclopædia Britannica Online*, “Venezuela: Climate,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

²¹ Richard A. Haggerty, ed., “Geography: Climate,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/9.htm>

²² Federal Research Division, Library of Congress, “Country Profile: Venezuela,” March 2005, <http://lcweb2.loc.gov/frd/cs/profiles/Venezuela.pdf>

²³ *Encyclopædia Britannica Online*, “Venezuela: Drainage,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

²⁴ Maps of World, “Venezuela Rivers,” 2009, <http://www.mapsofworld.com/venezuela/geography/rivers.html>

²⁵ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 13.

²⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 13.

Lake Maracaibo

Lake Maracaibo occupies more than 13,300 sq km (5,135 sq mi) of land. Ten rivers empty into the lake, the largest in South America.^{27, 28} Lake Maracaibo is 160 km (100 mi) long and 120 km (75 mi) wide, but it averages only 10 m (33 ft) in depth.²⁹ A channel completed in 1957 connects the lake to the Gulf of Venezuela in the Caribbean, allowing ocean-bound ships and tankers to navigate the waters. Lake Maracaibo is one of the world's richest oil-producing areas. Thousands of oil derricks fill the lake and dot the shore, and storage tanks are fed by pipelines running under the lake.³⁰ Although the water at the southern end is clear and fresh, waters near the sea are brackish and unfit for drinking or irrigation.³¹



© Antonio Jordana
Lake Maracaibo

Lake Valencia

Situated in the north near the city of Valencia, Lake Valencia is the largest natural freshwater lake in the country. The area around the shores of the lake supports agricultural crops including cotton, sugarcane, tobacco, and corn. The area is also a popular resort spot.^{32, 33} But use of the lake is limited because of poor water quality stemming from high levels of pollution.³⁴ The high level of contaminants creates health problems for residents of the area.^{35, 36}

²⁷ *Encyclopædia Britannica Online*, "Venezuela: Drainage," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

²⁸ *Encyclopædia Britannica Online*, "Lake Maracaibo," 2011, <http://www.britannica.com/EBchecked/topic/363734/Lake-Maracaibo>

²⁹ Richard A. Haggerty, ed., "Geography: Rivers," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/10.htm>

³⁰ *Encyclopædia Britannica Online*, "Lake Maracaibo," 2011, <http://www.britannica.com/EBchecked/topic/363734/Lake-Maracaibo>

³¹ Richard A. Haggerty, ed., "Geography: Rivers," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/10.htm>

³² *Encyclopædia Britannica Online*, "Lake Valencia," 2011, <http://www.britannica.com/EBchecked/topic/621989/Lake-Valencia>

³³ International Lake Environment Committee, "Lago de Valencia (Lake Valencia), n.d., <http://www.ilec.or.jp/database/sam/sam-05.html>

³⁴ NASA, "Lake Valencia, Venezuela," n.d., http://eol.jsc.nasa.gov/EarthObservatory/Lake_Valencia_Venezuela.htm

³⁵ Blue Channel 24, "Venezuela: The Dramatic Situation of Lake Valencia," 9 April 2011, <http://www.bluechannel24.com/?p=5993>

³⁶ United Nations, "Venezuela" (UN report, universal periodic review, 12th session of the UPR working group, October 2011), http://www.aguaclara.org/pdf/INFORME_EPU_2011_ENG.pdf

Orinoco River

Venezuela's main river, the Orinoco, makes an enormous curve as it flows more than 2,000 km (1,243 mi) from the Guyana Highlands near the Brazilian border to the North Atlantic Ocean. Fed by numerous tributaries, the Orinoco becomes nearly 8 km (5 mi) wide at its east bend as it winds through the plains. Near the city of Barrancas, the river forms a vast delta stretching nearly 443 km (275 mi) along the Atlantic coast.^{37, 38} During the dry season, the depth of the Orinoco averages about 15 m (49 ft). During the height of the rainy season, the river is nearly 50 m (164 ft) deep, flooding the lowlands in some places to a depth of nearly 50 m (164 ft). By October, the waters have usually receded and are at their shallowest. The river has long been an important transportation source, especially during the rainy season when river transport is the only way to reach many settlements. Large steamships travel more than 1,100 km (684 mi) from the delta to the Atures Rapids. Ocean-going vessels also navigate the river 362 km (225 mi) from its mouth on the Atlantic Ocean to the ore deposits of the Guyana Highlands.³⁹



© Gosia Malochleb
Orinoco River

Caroní River

Originating in the Guyana Highlands, the Caroní River flows northward to meet the Orinoco near Ciudad Guayana. The river is a major source of hydroelectric power.⁴⁰ The industrialization of the northern part of the country stemmed from electricity generated by the Macagua and Guri Dams on the Caroní.^{41, 42} About 690 km (429 mi) long, the river is navigable on its lower course by small boats.⁴³

³⁷ *Encyclopædia Britannica Online*, "Orinoco River," 2011, <http://www.britannica.com/EBchecked/topic/432619/Orinoco-River>

³⁸ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 13.

³⁹ *Encyclopædia Britannica Online*, "Orinoco River," 2011, <http://www.britannica.com/EBchecked/topic/432619/Orinoco-River>

⁴⁰ *Encyclopædia Britannica Online*, "Orinoco River," 2011, <http://www.britannica.com/EBchecked/topic/432619/Orinoco-River>

⁴¹ Richard A. Haggerty, ed., "Geography: Rivers," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/10.htm>

⁴² *Encyclopædia Britannica Online*, "The Caroní River," 2011, <http://www.britannica.com/EBchecked/topic/96600/Caroni-River>

⁴³ *Encyclopædia Britannica Online*, "The Caroní River," 2011, <http://www.britannica.com/EBchecked/topic/96600/Caroni-River>

Apure River

The Apure River in western Venezuela flows northeast and east for more than 800 km (497 mi) through the most important cattle-raising area in the country. During the rainy season, it is navigable by small craft from Ciudad Bolívar to San Fernando de Apure.⁴⁴

Major Cities

Venezuela is one of the most urban countries in South America. Nearly 93% of the population live in cities concentrated mostly along the coast or in the mountains.^{45, 46, 47}

City	Population 2009⁴⁸
Caracas	3,051,000
Maracaibo	2,153,000
Valencia	1,738,000
Barquisimeto	1,159,000
Maracay	1,040,000

Caracas

Founded in 1567, Caracas has been the capital of Venezuela, except for short periods, since 1577.⁴⁹ Located in the northwestern part of the country, the capital sits about half a mile above sea level.^{50, 51} Beleaguered by pirates, plague, rebellions, and nearly destroyed by earthquakes, the city has not had a trouble-free history.^{52, 53} Caracas grew slowly until the 1900s. But after the discovery of oil in the early 20th century, growth and modernization occurred rapidly, with Caracas emerging as one of the world's richest capital cities.^{54, 55}

⁴⁴ *Encyclopædia Britannica Online*, "The Apure River," 2011, <http://www.britannica.com/EBchecked/topic/30939/Apure-River>

⁴⁵ Central Intelligence Agency, "Venezuela: People and Society," in *The World Factbook*, 14 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

⁴⁶ International Fund for Agricultural Development, Rural Poverty Portal, "Rural Poverty in the Bolivarian Republic of Venezuela," n.d., <http://www.ruralpovertyportal.org/web/guest/country/home/tags/venezuela>

⁴⁷ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 19.

⁴⁸ Central Intelligence Agency, "Venezuela: People and Society," in *The World Factbook*, 14 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

⁴⁹ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 52, 107.

⁵⁰ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 19.

⁵¹ *Encyclopædia Britannica Online*, "Caracas," 2011, <http://www.britannica.com/EBchecked/topic/94473/Caracas>

⁵² Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 52–53.

⁵³ *Encyclopædia Britannica Online*, "Caracas," 2011, <http://www.britannica.com/EBchecked/topic/94473/Caracas>

⁵⁴ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 19–20.

⁵⁵ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 52–53.

Caracas is the nation's center of manufacturing. Among its major industries are textiles, tobacco products, rubber, leather goods, chemicals, and pharmaceuticals. Even more important is its service sector. The city is the headquarters for most of the domestic and international industrial and commercial companies. It is the center of government and home to embassies and consulates.⁵⁶



© Nicholas Laughlin
Traffic in Caracas

The city faces many problems, including traffic jams, pollution, and insufficient housing. Thousands of Venezuelans have flocked to the city in hopes of achieving a better life, but most have fallen short of that goal. Many residents frugally exist in the *ranchitos* (huts) scattered among the hillsides and shantytowns. These neighborhoods often lack running water, sanitation facilities, and electricity.^{57, 58, 59}

Maracaibo

Maracaibo is the nation's second-largest city. Although founded in 1574, it did not gain prominence until the 1920s when oil production began. Two-thirds of the nation's oil supply lies beneath Lake Maracaibo.⁶⁰ The capital of the state of Zulia, Maracaibo is an industrial and commercial hub and home to one of Venezuela's largest ports. Because Maracaibo sits in a basin, the climate is hot and humid with daily high temperatures averaging in the 30s°C (90s°F).⁶¹



© cfl_ / flickr.com
Maracaibo

Valencia

Valencia is the capital of state of Carabobo. Founded in 1555, the city sits 490 m (1,608 ft) above sea level in the central highlands near Lake Valencia. Although it is in the middle of Venezuela's leading agricultural region, the city is the most industrialized in the nation.^{62, 63} Valencia's history is brutal. Shortly after its founding, the city was burned to the ground by Spaniards; 20 years later it was razed by Carib people. French pirates destroyed the city in 1667. The population has suffered from smallpox epidemics because of Valencia's proximity to

⁵⁶ *Encyclopædia Britannica Online*, "Caracas," 2011, <http://www.britannica.com/EBchecked/topic/94473/Caracas>

⁵⁷ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 53.

⁵⁸ *Encyclopædia Britannica Online*, "Caracas," 2011, <http://www.britannica.com/EBchecked/topic/94473/Caracas>

⁵⁹ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 20.

⁶⁰ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 142.

⁶¹ *Encyclopædia Britannica Online*, "Maracaibo," 2011, <http://www.britannica.com/EBchecked/topic/363731/Maracaibo>

⁶² Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 21.

⁶³ *Encyclopædia Britannica Online*, "Valencia," 2011, <http://www.britannica.com/EBchecked/topic/621984/Valencia>

marshy swampland. An earthquake in 1812 devastated the city. The site of many battles in Venezuela's war of independence, Valencia became the first city to oppose Bolívar's union of Gran Colombia. The city's inhabitants demanded independence and formally seceded from the union. Valencia was the first capital of the fledgling republic. After a year, the capital was moved to Caracas.⁶⁴ Valencia again served as Venezuela's capital in 1830 and 1858.⁶⁵

Barquisimeto

Barquisimeto is located in the middle of Venezuela's cattle country.⁶⁶ The capital of the state of Lara, Barquisimeto sits 566 m (1,856 ft) above sea level and is one of the oldest cities in the nation. It is an important hub joining the central and western sections of the nation. It is a center of commerce.⁶⁷



© Ciudad Crepuscular / flickr.com
Barquisimeto

Maracay

Maracay is the capital of the state of Aragua.⁶⁸ Situated in a fertile agricultural valley in the north, it is an important agricultural and commercial center. Major crops include coffee, wheat, cotton, and cacao. The city rose to prominence when Venezuelan dictator Juan Vicente Gómez settled there in 1908. He ran the country from Maracay until 1935. Gómez initiated a wave of construction projects that included the building of an opera house, airports, and an air force school.^{69, 70} During the 1950s, the city underwent additional development when freeways were built linking Maracay to Caracas 110 km (68 mi) away.⁷¹ Venezuela developed the most powerful air force in Latin America during this time, basing much of it in Maracay. The city remains an important military center.^{72, 73}

⁶⁴ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 107.

⁶⁵ *Encyclopædia Britannica Online*, "Valencia," 2011, <http://www.britannica.com/EBchecked/topic/621984/Valencia>

⁶⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 21.

⁶⁷ *Encyclopædia Britannica Online*, "Barquisimeto," 2011, <http://www.britannica.com/EBchecked/topic/53906/Barquisimeto>

⁶⁸ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 95.

⁶⁹ *Encyclopædia Britannica Online*, "Maracay," 2011, <http://www.britannica.com/EBchecked/topic/363751/Maracay>

⁷⁰ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 95.

⁷¹ *Encyclopædia Britannica Online*, "Maracay," 2011, <http://www.britannica.com/EBchecked/topic/363751/Maracay>

⁷² Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 95–96.

⁷³ Global Security, "Air Force: Fuerzas Aereas or Aviación," 7 November 2011, <http://www.globalsecurity.org/military/world/venezuela/airforce.htm>

Environmental Concerns

Venezuela's efforts to access its abundant natural resources have caused several serious environmental issues. The oil derricks in and around Lake Maracaibo have polluted not only the lake, but also the lowland areas.⁷⁴ Oil refining produces gas emissions such as carbon dioxide and residues of sulfur and coke.⁷⁵



© Naadir Joewa
Surface Mining

Forests cover nearly half of Venezuela's land, yet Venezuela ranks among the top 10 nations worldwide in terms of deforestation. Although most of the forests are south of the Orinoco River, 80% of the deforestation takes place north of the river near major population centers.⁷⁶ Each year forest lands are diminished by approximately 1%.⁷⁷ Mining operations pose additional risks to the delicate rain forests.⁷⁸

Water pollution presents problems. Less than 25% of all the water used in the nation is treated before being released into the ecosystem. Most of the nation's coastal waters are polluted.⁷⁹ The management of solid waste and residues was Venezuela's top environmental failure until droughts and floods in 2010—which caused major disruptions, civil unrest, and deaths—became the chief area of concern. More than 70% of sewage remains untreated and is dumped into streams or other water sources. Contaminants from mining activity also contribute to water pollution. Mercury released into the environment has been found in numerous fish species.⁸⁰ Venezuela's largest freshwater lake, Lake Valencia, is heavily polluted.⁸¹

In urban areas, emissions from vehicles create pollution. Large dumps where waste is burned emit dioxins and other toxins. More than 300 large open dumps exist in the country.⁸²

⁷⁴ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 18–19.

⁷⁵ Humberto Márquez, "Biodiverse Venezuela Flunking Basic Conservation," *Global Issues*, 13 June 2011, <http://www.globalissues.org/news/2011/06/13/10071>

⁷⁶ Global Forest Watch, "Venezuela: Overview," n.d., <http://www.globalforestwatch.org/english/venezuela/index.htm>

⁷⁷ Humberto Márquez, "Biodiverse Venezuela Flunking Basic Conservation," *Global Issues*, 13 June 2011, <http://www.globalissues.org/news/2011/06/13/10071>

⁷⁸ Central Intelligence Agency, "Venezuela: Geography," in *The World Factbook*, 14 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

⁷⁹ Jeroen Kuiper, "Venezuela's Environment Under Stress," *Venezuela Analysis*, 1 March 2005, <http://venezuelanalysis.com/analysis/973>

⁸⁰ Humberto Márquez, "Biodiverse Venezuela Flunking Basic Conservation," *Global Issues*, 13 June 2011, <http://www.globalissues.org/news/2011/06/13/10071>

⁸¹ Yunping Xu and Rudolf Jaffé, "Geochemical Record of Anthropogenic Impacts on Lake Valencia, Venezuela," *Applied Geochemistry* 24 (2009): 411–18, http://mounier.univ-tln.fr/rcmo/php_biblio/PDF/5391.pdf

⁸² Humberto Márquez, "Biodiverse Venezuela Flunking Basic Conservation," *Global Issues*, 13 June 2011, <http://www.globalissues.org/news/2011/06/13/10071>

Millions live in unsanctioned housing built in unsafe areas. Rains, combined with a lack of vegetation and poor construction, cause slides on the unstable hillsides, destroying property and killing and injuring inhabitants.^{83, 84, 85}

Natural Hazards

Venezuela is subject to three main natural hazards: floods, earthquakes, and droughts. In 1999, floods and the resulting mudslides represented one of the worst natural disasters of modern times.^{86, 87} The northern coast, located around alluvial fans (fan shapes formed as the result of water-borne silt deposits), is particularly vulnerable to flooding and mudflows.⁸⁸



Venezuela sits at the juncture of the South American and Caribbean tectonic plates. With eight seismic zones throughout the nation, earthquakes pose a considerable risk, particularly along the northern coast.^{89, 90, 91} Several earthquakes have devastated the region, including an 1812 Caracas quake and the 1967 Caracas quake, in which 80,000 people were left homeless.^{92, 93}

The nation also suffers from periodic droughts. Severe conditions have prompted President Hugo Chávez to attempt to diversify Venezuela's energy resources. Venezuela depends on

⁸³ Reuters, "Landslides and Flooding Kill 21 in Venezuela," eKantipur, 1 December 2010, <http://www.ekantipur.com/2010/12/01/world/landslides-and-flooding-kill-21-in-venezuela/325858.html>

⁸⁴ *Latin American Herald Tribune*, "Firefighters Find 2 More Bodies in Venezuela Mudslide," 17 November 2011, <http://www.laht.com/article.asp?ArticleId=367822&CategoryId=10717>

⁸⁵ Humberto Márquez, "Biodiverse Venezuela Flunking Basic Conservation," *Global Issues*, 13 June 2011, <http://www.globalissues.org/news/2011/06/13/10071>

⁸⁶ Sasha Rudenstine and Sandro Galea, *The Causes and Behavioral Consequences of Disasters: Models Informed by the Global Experience 1950–2005* (New York: Springer, 2012), 33.

