# Events That Lead to the Economic Collapse of Venezuela

by

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# Abstract

Over the past year, it is becoming increasingly more difficult to ignore headlines detailing the Venezuelan economic crisis. Citizens of this once-prosperous nation are now reduced to searching through the trash to find their next meal. Even medical professionals who studied at universities are making no more than $30.00 a day. The fact that a country can go from one of the most prosperous countries in South America to one of the most impoverished is incredibly intriguing to me, and I'm excited at the opportunity to learn more. For my senior project, I decided to take a look into the state of Venezuela. More specifically, my goal is to determine the exact reasons why Venezuela is in its current state, both historically and analytically.

By comparing historical events from other countries and applying it to Venezuela, in addition to taking a data-heavy approach to its own past styles of governing and revolutions, the reasons for the decline soon became more evident than originally expected. The mistakes made by the Venezuelan government were common pitfalls among developing nations all through the 20th and early 21st century, and isolated cases of the same situation can be observed with many of the same causes to be listed. Naturally, this paper will also serve to illustrate ways in which the Venezuelan government, and thereby governments of developing countries around the world can both fix the issues outlined below, as well as preventing future declines by changing core aspects of how their governments are run.

## Overview

There are three main reasons for the collapse of Venezuela's economy: **Despotism**, **gross sheer over-reliance on its own oil industry, and to a lesser extent, expansion of social policies that proved detrimental for the country's longevity.** Individually, these three reasons can seem manageable, sometimes even negligible depending on the severity of the situation. But together they create a crisis huge enough that horrors like mass starvation and the revival of previously eradicated diseases becomes commonplace. Through literature analyses, I plan to showcase each individual reason in depth, and explain exactly how each did its part in crumbling the economy of this once prosperous nation.

## The Conflict

While historical context is important to completely understand the full scope of the governmental crisis in Venezuela, this paper will primarily focus on the events following the election of Nicolás Maduro in 2013. Historical information dating back to early 20th century is included due to the fact that it is necessary to fully understand the context of the current situation Venezuela finds itself in.

Many of the factors that lead to Venezuela's current economic situation traces back decades to when oil extraction as an enterprise was in its infancy and the country relied primarily on its agriculture to maintain economic relevance on a global scale. Since then, despite the fact that Venezuela has experienced many years of prosperity due to the expansion of the oil extraction industry, the enterprise remains one of the key factors of Venezuela's decline in recent years.

Since then, there have been numerous protests by unhappy citizens claiming that Maduro's entire presidency is illegitimate, demonstrations by pro-Maduro loyalists, and accusations of USA and CIA involvement in efforts to remove Maduro. Again, despite the fact that every bit of information is important for context, this essay will focus mainly on the former claims of illegitimacy.

# Over-reliance on Oil

## I. Intro

One of the main reasons for the collapse is, of course, the over-reliance on the production of crude oil in Venezuela. Barrels of crude oil account for a shocking 96% of all Venezuelan net exports. This means that an incredibly unsafe percentage of all wealth in the entire country comes from a resource that is known to be incredibly volatile, sometimes doubling and halving in price in the same year.[1] Current president Nicolás Maduro has systematically squashed most of Venezuela's other industries, leaving little opportunity for growth or prosperity elsewhere. At only 1.6%, acyclic alcohols are Venezuela's next highest percentage of exports.[2] When one thinks of the term "oil-rich" countries, it is not uncommon for people to think of countries like Saudi Arabia and Canada, both having over 250,000 and 150,000 proven petroleum reserves respectively. But what often surprises people is that Venezuela ranks number one in the world for the sheer amount of proven petroleum reserves, at a staggering 300,000 barrels.[3] Reasons why this is seen as a problem will be discussed in subsequent sections.

## II. A brief history of Venezuela's oil industry

Like many other countries before industrialism was widespread, Venezuela relied heavily on agriculture and forestry, mainly producing cash crops such as maize and coffee. It's estimated that cash crops alone made up half of their GDP in the early 1900's.[9] During this time, land owners employed the "encomienda" system, in which they would request tribute from the farmers using their land, much like feudalism. This not only limited the amount of crops produced annually, but also incited civil unrest among poor farmers who were unhappy with the thought of roughly 2% of the population owning 80% of the land.[9] This unquestionably lead to mass support of many of the socialist policies championed by Hugo Chávez in the not-so-distant future.

