



ERPI 2018 International Conference
Authoritarian Populism and the Rural World

Conference Paper No.28

Rentier States and Neo-Extractivism: Venezuela's Orinoco Mining Arc Program

Luis Llambi

17-18 March 2018

International Institute of Social Studies (ISS) in The Hague, Netherlands

Organized jointly by:



In collaboration with:



Disclaimer: The views expressed here are solely those of the authors in their private capacity and do not in any way represent the views of organizers and funders of the conference.

March, 2018

Check regular updates via ERPI website: www.iss.nl/erpi



Rentier States and Neo-Extractivism: Venezuela's Orinoco Mining Arc Program

Luis Llambí

Abstract

Conflicts over the control of land and natural resources have been a historical constant in Latin America. At the beginning of the 21st century a new set of territorial transformation processes bordering the Orinoco river basin and its neighbouring Amazonian plains are taking place, as a result of the public policies implemented by the Venezuelan state, with negative impacts both on biodiversity and on the human populations of different ethnic origins inhabiting these territories. These new dynamics have rekindled old and open new territorial and ethnic conflicts. The main objective of the paper is to develop a theoretical and research agenda focusing on the analysis of the more recent processes of grabbing of biophysical resources (focusing on oil and minerals) in which populations of diverse social and ethnic origins are involved.

Introduction

Venezuela is currently experiencing a humanitarian crisis due to the contraction of oil prices in the global markets, the imports of most of basic goods, the abandonment of the State's presence in remote areas, and the involvement of criminal groups in the economic dynamics resulting from the illegal extraction of minerals.

In 2001 Hugo Chávez, president of Venezuela, approved the Strategic Development Project for the Orinoco Oil Belt and the Guayana Mining Arc, an initiative for the exploration of the oil and mining resources of the region to promote economic growth. And in 2016, Nicolás Maduro, the current president, approved the Decree 2248 which created the Orinoco Mining Arc, a large scale mining program covering 12,2% of the national territory, particularly covering subnational territories ancestrally inhabited by indigenous societies.

At the beginning of the 21st century a new set of territorial transformation processes are taking place, as a result of the public policies implemented by the Venezuelan state, with negative impacts both on biodiversity and on the human populations of different ethnic origins inhabiting these territories. These new dynamics have rekindled old and open new conflicts, although also alliances, between the different social agents, whose implications for the design and implementation of policies at different sub-national territorial levels it is necessary to analyze.

Until recently the academic literature on the land and territorial grabbings almost exclusively focused on the processes of transformation of agrarian relations, understood as the modification of the property and use rights over soils for the production of food and agricultural raw materials oriented towards the national and international markets. A literature which gave origin to a long debate on the superiority or not of the large versus the small scale in agriculture, but which is less relevant nowadays.

The main objective of this paper is to generate a transdisciplinary research agenda focusing on the analysis of the more recent processes of territorial grabbing of biophysical resources (minerals, oil, energy, fisheries, farming, tourism, etc.), and not only on agrarian processes. Processes which not only tend to negatively affect the biophysical environments where they are located; but also the territorial rights of the populations and communities of diverse ethnic, social and economic origins inhabiting these areas.

The document's objectives, however, are not only academic but also normative. Based on a human rights approach, the document also searches to identify the legal, bureaucratic and political-ideological factors which impinge upon both the design and implementation of public policies, concretely in the extractive ventures of the Orinoco and Amazonian region and its bordering territories.

The document is organized into three parts and the conclusions. In the first part, the theoretical arguments which have emerged in the literature to distinguish between the policies

identified as 'extractivism', implemented by the Latin American states during the 20th century are analyzed, by contrast to the emergence and consolidation of 'neo-extractivism' during the 21st century, ideologically conceived as an unavoidable strategy for economic growth in countries rich in natural resources.

1. Theoretical guidelines

1.1. Lands or territories?: the new processes of extraction of biophysical resources by dispossession of territorial rights

In Latin America, the current origins of territorial hoarding by external agents have their roots in the colonial experience. After the 1990s, however, the confluence of several global crises (financial, environmental, energy and food); and, in particular, upward trends in the prices of natural resources in international markets, gave rise to new investment processes in extractive activities of natural resources without further processing and added value, both by transnational companies and by governments of some countries concerned about the reduction of their income due to price fluctuations in the international markets of the products that were their main sources of foreign currency. The productive neo-extractive matrix is dependent on the dynamics of global commodity markets, which tends to maintain and reinforce the economic vulnerability of national economies. Despite this, until recently, most of the academic literature on land grabbing continued to focus mainly on the processes of transformation of agrarian relations, understood as changes in property rights and use of land for production agricultural oriented mainly to domestic consumption and to a lesser degree to national and international markets. However, the search for a coherent thread between the 'macro-processes' (structural) and the 'micro-processes' (territorial or sub-national) involves the gradual development of a conceptual matrix, capable of making explicit the possible relationships causes among the various economic-political, cultural, and environmental components of these processes at different territorial scales.

