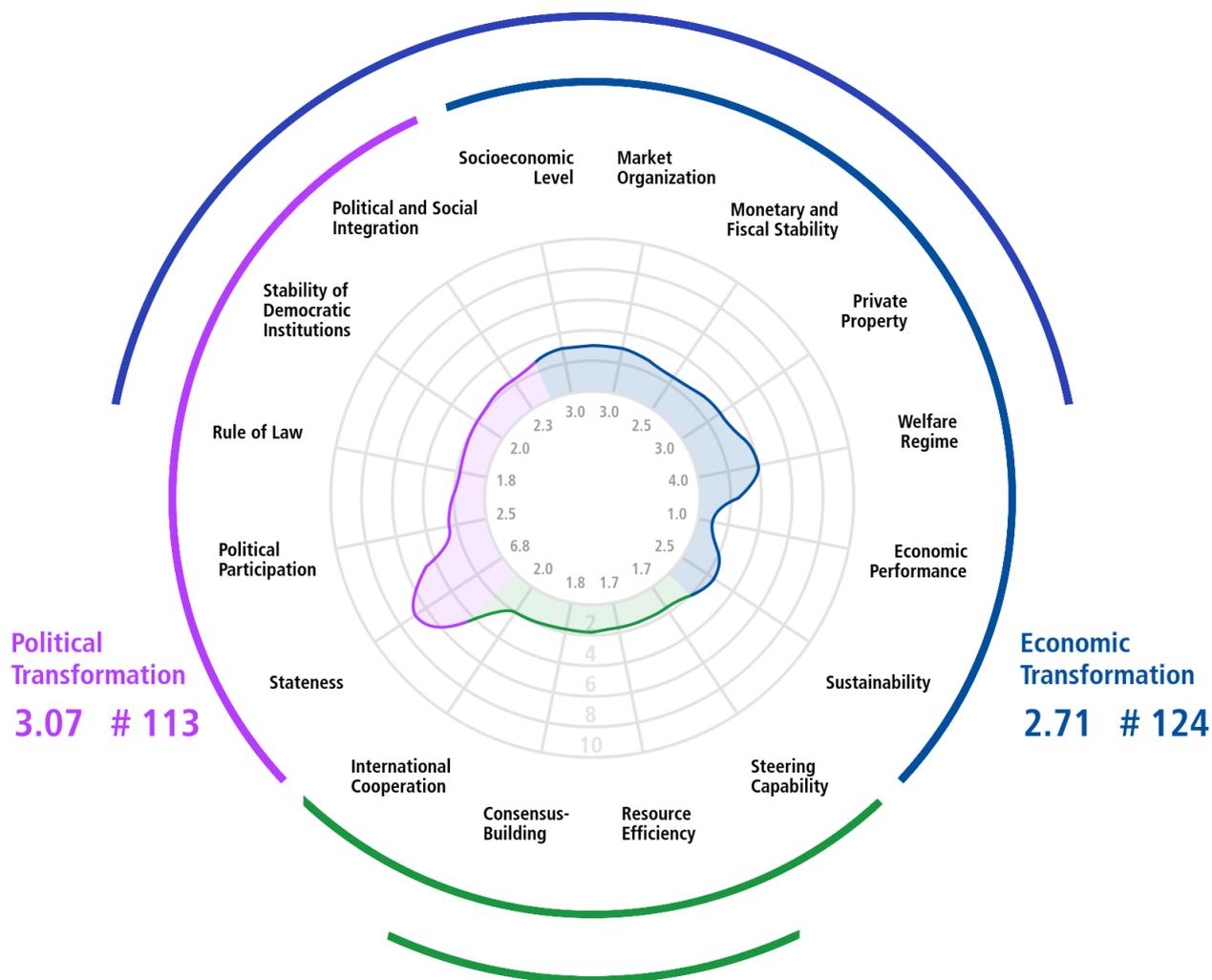


Venezuela

Status Index

2.89 # 123

on 1-10 scale out of 137



Governance Index

1.57 # 132

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	28.4	HDI	0.709	GDP p.c., PPP \$	-
Pop. growth ¹	% p.a.	0.4	HDI rank of 193	121	Gini Index	44.7
Life expectancy	years	72.5	UN Education Index	0.683	Poverty ³	% 15.5
Urban population	%	88.5	Gender inequality ²	0.512	Aid per capita \$	14.3

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

The autocracy in Venezuela has not softened, as evidenced by the continued absence of basic democratic principles – such as the separation of powers, judicial independence and the rule of law – and by ongoing constraints on the fundamental freedoms of expression and association. In addition, the International Criminal Court (ICC) prosecutor is proceeding with an investigation into alleged crimes against humanity committed by high-ranking Venezuelan officials.

Venezuela's GDP grew 6.2% in 2024, according to the Economic Commission for Latin America and the Caribbean (ECLAC) estimates, marking the fourth consecutive year of growth. However, this seemingly promising figure must be viewed in light of the starting point. With the 2013 GDP indexed at 100, the economy would need to sustain a 6% growth rate for 28 consecutive years to recover that baseline. Despite its return to growth, Venezuela remains a petrostate in decline, engulfed in an unprecedented, multifaceted crisis. By the end of 2024, more than 7.9 million Venezuelans had left the country in pursuit of a better future abroad, depriving it of its most skilled workers and underscoring the magnitude of the catastrophe.

The economy has undergone a cautious shift from socialist ideology to liberal pragmatism, with little regard for the population's well-being. Hyperinflation and the economic crash were mitigated through conventional measures, such as spending caps, the elimination of controls, restrictive monetary and credit policies, and de facto dollarization. Nevertheless, the economic transformation has not alleviated the population's hardships, and poverty and inequality persist unabated.

The education system serves approximately two-thirds of eligible age groups. Among those in attendance, only two-thirds receive the traditional school lunch. The public health care system covers 70% of the population, while nearly half of the workforce remains economically inactive. Moreover, 82.8% of the population lives in poverty, with 50.5% classified as extremely poor.

