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Venezuela, Policy, and Governance

Venezuela: Mismanagement of a country leads to crisis

Venezuela was once a great nation full of promises and goals. In the 90s and early 2000s, Venezuela was on top of all of Latin America. The people were thriving and the system was working, but all of that had to come to an end. In the 21st century, Venezuela has plummeted toward the bottom of Latin America, due to hyperinflation, bad policy making, and a power-hungry dictator.

Venezuela is a country located in the northern part of South America. Venezuela has a population of 29,789,730 (2022), where 88.4% live in urban areas. Around 96.3% of the population is impoverished and only 3% of the population has food securely. Currently, Venezuela is under a dictatorship with current President Nicolas Maduro. The type of government Venezuela used to have is a Federal Presidential Republic (CIA) but it's since turned into a dictatorship. "Fincas Commercial" or commercial crop farm, is the usual farm in Venezuela, where it's around 50 acres (20 hectares). The "Fincas Ganaderas" or large pastoral farms are 120 times bigger than commercial crop farms, at 6,000 acres (2,400 hectares). The crops that Venezuela mainly produces are sugarcane, rice, and corn. Venezuela is heavily reliant on oil for exports and economic growth, but this leads to its downfall which I will talk about later. The climate in Venezuela is typically, hot, humid, or tropical.

The typical family size in Venezuela is around 3.7 per household. This means that a family usually consists of 2 parents, 1 mom, 1 dad, and 1 or 2 children. The normal diet in a Venezuelan family consists of corn, rice, plantains, yams, beans, and several types of meat (Wikipedia). Venezuela gets most of its food from imports coming from European countries. Due to high prices Venezuelan families don't have the best way to cook their food, but how they can cook it through boiling, grilling, or steaming their food. In a survey around 87% of interviewees said that they have a hard time being able to purchase food.

In Venezuela's health sector, hospitals always have a shortage of medical supplies. In a survey done in 2016, around 76% of hospitals lack any of the essential supplies and medicines. The government isn't helping this problem as well. Nurses and doctors have reported that they were threatened with being fired or reprisals if they spoke about the lack of supplies and medicine. Venezuela's education sector is decent compared to any other developed nation. Children can go to school for free between the ages of 5 and 14 for basic education. Colleges in Venezuela are free in Tertiary Education. Some major barriers that some families endure is the lack of being able to buy goods. Around 79.3% of Venezuelans can't afford goods and around 1 in 4 families in Venezuela suffer food insecurity all because of hyperinflation.

After that deep dive into what Venezuela had going for it, we now look at the problems that are currently negatively affecting families' ability to get food on the table. Currently, the Government of Venezuela is controlled by a dictator named Nicolás Maduro. To add to the stress, hyperinflation has made Venezuela one of the poor countries in South America. Trends seem to be improving but they stay relatively the same because of Maduro's poor mismanagement. The food insecurity rate has remained unchanged from 2020 (89.9%). Import restrictions, sanctions on the economy and the dependence on oil have all crushed Venezuela. In addition to hyperinflation, lack of medical supplies, and access to clean water, the government keeps doing nothing about it. Maduro has only tried to help with the establishment of CLAP or *Local Committees for Supply and Protection*. The problem with this is that around 60% of families that had been surveyed, have said that these boxes have been coming less, and less frequently. Only recently has Maduro tried to help his people by signing with the World Food Program, to feed around 1.5 million children. Almost everyone is affected the same, except the few that are in other countries working, but this could be too late for the generation that has been left behind. Venezuela has almost "no public policies" for the Elderly. The Elderly can't afford food (95%) and around 99% have said that they receive no help at all. Children have been affected as well. Measuring around 46000, 42% have been found to be stunning or wasting.

One solution I think would help with this situation would be if President Maduro makes the economy less dependent on oil and shifts towards other goods. Some pros with this solution would be that it could calm hyperinflation, and hopefully make it go towards normal levels. Another pro would be that the economy wouldn't be so heavily reliant on oil. Venezuela depends on it so much that it makes up around 95% of all exports made out of the country. During the recession of 2008, oil prices were over \$100 per barrel. But when oil prices drop so does Venezuela's economy, and because of this, we have a food security crisis in the country. So if Maduro can shift Venezuela's economy and its dependence on oil, hyperinflation should cool down, and families will be able to afford food.

