

Venezuela's Postcrisis Recovery and Reform

A Comprehensive "Day After" Framework for Venezuela, the United States, and the International Community to Promote Inclusive Stability, Security, and Prosperity

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Background

Venezuela is in the midst of a severe political, economic, and humanitarian crisis that threatens the collapse of the country's polity and economy. Internationally, the Venezuelan crisis is viewed as one of the most serious cases of a collapsing middle-income nation-state in modern history and certainly one of the most dramatic and challenging transitions ever seen in the Americas. The next Venezuelan administration, whenever it arrives, will require sustained and coordinated international support in order to lead Venezuela in the right direction.

Purpose

Venezuela will require international support to relieve the suffering of its people. Extensive immediate political, economic, and institutional reforms, backed by significant international humanitarian aid and technical and financial assistance, will be essential for the stabilization and recovery of Venezuela. There are several different efforts underway in public and private institutions, in Venezuela and elsewhere, aimed at developing recommendations for these reforms. The Center for Strategic and International Studies (CSIS) has launched a Venezuela project centered around the creation of a "Day After" Postcrisis Recovery and Reform Framework, examining how the United States, multilateral institutions, and the global community can best prepare to help Venezuela through its postcrisis recovery including both immediate and medium-term actions. These reform initiatives can benefit from the broad expertise of Venezuela, the United States, and the global community, and a

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coordinated effort will enhance the chance of success in the long term. The United States, multilateral institutions, and the global community should continue engaging with Venezuelan civil society and international agencies in country on humanitarian needs assessments to be prepared for an urgent response when it is politically feasible. The immediate objective, following a resolution to the current political crisis, is to relieve the current catastrophic conditions affecting the health and well-being of Venezuela's people and through the development and implementation of multisectoral policy reforms to foster sustainability.

The priority, precedence, timing, appropriateness, and execution of tasks will be essential for "the day after" in Venezuela. The attached framework presents the range of recovery and reform tasks that Venezuela will encounter in the wake of the current crisis. We break the challenge into five key sections: Social Well-being, Economic Growth, Security, Justice & Reconciliation, and Governance & Participation. This framework is designed to help leaders in Venezuela, the United States, multilateral institutions, and the international community to conceptualize, prioritize, and articulate humanitarian aid and policy responses in Venezuela to maximize the chances of success of the country's recovery in the medium to long run.

Framework

The framework is organized into two conceptual phases, defined as "Initial Response" and "Fostering Sustainability." The first phase, Initial Response, focuses on the need for international help and assistance during the first 180 days of the postcrisis transition. The second phase, Fostering Sustainability, consolidates long-term policy recommendation reforms, for the next few years and beyond following the transition, to help Venezuelan stakeholders, with the support of the United States and other regional and international partners, undertake the most effective and coordinated approach to modern national reform. Domestic and international stakeholders should start on both phases immediately.

AREA	INITIAL RESPONSE	FOSTERING SUSTAINABILITY
	<i>Goal: Provide for emergency humanitarian needs</i>	<i>Goal: Institutionalize long-term development program</i>
Social Well-Being	International Humanitarian Aid	Food Security
	Identify those in need of urgent assistance	Develop agricultural sector and increase domestic production. Tasks might include relocating trespassers, land reforms, restore titles.
	Define best channels, mechanisms, and actors to reach them	Establish market mechanisms. Progressive elimination of multiple distortive controls and excessive regulations
	Estimate amounts of assistance needed and sources of resources	
	Distribute emergency food supplies: distribution channels should be secured, from both corruption and looting	
	Remove the military from the control over food distribution along with the latest politicized food distribution and production initiative (CLAP)	
	Public Health	Health Care Industry
	Work with international partners like the Pan American Health Organization (PAHO)/World Health Organization (WHO) and local nongovernmental organizations (NGOs), especially those with ties to communities, to undertake urgent measures to control and prevent epidemics, including support and supplies	Assess the state of the health care industry infrastructure, including all private and public hospitals
	Assess immediate state of hospitals	Build a recovery plan for hospitals and other medical facilities, including privatization
	Implement proper management of international aid and establish professional public health coordinating mechanisms	Define institutional reforms and incentives to increase private-sector participation in the health sector
	Assess the current state of medicine supply and immediate supplies of basic medicine	Rebuild critical health-sector capacity, including human resources. Defining and establishing incentive mechanisms for medical and paramedical staffs
	Identify main actors providing medical assistance. Establish distribution channels and protocols for medicine and medical supplies	Assure extension of primary health care services nationwide
Develop plan for emergency medical services and address immunization and other infant and maternal mortality issues		