Even in the early 1900's, oil was very much a part of Venezuelan GDP. As time passed, oil extraction technology improved rapidly, which was key in the eventual shift to over-reliance on oil discussed previously. The difficulty of finding the balance between exporting oil versus exporting other goods had been an ongoing struggle since decades before the corruption of the Chávez and Maduro administrations. By 1940, nearly 60 years before Hugo Chávez took office, Venezuela had become the single largest oil exporter in the world.[9]

All through the 1900's, Venezuela was able to sustain its population by harvesting and consuming all of the crops that they did not export, but due to a spike in oil prices in late 1990, the country opted to shift its focus from what little farming and self sufficiency resources it had left to focusing almost entirely on oil production.[10] This plan would backfire as not even three years later, the price of oil would drop to near record lows.[1] It is estimated that GDP per capita was the same in 1960 as it was in 2006.[30] By definition, Venezuela has suffered a “great” depression during this period.[30] Because of the fact that there was nearly no investment in capital from years of depression, it became impossible for the country to reinvest into the non-oil sector. It is possible today for Oil to be Venezuela’s main export, however it would require require revised agreements with other Latin American countries, as well as the PDVSA to not act as the Venezuelan central government, of course.[32]

As an attempt to stimulate their domestic industries, the country imposed import tariffs to limit the level of foreign-manufactured products entering the country. While this certainly would’ve stimulated an economy with diversified exports, it only served to increase the amount of oil exported as extraction was beyond question the most profitable industry.

It’s logical to assume that the current food shortages in modern day Venezuela are in large part due to the focus on oil extraction and the gross mismanagement of land ownership in the early 20th century. High-yielding farmland is incredibly scarce and hard to access given the fact that Venezuela has over 18 million hectacres (~44.4 million acres) of rainforest.[11] Since the passing of “The Forest Law” in 1966, deforestation has dropped to a staggering 0.3% per year.[11] While this is of course incredibly beneficial to the rainforest itself, it also means that creating new farm land in more convenient areas is virtually impossible. Their options were to extract extensive amounts of oil, or starve given the fact that “encomienda” was in full effect on top of farming already being an extreme inconvenience. It would be easy to say that either Hugo Chávez or Nicolás Maduro was the reason for Venezuela’s oil reliance, but the fact of the matter is that this has been an issue for over a century due to poor circumstances.

As stated previously, from 1990 onwards, Venezuela underperformed economically, a stark contrast from their economic dominance in South America prior to 1990.[29] Typically, any growth observed from then until now is seen as volatile, but even today growth is rare.

After the 2008 financial crisis, foreign investors began to liquidate all of their Venezuelan assets “on a massive scale”[29] This of course pushed them further into their depression as a lack of investment means weaker economic institutions, which harms growth.

## **III. Over-reliance vs. a normal net export: What makes too much oil a detriment?**

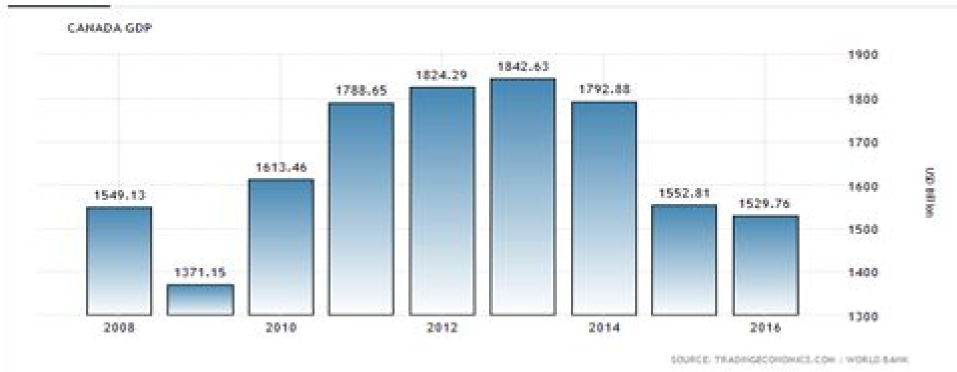
Having a lot of one natural resource may seem like a good thing to some, and understandably so. The more of one resource a country has, the more it is able to manufacture and produce a product worth exporting. If this is the case, then how could this possibly be a detriment to the long term stability of the Venezuelan economy?