In a context of deregulated global markets, the acquisition of territorial resources for extractive practices has generally occurred through the purchase of rights and / or long-term leases of supposedly public lands, without taking into account the rights of their previous owners (or users).), or its impacts on local ecosystems.

All this as a result of a process of international division of labor that imposed on Venezuela the creation of basic industries to take advantage of their comparative advantages derived from the provision of mineral, energy and forestry resources, which would be transformed into products with greater added value. the industrialized countries.

One of the main consequences - in the medium or long term - is that these processes of acquisition of territories not only tend to reduce or even stop the economic growth of extractivist countries; but also to generate conflicts due to the territorial dispossession of their legitimate users or owners. What has generated national economic structures characterized by high volatility and vulnerability to the recurrent crises of the global economy; besides the

proliferation of corruption, and the continuous deterioration of natural ecosystems due to the net losses of their resources.

But, how to conceptualize these processes and who are their main actors? What roles do the governments of the region currently play? What public policies have been designed to allow access of transnational (and national) capitals to socially and ecologically vulnerable territories? What have been the direct effects of these policies on the welfare of the populations that inhabit these territories; And what have been their indirect effects on natural resources?

To answer these questions require, however, not only deepening the theoretical approaches of the previous section, but also in-depth analyses of the historical processes that have taken place in the country in recent years.

1.2. Rentier states and extractivism

Rentier states may be defined as states whose budgets largely depends on external sources of income (e.g. income from the export of oil or other raw materials), which differentiate them from the states that mainly depend on taxes paid for its citizens. The rentier states, according to this definition, would be characterized by policies that generate incentives for rent seeking without effective redistribution mechanisms on the part of their supposed beneficiaries. Phenomenon that often tends to practices of corruption and patronage by those who hold political power.

In rentier states, the State, as the owner of the currencies that enter the country, unilaterally decides the exchange rate, which allows it to control the flows of both internal and external trade. For rentier states, whose tax revenues depend more on the exchange rate than on the taxes paid by taxpayers, the exchange rate is not usually determined by the convenience or not of supporting the export competitiveness of the exports but by the need for tax revenues.

The distribution of income by the State tends to the emergence of government systems linked to a clientelist culture that allows neutralizing pressures through an increasingly discretionary management of income. Being the State the owner of the riches of the subsoil and the rent income, an objective basis is generated to centralize the political power and discretionally use the resources, which allows it to neutralize pressures through an increasingly discretionary management of their income.

Therefore, although the policies implemented by these governments achieve greater control by the State of extractive activities, their logic, subordinated to the demand of global markets, characterizes the evolution of these primary-exporting economies. Which, in the end, maintains and reproduces key elements of extractivism of historical roots, from the colony to the present day.

In contrast to the minimal state of neoliberalism of the 1970s and 1980s, although some countries have sought to reconstruct and expand the presence and intervention of the State in both domestic productive activities and exports, many of its fundamental structural features have been maintained practically unchanged; therefore, some of the most powerful business sectors have not failed to obtain large profits based on renewed extractive policies.

It is important to recognize, however, that in countries that have adopted neo-extractivist policies, some of the traditionally marginalized sectors of the population have experienced a relative improvement thanks to changes in the distribution of oil or mining revenues. Although, it is also possible to affirm that, at least up to the present, there is no evidence of a radical social redistribution.

However, the proposals in favor of the neo-extractivist policies indicate that, in the current economic and political situation, despite the still existing dependence of national economies in relation to global markets, the neo-extractive policies would only constitute a conjunctural stage of a much longer term strategy for the construction in the future of more egalitarian and friendly societies with the environment.

Undoubtedly, the policies linked to neo-extractivism differ fundamentally from historical extractivisms because of the leading role that they give to the State in productive processes. Participation that adopts direct forms through state companies, or indirect, or through regulatory and taxation mechanisms, which may allow them to obtain a higher percentage of public revenues. Income that would serve for the implementation of social programs and public interest. What would give them a certain degree of legitimacy (Carrasco and del Hoyo 2016).

1.3. Extractivism vis-à-vis neo-extractivisms

The main ideological justification for the adoption of the productive neo-extractive matrix by some Latin American governments has been the possibility of financing public policies with the aim of contributing to overcoming social inequalities; and, in particular, increase their investments in public services.

In fact, during the global conjunctures of the hydrocarbon price boom, the growth of the fiscal revenues of the oil countries allowed increasing social spending and expanding the base of support for public projects. However, when the price of hydrocarbons in international markets plummeted, tax revenues also fell and the governments that depended on these rents saw their financing capacity and their margins of political maneuver very reduced.

Therefore, although nationalist positions seek greater access and control by the State over natural resources, the critical arguments point to the dangers of foreignization and control of natural resources by transnational companies, in exchange for supposedly achieving some benefits for the whole national community. To achieve this, the State captures, or tries to capture, a greater proportion of the surplus generated by the extractive sectors.