⁸⁷ History.com, "Dec 15, 1999: Heavy Rain Leads to Mudslides in Venezuela," 2011, <http://www.history.com/this-day-in-history/heavy-rain-leads-to-mudslides-in-venezuela>

⁸⁸ M.C. Larsen et al., "Natural Hazards on Alluvial Fans: The Debris Flow and Flash Flood Disaster of December 1999, Vargas State, Venezuela," *U.S. Geological Survey*, 14 March 2008, 103, <http://pr.water.usgs.gov/public/reports/matt.html>

⁸⁹ U.S. Geological Survey, "Venezuela: Seismicity Map," 29 March 2010, <http://earthquake.usgs.gov/earthquakes/world/venezuela/seismicity.php>

⁹⁰ Jorge Gutiérrez, "Seismic Code Evaluation: Venezuela," 2001, 2, http://www.acs-aec.org/Documents/Disasters/Projects/ACS_ND_001/VENEZsce.pdf

⁹¹ Kevin Vranes and Kristina R. Czuchlewski, "Integrating Complexity of Social Systems in Natural Hazards Planning: An Example from Caracas, Venezuela," *EOS* 84, no. 6 (11 February 2003): 55, http://sciencepolicy.colorado.edu/admin/publication_files/resource-2020-2003.40.pdf

⁹² Rogelio Altez, "New Interpretations of the Social and Material Impacts of the 1812 Earthquake in Caracas, Venezuela," *Geological Society of America Special Papers* 471, (2010): 47–48.

⁹³ U.S. Geological Survey, "Historic Earthquakes," 29 March 2010, http://earthquake.usgs.gov/earthquakes/world/events/1967_07_29_ven.php

hydroelectricity to power its industry. Until recently, the nation was able to provide 67% of its energy needs, but a drought has severely curtailed production.⁹⁴ Severe drought causes water levels in reservoirs to drop to critical levels, creating water shortages in the cities, posing risks to oil production, causing blackouts, and creating electricity rationing.^{95, 96, 97, 98}

⁹⁴ Lars Kroldrup, "Drought Has Venezuela Looking at Alternatives to Hydropower," *New York Times*, 9 March 2010, <http://green.blogs.nytimes.com/2010/03/09/venezuela-looks-to-wind-and-nuclear-power-amid-drought-and-hydropower-slowdown/>

⁹⁵ CNN, "Venezuela Rations Water in Response to Drought," 3 November 2009, <http://edition.cnn.com/2009/WORLD/americas/11/02/venezuela.water.rationing/index.html>

⁹⁶ Steven Bodzin and Erik Schatzker, "Venezuela May Slow Refining as Drought Hits Dams, Curim Says," Bloomberg, 16 December 2009, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aD8Ld_Nof9OA

⁹⁷ Charlie Devereux, "Venezuela Businesses Deal with Power Cuts," *Global Post*, 28 June 2010, <http://www.globalpost.com/dispatch/venezuela/100614/electricity-blackouts-chavez>

⁹⁸ Commodity Online, "Drought Hit Venezuela Declares Energy Emergency," 9 February 2010, <http://www.commodityonline.com/news/Drought-hit-Venezuela-declares-energy-emergency-2010-02-09-25515-3-1.html>

Chapter 1 Assessment

1. Because Venezuela is located in the tropics, its climate is generally hot and humid.
False
Although the country is situated entirely in the tropics, the wide variation in elevations creates differences in temperature and precipitation.
2. All the water in Lake Maracaibo is unfit for drinking or irrigation.
False
Water near the lake's entry to the sea is brackish and unfit for drinking or irrigation, but water at the southern end of the lake is clear and fresh.
3. The city of Maracay is home to an air force school.
True
An air force school was built in Maracay during the dictatorship of Juan Vicente Gómez. In the 1950s, the air force, much of it based in Maracay, became the most powerful in Latin America.
4. The Orinoco River flows into the Caribbean Sea from the Guyana Highlands.
False
Venezuela's main river is the Orinoco, which flows in an enormous curve from the Guyana Highlands near the Brazilian border to the North Atlantic Ocean.
5. In Venezuela, the warmest temperatures occur between May–September.
True
The warmest temperatures occur between May–September. January is generally the coldest month.

CHAPTER 2: HISTORY

Introduction

Humans had resided in what is modern-day Venezuela for thousands of years before the arrival of European explorers at the end of the 15th century. These early peoples migrated into the area in waves, coming from lands that are now Guyana, Suriname, French Guiana, Brazil, and the Antilles. They belonged to one of three language groups: Arawak, Carib, and Chibcha.^{99, 100, 101} The Arawak, who are believed to have come in the first wave of migration around 20,000 B.C.E., lived mostly on the western plains and on the northern coast. Largely hunter-gatherers, this group sometimes farmed the land. The Caribs were a warlike people believed to have arrived in the second wave around 5000 B.C.E. They lived predominantly along the central and eastern coasts. Mostly fishermen, the Carib did some farming. The Chibcha, who came to the area around 1000 B.C.E., were the most advanced of the early inhabitants. Living in the Andes, they perfected irrigation techniques and the patterned terracing of fields. They also were skilled craftspeople.^{102, 103, 104}



Courtesy of Wikimedia
Alfonso de Ojeda

These early peoples did not develop the organization or dominance attained by other tribes of the Americas, such as the Inca and the Aztec. By the time the Europeans arrived, they constituted a native population of 350,000–500,000 inhabitants.¹⁰⁵

On his third voyage to the New World in 1498, Christopher Columbus landed at the northeastern tip of Venezuela, becoming the first European visitor. A year later, Alfonso de Ojeda explored the area as far as Lake Maracaibo. Ojeda named the new land Venezuela, or Little Venice, because native houses built above the water reminded him of Venice.^{106, 107, 108} The Spanish,

⁹⁹ Lonely Planet, “Venezuela: History,” 2011, <http://www.lonelyplanet.com/venezuela/history>

¹⁰⁰ H. Micheal Tarver and Julia C. Frederick, *The History of Venezuela* (Westport, CT: Greenwood Press, 2005), 19–25.

¹⁰¹ *Caribbean Magazine*, “Taíno: Pre-Colombian Indigenous Amerindian Inhabitants,” 2007, http://www.caribbeanmag.com/search/articles/Caribbean/Taino_caribbean.html

¹⁰² Lonely Planet, “Venezuela: History,” 2011, <http://www.lonelyplanet.com/venezuela/history>

¹⁰³ H. Micheal Tarver and Julia C. Frederick, *The History of Venezuela* (Westport, CT: Greenwood Press, 2005), 19–25.

¹⁰⁴ *Caribbean Magazine*, “Arawak: The Caribbean Indians,” 2007, http://www.caribbeanmag.com/search/articles/Caribbean/Arawak_Caribbean.html

¹⁰⁵ H. Micheal Tarver and Julia C. Frederick, *The History of Venezuela* (Westport, CT: Greenwood Press, 2005), 19–22.

¹⁰⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 22–23.

¹⁰⁷ Richard A. Haggerty, ed., “History: Discovery and Conquest,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/2.htm>

¹⁰⁸ *Encyclopædia Britannica Online*, “Venezuela: History,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

except for occasional raids to secure slaves for other colonies in the Caribbean and Panama, paid little attention to Venezuela. The lack of a unified indigenous population contributed to Spain's disinterest. Because of this relative disinterest, Venezuela's conquest took much longer than the conquests of Mexico and Peru.^{109, 110, 111}

Conquest

Long captivated by the legend of fabulous riches and the myth of El Dorado, the Spanish originally came to Venezuela in search of wealth. The first known Spanish settlement in Venezuela appeared near Nueva Cádiz on Cubagua Island around 1500. The Spanish created their first permanent settlement in 1523 in Cumaná.¹¹²



The Spanish were not the only Europeans interested in Venezuela. The Germans took notice, and in 1528, Spain granted a consortium of German bankers the right to exploit the area's resources. Until the 1556 expiration of the contract with Spain, western Venezuela was governed by a succession of Germans. The Germans could not find the fabled mountain of gold and lost interest in further explorations.^{113, 114}

Despite heavy and persistent resistance by local tribes, the Spanish established settlements at several sites, including Coro, Valencia, Mérida, and Barquisimeto.^{115, 116} By 1567, they had established a settlement at Santiago de León, present-day Caracas. The Spanish made few efforts to explore the rest of the country and, except for missionaries, Venezuela remained relatively unexplored until the 17th and 18th centuries.¹¹⁷

The Colonial Era

Spain's colonial interests were financial. Although Venezuela's fertile agricultural lands produced a wealth of products for Spain, the king remained disinterested. To fund its foreign

¹⁰⁹ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 22–23.

¹¹⁰ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 2–3.

¹¹¹ Richard A. Haggerty, ed., “History: Discovery and Conquest,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/2.htm>

¹¹² Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 23.

¹¹³ Richard A. Haggerty, ed., “History: Discovery and Conquest,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/2.htm>

¹¹⁴ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 43–44.

¹¹⁵ *Encyclopædia Britannica Online*, “Venezuela: History,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹¹⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 24–25.

¹¹⁷ Richard A. Haggerty, ed., “History: Discovery and Conquest,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/2.htm>

wars, Spain turned to its other territories, where it concentrated on extracting gold and other precious metals.¹¹⁸

Spain's indifference resulted in a lack of Venezuelan political unity for about 250 years. Spain administered the provinces that would eventually become Venezuela from more important neighboring territories. In 1526, the provinces came under the authority of the Audiencia de Santo Domingo on the island of Hispaniola. In 1550, the Audiencia de Santo Domingo combined with the Audiencia de Santa Fé de Bogotá, merging control over what are today Venezuela and Colombia.^{119, 120} In 1777, authority for Venezuela was transferred to the Viceroyalty of New Granada, which also included Colombia, Panama, and Ecuador. Venezuela remained under the Viceroyalty until declaring independence in 1811.¹²¹



© KEV KEITH RUAZ / flickr.com
Castillo San Carlos de Borromeo

By the end of the 16th century, other countries had become interested in Venezuela's agriculture, which had developed into the mainstay of the economy.^{122, 123} Farmers exported beans, sugar, cocoa, and tobacco to the British, French, and Dutch. Angered by what it saw as illegal trade, Spain granted monopoly trading rights to the Royal Guipúzcoa Company of Caracas (The Caracas Company) early in the 18th century.^{124, 125}

From the 1620s through the next two hundred years, Venezuela's main export was cocoa. Large numbers of Spaniards immigrated to the country to make their fortunes in farming. Over 121,000 African slaves were brought to work Venezuela's plantations.¹²⁶ The resulting plantation economy created a strict hierarchical system. At the top were the *peninsulares* (Spanish-born whites). *Criollos*, or *creoles* (South-American born children of Spanish heritage), were next. The third tier was occupied by white Canary Island laborers. Next came the *pardos*, a racially mixed people who made up nearly half of the population. African slaves, 20% of the population, came

¹¹⁸ Richard A. Haggerty, ed., "History: Spanish Colonial Life," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/3.htm>

¹¹⁹ Richard A. Haggerty, ed., "History: Spanish Colonial Life," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/3.htm>

¹²⁰ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 25–26.

¹²¹ *Encyclopædia Britannica Online*, "Viceroyalty of New Granada," 2011, <http://www.britannica.com/EBchecked/topic/411531/Viceroyalty-of-New-Granada>

¹²² Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 25–26.

¹²³ Richard A. Haggerty, ed., "History: Spanish Colonial Life," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/3.htm>

¹²⁴ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹²⁵ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 25–26.

¹²⁶ James Mahoney, *Colonialism and Postcolonial Development: Spanish America in Comparative Perspective* (New York: Cambridge University Press, 2010), 137.

next, followed on the bottom by the indigenous Indians, who accounted for less than 10% of the total population.^{127, 128}

The Caracas Company, tied to the cocoa trade, generated much resentment because of low worker wages, high prices charged for imports, and low prices paid for goods. Dissatisfaction culminated in a failed revolt in 1749 that foreshadowed the company's downfall in the 1780s.^{129, 130, 131}

Independence

Toward the end of the 18th century, Venezuelans became increasingly disenchanted with their Spanish rulers. Wealthy Venezuelans were angered that their wealth did not give them corresponding degrees of political power. These wealthy criollos, along with the poor and indigenous population, forged a movement leading to a declaration of independence in 1797.^{132, 133, 134} In 1806, Francisco de Miranda brought a group of mercenaries from New York to Coro to aid in the independence struggle. The expedition failed, and Miranda was forced into exile in London. The Spanish suppressed the initial insurrection, but it could not halt the movement indefinitely.^{135, 136, 137}



In 1808, Napoleon Bonaparte invaded Spain, instigating Venezuela's final break with its colonial rulers.¹³⁸ The Caracas *cabildo* (city council) refused to recognize Bonaparte's authority, and on 19 April 1810 ousted the Spanish colonial governor and declared itself to be a governing junta. On 5 July 1811, Venezuela formally declared its independence from Spain. Miranda returned from his London exile to command the army and assumed the role of dictator

¹²⁷ Richard A. Haggerty, ed., "History: Spanish Colonial Life," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/3.htm>

¹²⁸ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹²⁹ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 25–26.

¹³⁰ Richard A. Haggerty, ed., "History: Spanish Colonial Life," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/3.htm>

¹³¹ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹³² Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 3.

¹³³ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 26.

¹³⁴ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹³⁵ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹³⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 26.

¹³⁷ Richard A. Haggerty, ed., "History: The Epic of Independence," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/4.htm>

¹³⁸ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 3.

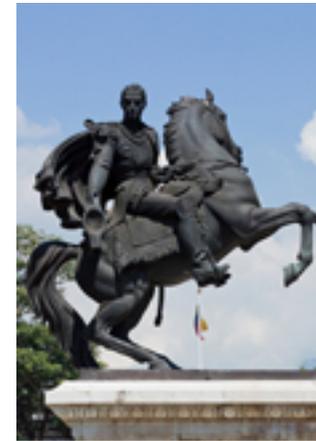
of the First Republic of Venezuela. Underlying the First Republic's failure was the refusal of the *cabildos* of Coro, Maracaibo, and Guayana to accept independence. Further hampering success was the *pardos*' resistance to governance by the criollo elites. The final straw came when an earthquake devastated many of the insurgent strongholds, leaving royalist commands unscathed. Fearing that Spanish forces would defeat the fledgling nation, Miranda signed an armistice with Spain in 1812. This so incensed the Venezuelans that they turned Miranda over to the Spanish, who imprisoned him in Cadiz, Spain, where he died in 1816.^{139, 140, 141, 142}

Simón Bolívar

Known as the Liberator, Simón Bolívar was born in Caracas in 1783. Born into a wealthy criollo family, Bolívar was educated in Venezuela and Europe. In 1801 he returned to Venezuela, only to return to Spain three years later. In Spain, he embraced the concept of an independent Hispanic America and vowed to free his nation. A year after his return to Venezuela in 1807, the independence movement began.¹⁴³

In 1810, when Bolívar went to England to secure help for the revolution, he persuaded Miranda to return to Venezuela from his London exile. Bolívar joined the army and, following Miranda's armistice with Spain in 1812, fled to Cartagena, Colombia (then New Granada). There he published his Cartagena Manifesto, calling for a united revolutionary effort to end Spanish rule in America.^{144, 145}

Bolívar led rebel forces into Venezuela in 1813 and defeated the royalists. He became dictator of the Second Republic of Venezuela. He was defeated by royalists within a year, ending the short-lived Second Republic. In 1817, Bolívar set up camp in the Orinoco region. During this time, the country was referred to as the Third Republic of Venezuela. Bolívar built a fighting force that would eventually defeat the royalists.¹⁴⁶



© César González
Simón Bolívar

¹³⁹ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 26.