	Human Capital	Social Programs
	Assess best national social programs in place	Present policymakers with best practices internationally
	Create incentives for diaspora to get involved and help, including incentives to encourage their return to Venezuela.	Define criteria to choose programs that should stay in place or produce new ones
AREA	INITIAL RESPONSE	FOSTERING SUSTAINABILITY
	<i>Goal: Stabilization of the economy</i>	<i>Goal: Establish foundation for long-term development</i>
Economic Growth	International Technical and Financial Support	Structural Reforms
	Request emergency programs from multilateral institutions like the International Monetary Fund (IMF), World Bank (WB), Inter-American Development Bank (IDB), UN Development Program (UNDP),, and other bilateral donors	Examine regulatory frameworks and implement reforms accordingly
	Define and implement a sovereign debt restructuring plan	Introduce principles of commercialization to foster sustainability, including state-owned enterprises (SOEs) structuring
	Define and implement a debt restructuring plan for Petróleos de Venezuela, S.A. (PDVSA)	Implement privatization measures, including transferring activities, assets, and public enterprises to the private sector
	Stabilization of the Economy	Economic Growth
	Assess soundness of banks	Define timing and sequencing of macroeconomic policies, including fiscal, monetary, and trade policies
	Provide sufficient liquidity for a stable new currency	Implement price liberalization measures
	Implement monetary policy measures to address inflation	Encourage the establishment of a currency board system or the adoption of dollarization
	Energy and Mineral Resources	Energy and Mining Reforms
	Assess the current state of the oil industry, including oil production, domestic consumption, and exportable surplus	Build a strategic plan to diversify the economy, including policies and incentives to stimulate the economy and development of other sectors
Assess the current state of mineral production and export revenues	Restructure PDVSA, including human resource, financial and operational restructuring	

	Assess state of Guri Dam and electric distribution system	Assess privatizing electricity
	Secure financing and bring energy production back online	Introduce gradual price normalization in gasoline
	Define a recovery plan for the oil industry, including creating incentives for domestic and international investments	Prioritize policies and programs to stimulate private-sector participation in the rebuilding of the energy sector, ports, airports, roads, and other infrastructure projects
	Legal	Legal
		Foster reforms to protect property rights, including intellectual property (IP)
		Implement labor reforms that increase productivity
AREA	INITIAL RESPONSE	FOSTERING SUSTAINABILITY
	<i>Goal: Establish a safe and secure environment</i>	<i>Goal: Develop legitimate and stable security institutions</i>
Security	Disarmament	Police Structure Reforms
	Ask the Inter-American Commission on Human Rights at the Organization of American States (OAS) to establish a police review commission of experts	Develop long-term reform process
	Identify armed groups posing a threat to citizens and national security	
	Define mechanism for disarmament based on international best - practices	
	Define mechanism to ensure compliance	
	Security	Security
	Identify irregular groups and work with domestic police and international disarmament, demobilization, and reintegration (DDR) bodies and military to neutralize and disband them	Implement reforms of local and federal security forces
	Remove all foreign police, military, and intelligence personnel within security forces	Implement reforms of prison system and infrastructure
	Assess current narco-trafficking operations in the country and develop an action plan to disrupt networks and flows	
	Border Security	Regional Security
Improve border controls to combat narcotics, arms trafficking, and smuggling	Initiate a collaborative partnership with regional countries on the current	