Rentier states may be defined as states whose budgets largely depends on external sources of income (e.g. income from the export of oil or other raw materials), which differentiate them from the states that mainly depend on taxes paid for its citizens. The rentier states, according to this definition, would be characterized by policies that generate incentives for rent seeking without effective redistribution mechanisms on the part of their supposed beneficiaries. Phenomenon that often tends to practices of corruption and patronage by those who hold political power.

In rentier states, the State, as the owner of the currencies that enter the country, unilaterally decides the exchange rate, which allows it to control the flows of both internal and external trade. For rentier states, whose tax revenues depend more on the exchange rate than on the taxes paid by taxpayers, the exchange rate is not usually determined by the convenience or not of supporting the export competitiveness of the exports but by the need for tax revenues.

From the perspective of human rights, the distribution of income by the State tends to the emergence of government systems linked to clientelism, which allows it to neutralize pressures through an increasingly discretionary management of its revenues.

Being the State the owner of the subsoil and the rent incomes, an objective basis to centralize the political power and discretionally use the resources allows the government to neutralize pressures through an increasingly discretionary management of their income.

Therefore, although the policies implemented by these governments allegedly achieve greater control by the State of extractive activities, their logic, subordinated to the demand of global markets, characterizes the evolution of these primary-exporting economies. Which, in the end, maintains and reproduces key elements of the historical roots of extractivism, from the colony to the present day.

Therefore, in contrast to the 1970s and 80s minimal state of neoliberalism, although some countries have sought to reconstruct and expand the presence and intervention of the State in both domestic productive activities and exports, many of its fundamental structural features have been practically unchanged.

It is important to recognize, however, that in countries that have adopted neo-extractivist policies, some of the traditionally marginalized sectors of the population have also experienced a relative improvement thanks to changes in the distribution of oil or the mining revenues. Although, it is also possible to affirm that, at least up to the present, there are no evidences of radical social redistributions.

Undoubtedly, the policies linked to neo-extractivism fundamentally differ from historical extractivisms because of the leading role they give to the State in the productive processes. State participation that adopts direct forms through state companies, or indirect, or through regulatory and taxation mechanisms, allowing them to obtain a higher percentage of public

revenues. State incomes that might serve for the implementation of social programs and that would give them a certain degree of legitimacy (Carrasco and del Hoyo 2016).

1.4. Authoritarian populism

Authoritarian populism is a term that describes a type of political system in which an exceptional form of the capitalist state has been able to construct around itself a degree of active popular consent (Hall 1985; Scoones et al. 2017). Such conjunctures, which also are resonant with appeals to romantic nationalism, ‘common sense’, and ‘the people’, are replete with imagery of imagined golden ages of prosperity and plenty. They are far from uniform but characterize a number of often-overlapping themes and phenomena. They include highly contested national elections, especially when perceived to be only nominally democratic or ‘competitively authoritarian’ in nature (Levitsky and Way 2010). They are also related to the rise in prominence of discourses of security, protectionism, nationalism, xenophobia, cultural or ethnic chauvinisms, and animosity toward often-racialised ‘others’ (Ranci re 2016). In short, this shifting of blame for the very real discontent and socioeconomic exclusion of urban and rural workers, agriculturalists, pastoralists, and other rural populations alongside the rhetorical condemnation of elite politics and corporate power often masks the deepening of extractive capitalism, environmental colonialism, and the militarization of everyday life, society, and nature in both the global North and South.

Nonetheless, the crises and contradictions of the current conjuncture have also shaped the global terrain of struggle and are opening spaces for the emergence (or increased visibility) of both reactionary movements and emancipatory alliances, philosophies and praxes of intervention. Many of these articulate not just a politics of ‘taking back’ but of ‘creating anew’, applying both vernacular and academic theories (broadly defined) in the service of political action (Huff 2016; Cavanagh and Benjaminsen 2017). At stake, not least, are new contestations or positionings against hegemonic value systems and institutions implicated in expanding inequalities, deepening poverty, accelerating environmental devastation, and instigating diverse identity-based antagonisms.

2. Venezuela: from oil dependence to the gradual consolidation of neo-extractivism

2.1 The Bolivarian revolution and the rentier state

Hugo Ch vez died in 2013. Yet, the development project of Hugo Ch vez, based on the so-called socialism of the 21st century, could not overcome the crisis of the oil-rent-based capital accumulation model. Despite the increase in oil revenue throughout most of this period, the institutional changes and economic policies enacted in the country since 2001 have worsened the crisis of the oil-rent-based development model. The outcome has been a setback in the main leading economic and social indicators.

In those years of the Bolivarian process no steps were taken toward a profound transformation of the country’s productive structure. On the contrary, rentism deepened until oil came to represent 96% of the total value of exports. With the fall in oil prices, the whole program went into crisis (cfr. Lander and Arconada 2017).

With the death of Chávez and the subsequent collapse of oil prices, the deep economic, political and ethical crisis that Venezuelan society has been accelerating. This could be regarded as the terminal crisis of oil rent model and its clientelistic state, whose life was extended by the charismatic leadership of Chávez and the high prices of hydrocarbons in the first decade of the century.