Energy, and by extension crude oil,  is one of the single most volatile traded commodities in the world.[4] This of course means that the larger a country’s proven petroleum reserve, the more likely said country is to lose an incredibly large chunk of potential profits from unsold petroleum. As stated previously, Venezuela is the single largest exporter of oil of every country, thus making their potential loss multitudes more than other oil giants, such as Saudi Arabia or Canada.

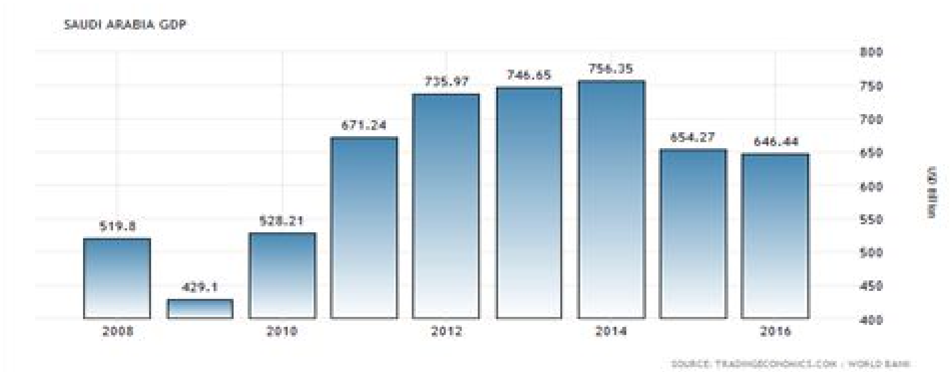
The end result of all of these factors mixed together is that Venezuela’s GDP is tied to the price of oil.[5] This is what is collectively known as a “commodity currency” or a country whose exported commodities are such a large part of their net exports, that their GDP is seriously impacted by the rise and fall of their prices.[6] We can observe that after the 2008 financial crisis, Venezuela’s GDP spiked upward, reaching record highs in 2010, followed by near-record lows in 2011 after their focus shifted to maximize oil production. This is due to a sharp fall in oil prices, nearly the lowest it's been since the financial crisis. What's curious about this is that this is not at all the case with Canada or Saudi Arabia, two of the next highest oil producing countries. Instead of oil being 95% of their exports, they export ~14% and ~67% respectively.[7 8] In their graphs, we can see that since the effects of the financial crisis, there has been steady upward growth in GDP, meaning that the crash of oil prices in 2011 affected them minimally.


(Crude oil prices, 2008 - 2016)


(Venezuela's GDP, 2008 - 2015)




(Canada's GDP, 2008 - 2016)




(Saudi Arabia's GDP, 2008 - 2016)

**<u>IV. Hyperinflation</u>**

Hyperinflation is defined as a very high and typically accelerating rate of inflation. The results of hyperinflation are extreme, far surpassing what has come to be expected of routine inflation that is bound to occur overtime. In many cases across the world, including in Venezuela, the physical dollar note depreciates in value so much that the currency in question becomes effectively worthless.[21] According to Miguel Kiguel, the only way to combat hyperinflation is fiscal adjustment, and a stabilization strategy.[12] The most common way for a country to fight hyperinflation is dollarization, otherwise known as currency substitution. There are indeed cases where currency substitution does not work as intended and some amount of old currency is still left in circulation, but more often than not, countries stricken by hyperinflation are able to recover through some degree of dollarization. There have been at least seven cases of successful dollarization in the past by various nations where the remaining, hyperinflated currency became functionally worthless.[23] It is currently impossible for local firms to combat inflation due to the top-heavy nature of the government, and a "financial reorganization" is in order.[32]