		security threat, including intelligence-sharing mechanisms
	Undertake a collaborative partnership with Colombia and Guyana to assure border security and cooperate in preventing wide-scale illicit activity involving transnational criminal organizations	Establish and implement a comprehensive counter-narcotics strategy with Colombia, the United States, and the Inter-American Drug Abuse Control Commission/OAS
	Military	Military
	Announce return to civilian government administration	Reestablish independent and accountable structures
	Establish nonpolitical professional civil service commission	
	Identify active-duty military engaged in civilian administration and establish timetable for their return to barracks with positions filled by acting civilian administrators and civil service tasked to establish civilian professional replacements	
AREA	INITIAL RESPONSE	FOSTERING SUSTAINABILITY
	<i>Goal: Develop mechanisms for addressing past and ongoing grievances</i>	<i>Goal: Create a functioning, independent legal system and process for reconciliation</i>
Justice and Reconciliation	Transitional Justice	Judicial System
	Recruit international assistance for legal assessment	Depoliticize the judiciary
	Create information-sharing mechanisms for criminal activities	Train and recruit judicial officials
	Implement emergency support policies to improve conditions in jails	
	Implement best practices of post-conflict transitional justice processes, analyzing lessons learned from Colombian post-conflict peace agreement, International Commission against Impunity in Guatemala (CICIG), Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH), and the Office of the UN High Commissioner for Human Rights (OHCHR)	
	Establish "Green Zones" for judges, police, and witnesses	
	Remove supreme court justices named in December 2015 and replace in accord with the Constitution	
	Human Rights	Human Rights Advocacy
	Establish civil society-led Truth and Reconciliation Commission, including Foro Penal Venezolano and Sin Mordaza	Encourage the full operation of domestic and international human rights NGOs
	Take testimony from victims of human rights abuse	
Civil and Political Rights	Process of National Reconciliation	

	Release all political prisoners	Spur national dialogue with broad participation by civil society
	Restore political rights for democratic leaders	
	Freedom of Press	
	Remove constraints on national media	
	Investigate coerced purchases of national media and take corrective action	
	Freedom of information needs to be restored to all society: including restore full Internet access, remove restrictions on cell phone reach overseas	
AREA	INITIAL RESPONSE	FOSTERING SUSTAINABILITY
	<i>Goal: Develop mechanisms for addressing past and ongoing grievances</i>	<i>Goal: Build legal system and process for reconciliation</i>
Governance and Participation	Fair and Transparent Elections	Electoral Reforms
	Establish timetable for regional and national elections	Establish system for disputing electoral results
	Request international monitoring of electoral bureaucracy, including observation commissions by the OAS, Carter Center, and other independent electoral experts	Assess vote-counting mechanisms to be reliable, transparent, and anonymous
	Establish balanced electoral authorities in the National Electoral Council (CNE) with respected independent chair	
	Transparency and Accountability	Rebuilding Institutions
	Restore powers to National Assembly, according to the Constitution	Restore checks and balances through specific reforms designed to keep domestic institutions secure and free from external influences
	Identify a pool of capable personnel that can immediately join the administration to implement urgent relief programs and policy reforms	
	Identify major crimes against the public treasury	Promote constitutional principles to decentralize executive power
	Establish independent process to prosecute corrupt officials	Establish asset recovery fund and protocols for its disbursement in economic recovery
	Secure international support for objective auditing of government finances	Establish anticorruption protocols that meet international standards for foreign direct investment (FDI)
Law Enforcement	Law Enforcement and Rule of Law	

	Identify and assess the level of criminal impunity	Develop a plan with international partners, including Amnesty International, to address impunity
	Define and implement programs of cooperation with international law enforcement agencies	Establish accountability/oversight policies
		Reform restructuring of police

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