The 2023 – 2024 period was dominated by Venezuela’s July 28, 2024, presidential elections. The government and opposition engaged in negotiations facilitated by Norway and supported by diplomats from six countries, culminating in the Barbados Agreement, which aimed to ensure fair elections. Concurrently, the government of Nicolás Maduro (since 2013) negotiated directly with the United States, leading to partial sanctions relief, particularly in the oil sector. However, the government soon violated its commitments.

In October 2023, María Corina Machado (opposition leader and founder of the Vente Venezuela Party) won 92.3% of the vote in the opposition primary. However, the government barred her from running, violating electoral laws and the Barbados Agreement. Nevertheless, the opposition managed to present a unity candidate, former diplomat Edmundo González Urrutia.

Electoral conditions did not meet democratic standards and were marked by the persecution and repression of opposition parties, their leaders and supporters. On election day, the vote count was interrupted due to alleged cyberattacks, although no evidence was provided. Official results gave Maduro 51.95% and González Urrutia 43.18% of the vote. However, the opposition presented copies of the tallies from more than 80% of the 30,000 voting machines. These records showed a victory for the opposition candidate with 67.04% of the vote, compared with 30.49% for Maduro. Despite these allegations, Maduro was sworn in on January 10, 2025.

Post-election protests were met with violent repression, resulting in at least 2,400 arbitrary arrests, including minors and activists. Maduro lost international legitimacy, especially with Brazil and Colombia, while domestically his authority was also undermined, compelling him to share power with the hard-line factions of Chavismo.

After regaining public trust and legitimacy, the opposition faces a complex situation with Edmundo González Urrutia in exile and María Corina Machado in hiding. Persecution and repression have weakened its leadership and made it difficult to coordinate political action after the electoral fraud.

History and Characteristics of Transformation

Venezuela is a typical rentier society. The rise of petroleum as the economy’s dominant sector in the 1920s reshaped prevailing economic, social and political logics. Although democratization efforts began in the mid-1940s, initial attempts failed. Democracy was not successfully re-established until 1958, following another period of authoritarian rule. However, Venezuelan liberal democracy did not guarantee the social inclusion of marginalized groups.

During the 1960s, the democratic order gradually consolidated. Following the rise of democracy, successive governments, elected under the elite pact model known as “puntofijismo” (1958–98), sought to diversify the economy by creating state-owned basic industries and implementing import substitution industrialization under a protected market regime. However, this approach relied on substantial subsidies that rewarded inefficiencies. Even so, the period produced positive outcomes, such as the development of modern infrastructure, the emergence of a middle class, improved upward mobility, and substantial advances in education and health care.

In the face of mounting economic imbalances, President Carlos Andrés Pérez (1989–92) implemented an IMF-assisted adjustment program. This shock policy led to a serious deterioration in socioeconomic conditions, with poverty and inequality rates rising sharply. The crisis triggered widespread protests known as the “Caracazo.” The violent repression gave a group of conspiring army officers a pretext to stage two coup attempts in 1992. One of the conspirators was future President Hugo Chávez, who was released from prison in 1994 and launched a political campaign. Riding a tidal wave of popularity, Chávez was elected president in 1998.

Chávez secured approval for a new constitution that emphasized plebiscitary democracy and state decentralization but also strengthened the executive. In 2002, a series of far-reaching decrees sparked protests during which shots were fired at demonstrators, prompting a coup by opposition forces and elements of the military. The coup failed after loyal military units intervened and Chávez’s followers flooded the streets.

In the following years, Venezuela benefited from an unprecedented oil boom, resulting in high economic growth and improvements in social indicators. Chávez was re-elected in 2006 and 2012. However, he was unable to assume office in 2013 because of severe illness and died that year. This coincided with the end of the boom and the onset of an escalating economic crisis.

Chosen by Chávez as his successor, Nicolás Maduro – a loyal leader of the United Socialist Party of Venezuela (PSUV), who had served as president of the National Assembly, foreign minister and vice president – narrowly won the April 2013 presidential election. In the 2015 legislative elections, the opposition gained a two-thirds majority in the National Assembly. However, a gradual power shift was blocked when the government urged a compliant Supreme Court to declare the National Assembly “in contempt,” thereby circumventing the assembly’s legislative authority.

An opposition initiative for a 2016 referendum to recall Maduro was ultimately blocked by the electoral authority. Massive demonstrations in favor of the referendum were suppressed, resulting in more than 150 deaths. Elections between 2018 and 2020 failed to meet constitutional requirements and were not deemed free or fair. President Maduro was re-elected in May 2018, but a significant portion of the international community did not recognize his victory.

In January 2019, the National Assembly elected Juan Guaidó (opposition leader of the Voluntad Popular party and deputy) as its president for the 2019 – 2020 session. In a surprising, formally illegal move, the National Assembly declared the presidency vacant under Article 233 of the constitution and assumed executive power, with Guaidó as interim president. The United States and a host of primarily Western countries backed the move. However, the strategy of ousting Maduro with a combination of external sanctions – “maximum pressure” – and the internal alternative of a parallel government went nowhere.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The Venezuelan state controls only part of the national territory. In the border areas with Colombia, the presence and activity of guerrilla and paramilitary groups persist. Groups such as the National Liberation Army (ELN), dissidents of the Revolutionary Armed Forces of Colombia (FARC) and the Clan del Golfo have consolidated their presence in Venezuelan territory. These organizations have progressively expanded their influence in certain regions of the country. In May 2023, the governor of Táchira state, which borders Colombia, acknowledged the presence of 45 paramilitary groups as well as 12 ELN structures operating in the region. There are also allegations of cooperation between ELN structures and the government.

Additionally, in some areas of major cities, including the capital, so-called colectivos – pro-government paramilitary organizations – operate and engage in crime, including kidnapping, robbery and extortion. These groups also function as forces of political control and repression, coordinating with state security forces, including police and military units, to suppress political and social protests.