In those years of the Bolivarian revolutionary process no steps were taken, however, toward the transformation of the productive structure of the country. On the contrary, rentism deepened until oil came to represent 96% of the total value of exports. Although some of the social policies enacted during the Chávez period temporarily improved the living conditions of the popular sectors, with the fall in oil prices the whole program went into crisis (cfr. Lander and Arconada 2017).

3. The Orinoco Oil Belt and the Amazonian regions

North of the Orinoco River, lies the largest oil deposits in the world, estimated at 1.3 trillion barrels of oil in place. In 1956-57 with the drilling of new wells the production of heavy oil reached a level of 20,000 barrels/day and it was then when the name Orinoco Oil Belt was given to the area. In 1975 the oil industry was nationalized and in 1978 the Venezuelan government asked *Petróleos de Venezuela* to make an evaluation of the petroleum potential of the heavy oil Belt.

In 2001 Hugo Chávez, president of Venezuela, approved the Strategic Development Project for the Orinoco Oil Belt and the Guayana Mining Arc, an initiative for the exploration of the oil and mining resources of the region to promote economic growth. And in 2016, Nicolás Maduro, the current president, approved the Decree 2248 which created the Orinoco Mining Arc, a large scale mining program covering 12,2% of the national territory, particularly covering subnational territories ancestrally inhabited by indigenous societies.

After Chávez death, the deep economic, political and ethical crisis that Venezuelan society is experiencing has been accelerating. This is the terminal crisis of the ex-oil-oil model and the clientelistic reocratist state, whose life had been extended by the charismatic leadership of Chávez and the high prices of hydrocarbons in the first decade of this century. In those years of the Bolivarian process no steps were taken toward the transformation of the productive structure of the country. On the contrary, rentism deepened until oil came to represent 96% of the total value of exports. The social policies, which substantially improved the living conditions of the popular sectors, and the various Latin American cooperation initiatives were possible thanks to the boom in commodities. With the fall in prices, all this armed went into crisis (cfr. Lander and Arconada 2017).

3.1 The Orinoco Oil Belt and the Orinoco Mining Arc

In 2016, faced with the crisis of the rentier oil model, instead of promoting a national debate on alternatives to the predatory extractivism that has characterized the Venezuelan economy

for a century, Nicolás Maduro, Chávez's successor, decided to open 114,000 square kilometres (12% of the national territory) to grant concessions on four blocks occupying the northern region of the states of Bolívar and Amazonas, south of the Orinoco River (the so-called Orinoco Mining Arc) to national and foreign companies who could legally exploit coltan, gold, diamonds and other minerals. A region that includes millions of years old rock formations as well as a rich biodiversity in the ancient Amazonian territories mostly inhabited by indigenous ethnic communities.

The crisis served as an excuse to promote the Orinoco Mining Arc under the premises of the so-called socialism of the 21st century sponsored by the government, as well as "putting order" to the illegal mining activities which were endangering indigenous communities and the environment in Venezuela's Orinoco river basin and its neighbouring Amazonian plains¹.

To implement the Orinoco Mining Arc program the government created the Ministry of Ecological Mining Development. It also created the Caura National Park, which generated the rejection of scientists, activists and indigenous peoples who opposed the project, stating that the government failed to comply with the legal obligations to obtain its approval by the National Assembly after an environmental impact study, and after its prior consultation with the indigenous peoples living in these territories as the Constitution demands.

In december 2017 president Maduro approved new projects to start mining operation in twenty three communities of the Arc, with an extension of 3.400 km². He emphasized that for implementing the new productive economy it is necessary to use "cutting-edge technology to both preserve the region's natural resources and to guarantee the integral protection of the mining workers" (Maduro 2017).

Yet, the development project of Hugo Chávez, based on the so-called socialism of the 21st century, could not overcome the crisis of the oil-rent-based capital accumulation model. Despite the increase in oil revenue throughout most of this period, the institutional changes and economic policies enacted in the country since 2001 have worsened the crisis of the oil-rent-based development model. The outcome has been a setback in the main leading economic and social indicators.

3.2 Illegal mining activities vis-à-vis local level politics

The gold mining industry was nationalized in 2011. The State reserved the exploration and extraction of the mineral except for concessions, mixed companies with state majority and small-scale mining, for which there was not required any official information except regularization announcements by the miners.

Thus, according to a resolution of 2015, what the state considers "small scale mining", which corresponds to informals that have been legalized by one of the six official plans applied in

¹ Some NGOs have collected testimonies from indigenous people living in Bolívar state who denounce slavery, child labor and prostitution by illegal miners, as well as the presence of illegal armed groups.

the region, have to pay a fee to a local union, according to the amount of gold extracted, selling the rest to one of the many businesses buying gold in the mining towns. Therefore, the control of these 'unions' on the gold zones forces both illegal and regularized miners to pay to enter the mines. As a result, for the indigenous communities the costs and benefits of these mining projects have been a major political issue during the last two decades². Thus, the 'resource boom' has only served to intensify the political conflicts that surround the distribution of social, economic and environmental costs and benefits between community members and other 'stakeholders' in the large-scale mining industry.