¹⁴⁰ Richard A. Haggerty, ed., "History: The Epic of Independence," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/4.htm>

¹⁴¹ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 3.

¹⁴² *Encyclopædia Britannica Online*, "Francisco de Miranda," 2011, <http://www.britannica.com/EBchecked/topic/384920/Francisco-de-Miranda>

¹⁴³ *Encyclopædia Britannica Online*, "Simón Bolívar," 2011, <http://www.britannica.com/EBchecked/topic/72067/Simon-Bolivar>

¹⁴⁴ *Encyclopædia Britannica Online*, "Simón Bolívar," 2011, <http://www.britannica.com/EBchecked/topic/72067/Simon-Bolivar>

¹⁴⁵ Richard A. Haggerty, ed., "History: The Epic of Independence," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/4.htm>

¹⁴⁶ *Encyclopædia Britannica Online*, "Simón Bolívar," 2011, <http://www.britannica.com/EBchecked/topic/72067/Simon-Bolivar>

In 1819, Bolívar's vision of a united continent was partially realized when he proclaimed Gran Colombia, a federation of Colombia, Panama, Venezuela, and Ecuador.¹⁴⁷ In 1821, when Bolívar's forces defeated Spanish troops in a decisive battle, Venezuelan independence was assured and Bolívar established Gran Colombia, becoming its first president.^{148, 149} The fight for independence had come at a considerable cost to Venezuelans, who had lost approximately a third of their population in the conflict.^{150, 151, 152}

Venezuela remained a reluctant partner in Gran Colombia until 1829. In 1830, the nation seceded from Gran Colombia and declared itself an independent republic.¹⁵³

Boundary Dispute

With independence secured, Venezuela faced another international intrusion. The Netherlands had ceded the territory of British Guiana (modern-day Guyana) to Great Britain in 1814. The western boundary of Guyana remained undefined in the treaty, so the British commissioned Robert Schomburgk to draw the definitive line. The Venezuelans claimed that the line should be drawn according to the boundaries at the time of its independence from Spain. This meant that Venezuela would effectively control over two-thirds of the territory of British Guiana.¹⁵⁴



© Kimdime / Wikipedia.org
Robert Schomburgk

The discovery of gold prompted the British to move west across the Schomburgk Line into Venezuelan territory. In 1876, Venezuela officially terminated relations with Great Britain; using the Monroe Doctrine as justification, Venezuela then appealed to the United States to intervene on Venezuela's behalf. The United States called for a boundary commission to settle the dispute. In 1899, the commission decided that the Schomburgk Line officially marked the boundary between British Guiana and Venezuela. In apparent resolution of the issue, Venezuela reluctantly ratified the decision in 1905.^{155, 156}

¹⁴⁷ Richard A. Haggerty, ed., "History: The Epic of Independence," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/4.htm>

¹⁴⁸ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 27.

¹⁴⁹ *Encyclopædia Britannica Online*, "Simón Bolívar," 2011, <http://www.britannica.com/EBchecked/topic/72067/Simon-Bolivar>

¹⁵⁰ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 26.

¹⁵¹ Richard A. Haggerty, ed., "History: The Epic of Independence," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/4.htm>

¹⁵² Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 3.

¹⁵³ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 3.

¹⁵⁴ U.S. Department of State, "Venezuela Boundary Dispute," n.d., http://future.state.gov/when/timeline/1866_timeline/venezuela.html

¹⁵⁵ U.S. Department of State, "Venezuela Boundary Dispute," n.d., http://future.state.gov/when/timeline/1866_timeline/venezuela.html

¹⁵⁶ Tim Merrill, ed., "History: Border Dispute with Venezuela," in *Guyana: A Country Study*, Federal Research Division, Library of Congress, 1992, <http://countrystudies.us/guyana/8.htm>

But more than 50 years later, Venezuela once again raised the issue of its territorial claims in British Guiana.¹⁵⁷ Venezuela still claims all areas west of the Essequibo River in Guyana.¹⁵⁸ The governments of both countries have expressed a desire to resolve the ongoing issue.^{159, 160}

The Caudillos (1830–1935)

The revolution had created a new class, the *caudillos* (leaders), who emerged because of military favors granted to them by the new nation.¹⁶¹ When Venezuela became a republic in 1830, José Antonio Páez was elected president. He used the profits from the lucrative coffee industry to build the nation's infrastructure. But when prices plummeted, the governing elite broke into two factions, Páez's Conservatives and the Liberals.¹⁶² Voted out of office in 1835, Páez was reelected in 1839.¹⁶³ José Tadeo Monagas, a Conservative who was selected president in 1846, quickly removed Conservatives from power and shifted allegiance to the Liberals. Incensed, Páez mounted a coup against Monagas in 1848, but was forced into exile when the coup failed. Monagas or his brother remained in the presidency until 1858, when another coup overthrew the government.^{164, 165}



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José Antonio Páez

Twelve years of on-and-off civil war followed; this period included a power struggle, known as the Federal War, between 1858–1863. The Liberals eventually emerged victorious, naming General Juan C. Falcón their president. Falcón's lack of leadership led to an epic failure of federalism. The central government did not re-exert control until 1870 when Antonio Guzmán Blanco became dictator. He ruled intermittently, along with other military leaders, for 18 years until his government was overthrown in 1888. Joaquín Crespo then

¹⁵⁷ Tim Merrill, ed., "History: Border Dispute with Venezuela," in *Guyana: A Country Study*, Federal Research Division, Library of Congress, 1992, <http://countrystudies.us/guyana/8.htm>

¹⁵⁸ Central Intelligence Agency, "Venezuela: Transnational Issues," in *The World Factbook*, 14 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

¹⁵⁹ National Weekly, "Guyana, Venezuela Want to Resolve Border Dispute," 7 October 2011, <http://www.cnweeklynews.com/news/caribbean-news/2995-guyana-venezuela-want-to-resolve-border-dispute>

¹⁶⁰ *El Universal*, "Chávez: Venezuela-Guyana Dispute Handled at the Highest Level," 29 September 2011, <http://www.eluniversal.com/nacional-y-politica/110929/chavez-venezuela-guyana-dispute-handled-at-the-highest-level>

¹⁶¹ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 54.

¹⁶² Richard A. Haggerty, ed., "History: The Century of Caudillismo," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/5.htm>

¹⁶³ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁶⁴ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁶⁵ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 28–29.

became dictator until he was ousted in 1899 by General Cipriano Castro, who ruled for 9 years.^{166, 167, 168, 169}

In 1908, Castro was overthrown by his chief military aid, Juan Vicente Gómez. Gómez held absolute authority until 1935. Under his rule, thousands of opposition members were imprisoned, tortured or starved to death. Yet the economy prospered under his rule, expanding even more with the discovery of oil. During this time, the Venezuelan middle class began to grow.¹⁷⁰

Several attempts to overthrow the Gómez government were met with swift and brutal retaliation. Many who found their way into exile would one day return as leaders of modern Venezuela. Gómez ruled until his death in 1935, ending more than 100 years of dictatorship and violent coups.^{171, 172, 173}

20th and 21st Centuries

The Transition to Democracy

Upon the death of Gómez, General Eleazar López Contreras was selected by Congress to a 5-year term. He loosened the autocratic controls over the country by releasing political prisoners and allowing some freedom of expression. Many of those who had been exiled in the 1920s and 1930s returned to form political organizations. But in 1936, a general strike prompted brutal repression, suspension of freedom of association, the restriction of labor unions, and the prohibition of opposition parties.^{174, 175}



© Guillermo Ramos Flamerich
Eleazar López Contreras

In 1941, Congress selected Isaías Medina Angarita to office. Medina

¹⁶⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 28–29.

¹⁶⁷ Richard A. Haggerty, ed., “History: The Century of Caudillismo,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/5.htm>

¹⁶⁸ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 54–58.

¹⁶⁹ *Encyclopædia Britannica Online*, “Venezuela: History,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁷⁰ Richard A. Haggerty, ed., “History: The Century of Caudillismo,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/5.htm>

¹⁷¹ Richard A. Haggerty, ed., “History: The Century of Caudillismo,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/5.htm>

¹⁷² Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 28–29.

¹⁷³ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 54–58.

¹⁷⁴ Richard A. Haggerty, ed., “History: The Transition to Democratic Rule,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/6.htm>

¹⁷⁵ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 62.

extended the López reforms, including legalizing of the Communist Party, improving social security, and allowing trade unions.^{176, 177, 178} In World War II Venezuela supported the Allies, causing demand for its oil to soar.¹⁷⁹ This gave Venezuela the much needed money to expand its infrastructure, building hospitals and schools at previously unknown levels. The middle class expanded, and people moved to the cities in unprecedented numbers.¹⁸⁰ Yet discontent existed, and when Medina tried to appoint his successor in 1945, the military and civilian opposition leader, Rómulo Betancourt, launched a successful coup, which led to control until July 1947. In February 1948, Rómulo Gallegos was elected president.^{181, 182}

Gallegos promptly initiated a series of democratic reforms and political freedoms. These actions so angered the nation's Conservatives that his government was overthrown via military coup in November 1948. Both Gallegos and Betancourt went into exile.^{183, 184, 185}

Between 1950–1957, Marcos Pérez Jiménez headed one of the most repressive regimes in the nation's history. He outlawed political activities, closed universities, severely curtailed freedom of the press, and destroyed the labor movements. When oil revenues decreased, Pérez was forced from office in 1958. A civilian-military junta presided for a year. Rómulo Betancourt, returned from exile, was again elected to the presidency.^{186, 187}

Period of Stability

Steering a moderate course for the nation, Betancourt banned the Communist Party and helped found the Organization of the Petroleum Exporting Countries (OPEC). He worked with opposing parties to improve the social conditions of average Venezuelans in areas such as housing, health, and education. Between 1964–1983, Venezuela elected five different presidents. Despite this

¹⁷⁶ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 62.

¹⁷⁷ Richard A. Haggerty, ed., "History: The Transition to Democratic Rule," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/6.htm>

¹⁷⁸ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁷⁹ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁸⁰ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 7.

¹⁸¹ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁸² Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 62–63.

¹⁸³ *Encyclopædia Britannica Online*, "Rómulo Betancourt," 2011, <http://www.britannica.com/EBchecked/topic/63342/Romulo-Betancourt>

¹⁸⁴ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 30–31.

¹⁸⁵ Richard A. Haggerty, ed., "History: The Transition to Democratic Rule," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/6.htm>

¹⁸⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 32–33.

¹⁸⁷ *Encyclopædia Britannica Online*, "Rómulo Betancourt," 2011, <http://www.britannica.com/EBchecked/topic/63342/Romulo-Betancourt>

turnover, the nation enjoyed a certain amount of stability unprecedented in its turbulent political history.^{188, 189}

Economic Difficulties

In 1988, former President Carlos Andrés Pérez was reelected and began a series of measures designed to strengthen the Venezuelan economy. Popular criticism erupted in national strikes and demonstrations. The Bolívar Revolutionary Movement waged two unsuccessful coups, but the president was nevertheless forced from office on charges of corruption in 1993. Under the next two presidents, the economy continued to founder and the International Monetary Fund (IMF) agreed to step in. The IMF policies exacerbated widespread unemployment and rampant inflation.^{190, 191, 192}



© Robot3 / Wikipedia.org
Carlos Andrés Pérez

Hugo Chávez and the Bolivarian Republic of Venezuela

The nation chose Hugo Chávez as its president in 1998. He immediately renamed the nation the Bolivarian Republic of Venezuela.¹⁹³ Committed to eliminating corruption and improving the condition of Venezuela's poor, Chávez formed a committee charged with rewriting the national Constitution. Although he was initially popular with the people for his economic reforms, his agenda came to be seen as increasingly radical and his authoritarian style drew enemies.^{194, 195}



© Hugo Chávez
Hugo Chávez

Violent protests against Chávez erupted, and in 2002 nearly one million people marched on the capital to demand his resignation. Chávez's troops engaged the marchers, and the violence left dead and wounded on both sides. A military revolt followed, and Chávez was taken into custody. Newly installed President Pedro Carmona immediately suspended the Constitution and most of the nation's democratic institutions. Fearing

¹⁸⁸ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 65–69.

¹⁸⁹ Richard A. Haggerty, ed., "History: The Triumph of Democracy," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/7.htm>

¹⁹⁰ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 33.

¹⁹¹ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

¹⁹² Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 69–72.

¹⁹³ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 34.

¹⁹⁴ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 34.

¹⁹⁵ *Encyclopædia Britannica Online*, "Hugo Chávez," 2011, <http://www.britannica.com/EBchecked/topic/108140/Hugo-Chavez>

that Carmona was too right wing, the military withdrew its support and recognized Chávez's vice-president, Diosdado Cabello Rondón, as the legitimate successor. After Cabello was sworn into office, he immediately pardoned Chávez and restored him to the presidency.^{196, 197, 198}

Chávez faced a recall election in 2004 and prevailed. He was reelected in 2006 to a third term. He became increasingly vehement in his anti-American stance and nationalized key industries, including telecommunications and oil. A new package of constitutional provisions, including one that would allow him to be reelected indefinitely, handed Chávez his first election defeat in 2007, as voters narrowly rejected the changes.¹⁹⁹

But in 2009 constitutional changes were approved, including the abolishment of term limits on elected officials, which paved the way for indefinite rule by Chávez. The government, riding the crest of its popular victory, became more authoritarian and stifled dissent, arrested political opponents, and closed dozens of radio stations.^{200, 201, 202}

Chávez and Cancer

In 2011, President Chávez went to Cuba to obtain surgery related to his cancer. He has made return trips to Cuba to receive treatment, including chemotherapy.^{203, 204} Some Venezuelans see this as an opportunity to depose the ailing president.²⁰⁵ Chávez's absence from Venezuelan politics would leave a serious power vacuum. There is no apparent successor who would be widely embraced by the population.^{206, 207} A



© Hugo Chávez
Chávez in Cuba

¹⁹⁶ *Encyclopædia Britannica Online*, "Hugo Chávez," 2011, <http://www.britannica.com/EBchecked/topic/108140/Hugo-Chavez>

¹⁹⁷ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 34.

¹⁹⁸ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 74.