Venezuela is a notable example of ongoing hyperinflation. Official sources state that the current exchange rate of the Venezuelan Bolívar Fuerte (VEF, not to be confused with the original Venezuelan Bolívar, VEB) was VEF$245,251/$1, whereas black-market exchange rates reached massive peaks of VEF$6,670,079/$1 as of August 2018.[24] It is believed that the Central Bank of Venezuela at this time was unreformed, and inexperienced with managing macroeconomic affairs on a national scale.[29]

Recently, however, Venezuela adopted a brand new currency to replace the Venezuelan Bolívar Fuerte (VEF), the Bolívar soberano, at an exchange rate of VEF$100,000/1 Bolívar soberano under president Maduro. Critics have been vocal about the futility of this, however, due to the abundance of Bolívar Fuerte (VEF) bills in circulation, the creation of the Bolívar soberano has done very little to combat hyperinflation as a whole.

## V. The curse of natural resources

The curse of natural resources is a theory that countries with an abundance of natural resources are, on average, poorer than countries with less natural resources.[12] While this sounds incredibly counter intuitive, there's plenty of evidence that supports this.

In its simplest form, the "curse" can be summarized as "Natural resources crowd out activity X, Activity X drives growth. Therefore, natural resources harm growth."[12] In the case of Venezuela, oil is the natural resource, and "activity X" in the most extreme case, is every other industry. This is exactly the case for Venezuela, as shown by their oil export percentage as well as the fact that they opted to extract oil over growing their own food.

This theory is supported by the consistency of resource rich countries to all fall into the same patterns. For example, under the curse of natural resources, resource rich countries have had huge problems sustaining economic growth in the long run. It shouldn't need to be said that this is of course the case for Venezuela. Additionally, since the rise of worldwide industry in the 1970's, countries like this have had extremely stagnated growth, often experiencing minor economic booms followed by years of little to no growth.

As for a solution to the "curse", there are two main arguments.

Aid in economic diversification[13] - This is the most obvious solution for Venezuela. This solution suggests that Venezuela must opt to diversify what they produce, instead of producing the amount of oil that they do.

Find a way to reduce revenue volatility - This means that Venezuela would have to find a way to reduce the volatility of ever-changing oil prices, which in short would be nearly impossible. It is infinitely more probable that the Venezuelan government will instead choose the first option.

# Despotism

### I. Intro

Despotism is defined as “the rule of a despot, the exercise of absolute authority,”[14] which is exactly what is happening in the country today. Its current leader, President Nicolás Maduro, is to blame for a very large share of all oil-related issues mentioned previously. Maduro is a man who systematically altered much of the inner workings of a hugely significant part of Venezuela’s industries in any attempt to seize power, and maintain control of his power. While the entirety of the economic problems facing the country today are not ultimately Maduro’s doing, he is still responsible for the majority of them. These issues however can be traced back even earlier than Hugo Chávez, Venezuela’s previous president.

### II. Unfortunate tidings of Nicolás Maduro and his legitimacy

Armed with the knowledge of Venezuela’s problem with its oil industry, one can now understand how the current president uses this unfortunate situation as leverage to maintain power.

The PDVSA (Petróleos de Venezuela S.A., Petroleum of Venezuela) is Venezuela's state-owned oil and gas company. Given the information prior of how much Venezuela relies on crude oil as a natural resource, it should come as no surprise that control of this industry is synonymous with control of an immeasurable part of not only Venezuela's economy, but their governmental backbone as a whole. Nicolás Maduro being the most powerful man in Venezuela means that he has the ability to reap all of the possible rewards from manipulating the PDVSA into any which way he chooses.