Miners, registered by the Ministry of Ecological Mining Development, have reported that they still suffer from extortion from illegal gangs that maintain control of mining areas and some members of the armed forces.

Activities such as the illegal extraction of diamonds, coltan, gold and wood; the payment of bribes to some military and police officers; the payment of quotas or vaccines to criminal groups, and even drug trafficking explain the handling of an enormous amount of bills, says Alejandro José Lanz Muñoz, founding president of the Center for Ecological Research of Venezuela (CIEV), an NGO dedicated to the disclosure and denunciation socio-environmental in the Guayana region.

The illegal miners, many of them arrived from Brazil at the beginning of the 90s, occupy the zone protected by the amplitude of the wooded area and have not been reduced in spite of the militarization and official social programs

4. Economic deterioration and the emergence of a humanitarian crisis

Hugo Chávez died in 2013. By 2016, the regime he built was facing economic and political collapse. The national oil company had been hollowed out by corruption, political projects, and neglect, long before the arrival of low global oil prices. The currency, weakened by the world's highest inflation rates, made it difficult to import basic goods including food and medical supplies, leading to chronic shortages and repeated riots. His successor, Nicolás Maduro, relying in part on the regime's control of the courts, responded to an opposition victory in recent legislative elections by stripping the legislature of meaningful power and blocking a presidential recall referendum, effectively cutting off the only route to an orderly change of leadership.

Venezuela's economic decline, driven by the 2014 fall in oil prices, continued in 2017 and is severely affecting prices of basic goods and delivery of basic services. From April to September, the economic crisis, resulted in skyrocketing inflation rates, and a high risk of full economic default on foreign debt. In October 2016 oil production fell to a 28-year low.

² Some NGOs have collected testimonies from indigenous people living in Bolívar state who denounce slavery, child labor and prostitution by illegal miners, as well as the presence of illegal armed groups.

With reduced oil production and increasing difficulties to export because of deteriorating infrastructure, the government's financial resources continued to diminish. As a result, Venezuela's foreign currency reserves have steadily depleted in the past years, from US\$ 20 billion in 2015 to below US\$ 10 billion in November, their lowest in over 20 years.

Venezuela is heavily dependent on imports, which have consistently decreased due to hard currency shortages. Lack of foreign currency reserves also limits the government's ability to pay its debt. On 15 November 2017, credit rating agencies declared PDVSA, the state's oil company, in selective default, after failure to fully pay a US\$ 3.5 billion debt repayment at the beginning of November (Washington Post 19/11/2017).

In 2016, the economic and political regime built by Chávez, now ruled by his successor Nicolás Maduro, experienced an economic and political collapse. PDVSA, the national oil enterprise had been ruined by corruption and abandonment, long before the decline in global oil prices. The currency, weakened by the world's highest inflation rates, hampered the importation of commodities, including food and medical supplies, which led to chronic shortages and repeated riots throughout the year. Government corruption is omnipresent and the application of laws has been unable to stop violent crime. The authorities have restricted civil liberties and persecuted opponents without due process³.

4.1 The economic crisis

Today Venezuela is locked in a deep recession fueled by the low oil prices, but also the cumulative effect of years of policies that have eaten away at its economy and significantly curtailed its oil production. Its reserves stand at only \$10 billion, much of which is in gold, not cash. It's total foreign debt, meanwhile, stands at around \$143 billion (Faiola 2017).

In November 2017, the President Nicolás Maduro called for a restructuring of Venezuela's foreign debt, blaming heightened U.S. sanctions by the Trump administration and potentially signaling a critical new phase in the country's economic collapse. His statement seemed an admission that Venezuela — buckling under low oil prices, a recession and the highest inflation rate in the world — was reaching the limits of its ability to keep servicing debt given sanctions and its economic stresses. Yet, he blamed a financial blockade by the United States, arguing that Venezuela still had cash but was being squeezed out of the global banking system, making payments nearly impossible.

According to the Washington Post, Venezuela's reserves stand at only \$10 billion, much of which is in gold, not cash. It's total foreign debt, meanwhile, stands at around \$143 billion (the Washington Post november 3 2017).

Full default would result in a total collapse of the economy. Inflation steadily increased in 2017, and is expected to reach 720% by the end of the year, with some predicting inflation

³ <https://freedomhouse.org/report/freedomworld/>

rates as high as 922% (Washington Post 03/10/2017). Skyrocketing prices significantly reduce access to basic goods and services, severely affecting food security and healthcare. Since nearly a third of the population does not have a bank account, paying for basic goods is made even more difficult by acute cash shortages.