All social groups recognize the legitimacy of the nation-state and agree on the principles of citizenship. No social group is discriminated against or denied citizenship. Anyone born in the country automatically acquires citizenship, regardless of their parents' nationality or legal status. Foreigners may apply for naturalization after 10 consecutive years of residence; the period is reduced to five years for nationals of Spain, Portugal and Italy, and for nationals of Latin America or the Caribbean. Dual nationality is allowed.

Question
Score

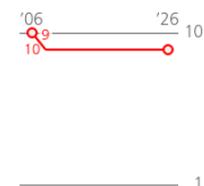
Monopoly on the
use of force

4



State identity

9



The state is secular. The legal order and political institutions are entirely free from the influence of religious dogma. The Catholic Church has taken a belligerent stance against the government of Nicolás Maduro. For his part, President Maduro has sought to deepen ties with Evangelical churches. In February 2023, President Maduro announced the program My Church Well Equipped (Mi Iglesia Bien Equipada) to restore and equip temples, churches and parish houses. Although the program does not exclude any denomination, it seeks political support from Evangelical pastors to counterbalance the power of the Catholic Church.

Most of the population identifies as Catholic, but the number of people affiliated with various Evangelical churches has been steadily increasing. According to Latinobarómetro 2024, 72% of Venezuelans identify as Catholic, while 8% identify as Evangelical.

State administrative structures exist throughout the country, but their effectiveness is limited. The executive has steadily co-opted and exerted control over the state bureaucracy and military, repressing civil servants and replacing them with loyal supporters.

Law enforcement comprises 129 municipal police departments, 23 state police departments, the National Bolivarian Police, the Special Action Force, the Criminal Scientific Investigation Corps, the Bolivarian Intelligence Service and the (militarized) National Guard. Key public services face structural problems because of a lack of maintenance and technical capacity. For example, although the public electricity network provides 100% coverage, continuous interruptions and blackouts affect 61% of the population, according to the NGO HumVenezuela (2023). In September 2024, more than half of the country's electricity supply, 80% of which originates from the Guri hydroelectric complex in the country's east, was interrupted for more than 12 consecutive hours.

The national tax authority, SENIAT, was created before the Bolivarian Revolution as an autonomous agency with broad taxation powers, and remains well organized and efficient. Citizens can file tax returns online. The states collect stamp taxes, while the local governments handle real estate, vehicle, property and commercial taxes.

Public education is free from preschool to higher and professional levels. The public network, with 23,000 institutions, covers 88.3% of the student population; private schools comprise 11.7%. There are approximately 100 tertiary education institutions and 39 mostly public universities. However, underpaid teachers at all levels have left their jobs in droves, with many emigrating. Seven out of 10 of the 23,000 public institutions fail to provide suitable teaching and learning environments.

Government expenditure on health care was 2.47% of GDP in 2019, according to the most recent World Bank data. This is 1.5 percentage points lower than the Latin American average. There are 306 level I–IV hospitals, numerous diagnostic centers,

No interference of religious dogmas

10



1

Basic administration

4



1

primary care stations and 150 major private clinics. Seventy percent of hospitals lack regular access to water and electricity, while 56% of hospital beds are inoperable. Laboratory capacity has fallen to 10% of its former level. Transplant programs have been discontinued, and dialysis and surgical procedures have declined by 86% and 42%, respectively, according to Johns Hopkins University (2022).

Furthermore, 56% of health care spending is paid out of pocket, indicating that the system is de facto semi-privatized, as reported by Médicos Unidos por Venezuela (2020). According to World Bank data, there are 0.97 hospital beds and 1.73 physicians per 1,000 people. More than 50% of the country's physicians and 25% of its nurses have emigrated recently. Among those who remain, only one-third of emergency doctors are specialists.

According to 2022 World Bank/WHO-UNICEF data, 76.7% of households in Venezuela have access to a safely managed drinking water supply. Approximately 98% of the population has access to basic sanitation and 27.1% have access to safely managed sanitation.

2 | Political Participation

Elections in Venezuela are neither free nor fair. The National Electoral Council (CNE) is nominally an independent institution, but, in fact, it is under executive control. Electoral conditions are unfair and party competition is structurally restricted. Opposition political parties and leaders have been repeatedly outlawed, disqualified and persecuted.

In the July 2024 presidential election, Nicolás Maduro's government committed electoral fraud when authorities halted the vote count on election night, citing a cyberattack. Later that night, officials declared Maduro the winner with 51.95% of the vote, while the opposition candidate, Edmundo González Urrutia, was reported to have received 43.18%. However, the opposition's tally of voting machine records from more than 80% of polling stations showed González Urrutia winning with 67.04% to Maduro's 30.49%.

Despite the October 2023 Barbados Agreement on electoral guarantees, conditions remained unfair. The opposition held primaries on October 22, with María Corina Machado winning 92.4% of the vote. However, the Comptroller General's Office barred her from registering.

The Carter Center said on July 30, 2024, following the conclusion of its electoral observation mission, that "Venezuela's 2024 electoral process failed to meet international standards of electoral integrity at any relevant stage and violated numerous provisions of the country's legislation."

Free and fair elections

2



More significantly, the CNE did not publish the election results broken down by polling station, while the opposition presented detailed results. In its preliminary report, published on August 9, the U.N. panel of experts who observed the presidential election confirmed that, after analyzing a sample of polling station reports submitted by the opposition, all of them “show the security features of the original protocols of the results.”

Elected officials – whether allied to the regime or not – have no effective power to govern. In a positive move, Maduro removed the regional “protectors” he had previously appointed as power brokers in states governed by opposition governors. However, he also weakened subnational governments by stripping them of their administrative powers over ports, airports, highway tolls and bridges.