¹⁹⁹ *Encyclopædia Britannica Online*, "Hugo Chávez," 2011, <http://www.britannica.com/EBchecked/topic/108140/Hugo-Chavez>

²⁰⁰ *Encyclopædia Britannica Online*, "Hugo Chávez," 2011, <http://www.britannica.com/EBchecked/topic/108140/Hugo-Chavez>

²⁰¹ *Encyclopædia Britannica Online*, "Venezuela: History," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela>

²⁰² Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 8–10, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²⁰³ *Encyclopædia Britannica Online*, "Hugo Chávez," 2011, <http://www.britannica.com/EBchecked/topic/108140/Hugo-Chavez>

²⁰⁴ Jon Lee Anderson, "Chávez, Cancer, and Cuba," *New Yorker*, 18 July 2011, <http://www.newyorker.com/online/blogs/newsdesk/2011/07/chavez-cancer-and-cuba.html>

²⁰⁵ Reuters, "Chávez Cancer Diagnosis Divides Venezuelans," *Guardian*, 1 July 2011, <http://www.guardian.co.uk/world/2011/jul/01/chavez-cancer-diagnosis-venezuelans>

²⁰⁶ José de Córdoba, "Reports of Chávez's Illness Cloud Campaign," *Wall Street Journal*, 19 November 2011, http://online.wsj.com/article/SB10001424052970204517204577046464037810838.html?mod=googlenews_wsj

post-Chávez Venezuela faces an uncertain future. Some speculate that the nation will deteriorate into a state of civil war. Others suggest that, with a deeply divided government, Venezuela will barely function.^{208, 209, 210}

In the meantime, amid the speculation about his health, Chávez continues to rule. His efforts appear focused on strengthening his movement and winning over support from voters who have defected from his party in recent years.²¹¹ Even if his claims to have been cured prove true, it is not clear that Chávez can win the next scheduled elections in 2012.^{212, 213}

²⁰⁷ Mark Falcoff, “After Chávez,” National Review Online, 29 June 2011, <http://www.nationalreview.com/articles/270732/after-ch-vez-mark-falcoff?pg=2>

²⁰⁸ Mark Falcoff, “After Chávez,” National Review Online, 29 June 2011, <http://www.nationalreview.com/articles/270732/after-ch-vez-mark-falcoff?pg=3>

²⁰⁹ Stratfor, “Prospects for a Post-Chávez Venezuela,” 5 July 2011.

²¹⁰ Mark P. Sullivan, “Venezuela: Issues for Congress” (Congressional Research Service Report, 27 June 2011), 10–12, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²¹¹ Socorro Ramirez, “Venezuela Without Chávez?” 9 September 2011, Project Syndicate, <http://www.project-syndicate.org/commentary/ramirez1/English>

²¹² Andrew Cawthorne, “Chavez Says Foes Would Harm Slums, See Off Cubans,” Reuters, 6 November 2011, <http://www.reuters.com/article/2011/11/06/us-venezuela-chavez-idUSTRE7A51VA20111106>

²¹³ Ryan Berger and Guillermo Zubillaga, “Venezuela Update: Electoral Prospects for 2012,” Americas Society, Council of the Americas, 27 October 2011, <http://www.as-coa.org/article.php?id=3741>

Chapter 2 Assessment

1. During the period of conquest in the 1500s, Venezuela was governed solely by the Spanish.
False
In 1528, Spain granted a consortium of German bankers the right to exploit the area's resources. Western Venezuela was governed by a series of Germans until 1556.
2. A major factor in Venezuela's decision to declare its independence was Bonaparte's invasion of Spain.
True
In 1808, the city council of Caracas reacted negatively when Bonaparte invaded Spain. Refusing to recognize Bonaparte's authority, the council ousted the Spanish colonial governor in 1810 and declared itself to be a governing junta.
3. Simón Bolívar liberated Venezuela from Spain.
True
In 1821 Bolívar, known as the Liberator, defeated Spanish forces in a decisive battle, an event that assured the independence of Venezuela.
4. The *caudillos* were former military personnel who became dictators in the middle of the 19th century.
False
The revolution had created a new class, the *caudillos*, who emerged because of military favors granted to them by the new nation. These powerful leaders were both civilian and military.
5. Hugo Chávez has consistently been a popular president.
False
Although Chávez was welcomed as a reformer, his policies came to be seen as too extreme. He was deposed by a military coup in 2002 following mass protests, but returned to office a day later.

CHAPTER 3: ECONOMY

Introduction

Venezuela has the largest proven oil reserves in the world, and since the election of Hugo Chávez in 1998, oil has been the mainstay of the Venezuelan economy.^{214, 215} More than half of the government's fiscal revenues and nearly all of its export earnings are directly tied to petroleum.^{216, 217} The economy flourished when prices were high, but with the world 2008 financial crisis and the drop in oil prices, the economy foundered.²¹⁸ Between 2008–2010, yearly inflation levels averaged 27% or higher battered the nation.^{219, 220} Nationalization has become a clear economic strategy for the government, which continues to take control of foreign and domestic enterprises. The result has been a severe decline in private investment and slow growth in the manufacturing sector.^{221, 222, 223}



© HurricaneHubert / flickr.com
Oil Rig in the 1940s

Oil is not the nation's only resource. Venezuela has a significant number of natural resources, although it has failed to exploit them primarily because of a poor transportation and communications infrastructure.²²⁴ The government is trying to restructure the tiny agricultural sector. The fastest-growing sectors of the

²¹⁴ *Correo del Orinoco International*, "OPEC: Venezuela Has World's Largest Oil Reserves," 22 July 2011, 3, <http://www.correodelorinoco.gob.ve/wp-content/uploads/2011/07/COI73.pdf>

²¹⁵ Cesar J. Alvarez and Stephanie Hanson, "Venezuela's Oil-Based Economy," Council on Foreign Relations, 9 February 2009, <http://www.cfr.org/economics/venezuelas-oil-based-economy/p12089>

²¹⁶ Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm#econ>

²¹⁷ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 12–13, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²¹⁸ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 12–13, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²¹⁹ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 13, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²²⁰ Daniel Cancel and Charlie Devereux, "Venezuela's Inflation Rate Rises at Fastest Pace in 7 Months," Bloomberg Businessweek, 4 November 2011, <http://www.businessweek.com/news/2011-11-04/venezuela-s-inflation-rate-rises-at-fastest-pace-in-7-months.html>

²²¹ Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm#econ>

²²² Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 15–16, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²²³ Economy Watch, "Venezuela Economic Structure," 9 April 2009, http://www.economywatch.com/world_economy/venezuela/structure-of-economy.html

²²⁴ Economy Watch, "Venezuela Economy," 30 March 2010, http://www.economywatch.com/world_economy/venezuela/

economy are unrelated to petroleum. Venezuela's ability to navigate and manage fluctuations in oil prices and stabilize its economy depends on continued diversification.²²⁵

Agriculture

Before the discovery of oil in the early 20th century, agriculture accounted for 50% of GDP (gross domestic product); currently it accounts for 3.9% and employs only 13% of the population.^{226, 227, 228} Most agricultural income is derived from cattle ranching or sheep farming in the *llanos* (plains) region of the Orinoco River Valley.



When Chávez took office in 1999, between 75–80% of the agricultural land was in the hands of about 5% of the people. Land reforms have recently put many of these lands, called *latifundios*, back into production under the control of small farmers or cooperatives.²²⁹ Although food production has improved, farmers are still able to meet only about a third of the nation's food needs.^{230, 231, 232} The government continues to invest large sums of money in programs designed to meet all the nation's domestic food needs in the near future.^{233, 234}

Land reform has come with an unintended cost. Original landowners resent redistribution plans; consequently, more than 200 rural leaders have been murdered in the last few years. Kidnappings, torture, and other crimes against those trying to enact the reforms continue. Speculation suggests

²²⁵ Keven Dickey, "Hugo Chávez and the Future of Venezuela," Council on Hemispheric Affairs, 4 December 2011, <http://www.coha.org/hugo-chavez-and-the-future-of-venezuela/>

²²⁶ Raul R. Vera, "Republica Bolivariana de Venezuela" (profile for the Food and Agriculture Organization of the UN, May 2006), <http://www.fao.org/ag/AGP/AGPC/doc/Counprof/Venezuela/venezuela.htm>

²²⁷ Central Intelligence Agency, "Venezuela: Economy," in *The World Factbook*, 29 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

²²⁸ *Encyclopædia Britannica Online*, "Venezuela: Agriculture, Fishing, and Forestry," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela/32722/Resources>

²²⁹ Adam Kott and David Rosenblum Felson, "Chávez and Morales Force Sweeping Land Reform Measures," *Cutting Edge*, 5 May 2009, <http://www.thecuttingedgenews.com/index.php?article=11296&pageid=13&pagename=Analysis>

²³⁰ Christina Schiavoni and William Camacaro, "The Venezuelan Effort to Build a New Food and Agriculture System," *Monthly Review* 61, no. 3 (July–August 2009), <http://monthlyreview.org/2009/07/01/the-venezuelan-effort-to-build-a-new-food-and-agriculture-system>

²³¹ Economy Watch, "Venezuela Industry Sectors," 9 April 2010, http://www.economywatch.com/world_economy/venezuela/industry-sector-industries.html

²³² Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm#econ>

²³³ Adam Kott and David Rosenblum Felson, "Chávez and Morales Force Sweeping Land Reform Measures," *Cutting Edge*, 5 May 2009, <http://www.thecuttingedgenews.com/index.php?article=11296&pageid=13&pagename=Analysis>

²³⁴ Venezuela Analysis, "Transforming Food Production Through Agropatria and Mission AgroVenezuela," *Correo del Orinoco International*, 24 October 2011, <http://venezuelanalysis.com/analysis/6578>

that owners whose land is about to be redistributed hire gunmen to try to intimidate small farmers and peasants.^{235, 236, 237}

Industry

The industrial sector accounts for about 36% of GDP and employs 23% of the workforce.²³⁸ The driving industrial force is oil, which accounts for 30% of GDP, about 90% of exports, and half of all government revenues.²³⁹ The state-run PDVSA (Petróleos de Venezuela, S.A.) controls every aspect of the oil sector, including exploration, production, and export. Although Venezuela has attempted to reduce its dependence on oil through economic diversification, little has changed.



The strength of the economy depends on the petroleum industry, and the industry's strength is largely dependent on the United States, which receives nearly 60% of Venezuela's oil exports. To reduce dependence on the United States, Venezuela has initiated economic ventures with countries in the region to build commercial ties and to create additional oil markets.^{240, 241}

Aside from oil, the country exports steel, aluminum, and textiles. The most important domestic products include cement, tires, paper, and fertilizer. Numerous industries have been nationalized, including oil, cement, steel, chemical, construction, and gold. Threats of further nationalizations have stifled investments in the private sector.^{242, 243} Problems with available and reliable

²³⁵ Adam Kott and David Rosenblum Felson, "Chávez and Morales Force Sweeping Land Reform Measures," *Cutting Edge*, 5 May 2009, <http://www.thecuttingedgenews.com/index.php?article=11296&pageid=13&pagename=Analysis>

²³⁶ Edward Ellis, "Murder of the Campesinos," *Guardian*, 2 October 2011, <http://www.guardian.co.uk/commentisfree/2011/oct/02/venezuela-land-rights-chavez-farmers>

²³⁷ Federico Fuentes, "Venezuela: Rural Killers Enjoy Impunity," *Green Left*, 22 May 2011, <http://www.greenleft.org.au/node/47646>

²³⁸ Central Intelligence Agency, "Venezuela: Economy," in *The World Factbook*, 29 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

²³⁹ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 12, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²⁴⁰ Cesar J. Alvarez and Stephanie Hanson, "Venezuela's Oil-Based Economy," Council on Foreign Relations, 9 February 2009, <http://www.cfr.org/economics/venezuelas-oil-based-economy/p12089>

²⁴¹ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 16–17, 27, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²⁴² Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm#econ>

²⁴³ Nathan Crooks and Corina Rodriguez Pons, "Chavez Preparing Government Takeover of Venezuela's Gold Mining Industry," *Bloomberg*, 17 August 2011, <http://www.bloomberg.com/news/2011-08-17/chavez-preparing-government-takeover-of-venezuela-s-gold-mining-industry.html>

electricity plague manufacturing. Power cuts and rationing have curtailed performance and may lead to increased prices for goods.^{244, 245}

Natural Resources

Other than oil, Venezuela has a wealth of natural resources, including coal, iron ore, and bauxite. Undeveloped gold deposits are estimated to be among the world's richest, and diamonds have been discovered in the Guyana Highlands region. Nickel, phosphates, copper, zinc, and other minerals are present in significant amounts. Additionally, surveys suggest the presence of uranium.^{246, 247, 248}

The Chinese have recently been active in investing in Venezuela's natural resources. In addition to oil, the Chinese have expressed an interest in building and investing in mining and resource development.²⁴⁹ A possible threat to new foreign investment in the mining sector is President Chávez's recent decision to nationalize gold mines and related activities.²⁵⁰



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Mining in Gran Sabana

Trade

Because of its huge oil reserves, Venezuela usually has a trade surplus. Oil accounts for about 90% of national exports and 50% of government revenues. The United States is Venezuela's most significant trading partner, absorbing approximately 51% of its total exports, including about 60% of its oil exports, and supplying about 28% of Venezuela's imports.^{251, 252} In addition to oil, major exports include bauxite and aluminum, minerals, chemicals, agricultural products,

²⁴⁴ *El Universal*, "Power Deficit Hits Venezuelan Industrial Sector," 15 April 2011, <http://www.eluniversal.com/2011/04/15/power-deficit-hits-venezuelan-industrial-sector.shtml>

²⁴⁵ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 15, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²⁴⁶ Peter Koven, "Venezuela's Chavez to Nationalize Gold Sector," *Financial Post*, 17 August 2011, <http://business.financialpost.com/2011/08/17/venezuela%E2%80%99s-chavez-to-nationalize-gold-sector/>

²⁴⁷ *Encyclopædia Britannica Online*, "Venezuela: Resources," 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela/32722/Resources>

²⁴⁸ Richard A. Haggerty, ed., "The Economy: Industry: Mining," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/32.htm>

²⁴⁹ Julio Urdaneta, "China Targets Venezuela's Natural Resources," 1 June 2010, InfoSurHoy (sponsored by the U.S. Southern Command), http://infosurhoy.com/cocoon/saii/xhtml/en_GB/features/saii/features/main/2010/01/06/feature-01

²⁵⁰ Dorothy Kosich, "President Chavez Signs Decree Nationalizing Venezuelan Gold Mining Sector," *Mineweb*, 24 August 2011, <http://www.mineweb.com/mineweb/view/mineweb/en/page72068?oid=134062&sn=Detail>

²⁵¹ Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm#econ>

²⁵² Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 16–17, <http://www.fas.org/sgp/crs/row/R40938.pdf>

and basic manufactured goods.²⁵³ The country's main export partners, after the United States, are China, the EU, India, and Cuba.²⁵⁴

Venezuela's major imports include agricultural products, raw materials, machinery and equipment, transport equipment, and construction materials. Its primary import partners are the United States, the EU, Colombia, Brazil, and China.^{255, 256, 257}

Tourism

Although Venezuela has a number of World Heritage natural sites, beautiful beaches, mountains, and wildlife, the nation has relatively few visitors.^{258, 259} To reduce reliance on oil and to diversify the economy, the government is promoting development of the tourism industry.^{260, 261} In order to build a stronger tourism infrastructure and attract more international tourists, President Chávez formed the Ministry of Tourism in 2005. Since that time, improvements in hotel quality and reliability have been implemented, and the establishment and promotion of "tourist routes" have aided sector development.

Nevertheless, the main purpose for international visits remains evenly divided between business and pleasure.²⁶² In 2009, about 615,000 international tourists arrived. According to the World Tourism Organization, conditions for developing travel and tourism in Venezuela are poor. Concerns about personal safety and security, unfriendly attitudes toward international visitors, poor infrastructure (particularly related to domestic transportation), the low priority placed on travel and tourism, lack of respect for



²⁵³ Central Intelligence Agency, "Venezuela: Economy," in *The World Factbook*, 29 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

²⁵⁴ Trade EC Europa, "Venezuela: EU Bilateral Trade and Trade with the World," 8 June 2011, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113462.pdf

²⁵⁵ Central Intelligence Agency, "Venezuela: Economy," in *The World Factbook*, 29 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

²⁵⁶ Trade EC Europa, "Venezuela: EU Bilateral Trade and Trade with the World," 8 June 2011, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113462.pdf

²⁵⁷ Trading Economics, "Venezuela Balance of Trade," December 2011, <http://www.tradingeconomics.com/venezuela/balance-of-trade>

²⁵⁸ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 46–47.