The Washington Post document also describes setbacks that have turned into a humanitarian emergency with serious and extensive damages to the population due to the prolonged shortage of medicines and the precarious infrastructure of health services. The accumulation of uncorrected structural problems, systematic disinvestment, drastic spending cuts for the sector, disruption of the health system and the government's decision to not allow international humanitarian aid has extremely deteriorated the state of the health sector. The public health system is undergoing a process of deep institutional and infrastructure destruction with devastating impacts that threaten the lives and the integrity of thousands of people. The general and prolonged shortage of medicines and basic health supplies affects the entire population, in particular about 3 million people of all ages with chronic health conditions who have spent at least a year without regular access to specialized treatment” (CODEVIDA Provea 2017).

As a result, in 3 December 2017, the president announced plans to launch a cryptocurrency⁴, the ‘petro’, which would help the nation circumvent financial sanctions and serve as a substitute for the U.S. dollar in global transactions, backed by the oil, gold, gas and diamond resources of the country. Details concerning the petro, however, were sparse. Excessive money printing, soaring inflation and dollar shortages have caused the bolívar –the country’s paper currency traded in the parallel market, to freefall. On 1 December, the bolivar traded in the parallel market at 103,024 VED per USD, a stunning 59.9% depreciation from the same day last month. The parallel dollar has shed a massive 95.5% of its value from the same day in 2016, amid a vicious ‘inflation-depreciation’ spiral, whereby higher inflation raises the demand for dollars (Bouzanis 2017). In October 2017 the monthly inflation rate increased to 50%. The country is now experiencing one of the worst economic crises, with an inflation rate of 2.300% in 2017.

4.2 The humanitarian crisis

Venezuela is also going through a deep crisis humanitarian Due to the serious shortage of medicines and medical supplies, for many Venezuelans getting essential medical attentions is extremely difficult. For many venezuelans the severe shortage of food and other items has become an obstacle to have adequate nutrition and meet their basic needs. The government has not articulated nor implemented effective policies to mitigate the crisis, and have taken very limited actions to obtain humanitarian assistance which could substantially improve the results. While the government continues to argue that there is no crisis, the rights to health

⁴ A crypto-currency is a digital currency designed to work as a medium of exchange that uses cryptography to secure its transactions, to control the creation of additional units, and to verify the transfer of assets. Bitcoin, created in 2009, was the first decentralized cryptocurrency. Transactions that occur through the use and exchange of these altcoins are independent from the formal banking systems.

and food of the Venezuelans continue to be seriously violated. The Venezuelan government has insisted on subtracting seriousness to the crisis.

The government argues that the crisis is due to "an economic war", waged by the political opposition, the private sector and foreign powers. Several analyses, however, argue that added to the collapse of the international price of oil, the government's economic policies have directly contributed to the emergence and permanence of the crisis.

4.3 The consolidation of authoritarian populism

The slow erosion of democratic institutions that has been taking place in the past few years peaked in July 2017 with the election of a Constituent Assembly, a political organization created by the government to revise the constitution. The election took place at the end of July without the participation or the recognition of the opposition. The newly elected Assembly, therefore only composed of pro-government members, has since taken over the functions of the former National Assembly. This effectively cancels any form of political opposition against the regime within state institutions.

Conclusions

Venezuela is mired in a complex economic and humanitarian crisis dominated by a galloping three-digit inflation, severe problems of food shortages, medicines and other goods, and a strong recession.

The main cause of inflation that Venezuelans live is well known. The increase in public spending that was highly wasteful, in addition to discretionary and opaque, generated a significant fiscal deficit that has not been covered by taxes or debt, regardless of whether we have become seriously indebted during these years. The main mechanism to cover the deficit has been the monetary issue because the indebtedness already has a very high cost and at this moment the financial systems for this purpose are blocked.

The Venezuelan government maintains that the economic crisis is the consequence of an "economic war" promoted by the opposition and the business sectors. By contrast, analysts point out that the complex situation is a product, to a large degree, of the exhaustion of price control systems and changes in force since 2003. As there has been a dismantling of productive chains and a drop in national production, there are fewer and fewer goods and more liquidity in the market. That has been generating a kind of vicious circle that accelerates the speed of inflation, this imbalance between supply and demand money is what generates this inflationary situation.

The politics of ethnic difference of the current government are not different from those of the former neoliberal governments to divide indigenous peoples and perpetrate 'accumulation by dispossession' (Harvey 2014), occupying spaces of life for territorialities destined for extractivism. Promised development and inclusion usurp indigenous symbols and agendas,

their autonomous ways of life within the framework of greater integration into national markets of commerce, consumption and labor.