Maduro is able to exercise his rule in surprising ways, all of which grant him more power than anyone could've predicted. As president, he has ties to the PDVSA, and thus their profits. The more oil the PDVSA exports, the more money Maduro himself will make for himself. The diversification of net exports as discussed previously become completely moot when taking into account the fact that Maduro would sooner starve his population rather than aid in long term economic growth. In addition to this, he has free reign to appoint or dismiss anyone in the PDVSA as he sees fit. This became apparent when he appointed Manuel Quevedo, a military major general with no experience in the oil industry, let alone business experience, as head of the PDVSA.[15]

A talking point among outsiders is that Nicolás Maduro won the recent 2018 election fairly, but this cannot be further from the truth. It's inarguable that he certainly *won* the election with 67.8% of the votes (46% voter turnout)[16], but its results are anything but legitimate. In Venezuela, voting requires the use of a "Fatherland card" which is a state-issued form of identification that can be used to track who a person votes for. Maduro has went on record ensuring those who vote for him that they will be rewarded.[15] This has been seen as akin to buying votes and bribery by many inside Venezuela and onlookers alike. One must remember that in its current state, some Venezuelans are scrounging for any bit of food they can obtain in streets and waste bins, so to these individuals, the idea of potentially receiving free food is *literally* a matter of life or death for them.

Another talking point among those curious about the recent election is that Maduro has a shockingly low approval rating of 21%, despite winning 68% of the vote. [17] In addition to rumors of voter fraud amidst abandoned polling stations, ever-prominent parties of the opposition such as The Democratic Unity Roundtable (Mesa de la Unidad Democrática, MUD) have stated that they will boycott the election, decreasing voter turnout and resulting in skewed results in favor of Maduro.[18] Established MUD party members have gone on record saying that they know that no matter what happens, Maduro will win the election regardless due to questionable circumstances, so there's no point in inflating numbers. Maduro absolutely decimated the competition, winning by over 50% in each of Venezuela's 23 states, sometimes by over 70%.

The Venezuelan military is incredibly top-heavy, which is why Maduro was able to put someone like Manuel Quevedo as the head of the PDVSA. Top military officials remain shockingly loyal to Maduro despite the current state of the country because they lives are kept incredibly comfortable. Those who reach high ranks of the military enjoy lavish lifestyles at the hands of Maduro, and of course the PDVSA. They know better than anyone the situation that the Venezuelan commonfolk are enduring, and it's entirely in their best interest to stay loyal to Maduro while still being given food.

This became especially apparent during the attempted coup in April of 2019, where Juan Guaidó, elected leader of the National Assembly of Venezuela (Electoral College equivalent), lead civilians and army personnel alike in an uprising against Maduro. Unfortunately, due to a severe lack of equipment and resources, they were subsequently defeated due to the fact that so few sects of the Army were willing to join their cause. This is because the most high-ranking officials, as stated previously, live a perfectly fine life under Maduro. Due to the top-heavy nature of Venezuela's military,[19] the only results of the attempted coup were several hundred revolutionaries injured or in jail.

## III. The role of dictators in driving growth

Surprisingly, many nations have the opportunity to flourish under a dictatorship. It's not uncommon for these countries to have a very high rate of economic growth under dictators with the benefit of their country at the front of their mind. This, however, is precisely the problem under both Chávez and Maduro. According to Robert J. Barro, dictators come in two types:

- Those whose interests are solely to create economic growth and a prosperous nation[20]
- Those whose personal objectives conflict with growth[20]

Nicolas Maduro would undoubtedly be a part of the latter. While his goal is ultimately to increase the wealth of his country, there are quite a few ulterior motives at play. Many assert that Maduro receives a percentage of whatever the PDVSA exports, meaning that the more oil Venezuela exports, the more money he receives. This means that diversifying their exports to be more than just oil would cut into his personal profits directly. Maduro is a man who will stop at nothing to maximise his own personal profits, which is why we will likely never see anything but more oil expansion under him. It's because of this that we can observe that the expansion of the oil industry has drastically stunted the country's overall economic growth.

Another study found that more often than not however, dictators end up weakening their country more than they strengthen it.[28] This study suggests that growth caused solely by a dictator is extremely rare. The study goes on to say that even in countries that grow under a dictatorship, it is natural growth that would've naturally occurred in the subsequent five, ten, etc. years even without the presence of a dictator. It is described as "being in the right place at the right time" when growth occurs under dictators.

# Expansion of Social Policies

## I. Intro

While not as much of the economic decline can be blamed on social policies compared to both despotism and oil reliance, it is still important to mention the history of these social policies for context of the aforementioned problems. Most if not all of these policies can be traced back to Hugo Chávez, Nicolás Maduro's predecessor.