²⁵⁹ Jennifer Blanke and Thea Chiesa, eds., "The Travel and Tourism Competitiveness Report 2009: Managing in a Time of Turbulence" (report for the World Economic Forum, 2009), 375, https://members.weforum.org/pdf/TTCR09/TTCR09_FullReport.pdf

²⁶⁰ *Correo del Orinoco International*, "Venezuela: Revolution in Tourism and Banking," 10 September 2010, 2, <http://www.correodelorinoco.gob.ve/wp-content/uploads/2010/09/Web-COI28.pdf>

²⁶¹ The Ministry of Tourism established its own travel agency, which offers a number of services and packages for travelers and can be accessed at: <http://www.venetur.gob.ve/>

²⁶² Association of Caribbean States, "Tourism Statistics: Venezuela," 2003–2004, <http://www.acs-aec.org/tourism/Statistics2005/English/Venezuela.pdf>

individual property rights, and an unfriendly policy atmosphere are some of the items justifying the country's low ranking on both the Americas tourism list (24th out of 26 countries) and the world list (104th out of 133 countries).²⁶³

Banking and Finance

The national currency of Venezuela is the Bolivar Fuerte (VEF).²⁶⁴ In 2010, the government announced plans to devalue its currency in an effort to stabilize the economy. The official exchange rate is VEF 4.3/USD 1. A second exchange rate aimed at businesses wishing to access USD is also in place. The SITME (Transaction System for Foreign Currency Denominated Securities) sets the rate of exchange at VEF 5.3/USD 1. The effect of these devaluations has been twofold. First, export-based revenues have increased. Second, there has been a powerful increase on inflationary pressures caused by the higher costs of imported goods. Inflation concerns are very real because Venezuela's inflation rate is already the highest in the region at over 27%.^{265, 266}



The Central Bank of Venezuela was created in 1939. The autonomous bank is headed by a president and 6 directors appointed to 6-year terms by the nation's president. Members must also be approved by a two-thirds majority vote in the national Senate. The bank's role is to preserve the value of the national currency, set and enact monetary policy, and regulate the Venezuelan banking industry.^{267, 268}

The climate in which financial institutions exist is fluid and poses difficulties. The state has made repeated attempts to increase its powers over the banking sector and has aggressively tried to nationalize financial institutions and gain control of the industry. In 2011, only 37 banks and 59 brokerages continued to operate in the nation. In the wake of closures, state-owned banks have assumed a larger role and now hold 35% of the nation's assets while foreign institutions hold 13.2%. New banking regulations permit banks to be nationalized without legislative approval. Banks must now contribute 5% of their profits to community missions for the poor. Consumer access to credit has been severely curtailed by a new law allowing banks to lend no more than 20% of their portfolios to private consumers and limiting the amount of resources banks may

²⁶³ Jennifer Blanke and Thea Chiesa, eds., "The Travel and Tourism Competitiveness Report 2009: Managing in a Time of Turbulence" (report for the World Economic Forum, 2009), xviii, 6–7, 374–75, https://members.weforum.org/pdf/TTCR09/TTCR09_FullReport.pdf

²⁶⁴ XE, "Venezuela, Bolivar Fuerte," 16 December 2011, <http://www.xe.com/currency/vef-venezuelan-bolivar-fuerte>

²⁶⁵ Kejal Vyas and David Luhnow, "Venezuela to Devalue Currency," *Wall Street Journal*, 31 December 2010, <http://online.wsj.com/article/SB10001424052748703909904576052141076137366.html>

²⁶⁶ EDC Canada, "Venezuela: Monetary," August 2011, <http://www.edc.ca/EN/Country-Info/Documents/venezuela.pdf>

²⁶⁷ Banco Central de Venezuela, "Information About the Institution: History of the BCV," n.d., <http://200.74.197.135/englishversion/c3/index.asp?secc=history>

²⁶⁸ Official Gazette of the Bolivarian Republic of Venezuela 5606 Extra, "Law for Partial Amendment of the Law of the Central Bank of Venezuela 2002," 18 October 2002, 5, <http://200.74.197.135/c3/lawbcvreform.pdf>

control. All these regulations are designed to increase government control of the nation's financial sector.²⁶⁹

Standard of Living

When Hugo Chávez came to power in 1999, he promised a “Bolivarian Revolution” that would improve life for all Venezuelans. Huge sums of money were invested in “missions” or government programs designed to eradicate poverty and unemployment and promote educational attainment.²⁷⁰ Thanks largely to oil profits, these social programs and the Chávez agenda have been successful in raising the overall standard of living in terms of life expectancy (74 years), average years of school completed (about 7.6), and per capita income (USD 10,680).^{271, 272, 273, 274}



Living conditions for Venezuelans have improved decidedly. The majority of people have access to healthcare, education, and subsidized food, and overall poverty has fallen by 38%.^{275, 276} Nonetheless, official estimates show that 60% of the nation's households are poor.²⁷⁷

Approximately 10% of the poor live in extreme poverty, a number that expands to 30% in rural areas. The poorest of the rural poor are predominantly indigenous peoples, Afro-Venezuelans, and female heads of households. Persistently high levels of poverty appear to be related to the rampant inflation that is gripping the country.^{278, 279} Venezuela currently has the highest inflation rate in the world.²⁸⁰

²⁶⁹ Economist Intelligence Unit, “Venezuela: Banks,” 4 July 2011, http://www.eiu.com/index.asp?layout=ib3Article&article_id=238374408&pubtypeid=1132462498&country_id=1540000154&page_title=&rf=0

²⁷⁰ Richard Gott, *Hugo Chávez and the Bolivarian Revolution* (New York: Verso Books, 2005), 256.

²⁷¹ UN Development Programme, “Human Development Report 2011, “Bolivarian Republic of Venezuela,” 2011, 2, <http://hdrstats.undp.org/images/explanations/VEN.pdf>

²⁷² Michael Penfold-Becerra, “Clientelism and Social Funds: Empirical Evidence from Chávez’s “Misiones” Programs in Venezuela,” May 2006, 12–22, http://siteresources.worldbank.org/INTDECINEQ/Resources/1149208-1147789289867/IIIWB_Conference_Clientelism_and_Social_FundsREVISED.pdf

²⁷³ UN Development Programme, “Human Development Report 2011, “Bolivarian Republic of Venezuela,” 2011, <http://hdrstats.undp.org/images/explanations/VEN.pdf>

²⁷⁴ Mark P. Sullivan, “Venezuela: Issues for Congress” (Congressional Research Service Report, 27 June 2011), 12, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²⁷⁵ Lee Sustar, “Setback for Chávez: Why Were the Reforms in Venezuela Defeated?” *International Socialist Review* 57, (January–February 2008), <http://www.isreview.org/issues/57/rep-venezuela.shtml>

²⁷⁶ John Otis, “Report Card: 12 Years of Hugo Chavez,” Global Post, 18 July 2011, <http://www.globalpost.com/dispatch/news/regions/americas/venezuela/110715/chavez-poor-social-welfare-re-election>

²⁷⁷ BBC News “Venezuela Country Profile,” 16 July 2011, http://news.bbc.co.uk/2/hi/americas/country_profiles/1229345.stm

²⁷⁸ Rural Poverty Portal, “Rural Poverty in the Bolivarian Republic of Venezuela,” n.d., <http://www.ruralpovertyportal.org/web/guest/country/home/tags/venezuela>

Employment Trends

Unemployment rates averaged around 12% between 1999–2010. At one point in 2003, national unemployment reached 20.7%, but by October 2011 unemployment had dropped to 8.2%.²⁸¹ The young are particularly hard hit. Approximately 20% of those between ages 15–24 are unemployed.²⁸² Venezuela's unemployment remains higher than every other country in the region except for Colombia and Peru.²⁸³ The creation of a million state jobs by the government substantially reduced the overall jobless rate, but nearly half of the population still depends on the informal sector for jobs.^{284, 285, 286}

Prospects in the employment arena, as well as in the overall economy, depend on the price of oil in the global market and the outcome of the 2012 elections. Unemployment forecasts are mixed, with some people predicting that rates will fall slightly and others that they will increase by more than 1%.^{287, 288} According to budget proposals for 2012, the two sectors most likely to see growth are transportation and construction.²⁸⁹

²⁷⁹ These figures are extremely close to the 2011 figures reported by the National Institute of Statistics of Venezuela: 24.1% poor and 9.1% extremely poor. See INE, "Instituto Nacional de Estadística, República Bolivariana de Venezuela," 2011, <http://www.ine.gov.ve/pobreza/menupobreza.asp>

²⁸⁰ *Economist*, "Medieval Policies: Another Step Forward from Hugo Chávez," 20 August 2011, <http://www.economist.com/node/21526365>

²⁸¹ Trading Economics, "Venezuela Unemployment Rate," 2011, <http://www.tradingeconomics.com/venezuela/unemployment-rate>

²⁸² Girish Gupta, "Chavez Announces Full Employment on 2012 Election Victory," Miyanville, 5 May 2011, <http://www.minyanville.com/businessmarkets/articles/chavez-chavez-venezuela-chavez-hugo-oil/5/5/2011/id/34351>

²⁸³ Suhelis Tejero Puentes, "Unemployment in Venezuela Among the Highest in the Region," *El Universal*, 15 June 2011, <http://www.eluniversal.com/2011/06/15/unemployment-in-venezuela-among-the-highest-in-the-region.shtml>

²⁸⁴ John Otis, "Report Card: 12 Years of Hugo Chavez," *Global Post*, 18 July 2011, <http://www.globalpost.com/dispatch/news/regions/americas/venezuela/110715/chavez-poor-social-welfare-reelection>

²⁸⁵ Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm#econ>

²⁸⁶ International Labour Organization, Department of Statistics, "Statistical Update on Employment in the Informal Economy," June 2011, 3, http://laborsta.ilo.org/sti/DATA_FILES/20110610_Informal_Economy.pdf

²⁸⁷ Mercantil, "Monthly Economic Bulletin: Economic Outlook 2011–2012," March 2011, 1, 10, http://www.bancomercantil.com/mercprod/site/tools/info_economica/reportes/ing/mensual/monthly_economic_bulletin_march2011.pdf

²⁸⁸ North and South America CEIC Database Team, "Venezuela: Unemployment Shrinks as Informal Economy Grows," *ISI Emerging Markets Blog*, 7 April, 2011, <http://blog.securities.com/2011/04/venezuela-unemployment-shrinks-informal-economy-grows/>

²⁸⁹ *Correo del Orinoco International*, "Venezuela: 2012 Budget to Stimulate Jobs, Production, and Social Services," 28 October 2011, 5, <http://www.correodelorinoco.gob.ve/wp-content/uploads/2011/10/COI87.pdf>

Public Versus Private Sector

The Chávez government has selectively nationalized industries and assets. Since 2004, the government has nationalized 1,087 companies, including those in the electricity, communications, oil, banking, and gold industries.^{290, 291, 292, 293} The overall performance of nationalized companies has diminished, and many rely on subsidies to continue operations. The effectiveness of the public sector has declined, even though the number of jobs has nearly doubled.²⁹⁴

The private sector, which continues to battle Chávez's plans, complains that uncertainty about nationalizing assets and problems with reimbursements for seizures have created a poor investment climate. Neither domestic nor foreign investors seem poised to take huge financial risks by investing in large projects any time soon.^{295, 296} Nevertheless, in 2009, the private sector accounted for about 70% of GDP compared to 30% for the public sector.²⁹⁷



© Manuel Solo
Powerlines

Outlook

Venezuela's heavy reliance on oil as its economic base makes the nation vulnerable to a number of potential crises. In the short term, the oil sector and its revenues are predicted to expand through 2013. Current patterns of economic and social growth are unsustainable, making the risk of economic crises more probable. Reduced electricity will likely lead to curtailed rates of



© Alejandro Sosa Briceño
Unemployed in Caracas

²⁹⁰ *El Universal*, "Venezuelan Government Seizes 1,087 Companies in Seven Years," 9 December 2011, <http://www.eluniversal.com/economia/111209/venezuelan-government-seizes-1087-companies-in-seven-years>

²⁹¹ Economy Watch, "Venezuela Economy," 30 March 2010, http://www.economywatch.com/world_economy/venezuela/

²⁹² Reuters, "Venezuela's Chavez to Nationalize Gold Sector," *Toronto Sun*, 17 August 2011, <http://www.torontosun.com/2011/08/17/venezuelas-chavez-to-nationalize-gold-sector>

²⁹³ James Suggett, "Chavez Nationalizes Bank of Venezuela on Last Day of Presidential Decree Period," *Venezuela Analysis*, 1 August 2008, <http://venezuelanalysis.com/news/3687>

²⁹⁴ Fox News, "What Socialism? Private Sector Still Dominates Venezuelan Economy Despite Chavez Crusade," Associated Press, 18 July 2010, <http://www.foxnews.com/world/2010/07/18/socialism-private-sector-dominates-venezuelan-economy-despite-chavez-crusade/>

²⁹⁵ Brendon S. Peck, "Hugo's Gold Finger," 28 September 2011, *American Thinker*, http://www.americanthinker.com/2011/09/hugos_gold_finger.html

²⁹⁶ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 15, <http://www.fas.org/sgp/crs/row/R40938.pdf>

²⁹⁷ Fox News, "What Socialism? Private Sector Still Dominates Venezuelan Economy Despite Chavez Crusade," Associated Press, 18 July 2010, <http://www.foxnews.com/world/2010/07/18/socialism-private-sector-dominates-venezuelan-economy-despite-chavez-crusade/>

production and higher prices for goods, problems that threaten to lead the country into a recession. Unemployment is expected to jump from 2011 levels. Inflation is likely to remain high, at least in the short term. Venezuela is predicted to have the highest rates of inflation in Latin America through 2014.^{298, 299}

²⁹⁸ Jane's, "Executive Summary, Venezuela," *Sentinel Security Assessment—South America*, 15 June 2011.

²⁹⁹ Mercantil, "Monthly Economic Bulletin: Economic Outlook 2011–2012," June 2011, http://www.bancomercantil.com/mercprod/site/tools/info_economica/reportes/ing/mensual/monthly_economic_bulletin_june_2011.pdf

Chapter 3 Assessment

1. Venezuela has the largest proven oil reserves in the world.
True
In 2011 OPEC announced that Venezuela had overtaken Saudi Arabia as the nation with the greatest proven oil reserves.
2. About 60% of Venezuela's oil is exported to the United States.
True
The United States, Venezuela's biggest trading partner, receives about 60% of all Venezuelan oil.
3. Chávez's Bolivarian Revolution has been largely unsuccessful in terms of improving life for the poor.
False
Chavez's reformist social policies have been successful in raising life expectancy (74 years), average years of school completed (about 7.6), and per capita income (USD 10,680). The majority of poor people now have access to medical services.
4. Venezuela's inflation rate is among the lowest in South America.
False
Venezuela currently has the highest inflation rate in the world.
5. In Venezuela, the unemployment rate among the total population is 20%.
False
According to October 2011 statistics, the unemployment rate in Venezuela is about 8.2%, making it one of the highest in Latin America.

CHAPTER 4: SOCIETY

Introduction

The Venezuelan people represent a mix of races and cultures, making them respectful and tolerant of differences.^{300, 301} Venezuelans are a proud, open, and friendly people who are full of life. They place great value on friendliness and social relationships. Chatting and building social relations is core to Venezuelans' view of life, an outlook that partially explains their relaxed attitude toward time.^{302, 303} Venezuelan society is family-centered, and family relations are central to life.^{304, 305}



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Photo Exhibit

Ethnic Groups

Venezuela's people are a fusion of the races and tribes that inhabited the land throughout its history. Disease, famine, or enslavement wiped out nearly half of the indigenous tribes within the first century of Spanish colonialism. Spanish intermarriage with the Indians created a mixed race, as did the intermarriage of African slaves with the indigenous population. By the 18th century, the cultures of African blacks and many Indian tribes had disappeared. This mixing of ethnicities created a uniquely Venezuelan identity.³⁰⁶

After 1926, Venezuelans were no longer identified by ethnicity, making it difficult to know the precise ethnic composition of society. Estimates suggest that about two-thirds of the population are mestizos, or people of mixed racial heritage. A significant proportion of these people live in rural areas. Approximately 21% of Venezuelans are of white European ancestry, mostly from Spain, Italy, and Portugal. They are typically clustered in the cities. Blacks represent about

³⁰⁰ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 93.

³⁰¹ Communicaid Group, "Doing Business in Venezuela: Venezuelan Social and Business Culture," 2009, <http://www.communicaid.com/access/pdf/library/culture/doing-business-in/Doing%20Business%20in%20Venezuela.pdf>

³⁰² Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 31.