Referencias

- Acosta, Alberto. 2016. Extractivismo y neoextractivismo: Dos caras de la misma maldición. CLAES (Centro Latinoamericano de Economía Social). Montevideo, Uruguay
- Almagro Luis. 2015. Denuncia sobre la consolidación de un régimen dictatorial en Venezuela (#Venezuela#OEAcónVenezuela.oas.org/documents/spa/).
- Almagro, Luis. 2017. Tercer Informe Venezuela. Organización de Estados Americanos (OEA).pdf
- Alvarez, Víctor. 2013. Claves para impulsar un modelo post-extractivista en Venezuela: Aportes para el debate ([http://www.rosalux.org.ec/attachments/article/773/Claves para impulsar un modelo post-extractivista en Venezuela.pdf](http://www.rosalux.org.ec/attachments/article/773/Claves%20para%20impulsar%20un%20modelo%20post-extractivista%20en%20Venezuela.pdf))
- Benjaminsen, T. and Bryceson, I. 2012. “Conservation, green/blue grabbing and accumulation by dispossession in Tanzania”, Journal of Peasant Studies 39(2), 335—355.
- Bouzanis, Angela. 2017. “Venezuela: Government announces new oil-backed digital currency amid parallel dollar free fall”, FocusEconomics (<https://www.focus-economics.com/countries/venezuela/news/exchange-rate/government-announces-new-oil-backed-digital-currency-amid9>)
- Brand, U. 2012. Green economy – the next oxymoron? No lessons learned from failures of implementing sustainable development. GAiA 21(1): 28—32
- Brockington, D. and Duffy, R. 2011. Capitalism and conservation. Malden: Wiley-Blackwell.
- Brosius, P. 2004. Indigenous peoples and protected areas at the World Parks Congress. Conservation Biology 18(3): 609—612.
- Burchardt, Hans-Jürgen et al. 2016. Nada dura para siempre: Neo-extractivismo tras el boom de las materias primas (www.flacsoandes.edu.ec).
- Burchardt et al., 2016).
- Caballero Arias, Hortensia. 2007. “La Demaración de Tierras Indígenas en Venezuela”, Revista Venezolana de Economía y Ciencias Sociales 13(3).
- Carrasco, I. and del Hoyo, I. 2016. Neoextractivismo, Observatorio de multinacionales en América Latina (omal.info/spip.php?article4847)
- Carrión, Patricia. 2012. “Consulta previa: legislación y aplicación”, Cuadernos Democráticos 4. Quito: CEDA.
- Cavanagh, C. J. and Benjaminsen, T.A. 2017. Political ecology, variegated green economies, and the foreclosure of alternative sustainabilities, Journal of Political Ecology 24:200-341
- Centro Indígena Ye'kwana Kuyujani Mai. 2016. Pronunciamiento de los pueblos Ye'kwana, Sanemá y Pemón de la cuenca del Caura sobre el decreto número 2.248 del ‘Arco Minero del Orinoco’ en el marco de la XX Asamblea de la organización Kuyujani”.
- Civilis. 06/12/17. Democracia, Estado de Derecho y Libertades Cívicas en Venezuela: ¿cómo nos ve el mundo?, Caracas
- CODEVIDA PROVEA. 2014-2017. “Crisis in Venezuela”, Bulletin No. 8.
- COIAM (La Coordinadora de Organizaciones Indígenas del Amazonas). 2014. COIAM se pronuncia sobre nueva política minera en Guayana (<http://venezuelaoriginaria.blogspot.com/2014/06/coiam-se-pronuncia-sobre-nueva-politica.html>)
- Corson, C. and MacDonald, K. (2012). “Enclosing the global commons: the convention on biological diversity and green grabbing”, Journal of Peasant Studies 39(2): 263—283
- Ebus, Bram. 2017. “Arc of Desperation: Venezuela’s decision to open up the Orinoco Belt to mining threatens the Amazon rainforest”, Earth Island Journal, August 2017
- Faiola, Anthony. 2017. “Maduro calls for restructuring Venezuela’s foreign debt”, The Washington Post (<https://www.washingtonpost.com/world/maduro-calls-for-restructuring-venezuelas-foreign->