## II. Well-intentioned in the public eye

The most interesting thing by far in many texts is the fact that it is rare for Chávez to be seen as a malicious dictator like it is for Maduro. He is instead painted as a humanitarian and a revolutionary, rather than a bloodthirsty dictator.[25] There is simply no ignoring the degree of suffering Venezuelan citizens were forced to endure at the hands of Chávez, but there are plenty of reasons for his immense rise in popularity and why many citizens to this day, specifically those of an older generation, still swear by Hugo Chávez's name. Readings answer the questions asked earlier of how a nation could've possibly democratically elected a man who would later on grasp for power in ways no different than a modern dictator would.

## III. The founding of the MBR-200

In 1983, Chavez and his associates founded the MBR-200, or the Revolutionary Bolivarian Movement (Movimiento Bolivariano Revolucionario 200) on the historic 200th anniversary of Simon Bolivar's birth, a figure Chávez idolized.

At the time, Chávez was distraught at the idea of being forced to kill leftist sympathizers he agreed with by order of the military. Chávez, along with other military personnel including Felipe Acosta Carles and Jesus Urdaneta Hernandez, secretly formed the MBR-200 with the ultimate goal of "breaking the chains that oppress [them]."[25] With popularity at an all-time low for the current president at the time, Carlos Andres Perez, Chávez sought to finally mobilize his army, under the name MBR-200 party. Citizens were starving at the hands of Perez as Hugo Chávez finally launched his coup d'etat on February 4th, 1992.[25]

The coup is initially a failure in the short term, leaving 18 of Chavez's men dead and another 60 injured, but would prove to be meteoric in terms of changing the fate of Venezuela forever.[25] Chávez surrendered himself and was arrested that same day. As mentioned previously, Carlos Andres Perez was wildly unpopular in the eyes of Venezuelan citizens. This means that the mere attempt at a governmental takeover cemented Chávez's image as a hero to the general public.

After being pardoned merely 2 years of his 30 year sentence, Chávez announced his candidacy for president in April of 1997. Unsurprisingly, he based much of his platform around anti-establishment, exactly what had gotten him to the point he was in the public eye. With a record turnout, Chávez won 56% of the vote. He was officially elected President in December of 1998.

## IV. Alliance with Fidel Castro

Hugo Chávez had a particularly close relationship with former Cuban dictator Fidel Castro. According to *El Fenomeno Chávez* by Jerrold M. Post, Chávez pseudo-idolized Castro, going as far as referring to him as "The brother, the friend, the revolutionary soldier who has been an example of dignity for this entire continent, for heavens and sea."[25] In 2001, while Chávez was in office, he visited Fidel Castro personally in Cuba as many as six times, even visiting him at a hospital on one occasion.

Castro returned the favor by visiting Hugo Chávez in Venezuela for the first time, where he received the Order of Angostura award. This award is reserved exclusively for citizens deemed worthy of receiving the highest possible honor recognized by the Venezuelan government. One can see how the policies of Fidel Castro affected Chávez to the point of awarding him high-tier civilian honors simply for arriving in his country.

At this point in Castro's life, he had already been the President (formerly Prime Minister) of Cuba for 42 years, and was no stranger to underhanded tactics to grand himself more power and suppress the voice of his people, however. Until 2011, he held the three titles of "President of the Council of State", "President of the Council of Ministers" , and "First secretary of the Cuban Communist Party." Undeniably, Chávez drew from these grasps for power while signing declarations to abolish term limits for Presidents. Fidel Castro has also been guilty of running and enforcing forced labor camps, keeping political prisoners, and employing firing squads to both kill his enemies while also creating an example for the rest of the Cuban population. After all of these atrocities becoming common knowledge on the world stage, Chávez still sought to award Castro with the highest possible level of civilian honor.