The Law of Communal Cities, enacted in 2021, will eliminate the powers of mayors and governors by creating a “communal” state. This top-down legislation establishes several levels of indirect elections: communal councils – the official units of the Socialist Party – grouped into communal cities, which in turn form communal federations and communal confederations. This makes municipalities and states superfluous, creating a political structure identical to that of the Socialist Party. At the local level, even the communal councils – a major innovation of Venezuela’s “21st century socialism” – have very little autonomy and limited budgets.

The Constitution of the Bolivarian Republic of Venezuela guarantees, in Article 52, the right of citizens to associate freely for lawful purposes. Article 53 guarantees the right to peaceful assembly. However, the implementation of these guarantees has been a constant concern. In December 2024, the government enacted the Law on Control, Regularization, Performance and Financing of Non-Governmental Organizations and Non-Profit Social Organizations, imposing strict controls on NGOs, including the obligation to register and report in detail on their activities and sources of funding. International bodies and human rights organizations have criticized this legislation, describing it as a direct threat to the country’s freedoms of association and expression.

In a December 2024 statement, the U.N. High Commissioner for Human Rights, Volker Türk, expressed concern over the adoption of the Law on the Control, Regularization, Performance and Financing of Non-Governmental and Non-Profit Social Organizations. He stated that, as a consequence of increasing restrictions on civic space, several NGOs have ceased their activities amid allegations of surveillance, persecution and reprisals, such as targeted arrests and passport cancellations.

The government has used intimidation and harassment to prevent citizens from exercising their association and assembly rights. Civil society organizations have reported persecution, harassment, police surveillance, digital attacks, defamation, threats and arbitrary arrests. An April 2023 report by the NGO Promedehum found

Effective power to govern

2

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Association / assembly rights

3

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that only 34% of organizations in Venezuela consider it possible to exercise freedom of association, highlighting significant obstacles to NGO registration and operation. These practices have created a climate of fear and self-censorship that severely limits civic space and democratic participation in the country.

Articles 57 and 58 of the Constitution of the Bolivarian Republic of Venezuela guarantee freedom of expression and the right to uncensored information. However, these constitutional guarantees were frequently violated during the review period. Authorities stigmatized, harassed and repressed media outlets, closing and co-opting dissident media. Self-censorship is widespread due to fear of reprisals.

Journalists, media outlets and organizations critical of the government face harassment, threats and censorship. Espacio Público recorded 349 attacks on freedom of expression between January and November 2023, including censorship, verbal assaults and intimidation. A 2024 report documented the closure of more than 400 media outlets since Chavismo took power.

This repression has created a climate of fear, forcing many journalists to self-censor to avoid legal or physical retaliation. The state employs direct censorship – blocking websites and shutting down critical media – and uses security and criminal laws to silence dissent. In the 2024 World Press Freedom Index, Venezuela ranks 156th out of 180 countries.

The lack of effective freedom-of-information legislation hampers access to official data, limiting transparency and accountability. Furthermore, the concentration of media control in the hands of the government and affiliated actors restricts the plurality of opinions in the Venezuelan media system. This situation has significantly reduced venues for public debate and criticism, undermining democratic participation and citizens' right to be informed.

The regime has also engaged in online censorship, and website and DNS blocking, although the civil rights community has largely learned to bypass these obstacles. After the 2024 presidential election, the government blocked the social media platform X, alleging that its owner, billionaire Elon Musk, was inciting hatred and civil war. In Freedom House's 2024 Freedom on the Net report, Venezuela received a score of 30 out of 100 ("not free," with barriers to access, limits on content and violations of user rights). Internet freedom will become increasingly precarious as the complex crisis persists. Infrastructure failures cause frequent interruptions in connectivity, and internet speeds and quality are low.

Freedom of
expression

3

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1

3 | Rule of Law

The separation of powers is formally established but nonexistent in practice. While the constitution guarantees the principle of separation of powers, the system operates autocratically. Institutional checks and balances are ineffective, as four constitutionally autonomous branches of government – the legislature, the judiciary, the electoral authority and the people’s power – function as mere appendages of the executive. According to the International Commission of Jurists (ICJ), judicial independence and impartiality are severely compromised.

After the opposition boycotted the 2020 elections, the elected assembly has been dominated by the ruling party and has served as nothing more than a rubber-stamp body. Rather than fulfilling its role in debating and controlling government policies, the legislature operates as an extension of the executive branch, swiftly passing laws that consolidate state control while contributing to the persecution of dissenting voices. In January 2024, a new board of directors was appointed to the Supreme Court of Justice (TSJ), including three judges with ties to the ruling PSUV.

Ultimately, although the separation of powers framework remains intact on paper, the executive branch, in practice, exercises overwhelming dominance over the other branches of government.

The judiciary functions as another rubber-stamping agency of the executive. The TSJ – the court of last resort, consisting of 32 magistrates, each appointed for a single 12-year term – has been co-opted and turned into an appendage of the executive branch. In 2017, the TSJ overruled the separation of powers principle by assuming the power to legislate. According to the ICJ, most Supreme Court justices are members of the PSUV or former government officials. In April 2022, the parliament appointed 20 Supreme Court justices, an act that the ICJ denounced as being politically motivated and in violation of standards on judicial independence. The TSJ appointed a new board of directors in 2024, including three judges who, prior to assuming their positions within the judiciary, had run for elected office under the ruling party, the PSUV. Their appointment further consolidates the executive’s influence over the judiciary, eroding constitutional checks and balances.

The judiciary is institutionally differentiated but not independent. The ordinary judiciary operates at four levels, namely courts of appeal, high tribunals, courts of first instance and parish courts, which together handle criminal and civil matters. Special jurisdiction courts, organized hierarchically, address civil, criminal, labor, tax and customs, administrative, juvenile, military and agrarian issues. Justices of the peace complete the system, along with the Prosecutor General’s Office, the Ministry of Justice and the Executive Office of the Magistracy, which oversees the lower courts. Despite this institutional framework, the judiciary lacks independence, impartiality, transparency, accessibility and effectiveness. As a result, only 24.6% of the population trusts the judicial system.