- debt/2017/11/02/03ad1fd2-c036-11e7-8444-a0d4f04b89eb_story.html?utm_term=.8e38f155a668).
- Fairhead, J., Leach, M., and Scoones, I. 2012. Green grabbing: A new appropriation of nature, Journal of Peasant Studies 39(2): 237—261
- Fisher, M. and Taub, A. 2017. “How does populism turns authoritarian? Venezuela is a case in point”, The New York Times (retrieved 2 April 2017).
- Gudynas, Eduardo. 2016. “El nuevo extractivismo progresista en América del Sur: Tesis sobre un viejo o problema bajo nuevas expresiones”, Aporrea (<http://www.aporrea.org/regionales/a172829.html>) (consultado 21 junio 2016)
- Gudynas, Eduardo. 2009. “Ten Theses on the new extractivism. Contexts and demands under the current South American progresivism”, in Gudynas, E. et al. Extractivismo, política y sociedad 2009:187-225, CAAP (Centro Andino de Acción Popular) y CLAES (Centro Latino Americano de Ecología Social).
- Gutiérrez, Alejandro. 2017. “Venezuela’s Economic and Social Development in the Era of Chavism”, Latin American Policy 8(3):160-188
- Hall, Stuart. 1985. “Authoritarian Populism: a Reply to Jessop et al”, New Left Review I/151.
- Heynen, N. and Robbins, P. 2005. “The neoliberalization of nature: Governance, privatization, enclosure, and valuation”, Capitalism Nature Socialism 16(1), 1—8 (<http://tandfonline.com/toc/rcns20/current>)
- Huff, Amber. 2017. “POLLEN 18 Authoritarian Populism and Emancipatory Politics”, Institute of Development Studies and STEPS Centre).
- Human Rights Watch. 2017. Crisis humanitaria en Venezuela (<https://www.hrw.org/es/world-report/2017/country-chapters/298985>)
- Igoe, J. 2017. The nature of the spectacle: On images, money, and conserving capitalism. Tucson: Arizona University Press
- Igoe, J. and Brockington, D. 2007. “Neoliberal conservation: A brief introduction”, Conservation and Society 5(4): 432—449
- Ilcan, S. 2013. Mobilities, knowledge, and social justice. Montreal: McGill-Queen’s University Press
- Kelly, A. 2011. “Conservation practice as primitive accumulation”, Journal of Peasant Studies 38(4): 683—701
- Lander, E. and Arconada, S. 2017. “Venezuela: un barril de pólvora”, Nueva Sociedad 269:17.
- Levitsky, S. and Way, L. 2002. “The rise of competitive authoritarianism”, Journal of democracy 13(2):51-65.
- Levitsky, S. and Way, L. 2010. Competitive Authoritarianism: Hybrid regimes after the Cold War (Problems of International Politics), Cambridge University Press.
- Lunstrum, E. 2016. “Green grabs, land grabs and the spatiality of displacement: Eviction from Mozambique’s Limpopo National Park”, Area (Royal Geographic Society) 48(2):142—152
- McAfee, K. 2009. “Selling nature to save it? Biodiversity and green developmentalism”, Environment and Planning D (Society and Space) 17: 133—154
- Ojeda, D. 2012. “Green pretexts: Ecotourism, neoliberal conservation and land grabbing in Tayrona National Natural Park, Columbia”, Journal of Peasant Studies 39(2):357-375
- Puddington, Arch and Roynance, Tyler. 2017. Freedom in the World 2017 “Populist and Autocrats: The Dual Threat to Global Democracy”, Freedom in the World 2017
- Ramírez, Kenneth. 2016. “10 años del plan Siembra Petrolera”, El Mundo Economía y Negocios (www.elmundo.com.ve/firmas/kenneth-ramirez/10-anos-del-plan-siembra-petrolera.aspx)
- Ramutsindela, M. 2007. Transfrontier conservation in Africa: At the confluence of capital, politics, and nature. Wallingford: CABI
- Rosatti, Andrew and Zerpa, Fabiola. 2017. “Maduro now owns Venezuela’s economy –and its collapse”, Bloomberg Politics

- Sary, Levy. 2017. "Sobre la inflación en Venezuela", Prodavinci. 25 noviembre 2017.
- Schäfer, Heinrich Wilhelm. 2014. "Identity Politics and the Political Field: A theoretical approach to modelling a 'field of identity politics'", in Raab, J. ed. *New World Colors: "Ethnicity, belonging, and difference in the Americas"*, Interamerican Studies 9:375-399.
- Scoones, I., Edelman, M., Borras, Jr., S.M., Hall, R., Wolford, W. and White, B. 2017. "Emancipatory rural politics: confronting authoritarian populism", The Journal of Peasant Studies 1:20.
- Skeggs, B. 2004. Class, self, culture. London: Routledge.
- Talwani, Manik. "The Orinoco Heavy Oil Belt in Venezuela (or Heavy Oil to the Rescue?)", The James A. Baker III Institute for Public Policy of Rice University.
- West, P. 2006. "Conservation is our government now", The politics of ecology in Papua New Guinea. Durham: Duke University Press.
- West, P., Igoe, J., and Brockington, D. 2006. "Parks and peoples: The social impacts of protected areas", Annual Review of Anthropology 35:251—277
- Weyland, Kurt. 2013. "The threat from the Populist left", Journal of Democracy 24(3):18-32
- White, B., Borras, S., Hall, R., Scoones, I., and Wolford, W. 2012. "The new enclosures: Critical perspectives on corporate land deals", Journal of Peasant Studies 39(3—4): 619—647

ERPI 2018 International Conference
Authoritarian Populism and the
Rural World

17-18 March 2018
International Institute of Social Studies (ISS)
The Hague, Netherlands



About the Author(s)

Luis Llambí, PhD Emeritus Professor Center of Rural Studies,
Venezuelan Institute for Scientific Research

The Emancipatory Rural Politics Initiative (ERPI) is a new initiative focused on understanding the contemporary moment and building alternatives. New exclusionary politics are generating deepening inequalities, jobless 'growth', climate chaos, and social division. The ERPI is focused on the social and political processes in rural spaces that are generating alternatives to regressive, authoritarian politics. We aim to provoke debate and action among scholars, activists, practitioners and policymakers from across the world that are concerned about the current situation, and hopeful about alternatives.

For more information see: <http://www.iss.nl/erpi>
or email: emancipatoryruralpolitics@gmail.com