## V. Bolivarian Revolution

Chávez sought to enact a "Bolivarian Revolution." This was the idea that he could create an alternative to the style of capitalism used in America. To this, he looked to Jean-Jacques Rousseau, a man who's ideas partially lead to the French Revolution.[26] He sought to implement a "Rousseauian total democracy" instead of a standard western democracy used by the very large majority. "Total" is the keyword, as this style of government is nearly identical to traditional totalitarianism employed by many dictators of the past. The obvious main goal of this, aside from securing political power, was to seize total control of the oil industry, and distribute its wealth accordingly. Some sources have even gone so far as to refer to the PDVSA and the State Treasury as piñatas.

In the present day, the PDVSA remains the absolute center of all Venezuelan industry. On top of this, given Maduro's current control he holds on the PDVSA (and thus, all of Venezuela's industry), he has a lot more power than one might initially suspect.

## VI. Mission Sucre

Mission Sucre is a social program in Venezuela implemented by Hugo Chávez in 2003 with the goal of providing free university education (both undergraduate and graduate level) to Venezuelan citizens.[31] However despite this, as mentioned previously, the standard of living in the country has reached a point so low that even those with doctorate degrees are suffering like the rest of the country. This could mean one of two things: that there is too much skilled labor in Venezuela and not enough work to match, or the quality of Universities that have employed Mission Sucre are of a low quality.

Misson Sucre began as solely university education, but expanded to include technical education as well in 2005. Despite this, there were zero technical graduates from 2007-2008. How could this have happened if education was the most accessible it has ever been without inferring that Mission Sucre education was inherently low quality? Mission Sucre education was also shorter compared to traditional education, changing from a standard five years to four or even three years.[31] Many accounts of Mission Sucre state that many courses on the tertiary level rarely advanced past the basic level of understanding for each course, leading to an incomplete education. This is almost certainly due to the fact that education was condensed to three or four years rather than five as stated previously.

Nigeria is very similar to Venezuela in the sense that it has enjoyed massive oil booms despite maintaining poor economic institutions. Returns to education have also declined in the same way as Venezuela after social programs have been put in place, only reversing themselves after democratic reforms much later. This on top of other evidence suggests that the fact that Mission Sucre fostered low quality education is almost certainly the reason for the decline in education in Venezuela, rather than not having enough work available for skilled laborers.

### VII. Beyond Chávez

Left-learning or far-left have absolutely dominated every single election since 1998, the very same year Chávez was elected as president. This is troublesome with the knowledge that both Hugo Chávez (nearer to the end of his life) and Nicolas Maduro have had historically low approval ratings, with much of the country denouncing them as leaders. According to Larry Diamond and Leonardo Morlino, competition in the political climate is one of the largest factors in the overall quality of democracy.[27] Much like a company that currently controls a monopoly, the one in power retains complete control.

## Conclusion

The deadly combination of despotism, relying on solely oil, and traces of old social policies has caused this once flourishing nation to fail the test of time. While certain policies like rainforest conservation and the redistribution of land seem amazing in the short run, they have the potential to absolutely destroy a country over time.

The problems faced by Venezuela have been ongoing for well over a hundred years, and the policies implemented by Chávez and Maduro did nothing but expedite the eventual total collapse of the country. Through research it became increasingly obvious that many of the decisions made by the Venezuelan government, even before Chávez and Maduro, were based in what would help the country in that moment with little to no mind paid to the eventual longevity of the country as a whole. Through a lack of consideration for the future as well as questionable governmental policies that, while seemingly beneficial, would eventually prove to be detrimental to the country as a whole, Venezuela dug itself deeper every day without even realizing. The paradoxical reality is that through anti-deforestation legislation they've prevented themselves from conveniently growing food, while at the same time not receiving enough profit from their oil exports to import anywhere near the amount of food they had planned. Even if the price of oil reaches all time highs, so has the level of civil unrest, forecasting an unclear future where anything can happen.

Countless situations must prove successful before Venezuela can even begin to recover from its economic downfall, and day by day it seems as if unfortunate interventionism by other countries is the only way to aid this country, but many including Venezuela's own population yearn for alternative solutions. Maduro must relinquish control of the PDVSA as well as diversify exports, but trends have shown that to be incredibly unlikely. It's a mystery to anyone how much longer the citizens of Venezuela can continue to live in their current state, but it is quickly becoming apparent that their situation can't possibly get much worse than it already is.

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