Separation of powers

2

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1

Independent judiciary

2

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1

The World Justice Project ranks Venezuela last among 142 countries in its 2024 Rule of Law Index. The country also ranks last in its civil and criminal justice systems. Neither system is free from improper government influence, discrimination or corruption and judicial processes are neither timely nor effectively enforced.

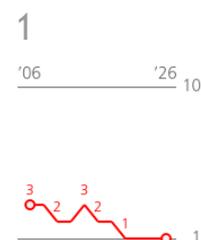
In July 2024, Venezuela held a presidential election that was widely disputed. The TSJ, led by Caryslia Rodríguez, a lawyer and former PSUV politician, validated Nicolás Maduro's victory, dismissing allegations of fraud raised by the opposition and various international organizations. This further reinforced concerns about the judiciary's subservience to the executive and its role in maintaining the ruling party's hold on power.

In Venezuela, public officeholders who engage in corruption or abuse their positions are rarely prosecuted or punished, particularly if they are aligned with the ruling party. The judicial system, heavily influenced by the executive, selectively enforces the law, targeting opposition figures and dissidents, while shielding government officials from accountability. High-profile corruption cases, such as the embezzlement of billions of U.S. dollars from the state-owned oil company PDVSA, have largely gone unpunished, with only lower-level officials or political scapegoats facing consequences.

The rule of law in Venezuela is severely undermined by systemic corruption at all levels of government. Efforts to combat corruption are often performative, serving as tools for political persecution rather than genuine accountability. The government's 2023 – 2024 anti-corruption drive has led to the arrests of several public officials, but critics argue that these actions are selectively applied, sparing those most loyal to the executive. In an unprecedented move, former Chavista minister Tareck El Aissami was arrested in April 2024 as part of the government's anti-corruption campaign. El Aissami, who previously served as oil minister and vice president, was accused of orchestrating a massive corruption scheme within PDVSA. While his arrest was presented as an anti-corruption offensive, it is more likely a political maneuver aimed at eliminating internal rivals and consolidating power within the ruling elite, thereby reinforcing the perception that corruption is tolerated as long as it serves the regime's interests.

Opposition politicians, activists and independent journalists who expose corruption are frequently harassed, detained or forced into exile. Investigative reports on government misconduct often face state repression, including censorship, legal threats and the closure of media outlets. Maduro's administration has also used the judiciary to criminalize dissent, bringing trumped-up charges against opposition leaders to eliminate political threats rather than enforce accountability. The National Assembly, controlled by Maduro, has failed to exercise meaningful oversight, weakening mechanisms for holding public officials accountable. The case of El Aissami demonstrates that only those who fall out of favor with the ruling party face legal consequences, while the broader structure of corruption remains intact.

Prosecution of
office abuse



Although the constitution guarantees individual liberties (e.g., Title III, Chapter III of the constitution guarantees and protects civil rights and personal liberty against state actors), in practice, the government constantly undermines these guarantees through repression, mass surveillance and the criminalization of dissent. Organizations such as Human Rights Watch and Amnesty International have denounced arbitrary detentions, torture and enforced disappearances as part of a strategy to persecute political opponents, activists and journalists. The U.N. Fact-Finding Mission on Venezuela has reiterated that a lack of judicial independence is a key factor preventing victims from accessing justice and redress for these violations.

Various mechanisms of repression and persecution have been documented that target not only opposition supporters or those perceived as such but also broader segments of society. These include arbitrary deprivation of life; short-term enforced disappearances; arbitrary detention; torture and other cruel, inhuman and degrading treatment; and sexual and gender-based violence. The “repression chain” operates through a progression: public stigmatization by high-ranking officials in state-controlled media, arbitrary detention under baseless terrorism or libel charges and finally imprisonment without due process.

Repression intensified significantly during the 2024 presidential election. According to Laboratorio de PAZ, 169 people were arbitrarily detained during the election campaign, affecting opposition members, journalists and activists who denounced irregularities. After the CNE published the results, subsequent protests against the alleged electoral fraud were met with violent repression. According to the NGO Foro Penal, 1,848 people were arbitrarily detained, including 162 adolescents aged between 14 and 17, who are considered minors under Venezuelan law (Foro Penal, September 2024). These events demonstrate the use of the state’s security apparatus to suppress public discontent and criminalize peaceful protest.

Minorities also face high levels of discrimination and lack state protection. Although discrimination based on sexual orientation is illegal in Venezuela, in practice the LGBTQ+ community suffers from violence, social and labor exclusion, and restrictions on the recognition of its rights.

Access to justice for victims of civil rights violations is virtually nonexistent. The executive branch controls the institutions responsible for ensuring the protection of citizens and blocks independent judicial proceedings against those responsible for abuses. In September 2024, the ICC expanded its investigation into crimes against humanity in Venezuela, underscoring the government’s unwillingness to hold perpetrators accountable. Meanwhile, repression remains a systematic mechanism of the state, leaving citizens with no effective means to seek justice and redress for violations of their fundamental rights.

Civil rights

2



4 | Stability of Democratic Institutions

Although Article 2 of the constitution states that Venezuela is a democratic and social state governed by the rule of law and justice, in practice, the country operates under a de facto authoritarian regime. The executive branch has systematically dismantled democratic institutions, concentrating power in the presidency and marginalizing any potential counterweights to its authority.

While the formal structure of democracy remains in place, its institutions have been hollowed out, rendering them ineffective at upholding checks and balances. The separation of powers is virtually nonexistent, with key branches of government subordinated to the will of the executive, thereby eliminating the possibility of independent decision-making.

The National Assembly, elected in 2020 in an election boycotted by opposition parties, functions solely as a rubber-stamp body that automatically approves government decisions. The judiciary, electoral and citizen powers are also under executive control. Elections and other mechanisms of citizen participation are permitted only as long as they do not threaten the continuity of the authoritarian government.

Opposition parties govern in four states and 125 municipalities, providing limited alternatives to the ruling party in certain areas. However, their ability to influence national politics to promote democratization is minimal, as the central government undermines their authority by restricting financial resources, obstructing governance, and deploying judicial and administrative maneuvers to weaken opposition-led governments.