A way Venezuela's Government can do this is by investing in other sectors of the economy. Prior to the 1950s, agriculture, fishing, and forestry were a key part of Venezuela's economy (Britannica). During 2022 Venezuela's top exports were oil (26.1%), Iron and Steel (21%), Organic Chemicals (9.9%). President Maduro has continued to focus on oil and not invest in any other sector of the economy. Venezuela has its fair share of cash crops which include coffee, corn and rice. (Britannica). With this Venezuela's government can help fund or assist local's in rural parts of the country, in farming these crops. Foreign support to help provide machinery or proper fertilizers and pesticides would benefit the people that are helping push the economy forwards. This would then give the Venezuelan Government a buffer to where they can start investing in other industries such as fishing.

Another way Venezuela can shift away from oil is to invest in its fishing industry. Venezuela has invested into developing the fishing industry with the hope of it increasing the demand for fish in the 1970s. Around the 1980s, there was a boom in the fishing industry, where the economy of Venezuela thrived for a bit. Ever since then the fishing industry has been slowing down. This also means that Venezuela can

invest in the industry again. Venezuelan seafood production is experiencing a growth in recent years, such as in 2022 where seafood had become more than 54% of all agricultural exports (USDA). This means that with the right management and proper funding, the fishing industry in Venezuela can succeed and become a major part of the economy.

Another solution that would help Venezuela is if Maduro was somehow out of government. If Maduro is out of government completely, this should help Venezuela shift back to normal pre-Maduro Venezuela. In a post-Maduro era, US sanctions that were implemented in August 2017 during President Trump's reign, could be lifted. Those sanctions that were imposed, were to pressure Maduro to resign but since he never did, the state-owned oil company and Maduro were sanctioned. When, or if President Maduro steps out of power the people have to elect a politician with the sense that it's going to help improve the state of the country. The people of Venezuela can help grow and stabilize the economy if the newly elected leader doesn't establish another authoritarian government. This will probably never happen since Maduro is power hungry and continues to control the government but if he were to resign, sanctions towards Venezuela could be lifted. Which means Venezuela could get economic support from foreign countries and thus help families afford food.

This would also mean that this new Venezuelan cannot leave its poorest citizens behind. A recent study has shown that while the amount of people in poverty has decreased, the gap between the rich and poor widens more. The poorest 10% of the population only survive on 130 Bolivars (about \$6; £4.85)(BBC). According to the same study by *Living Conditions Survey* (Encovi), it states that Venezuela is the most unequal country in Latin America. While the economy has improved a bit in recent years hyperinflation is still hurting the poor and middle class citizens of Venezuela. There is still a lot of work that has to be done if Venezuela's government wants to help stabilize the economy and shrink the gap between the rich and the poor.

For my final solution, I think we should have a program set up to be able to feed children and the elderly. My final plan should have areas or proper buildings to operate and be located in the area most affected. This plan will be able to push food to people who need it most, like the elderly or children. This could also shift into food stamps, just like in the US, which has been very successful. The government would need to figure out a solution to figure out who qualifies for this program. Maduro has only tried doing this once with CLAP, but in the year 2023, that isn't as effective of a program, nor to the families. Programs or food stamps should be very effective for families and should have an immediate effect since more families can't afford food. Some non-profit organizations could help lead this program, because of the poor decision made by the government, more specifically Maduro.

Furthermore, a way that this program/food stamp could be funded is through taxes or some sort of outside donations from foreigners. The tax rate in Venezuela is 34% on personal income tax, which has remained untouched since 1999. The other way to fund this program is by marking it to other nations, where we could get donations from. This would be able to show light on what is happening in Venezuela and the

Maduro regime. Community members would have to sign up for the program and be able to help the elderly, get to the spot where they would be able to get their food stamps. The government would need to not interfere with this program unless it's looking to improve the situation. If the government of Venezuela does decide to help, they could provide the program with funding to be able to distribute food to people. Organizations could play a role in helping with this program by setting up a place where the program or food stamps could be delivered. Some of the food would need to be a blend of indigenous or Spanish food, because of the culture in Venezuela. We would also need to implement a policy where families of children or the elderly could get food first. This project will be sustainable with proper funding from either the government, non-profit organizations, or the United Nations. Another way that this project will be sustainable is if Maduro isn't in government or he doesn't interfere with it at all.

In conclusion, I think many nations need to find out ways to be able to solve their food insecurity problems. Cultural issues are a huge problem, and the number of people that are going hungry shouldn't even be possible. Access to food should be a human right and nobody should be getting in the way of purchasing food. Unfortunately, many nations in the world have this problem, and it's unfortunate that this problem even exists. People shouldn't be wondering where they are going to get their next meal from. This idea should be improved upon or tried out in other countries where people are going hungry because people are starving. This project needs to take some inspiration from other well-known programs like WHO, and UNICEF, in order to be fully successful.

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