³⁰³ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 79–81.

³⁰⁴ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 91–92.

³⁰⁵ Communicaid Group, "Doing Business in Venezuela: Venezuelan Social and Business Culture," 2009, <http://www.communicaid.com/access/pdf/library/culture/doing-business-in/Doing%20Business%20in%20Venezuela.pdf>

³⁰⁶ Richard A. Haggerty, ed., "The Society: Ethnic Groups," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/17.htm>

10% of the population and reside primarily along the coast and in the Maracaibo lowlands. The remaining 1% is indigenous Indian.^{307, 308, 309}

The two largest remaining indigenous groups are the Warao and the Wayuu (Guajira) Indians. The Warao live in thatched-roof huts resting on stilts along the Orinoco Delta in the northeast. Their primary means of travel remains the dugout canoe.^{310, 311} The Wayuu are a mostly nomadic people who live in the Maracaibo Basin.³¹² The most well known of all the tribespeople are the Yanomami, who maintain their seminomadic ancestral lifestyle. Living in the Amazon Basin near the Brazilian border, these people are easily recognized by their bowl-shaped haircuts, body painting, bamboo-pierced lips, and lack of clothing.³¹³ Additional indigenous peoples live in relatively isolated areas of the country, avoiding contact with outsiders and sustaining their traditional cultures.³¹⁴



© David Ooms
Wayuu girl

Religion

Catholicism, introduced by the Spanish colonizers, is the official national religion. Although freedom of religion has been constitutionally guaranteed since 1834, 90%–96% of Venezuelans are nominally Catholic. About 2%–5% are Protestant, and the remaining practice other faiths, including Islam, Judaism, and the cult of María Lionza. Traditional indigenous religious practices are common among isolated tribes.^{315, 316, 317}

³⁰⁷ Richard A. Haggerty, ed., “The Society: Ethnic Groups,” in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/17.htm>

³⁰⁸ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 37.

³⁰⁹ Central Intelligence Agency, “Venezuela: People and Society,” in *The World Factbook*, 29 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

³¹⁰ Indian Cultures, “Warao Indians,” 2011, <http://indian-cultures.com/Cultures/warao.html>

³¹¹ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 37–38.

³¹² Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 38.

³¹³ Fundación Cisneros, “Yanomami,” n.d., <http://www.orinoco.org/apg/lopeopleindiv.asp?lang=en&people=yanomami>

³¹⁴ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 38–39.

³¹⁵ *Encyclopædia Britannica Online*, “Venezuela: Religion,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela/219046/Religion>

³¹⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 50.

³¹⁷ Central Intelligence Agency, “Venezuela: People and Society,” in *The World Factbook*, 29 November 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>

Catholicism

Although most Venezuelans are Catholic, few of them attend church regularly, and religion does not play a major role in their daily lives. The Venezuelan brand of Catholicism, which is deeply emotional, is not particularly tied to church doctrine. Nor does Catholicism in Venezuela display the fusion of indigenous practices often seen in other parts of Latin America. Relations between the church and the government were generally amicable until the election of President Hugo Chávez in 1998. Church criticism of the government and its policies led Chávez to declare that the church was conspiring with the United States and the Vatican, and that it was involved in attempts to assassinate him.^{318, 319, 320}



© Ammon Beckstrom
Catholic church at Juan Griego

Protestantism

The Protestant religion reflects a wide variety of denominations, but the only mainstream denominations in Venezuela are the Baptists and the Presbyterians.³²¹ Most Protestants in Venezuela belong to fundamentalist Pentecostal or Evangelical groups, which represent the fastest-growing segment of Protestantism in the country. These groups have invested intensive efforts in missionary outreach throughout the nation. A large part of the missionaries' success is their acceptance and integration of folk beliefs into Protestant beliefs and practices.^{322, 323} President Chávez ordered the largest organization, New Tribes, out of the country in 2005, amid allegations that the group was spying and attempting an imperialist infiltration of the nation.^{324, 325}

The Cult of María Lionza

This religious cult, merging African, indigenous, and Catholic beliefs, began in the early 20th century in Caracas.^{326, 327} In addition to elements of magic, spirit possessions, and ritual

³¹⁸ Richard A. Haggerty, ed., "The Society: Modernization, Social Values, and Religion," in *Venezuela: A Country Study*, Federal Research Division, Library of Congress, 1990, <http://countrystudies.us/venezuela/18.htm>

³¹⁹ Berkley Center for Religion, Peace, and World Affairs, "Venezuela," Georgetown University, n.d., <http://berkeleycenter.georgetown.edu/resources/countries/venezuela>

³²⁰ U.S. Commission on International Religious Freedom, *USCIRF Annual Report 2011—The Commission's Watch List: Venezuela*, Refworld, 28 April 2011, <http://www.unhcr.org/refworld/publisher.USCIRF...4d8e90b52d.0.html>

³²¹ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 39.

³²² Bryan Froehle, "Pentecostals and Evangelicals in Venezuela: Consolidating Gains, Moving in New Directions," in *Power, Politics, and Pentecostals in Latin America*, eds. Edward L. Cleary and Hannah W. Stewart-Gambino (Boulder, CO: Westview Press, 1997), 201–6, http://www.domcentral.org/library/cleary_books/pppla/pppla11.pdf

³²³ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 39.

³²⁴ BBC News, "Chavez Moves Against US Preachers," 12 October 2005, <http://news.bbc.co.uk/2/hi/americas/4336660.stm>

³²⁵ *New Zealand Herald*, "Mission Over for New Tribes," 14 October 2005, http://www.nzherald.co.nz/venezuela/news/article.cfm?l_id=113&objectid=10350190

³²⁶ Elizabeth Gackstetter Nichols and Kimberly J. Morse, *Venezuela* (Santa Barbara, CA: Greenwood/ABC-CLIO, LLC, 2010), 178.

cleansing, the cult involves themes of national identity, ideas about race and gender, and views on social problems. Aspects of the cult are ever present in Venezuelan society. Because of its legalization by President Chávez, its practices are less secretive.³²⁸ The cult's central figure is María Lionza, Venezuela's most celebrated folk heroine, thought to be the daughter of an Indian slave and a Spanish conquistador. She is a goddess of love, fertility, and nature.^{329, 330, 331}

Gender Issues

Venezuela's new constitution, often regarded as one of the most advanced in the world, unequivocally states that women have equal rights and full citizenship. The constitution is the only one in Latin America that recognizes housework as an economic activity, allowing payment of social security benefits to homemakers.^{332, 333, 334} Venezuela has made mixed progress in the fulfillment of these legal guarantees. According to a global gender gap index, since 2006 the country has made strides in improving gender equality in the categories of educational attainment and health and survival. Political empowerment ratings have remained stable, but the nation appears to have lost ground in terms of creating gender parity in economic participation.³³⁵



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Domestic life

Venezuelan society is permeated by a culture of *machismo* and *marianismo*, the Venezuelan ideologies of the proper roles of men and women.^{336, 337} Men are expected to work outside the home and support the family, while women are expected to fulfill the role of homemaker and

³²⁷ Cristina Garcia Rodero, "Culto a Maria Lionza," Magnum Photos, n.d., <http://www.magnumphotos.com/CorexDoc/MAG/CC/SP/PRESS/MariaLionza.pdf>

³²⁸ Kitra Cahana, "The Cult of Maria Lionza," Getty Images Reportage, 2011, <http://www.reportagebygettyimages.com/features/the-cult-of-maria-lionza/>

³²⁹ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 51.

³³⁰ Caribe Insider, "Cult to Maria Lionza," 2011, <http://www.caribeinsider.com/en/cult-maria-lionza>

³³¹ Elizabeth Gackstetter Nichols and Kimberly J. Morse, *Venezuela* (Santa Barbara, CA: Greenwood/ABC-CLIO, LLC, 2010), 178.

³³² European Commission, "Venezuela: Country Strategy Paper 2007–2013," 4 November 2007, 15, http://www.eeas.europa.eu/venezuela/csp/07_13_en.pdf

³³³ Sarah Wagner, "Coloring Venezuela's Gender Debate," *Venezuela Analysis*, 17 June 2005, <http://venezuelanalysis.com/analysis/1199>

³³⁴ Gregory Wilpert, "Venezuela's New Constitution: Women's Rights [6]," *Venezuela Analysis*, 27 August 2003, <http://venezuelanalysis.com/analysis/70>

³³⁵ Ricardo Hausmann, Laura D. Tyson, and Saadia Zahidi, "The Global Gender Gap Report 2011" (report for the World Economic Forum, 2011), 349, http://www3.weforum.org/docs/WEF_GenderGap_Report_2011.pdf

³³⁶ Carolina Acosta-Alzuru, "Fraught with Contradictions: The Production, Depiction, and Consumption of Women in a Venezuelan Telenovela," *Global Media Journal* 2, no. 2 (Spring 2003, article no. 7), <http://lass.calumet.purdue.edu/cca/gmj/sp03/gmj-sp03-acosta-alzuru.htm>

³³⁷ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 48–49.

mother.³³⁸ Because of these expectations, when women do work outside the home they earn, on average, about 30% less than men. Sexual harassment in the workplace is common.³³⁹ All political parties are required to run equal numbers of men and women in elections for legislatures and other deliberative bodies.³⁴⁰ By 2010, more than 17% of parliamentary seats were held by women.³⁴¹

Violence against women, including domestic violence, is illegal. Yet many cases go unreported or unprosecuted. Every 15 minutes a woman is the victim of spousal abuse, and every 10 days a woman in Caracas dies from such abuse.³⁴²

Cuisine

Venezuelan cuisine, known as *cocino criollo*, reflects the tastes of the various groups who have inhabited the area. Influences from Europe, Africa, and the indigenous groups are apparent in a variety of dishes and flavors, which vary according to region. In the coastal areas, fish and seafood are popular. People from the plains region eat beef dishes. Among indigenous groups, yucca, corn, beans, and bananas are dietary staples.^{343, 344}



© Reindertot / flickr.com
Arepa

The most famous Venezuelan dish is the *arepa*. This Venezuelan staple features round cornmeal bread that is split and filled with a mixture of foods, such as eggs, cheeses, meats, and vegetables. It can be grilled, baked, or fried. Other corn-based foods include the *cachapa*, a thick pancake often filled with white cheese, and the *empanada*, a deep-fried corn patty with savory or sweet fillings.^{345, 346}

³³⁸ O. Hugo Benavides, “Venezuela: Gender Role and Status: The Relative Status of Men and Women,” *Countries and Their Cultures*, 2011, <http://www.everyculture.com/To-Z/Venezuela.html>

³³⁹ Bureau of Democracy, Human Rights, and Labor, U.S. Department of State, “2010 Human Rights Report: Venezuela,” 8 April 2010, 54, <http://www.state.gov/g/drl/rls/hrrpt/2010/wha/154523.htm>

³⁴⁰ Sarah Wagner, “Coloring Venezuela’s Gender Debate,” *Venezuela Analysis*, 17 June 2005, <http://venezuelanalysis.com/analysis/1199>

³⁴¹ Mala Htun and Jennifer M. Piscopo, “Presence Without Empowerment? Women in Politics in Latin America and the Caribbean” (paper, Conflict Prevention and Peace Forum, December 2010), 16, http://www.eseo.cl/public/doc/Mala_Htun_and_Jennifer_M._Piscopo-Presence_without_Empowerment_CPPF_Briefing_Paper_Dec_2010_f.pdf

³⁴² Bureau of Democracy, Human Rights, and Labor, U.S. Department of State, “2010 Human Rights Report: Venezuela,” 8 April 2010, 52–54, <http://www.state.gov/g/drl/rls/hrrpt/2010/wha/154523.htm>

³⁴³ South America, “Typical Food: Venezuela,” 2011, <http://www.southamerica.cl/Venezuela/Food.htm>

³⁴⁴ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 52–53.

³⁴⁵ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 41.

³⁴⁶ South America, “Typical Food: Venezuela,” 2011, <http://www.southamerica.cl/Venezuela/Food.htm>

Pabellón criollo is the national dish. Made with shredded beef and spiced with onions, tomatoes, and peppers, it is served over rice and is accompanied by black beans and fried plantains.³⁴⁷ Venezuelans often include salsas made with sweet peppers and cilantro. Tropical fruits are plentiful and accompany meals.^{348, 349}

Traditional Dress

Venezuelans are attentive to fashion and appearance. Western-style clothing, created by local designers, is the most popular attire.^{350, 351} But traditional dress is experiencing something of a rebirth thanks to local celebrities who have been seen wearing traditional styles. The *liqui liqui* is the traditional men's suit. The two-piece suit is usually made of cream-colored cotton or linen. The tight-fitting jacket, which has long sleeves and a Nehru-style collar, is closed at the neck in cuff-link fashion. The trousers are full length. A narrow-brimmed Panama-style hat and white shoes complete the look.^{352, 353} Traditional women's clothing is a full, brightly colored dress worn primarily for festivals and rarely seen outside traditional dance events.³⁵⁴



© Brandon Deherage
Traditional dress

The Arts

Music

Venezuela has developed its own distinctive style of folk music, representing a fusion of cultural influences. Music in the coastal areas, mainly populated by the descendants of African slaves, reflects an Afro-Venezuelan style known for its rhythmic drums. The *llaneros*, living in the plains area, contributed the best-known folk music in the country. This music, dueling singers often perform ballads or work songs, typical of *llanero* genres. *Joropo*, the most distinctive and traditional musical style in the *llanero* tradition, gave the country its unofficial national anthem, "Alma Llanera."³⁵⁵ This highly animated and rhythmic music is played with harps, four-stringed

³⁴⁷ Claire Antell et al., *Insight Guides: Venezuela* (Maspeth, NY: Langenscheidt Publications, Inc., 2002), 89.

³⁴⁸ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 41.

³⁴⁹ South America, "Typical Food: Venezuela," 2011, <http://www.southamerica.cl/Venezuela/Food.htm>

³⁵⁰ Claire Antell et al., *Insight Guides: Venezuela* (Maspeth, NY: Langenscheidt Publications, Inc., 2002), 74–75.

³⁵¹ CultureGrams Online Edition, "Venezuela: Personal Appearance," ProQuest, 2011.

³⁵² Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 85.

³⁵³ Thomas Kohnstamm et al., *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2007), 376.

³⁵⁴ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 85.

³⁵⁵ Kevin Raub, Brian Kluepfel, and Tom Masters, *Lonely Planet: Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 35.

guitars, and maracas. The national dance, also called the *zorongo*, is performed to this music.^{356, 357}

Visual Arts

From the 1500s until the early 1800s, most of the country's visual art reflected the religious themes in Spanish art. Historical themes and epic paintings dominated the period from pre-independence to the early 20th century. The most famous national artist, Martín Tovar y Tovar, created a series of history-themed works, some of which adorn the Congress Building in Caracas.^{358, 359} Since the early 20th century, the government has encouraged artistic expression as a means of retaining cultural autonomy. Literature and visual arts of this period reflect strong elements of nationalism.³⁶⁰



© Luigino Bracci
Tovar's Battle of Carabobo

Sports and Recreation

No other sport comes close to the mass appeal of baseball, the principal national sport of Venezuela. It is played in every corner of the nation and followed by passionate fans. The first baseball club was founded in 1895, and the Venezuelan professional baseball league was created in 1945. The importance of the sport is undeniable and is reflected in art, literature, music, and television.³⁶¹ Since 1939, 226 Venezuelans have played in the major leagues in the United States. Currently there are 52 active Venezuelan players.³⁶²



© Gennaro Pascale Caicedo
Baseball fans

Basketball runs a poor second to baseball as a national pastime. Nevertheless, the international success of the national team in the 1990s, which included its first victory over the United States, has given the sport a big boost. Basketball is a popular school sport for both boys and girls.^{363, 364}

³⁵⁶ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 130–32, 139–41.

³⁵⁷ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 49–50.

³⁵⁸ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 155–57.

³⁵⁹ Kevin Raub, Brian Kluepfel, and Tom Masters, *Venezuela* (Oakland, CA: Lonely Planet Publications, 2010), 38–39.