In the absence of state institutions that guarantee the rule of law, a range of civil society organizations committed to democracy has emerged. These organizations monitor civil rights violations, often at significant risk, and face harassment, persecution and arbitrary detention. However, the opposition primaries, held in October 2023, marked a step toward renewing legitimacy and confidence in the opposition leadership.

Most opposition parties and leaders agree on the need to restore democracy, although they disagree on the methods: some advocate change within institutions, while others opt for extrainstitutional means, such as protests supported by the military. The economic elites, historically opposed to the government, have moderated their rhetoric and gradually moved closer to the government, as evidenced by their official participation in the 2021 annual meeting of the business confederation Fedecámaras (Federation of Chambers and Associations of Commerce and Production of Venezuela). At the same time, guilds, unions and public universities have seen a decline in autonomy, as they have been co-opted by actors loyal to the government.

Performance of democratic institutions

2

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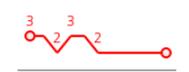


1

Commitment to democratic institutions

2

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1

The military elite, a pillar of the regime, has reaffirmed its loyalty to the authoritarian government, although some of its members are regularly demoted, detained or imprisoned on charges of conspiracy or treason.

5 | Political and Social Integration

The Venezuelan party system remains highly fragmented and unstable, with a hegemonic ruling party and a divided opposition. The PSUV continues to control the state apparatus, and uses institutional mechanisms to weaken opposition parties and limit electoral competition.

The opposition struggles with internal divisions, a lack of resources and continuous government interference. The 2023 opposition primaries helped reunify and consolidate leadership and legitimacy, enabling the presentation of a single candidate for the 2024 presidential election against the government. However, the government responded with repression, disqualifications and legal maneuvers to prevent key opposition leaders from participating.

The government's use of electoral rules, judicial intervention and financial constraints has prevented the institutionalization of a stable party system, forcing opposition parties to operate in an environment of uncertainty and hostility from the state.

Clientelism remains a fundamental pillar of Venezuela's political system, further distorting party dynamics and inhibiting political stability. The PSUV leverages state resources through the "Patria" system that distributes food, direct cash transfers and fuel subsidies in exchange for political loyalty. Meanwhile, opposition parties lack comparable resources to mobilize support, relying instead on grassroots activism, international backing and the limited space for political participation.

The disparity in access to resources creates an uneven playing field in which the government party maintains an overwhelming advantage in electoral processes, further eroding the credibility of Venezuela's democratic institutions.

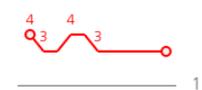
Political polarization remains extreme, a condition the government deliberately promotes to maintain control. The ruling party advances a narrative that casts opposition forces as traitors or foreign agents, exacerbating social divisions and discouraging cross-party cooperation.

While opposition parties span a broad ideological spectrum, from center-left to the conservative right, the government has strategically intervened to divide them further. Court-imposed takeovers of traditional opposition parties, such as Acción Democrática and the Social Christian party COPEI, have created parallel pro-government parties that confuse voters and weaken the opposition's public perception. The result is a political landscape where meaningful representation is severely hindered.

Party system

3

'06 '26 10



Despite the dominance of the PSUV, both Chavismo and opposition forces suffer from low social rootedness. According to the 2024 Latinobarómetro, only 37% of respondents identified with a political party, while 20% expressed trust. These figures highlight deep disaffection with the party system and the broader political establishment. Without substantial institutional reforms and a return to democratic practices, the current crisis of representation is likely to persist, with political competition remaining a facade for state-controlled electoral processes rather than a reflection of genuine pluralism.

Venezuela's civil society remains diverse and active despite operating under an authoritarian regime that systematically restricts its work. A broad spectrum of interest groups (including labor unions, professional associations, NGOs and grassroots movements) continues to advocate for social, economic and political rights. However, these organizations face significant repression, including harassment, arbitrary arrests and legislative measures designed to curtail their operations because the government perceives them as political enemies.

In 2023, the government introduced the Law on Supervision, Regularization, Performance and Financing of NGOs, which seeks to impose stricter control over these organizations by requiring detailed financial disclosures and restricting foreign funding, thereby limiting their ability to operate independently.

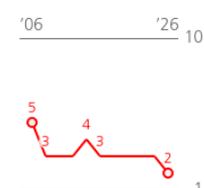
Despite civil society's resilience, polarization among interest groups has grown in recent years, particularly over strategies for confronting the authoritarian government. Some organizations advocate confrontation through international denunciations. In contrast, others prioritize negotiation and engagement with state institutions to ensure their continued operation in the country and to provide essential services to the population amid the ongoing humanitarian crisis. This division has weakened collective action, making it more difficult for civil society to present a unified front against repression.

After nearly a quarter-century under autocratic rule, most Venezuelans still view democracy as the best form of government, with 60% expressing a preference for it – among the highest rates in the region, behind Uruguay (70%) and Argentina (75%) (Latinobarómetro, 2024). However, 19% of the population has become indifferent to regime type, saying that “for people like me, a democratic or nondemocratic regime is just the same.” This figure marks the highest political disengagement recorded in Venezuela's recent history. Meanwhile, 17% openly favor an authoritarian government. Despite this, rejection of military rule remains strong, with 80% of Venezuelans stating they would never support a military government – the highest rate in the region.

Perceptions of the political system's performance differ markedly. Only 19% of Venezuelans are satisfied with how the country's political regime functions, while 77% believe those in power govern for their own benefit rather than for the people.

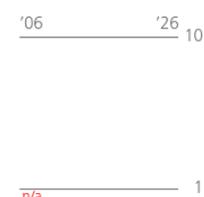
Interest groups

2



Approval of democracy

n/a



Trust in public institutions is low, with the Catholic Church the only institution enjoying broad public confidence (62%). Trust in key government institutions is weak, with only 19% trusting the National Assembly, 19% the electoral authority, 19% the judiciary and 21% the presidency (Latinobarómetro, 2024). Responses indicate that only regime supporters express some trust in institutions and, even among them, confidence remains relatively low.

Venezuelan political culture continues to favor democracy as the ideal political system. However, prolonged authoritarian rule and deepening despair among opposition groups have fostered undemocratic alternatives that are gaining traction among the population.

Interpersonal trust in Venezuela is extremely low. According to Latinobarómetro 2024, only 15% of respondents report that they trust other people. This lack of trust reflects the profound deterioration of social capital, exacerbated by economic collapse, insecurity and political polarization.

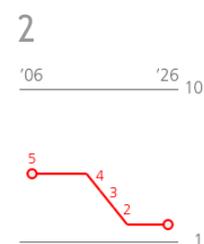
Despite these low levels of trust, solidarity networks and cooperative efforts remain essential to survival in the face of the state's inability to provide essential services. These networks take shape in community-led initiatives and grassroots organizations that fill the void left by the government in areas such as food security, health care and education.

Nearly one-third of Venezuelans (31%) report frequently taking part in activities to address issues in their communities, according to recent Latinobarómetro data. This level of civic engagement shows that, although interpersonal trust is low, the need for cooperation amid the economic and social crisis has driven alternative forms of social organization. Nevertheless, these initiatives face multiple challenges, including resource shortages, lack of sustainable funding and increasing social polarization.

Additionally, since 2007, the government has promoted an alternative network of local organizations known as Consejos Comunales to facilitate citizen participation and cooperative networks. These councils rely directly on state funding and operate under the executive's supervision (via the Ministry of Popular Power for Communes and Social Movements), making them clientelist structures that serve the government's interests rather than the communities' autonomous needs.

As a result, the growth and consolidation of social capital in Venezuela remain severely constrained, limiting the development of autonomous cooperation networks that could strengthen civil society and promote democracy in the long term.

Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

Between 2023 and 2024, poverty and inequality continued to severely affect large segments of the Venezuelan population, deepening social exclusion and limiting economic opportunities. According to statistics provided by the National Survey of Living Conditions in Venezuela, Encuesta Nacional de Condiciones de Vida (ENCOVI) 2023, income poverty – defined as insufficient income to cover both food and nonfood basic needs – increased slightly from 2022 to about 82.8% of Venezuelans, while extreme poverty – affecting those unable to meet basic food needs – rose to 50.5%. High levels of informality in the labor market, combined with low wages in the formal sector, where the minimum monthly salary remains among the lowest in the region, exacerbate structural exclusion. Despite some economic activity in commercial hubs such as Caracas, the country’s overall economic recovery remains fragile and highly unequal, benefiting only a small percentage of the population with access to foreign currency and privileged economic sectors.

Income inequality remains a significant driver of social exclusion, marked by a growing divide between those with access to U.S. dollars and those who rely solely on the Venezuelan bolívar. The Gini coefficient, a measure of income inequality, is among the highest in Latin America, at 0.512, according to ENCOVI 2023. This underscores the stark contrast between a small elite that benefits from economic liberalization and the majority who struggle to meet basic needs.

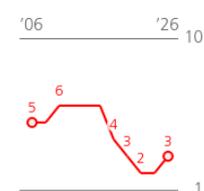
Extreme income inequality and the resulting poverty are the most significant barriers to access to education. Because of poverty, 50% of individuals lack access to preschool, an early-stage opportunity that is difficult to compensate for at later stages of education. Among three to five year olds, 68% of non-poor individuals have access to preschool, compared to 51% of the poor. For the six to 11-year-old age group, the comparable ratio of school access is 90 – 100%. The ratio for 12- to 17-year-olds is 72–94% and for 18- to 24-year-olds it is 16 – 28%. Additionally, poverty limits access to higher education. Generally, private institutions offer higher-quality education than public schools (ENCOVI, 2022).

While dollarization has provided some stability for those with access to foreign currency, it has also widened the economic gap. The informal economy continues to expand, with many Venezuelans resorting to subsistence-level activities such as street vending or receiving remittances from relatives abroad to survive.

Question
Score

Socioeconomic
barriers

3



Geographic disparities further exacerbate exclusion. Regions such as Amazonas, Apure, Delta Amacuro and Sucre suffer from higher poverty rates and lack access to essential services, including health care, clean water and education. Rural populations, and those living outside Caracas and other major cities experience higher levels of deprivation, as state investment and economic activity are disproportionately concentrated in the capital. Limited infrastructure and an unreliable public transportation system further isolate these communities, restricting their access to job opportunities, health care and education.

Despite a slight improvement in Venezuela's Human Development Index in 2023, the country remains in the midrange category with a score of 0.699, placing it among South American countries with the lowest living conditions, alongside Bolivia. This stagnation reflects the continued economic and social challenges Venezuelans face.

Migration is depriving the country of talent and a significant share of its workforce. It began as skilled migration and quickly evolved into mass migration. During the low-intensity, highly skilled phase of emigration, the United States emerged as the primary destination, with 41% of Venezuelan migrants holding university degrees, 41% having relinquished management positions and 14% holding doctoral degrees. In turn, the large-scale wave of migration that began in 2016 predominantly affected Colombia (2.8 million), Peru (1.6 million), Brazil (0.6 million), Ecuador (0.5 million) and Chile (0.5 million).

Among migrants, 57% were aged 15 to 24 and an additional 29% were aged 30 to 49. Of the migrants, 35% had completed university, 15% had not completed university, 31% had completed secondary education and 18% had relatively low levels of educational attainment.