³⁶⁰ *Encyclopædia Britannica Online*, “Venezuela: The Arts,” 2011, <http://www.britannica.com/EBchecked/topic/625197/Venezuela/32734/The-arts>

³⁶¹ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 60–62.

³⁶² Embassy of the Bolivarian Republic of Venezuela, Ministry of People's Power for Foreign Affairs, “Venezuelans in the Major Leagues,” 2011, <http://venezuela-us.org/principal/>

³⁶³ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 62.

The popularity of soccer lags behind both baseball and basketball. There is a national team, but it has not had any notable successes.^{365, 366}

Other popular sports include bullfighting, horse racing, and boxing. Cockfighting is popular in many of the smaller towns and villages. Lawn bowling, *bolas criollas*, is one of the most commonly played sports in the country.^{367, 368}

³⁶⁴ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 161.

³⁶⁵ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 63.

³⁶⁶ Wendy Aalgaard, *Venezuela in Pictures* (Minneapolis: Lerner Publications Company, 2005), 54.

³⁶⁷ Mark Dinneen, *Culture and Customs of Venezuela* (Westport, CT: Greenwood Press, 2001), 63.

³⁶⁸ Kitt Baguley, *Culture Shock! A Survival Guide to Customs and Etiquette: Venezuela* (Tarrytown, NY: Marshall Cavendish Corporation, 2008), 161–62.

Chapter 4 Assessment

1. Venezuelans are not officially categorized by ethnicity.

True

After 1926, Venezuelans were no longer identified by ethnicity. But current estimates suggest that about two-thirds of the population are mestizos, about 21% are of white European ancestry, about 10% are of black ancestry, and 1% is indigenous Indian.

2. *Arepa* is the national dish of Venezuela.

False

Arepas are a staple of the nation's cuisine. The national dish, *pabellón criollo*, consists of shredded beef with onions, tomatoes, and peppers, served over rice.

3. Domestic violence against women is no longer a problem in Venezuela.

False

Domestic violence against women often goes unreported and unprosecuted. Every 15 minutes a woman is the victim of spousal abuse, and in Caracas a woman dies from domestic violence every 10 days.

4. Catholicism is the official national religion in Venezuela.

True

Catholicism is Venezuela's official national religion, although the constitution guarantees freedom of religion.

5. Venezuela's constitution recognizes housework as a legitimate economic activity that entitles homemakers to social security benefits.

True

Venezuela's new constitution, often regarded as one of the most advanced in the world, is the only one in Latin America that recognizes housework as an economic activity with social benefit entitlement.

CHAPTER 5: SECURITY

Introduction

Hugo Chávez, president of the country with the largest oil reserves in the world, has transformed Venezuela, bringing it more regional visibility and influence.

Chávez's reformist policies and autocratic style have won him both supporters and enemies. In the foreign policy arena, his posturing, socialist agenda, and anti-U.S. sentiment have strained relations. He has angered historical friends such as the United States while making overtures to countries like Iran and Cuba.

Chávez continues to secure political power by nationalizing industries, thwarting privatization, and discouraging investment. Other Latin American countries are cautious of their erratic neighbor. Venezuela's membership in the MERCOSUR (Common Market of the South) trade bloc has yet to be ratified by Paraguay, which fears that Chávez will use the organization to advance his own political agenda. Venezuela remains an active member of the Organization of the Petroleum Exporting Countries (OPEC), which Chávez views as central to the nation's continued economic development and success.^{369, 370, 371}



Security in the country is deteriorating. Venezuela is regarded as one of the most violent Latin American countries. Kidnapping and extortion have become relatively commonplace. Gangs engaged in illegal drug or arms smuggling operate with relative impunity and control sections of metropolitan areas. The insurgent group FARC (Revolutionary Armed Forces of Colombia) operates in Venezuela, contributing to high rates of crime.³⁷² As the country approaches its 2012 presidential elections, the health of Chávez (who began cancer treatment in 2011) as well as his ability to maintain control are in question. Chávez and his supporters have vowed that they will not accept an opposition government, raising the specter of internal violence and civil war. Economic issues, especially continuing high inflation, point to an uncertain future.^{373, 374}

³⁶⁹ *Correo del Orinoco International*, "OPEC: Venezuela Has World's Largest Oil Reserves," 22 July 2011, 3, <http://www.correodelorinoco.gob.ve/wp-content/uploads/2011/07/COI73.pdf>

³⁷⁰ Jane's, "External Affairs: Historical Background," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁷¹ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 4, 34–37, <http://www.fas.org/sgp/crs/row/R40938.pdf>

³⁷² Jane's, "Security: Venezuela," *Sentinel Security Assessment—South America*, 12 December 2011.

³⁷³ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 4, 34–37, <http://www.fas.org/sgp/crs/row/R40938.pdf>

³⁷⁴ International Crisis Group, "Violence and Politics in Venezuela" (Latin America Report no. 38, 17 August 2011), 27–30, <http://www.crisisgroup.org/~media/Files/latin-america/venezuela/38%20Violence%20and%20Politics%20in%20Venezuela.pdf>

U.S.-Venezuela Relations

The United States and Venezuela have a history of close relations, but despite mutual interests, relations have soured since the 1998 election of Hugo Chávez. Friction between the two countries revolves around these issues: human rights, military purchases, cooperation agreements with Russia, increasingly close relations with Cuba and Iran, and the growing threat of terrorism within Venezuela's borders. The downward spiral of relations began with the 2002 coup that briefly ousted Chávez from power. Claims that the United States had been involved, coupled with criticism of Chávez upon his return to office a day later, created an atmosphere of suspicion. Chávez's continued public attacks against the United States and its leaders have only compounded the friction. In 2008, relations soured even further with the expulsion of the U.S. ambassador from Caracas, followed in 2010 by Venezuela's refusal to accept the United States' choice of ambassador to its country. The United States responded by revoking the diplomatic visa of the Venezuelan ambassador.^{375, 376}



© viaKzine / flickr.com
Chavez and Obama

Yet the two nations remain linked by strong economic concerns. Venezuela is a major Latin American trading partner for the United States and a major supplier of oil, and the United States is Venezuela's most important export partner.^{377, 378} It is unlikely that trade relations between the two countries will change in the near future.

Joint cooperation related to drug trafficking and arms smuggling has deteriorated and is not expected to improve in the short term. The U.S. Department of State has issued recent condemnations of Venezuela's efforts at ending narco-trafficking across its borders.³⁷⁹ The United States is unconvinced of Venezuela's commitment to antiterrorism and has become increasingly concerned about Venezuela's relationship with Iran and expanded Iranian influence. U.S. suspicions are based in part on a 2009 memorandum of military cooperation between Iran and Venezuela.³⁸⁰ In response to criticism that Venezuela has fully cooperated in regional antiterrorism efforts, the United States continued its arms embargo against Venezuela in May

³⁷⁵ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 1, 20, <http://www.fas.org/sgp/crs/row/R40938.pdf>

³⁷⁶ Jane's, "External Affairs: Relations with the U.S.," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁷⁷ Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm>

³⁷⁸ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 26–28, <http://www.fas.org/sgp/crs/row/R40938.pdf>

³⁷⁹ Jane's Intelligence Weekly, "U.S. Accuses Venezuela and Bolivia of Failure in Drug Efforts," 4 March 2011.

³⁸⁰ Jane's, "Security: Venezuela: Relations with the U.S.," *Sentinel Security Assessment—South America*, 15 June 2011.

2011. The current administration's policy toward Venezuela is one of nonconfrontation, even though Chávez is Latin America's most vocal critic of the United States.^{381, 382}

Relations with Neighbors

Brazil

Tense relations between Brazil and Venezuela improved with the 2002 election of Brazil's leftist president, Luiz Inácio Lula da Silva. Beginning in 2003, Chávez attempted to increase trade relations and diplomatic ties with its southern neighbor. Relations deteriorated in 2005–2006 when Bolivia nationalized oil and gas assets, including those of Brazil, which suspected that Chávez had influenced the Bolivian president. Relations continued on a downward spiral in 2007, when Brazil delayed Venezuela's entry into MERCOSUR, a regional trade group, until 2009. The core of current relations has shifted from energy to broader economic initiatives. Relations under Brazil's new president, Dilma Rousseff, are unlikely to change much, as Brazil maintains a nonconfrontational stance with Venezuela.^{383, 384}



© Blog do Planalto / flickr.com
Chavez and Rousseff

Colombia

Until June 2010, relations between the two countries were poor, based largely on suspicions that President Chávez was supporting the Colombian insurgent group FARC. Interpol verified evidence that Chávez's government had offered to provide the FARC insurgents with money and arms. In 2008, Chávez called on the FARC to cease armed struggle and release its hostages, leading to a temporary reduction in tensions. Bilateral relations remained cordial only briefly, souring again when Chávez alleged that Colombia was negotiating with the United States to overthrow his government and invade Venezuela. He drastically reduced trade with Colombia and mobilized Venezuelan border forces, where the military subsequently destroyed several bridges.³⁸⁵

The election of Juan Manuel Santos as president of Colombia in June 2010 instantly improved relations. Although the two leaders do not enjoy a close personal relationship, they are seeking

³⁸¹ *New York Times*, "Venezuela," 29 August 2011, <http://topics.nytimes.com/top/news/international/countriesandterritories/venezuela/index.html>

³⁸² Jane's, "Security: Venezuela: Relations with the U.S.," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁸³ Jane's, "External Affairs: Relations with Brazil," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁸⁴ Francine Jácome, "Venezuela's Leading Role and Its Relations with Brazil: The Commercial Issue as the Axis of a Pragmatic Relation," in *Current Challenges for Disarmament and Peace Operations on the Political Agenda*, eds. Peter Fischer-Bollin and Thomas Knirsch (Rio de Janeiro: Konrad-Adnauer-Stiftung, 2011), 77–79, <http://www.kas.de/wf/doc/5326-1442-5-30.pdf>

³⁸⁵ Jane's, "External Affairs: Relations with Colombia," *Sentinel Security Assessment—South America*, 15 June 2011.

cordial relations to serve mutual economic interests. The most recent agreements include the expansion of the natural gas pipeline begun in 2006.^{386, 387, 388} There are plans for an oil pipeline from Venezuela through Colombia to the Pacific coast, increasing Venezuela's access to Asian oil markets.^{389, 390}

Guyana

Venezuela acceded to an 1899 treaty that demarcated the boundary between the two nations. But in the 1990s Venezuela reasserted its historical territorial claims to all Guyanese territory west of the Essequibo River. The area, rich in resources, has been the sight of a number of small-scale clashes between Venezuelan troops and Guyanese gold miners. In 2007, Venezuelan troops blew up some mining equipment on the Guyanese side.^{391, 392}

Cuba

The strong personal relationship between Chávez and Fidel Castro, as well as Cuba's reliance on Venezuelan oil, has created a strong bond between the two nations. Venezuela continues to supply Cuba with hefty amounts of economic assistance. Although Cuba's Raúl Castro has introduced a series of reforms, these have not undermined the strong relationship between Caracas and Cuba. Chávez continues to be the most frequent international visitor to the island nation. Chávez chose to receive surgery for his cancer and follow-up treatments in Cuba rather than in his own country.^{393, 394}



© Olmo Calvo Rodríguez
Mural of regional leaders

³⁸⁶ Jane's, Security: Venezuela: Relations with Colombia," *Sentinel Security Assessment—South America*, "15 June 2011.

³⁸⁷ Girish Gupta, "Venezuelan Relations with Colombia Warming as Chávez Tour Brings Trade," *Miyanville*, 6 April 2011, <http://www.minyanville.com/businessmarkets/articles/hugo-chavez-manuel-santos-colombia-venezuela/4/6/2011/id/33804>

³⁸⁸ Venezuela Analysis, "New Venezuela-Colombia Agreement Goes Beyond Trade," 29 November 2011, <http://venezuelanalysis.com/news/6660>

³⁸⁹ Penn Energy, "Venezuela-Colombia Oil Pipeline Would Increase Access to Asian Markets," 1 December 2011, <http://www.pennenergy.com/index/articles/newsdisplay/1551996136.html>

³⁹⁰ Patricia Rondon Espin, "Venezuela, Colombia Leaders Discuss Oil Pipeline," Associated Press, 28 November 2011, <http://news.yahoo.com/venezuela-colombia-leaders-discuss-oil-pipeline-032511318.html>

³⁹¹ Jane's, "Security: Venezuela: Relations with Guyana," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁹² Jane's, "External Affairs: Relations with Guyana," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁹³ Jane's, "External Affairs: Relations with Cuba," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁹⁴ BBC News, "Venezuela's Chavez Heads to Cuba for Cancer Check-Up," 15 October 2011, <http://www.bbc.co.uk/news/world-latin-america-15323343>

Venezuela-Iran Relations

In recent years, the Venezuelan government has strengthened its ties with Iran. In 2009, Chávez signed a memorandum of understanding for increased military cooperation between the two nations.³⁹⁵ In recent meetings, they have announced plans to increase economic cooperation and have acknowledged each other as an important ally.^{396, 397}



© Hugo Chávez
Chavez and Ahmadinejad

Police

Venezuela has a police force numbering 116,000, which includes 23 state police forces and about 100 municipal forces.³⁹⁸ The nation has the highest police-to-citizen ratio in Latin America.³⁹⁹ Local mayors or state governors generally exercise jurisdiction, but in some areas the police, including the National Guard, are under the authority of the Ministry of the Interior and Justice. The quality of the forces is uneven and plagued by corruption. Political appointees have replaced more professionally trained commanders, further reducing the professionalism of the police. Crime rates have escalated dramatically, and Venezuela has one of the highest per-capita murder rates in Latin America. Criminal gangs control some metropolitan areas. The country's justice minister claims that nearly 20% of the nation's crimes are committed by police forces.^{400, 401}



© MARQUINAM / flickr.com
Riot Police

The Bolivarian Intelligence Service (SEBIN) is a plainclothes police force of 3,000. It polices crimes related to plots to overthrow the government, arms smuggling, and narcotics. SEBIN is actively engaged in tapping phones. The Technical and Judicial Police force, which has 3,000

³⁹⁵ Jane's, "Security: Venezuela: Relations with Iran," *Sentinel Security Assessment—South America*, 15 June 2011.

³⁹⁶ Press TV, "Iran, Venezuela to Boost Trade Ties," 24 September 2011, <http://presstv.com/detail/200889.html>

³⁹⁷ Ricardo Rojas, "Iran, Venezuela Hold Joint Commission Summit," Press TV, 23 September 2011, <http://presstv.com/detail/200727.html>

³⁹⁸ Jane's, "Security and Foreign Forces: Police," *Sentinel Security Assessment—South America*, 10 December 2010.

³⁹⁹ International Crisis Group, "Violence and Politics in Venezuela" (Latin America Report no. 38, 17 August 2011), 22, <http://www.crisisgroup.org/~media/Files/latin-america/venezuela/38%20Violence%20and%20Politics%20in%20Venezuela.pdf>

⁴⁰⁰ Jane's, "Security and Foreign Forces: Police," *Sentinel Security Assessment—South America*, 10 December 2010.

⁴⁰¹ Bureau of Consular Affairs, U.S. Department of State, "Venezuela: Country Specific Information: Crime," 8 July 2011, http://travel.state.gov/travel/cis_pa_tw/cis/cis_1059.html#crime

officers, is essentially the equivalent to the FBI. The 2,000 members of the traffic police patrol highways, issue driver's licenses, and supervise municipal transport.⁴⁰²

Military

Venezuela's military consists of an army, air force, navy, and national guard. Current estimates place the strength of the army at 122,700 troops, including 17,400 conscripts.⁴⁰³ Its main tasks are to defend the nation, contribute to the development of democratic institutions and respect for national laws, take part in peacekeeping missions, and support the development of Venezuela's 21st Century Socialist State. The increasing politicization of the military, accomplished in part by the replacement of senior officers with politically oriented personnel, is an area of concern.^{404, 405, 406} The nation's expanding arsenal of arms, most of which have been supplied by Russia, has prompted fears of a regional arms race.^{407, 408}



© Leonardo Magalhães
Venezuelan F-16

The 23,000 troops of the air force are tasked with securing the nation's airspace. The air force also maintains domestic order, national sovereignty and trains officers from other countries in the region. Venezuela has had to secure weapons and aircraft from Russia to maintain its force, historically one of the most efficient air forces in Latin America.^{409, 410}

Venezuela's navy, including its marine infantry division, currently has 21,300 service members, but is undergoing expansion and modernization. Its primary duty is to secure the nation's coastline. Plans include increasing its amphibious capabilities and enlarging its submarine force with Russian ships. New Spanish hybrid frigate/corvette patrol vessels with modern combat

⁴⁰² Jane's, "Venezuela: Security and Foreign Forces: Police," *Sentinel Security Assessment—South America*, 10 December 2010.

⁴⁰³ Jane's, "Army: Venezuela," *Sentinel Security Assessment—South America*, 27 September 2011.

⁴⁰⁴ Global Security, "Venezuela: Military," 2011, <http://www.globalsecurity.org/military/world/venezuela/intro.htm>

⁴⁰⁵ International Crisis Group, "Violence and Politics in Venezuela" (Latin America Report no. 38, 17 August 2011), 10–11, <http://www.crisisgroup.org/~media/Files/latin-america/venezuela/38%20Violence%20and%20Politics%20in%20Venezuela.pdf>

⁴⁰⁶ Jane's, "Army: Venezuela," *Sentinel Security Assessment—South America*, 27 September 2011.

⁴⁰⁷ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 33, <http://www.fas.org/sgp/crs/row/R40938.pdf>

⁴⁰⁸ Merco Press, "U.S. Concerned About Impact of Venezuelan Purchase of Russian Arms in Latam," 6 April 2010, <http://en.mercopress.com/2010/04/06/us-concerned-about-impact-of-venezuelan-purchase-of-russian-arms-in-latam>

⁴⁰⁹ Jane's, "Navy: Venezuela," *Sentinel Security Assessment—South America*, 27 September 2011.

⁴¹⁰ Bureau of Western Hemisphere Affairs, U.S. Department of State, "Background Note: Venezuela," 2 September 2011, <http://www.state.gov/r/pa/ei/bgn/35766.htm>

systems are in place. A naval reserve force has been created to defend the nation's oil installations.⁴¹¹

Venezuela's 36,000-member national guard is an active branch of the nation's military under the command of the Minister of Defense. Its main duties are to safeguard internal security, including guarding the nation's borders, enforcing customs, and guarding municipal buildings, prisons, and major economic targets such as energy facilities.^{412, 413} Although nearly half the applicants are rejected because of high admission standards, it is widely known that the guard is corrupt and engaged in cross-border smuggling.^{414, 415, 416}

Issues Affecting Stability

Governance

Although Chávez and his party retain control, he appears to be losing his commanding control of the government. In the 2010 elections, the opposition won enough seats in the national legislature to preclude an absolute majority for Chávez supporters. His struggle with cancer has left him in a weakened position. The president's popularity still hovers around 50%, but his illness has caused speculation that he may be too ill to stand for elections in 2012. Chávez has not named a successor, causing fragmentation within his party.^{417, 418, 419, 420} Even if his claims to have been cured prove true, it is not clear that Chávez can win the next scheduled elections.^{421, 422}



⁴¹¹ Jane's, "Navy: Venezuela," *Sentinel Security Assessment—South America*, 27 September 2011.

⁴¹² Global Security, "Military: Armed Forces of Cooperation or National Guard," 2011, <http://www.globalsecurity.org/military/world/venezuela/fac.htm>

⁴¹³ Jane's, "Security and Foreign Forces: Police," *Sentinel Security Assessment—South America*, 10 December 2010.

⁴¹⁴ Jane's, "Security and Foreign Forces: Police," *Sentinel Security Assessment—South America*, 10 December 2010.

⁴¹⁵ Gustavo Coronel, "Gustavo Coronel: The Four Hotbeds of Corruption in Venezuela," Merco Press, 17 March 2011, <http://en.mercopress.com/2011/03/17/gustavo-coronel-the-four-hotbeds-of-corruption-in-venezuela>

⁴¹⁶ U.S. Government Accountability Office, "Drug Control: U.S. Counternarcotics Cooperation with Venezuela Has Declined," 20 July 2009, <http://www.gao.gov/assets/300/292726.html>

⁴¹⁷ PBS Newshour, "Chavez's Health Fuels Political Power Struggle in Venezuela" (video and transcript), 5 July 2011, http://www.pbs.org/newshour/bb/world/july-dec11/venezuela_07-05.html

⁴¹⁸ Daniel Wallis and Andrew Cawthorne, "Snap Analysis: Chavez's Cancer Surgery Rocks Venezuela," Reuters, 1 July 2011, <http://www.reuters.com/article/2011/07/01/us-venezuela-chavez-snap-idUSTRE7600MV20110701>

⁴¹⁹ Antonio Maria Delgado, "Noriega: Chávez Cancer Progressing Faster than Expected," *Miami Herald*, 9 November 2011, <http://www.miamiherald.com/2011/11/09/2494843/noriega-chavez-cancer-progressing.html>

⁴²⁰ José de Córdoba, "Reports of Chávez's Illness Cloud Campaign," *Wall Street Journal*, 19 November 2011, http://online.wsj.com/article/SB10001424052970204517204577046464037810838.html?mod=googlenews_wsj

⁴²¹ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 11, <http://www.fas.org/sgp/crs/row/R40938.pdf>

A post-Chávez Venezuela faces an uncertain future. Some people speculate that the nation will slide into a state of civil war; others suggest that it will function marginally with a deeply divided government.^{423, 424, 425} Already some fissures are apparent. Five opposition candidates won gubernatorial elections, and the oil-rich state of Maracaibo elected an opposition candidate as mayor.⁴²⁶

Economic Concerns

Venezuela's economy is more dependent than ever on oil revenues, and falling oil prices can cause serious economic downturns. Efforts to diversify the economy have largely been unsuccessful.⁴²⁷ Venezuela suffers from the highest levels of global inflation. Government price controls have caused high inflation and resulted in shortages of basic food items and stifled agricultural production.^{428, 429}

Crime and Corruption

Although the government no longer releases figures on official crime statistics, crime rates in the country are much higher than in neighboring countries. Some reports suggest that Caracas is the most dangerous Latin American city and Venezuela the most violent country in the hemisphere. Venezuela is purported to have become a major center for organized crime, based largely on drug trafficking and supply. Short-term kidnappings for ransom are a common occurrence: a recent high-profile case involved Venezuelan-born Wilson Ramos, a U.S. major league baseball player. Criminal gangs operate with impunity throughout the nation.^{430, 431, 432}



© Globovisión / flickr.com
Bridge used by drug traffickers

⁴²² Ryan Berger and Guillermo Zubillaga, "Venezuela Update: Electoral Prospects for 2012," Americas Society, Council of the Americas, 27 October 2011, <http://www.as-coa.org/article.php?id=3741>

⁴²³ Mark Falcoff, "After Chávez," National Review Online, 29 June 2011, <http://www.nationalreview.com/articles/270732/after-ch-vez-mark-falcoff?pg=3>

⁴²⁴ Stratfor, "Prospects for a Post-Chavez Venezuela," 5 July 2011.

⁴²⁵ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 10–12, <http://www.fas.org/sgp/crs/row/R40938.pdf>

⁴²⁶ Jane's, "Security: Venezuela: Governance," *Sentinel Security Assessment—South America*, 15 June 2011.

⁴²⁷ Jane's, "Security: Venezuela: Economy," *Sentinel Security Assessment—South America*, 15 June 2011.

⁴²⁸ *Economist*, "Medieval Policies: Another Step Forward from Hugo Chávez," 20 August 2011, <http://www.economist.com/node/21526365>

⁴²⁹ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 13, <http://www.fas.org/sgp/crs/row/R40938.pdf>

⁴³⁰ Jane's, "Security: Venezuela: Organized Crime," *Sentinel Security Assessment—South America*, 15 June 2011.

⁴³¹ NPR, "Major League Baseball Player Kidnapped in Venezuela," (audio and transcript), 10 November 2011, <http://www.npr.org/2011/11/10/142220835/major-league-baseball-player-kidnapped-in-venezuela>

Pro-Chávez groups known as Bolivarian Circles or *colectivos* pose a security risk. Spawned mostly from the Caracas slums, many of these groups are armed and promise to defend Chávez at all costs, violently if necessary.^{433, 434} Vigilante groups and illegally armed groups pose a risk to the stability of the country.⁴³⁵

Smuggling

Venezuela is a key transit country for drugs, especially from Colombia. Drug use in the country is on the rise. Arms trafficking is problematic. There have been reports that the Colombian-based FARC group is attempting to place surface-to-air missiles in Venezuela.⁴³⁶

Terrorism and Separatist Movements

The FARC, a political insurgent group based in neighboring Colombia, operates in several Venezuelan border states, including Zulia, Táchira, Apure, and Amazonas. This group is thought to be responsible for a number of kidnappings for ransom and drug trafficking. Questions persist about the amount of financial and arms support Venezuela provides to the FARC.^{437, 438}

Concerns about links to Lebanon-based Hezbollah and Iran's Islamic Revolutionary Guards Corps have been raised. A 2010 Department of Defense report alleged that the Guards had increased its presence in Latin America, particularly in Venezuela. Yet a U.S. Air Force general in the area disputed this finding.⁴³⁹



© Javier Arellano Veloz
Political rally

⁴³² International Crisis Group, “Violence and Politics in Venezuela” (Latin America Report no. 38, 17 August 2011), 3–10, <http://www.crisisgroup.org/~media/Files/latin-america/venezuela/38%20Violence%20and%20Politics%20in%20Venezuela.pdf>

⁴³³ Jane’s, “Security: Venezuela: Crime and Violence,” *Sentinel Security Assessment—South America*, 15 June 2011.

⁴³⁴ International Crisis Group, “Violence and Politics in Venezuela” (Latin America Report no. 38, 17 August 2011), 17–18, <http://www.crisisgroup.org/~media/Files/latin-america/venezuela/38%20Violence%20and%20Politics%20in%20Venezuela.pdf>

⁴³⁵ Jane’s, “Executive Summary,” *Sentinel Security Assessment—South America*, 15 June 2011.

⁴³⁶ Jane’s, “Security: Venezuela: Organized Crime,” *Sentinel Security Assessment—South America*, 15 June 2011.

⁴³⁷ Jane’s, “Security: Venezuela: Terrorism and Insurgency,” *Sentinel Security Assessment—South America*, 15 June 2011.

⁴³⁸ Mark P. Sullivan, “Venezuela: Issues for Congress” (Congressional Research Service Report, 27 June 2011), 38, <http://www.fas.org/sgp/crs/row/R40938.pdf>

⁴³⁹ Mark P. Sullivan, “Venezuela: Issues for Congress” (Congressional Research Service Report, 27 June 2011), 42–43, <http://www.fas.org/sgp/crs/row/R40938.pdf>

Water and Electricity Problems

The availability of water is a key concern in the country. Water rationing occurred in 2009, sparking protests. The end of the 2009 drought improved the situation, but the potential for future problems remains. Poor infrastructure has resulted in an insufficient supply of electricity, and there have been frequent outages, cuts, and rationing. Demonstrations against power cuts have periodically turned violent. In 2011, major blackouts were reported in some of the major cities, prompting the government to consider raising electricity costs.^{440, 441}



© Zachary Korb
Electrical infrastructure

Outlook

The long-term economic and political outlook is not promising. Economic problems are likely to continue, as are problems with the current infrastructure. Various groups that have historically supported Chávez and his initiatives may withdraw their support if social programs continue to go unrealized or fail. Protests have become increasingly radical and could escalate into violent confrontations. A united opposition candidate, capable of rallying the nation, could help minimize the likelihood of conflict and political violence as the nation prepares for a possible post-Chávez government. The president and the military announced that they would not accept an opposition government. This raises the specter of armed insurgency if Chávez loses in the 2012 elections or dies. The strong presence of organized crime is a serious threat, especially if a new government were to combat gang presence and influence. Growing distrust in the government, in the police, and in politics poses a real threat for the future of the country.^{442, 443}



© Bernardo Londoy
Opposition protestors

⁴⁴⁰ Jane's, "Security: Venezuela: Energy and Water Rationing," *Sentinel Security Assessment—South America*, 15 June 2011.

⁴⁴¹ Mark P. Sullivan, "Venezuela: Issues for Congress" (Congressional Research Service Report, 27 June 2011), 15, <http://www.fas.org/sgp/crs/row/R40938.pdf>

⁴⁴² Jane's, "Executive Summary: Long-Term Outlook," *Sentinel Security Assessment—South America*, 15 June 2011.

⁴⁴³ International Crisis Group, "Violence and Politics in Venezuela" (Latin America Report no. 38, 17 August 2011), 27–30, [http://www.crisisgroup.org/~media/Files/latin-america/venezuela/38%20Violence%20and%20Politics%20in%20Venezuela.pdf](http://www.crisisgroup.org/~/media/Files/latin-america/venezuela/38%20Violence%20and%20Politics%20in%20Venezuela.pdf)

Chapter 5 Assessment

1. Efforts to diversify the Venezuelan economy have been largely successful.
False
Efforts to diversify the economy have been largely unsuccessful. The nation remains dependent on oil revenues.
2. In the 1990s, Venezuela reasserted claims to territory in Guyana.
True
Although Venezuela acceded to an 1899 treaty that demarcated the Venezuela-Guyana boundary, in the 1990s Venezuela reasserted claims to all Guyanese territory west of the Essequibo River.
3. Relations with Cuba have deteriorated under Raúl Castro's governance.
False
Although Cuba's Raúl Castro has introduced a series of reforms in the country, these have not undermined the strong relationship between Venezuela and Cuba. Cuba depends on the aid and oil provided by Venezuela.
4. Recent changes in the Venezuelan military have led to a more professional force.
False
The military is becoming increasingly politicized, in part because of the replacement of senior officers by politically oriented personnel.
5. Venezuela has cut off economic and diplomatic ties with the United States.
False
Although tensions related to issues such as human rights and military purchases have soured relations between the United States and Venezuela, the countries have strong economic ties. Venezuela is a major supplier of oil to the United States, and the United States is Venezuela's most important export partner.

FINAL ASSESSMENT

1. Venezuela is about the size of California.
True / False
2. Venezuela sits in a seismically active area, making it vulnerable to earthquakes.
True / False
3. January is one of the wettest months of the year in Venezuela.
True / False
4. Approximately two-thirds of Venezuela's oil resources are in and around Lake Maracaibo.
True / False
5. Venezuela is one of the 10 most ecologically diverse countries in the world.
True / False
6. The area now known as Venezuela was inhabited by humans for thousands of years before the arrival of Europeans in the 15th century.
True / False
7. People who migrated to what is now Venezuela around 1000 B.C.E. used unsophisticated agricultural techniques.
True / False
8. Gran Colombia united the continent of South America.
True / False
9. Colonial Venezuela produced mostly agricultural products for Spain.
True / False
10. According to the laws of Venezuela, Hugo Chávez cannot run for the presidency indefinitely.
True / False
11. Venezuela produces enough food to meet the nation's needs.
True / False
12. Venezuela has few natural resources other than oil.
True / False
13. The government has tried to increase its powers over the nation's financial institutions.
True / False
14. The government has nationalized more than 1,000 companies since 2004.
True / False

15. Poverty rates in Venezuela are low.
True / False
16. Most Venezuelans are Catholic.
True / False
17. Soccer is the most popular national sport in Venezuela.
True / False
18. The traditional women's costume is called the *liqui-liqui*.
True / False
19. *Llanero* music is the best-known folk music in the country.
True / False
20. The religious cult of María Lionza is illegal.
True / False
21. Venezuela's relations with Colombia were tense prior to June 2010.
True / False
22. Venezuela's inflation rate is among the lowest in Latin America.
True / False
23. No terrorist groups operate within Venezuela's borders.
True / False
24. Venezuela has become a major center for organized crime.
True / False
25. The Bolivarian Intelligence Service (SEBIN) enforces customs regulations in Venezuela.
True / False

FURTHER READING

Books

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