Economic indicators		2021	2022	2023	2024
GDP	\$ M	-	-	-	-
GDP growth	%	-	-	-	-
Inflation (CPI)	%	-	-	-	-
Unemployment	%	7.0	5.7	5.5	5.5
Foreign direct investment	% of GDP	-	-	-	-
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-	-	-	-

Economic indicators		2021	2022	2023	2024
Public debt	% of GDP	254.2	164.4	138.5	164.3
External debt	\$ M	-	-	-	-
Total debt service	\$ M	-	-	-	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	-	-	-	-
Public education spending	% of GDP	-	-	0.0	-
Public health spending	% of GDP	1.4	2.1	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.3	0.6	0.5	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

The economic system outlined in the 1999 constitution (Articles 112 and 299) is characterized as a social market economy subject to the state's prerogative to regulate it. Article 112 stipulates the principle of free competition. In practice, however, the system functions as a command economy, thereby rendering notions of market and competition incompatible with the ruling elite's ideological beliefs and power aspirations. Price controls, the complexity of bureaucratic authorization procedures for new products and the restriction of market access have been identified as factors impeding the free exchange of goods and services.

Confronted with the choice between these beliefs and maintaining power, governments have demonstrated that their ideological convictions are sufficiently adaptable to accommodate even the most orthodox economic measures, provided they serve to maintain control. Revolutionary rhetoric and media control help frame such measures as genuine revolutionary accomplishments.

In the 2024 Index of Economic Freedom, Venezuela's economic freedom score increased to 28.1, with the country ranking 174th out of 176 countries, ahead of only North Korea and Cuba. This slight improvement on the previous score of 25.8 is

Market organization

2



attributed to marginal policy changes; however, the country's economy remains classified as "repressed." Persistent issues, including complex bureaucracy, burdensome administrative procedures and inadequate institutional infrastructure, continue to hinder market access and competition.

The 2022 ENCOVI data show a 7.9-point increase in formal employment to 50% and a corresponding 7.7-point decrease in informality to 44% (which remains significantly higher than the survey's lowest recorded value in 2014, at 36%). According to the Venezuelan Association of Self-Employed Workers, Entrepreneurs and Microbusiness Owners (ATRAEM), approximately seven million Venezuelans were employed in the informal sector as of 2023 (El Nacional, July 19, 2023).

Competition is regulated by the Anti-Monopoly Law (2014), which aims not to promote efficiency and productivity through competition but to guarantee the democratization of economic activities and foster social equality. Consequently, producers are expected to operate in ways that respect "the principles of complementarity, equitable exchange and solidarity" (Art. 2). The law excludes "socio-productive organizations" (Constitutional Law on the Communal Economic System), state-owned and mixed-ownership enterprises of strategic importance, and public utility companies.

The Anti-Monopoly Superintendency, a division of the Ministry of Commerce, is responsible for monitoring markets and enforcing the Anti-Monopoly Law. Its homepage refers to a "chain of command" that runs from President Maduro through two vice presidents and the minister to the superintendent, indicating that the "functional autonomy" claimed in its mission is more fiction than fact. The superintendency's homepage does not mention reports, resolutions or investigation procedures but contains abundant official propaganda.

Venezuela mainly exports crude oil and minerals and imports food and gasoline. Its primary trading partners are the United States, China, the European Union, Brazil and India. According to the WTO, the country's foreign trade reflects a significant economic decline, with exports dropping from \$232 billion in 2014 to \$19 billion in 2021. Accordingly, trade openness (exports plus imports as a percentage of GDP) also fell from 48% to 16%.

This contraction was further accelerated in recent years by U.S. sanctions implemented as part of President Trump's policy of "maximum pressure" against the Maduro regime. However, in 2023, the Biden administration adopted a new approach, using sanctions as negotiation mechanisms that led to the signing of the Barbados Agreement, as well as the "Doha Memorandum – a letter of good intentions signed by the administrations of Joe Biden and Nicolás Maduro in September 2023" (Efecto Cocuyo, 07/09/2024). In October 2023, the U.S. Treasury Department issued General License 44, which was later replaced and updated by successive licenses, temporarily allowing oil companies such as Chevron to resume limited operations in

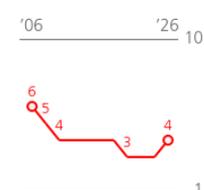
Competition policy

2



Liberalization of foreign trade

4



Venezuela. This easing of sanctions increased Venezuelan oil production and exports, providing partial economic relief. Consequently, a shift in Venezuela's trade was recorded, as indicated by the IMF's projections, with exports increasing by 11.01% and imports by 8.05% in 2024.

However, following Donald Trump's inauguration as president of the United States in January 2025, his administration adopted a markedly confrontational stance toward the Maduro government. In March 2025, he revoked the oil licenses (special production and export permits) again. He also announced that he would implement an additional 25% tariff on countries that purchase Venezuelan oil.

Venezuela has been a member of the WTO since 1995 and GATT since 1990. The country participates in various groups involved in ongoing negotiations, including the G-20, G-33 and NAMA-11. The most-favored-nation applied tariff is 13.8%, with rates of 13.0% for agricultural products and 13.9% for nonagricultural products. Venezuela also has agricultural tariff quotas of 22.6% and special agricultural safeguards of 30.7%.

Venezuela's financial system comprises a diverse range of institutions, including universal banks, microfinance banks, development banks and other financial entities. According to the Superintendency of Banking Sector Institutions (SUDEBAN), 30 universal banks operate in the country, including six state-owned entities, with a total of 2,000 branches. Total assets amount to \$8 billion, with two-thirds held by state-owned entities and one-third by the private sector. These assets represent just under 10% of GDP.

The financial sector also includes microfinance banks, development banks and other specialized financial institutions. The financial system has recently undergone modernization, integrating digital technologies and cryptocurrencies into daily transactions. In the second quarter of 2024, the cryptocurrency market in Venezuela, encompassing bitcoin, Ether and USDT, grew 110% compared with the same period a year earlier, surpassing growth rates in any other country in the region.

The Central Bank of Venezuela (BCV) and the Banking Superintendency, both non-independent financial regulators, oversee and control the banking system. In 2020, the BCV introduced new regulations on reserve requirements (85% of net operations and 31% of operations in foreign currency), information disclosure and interest rates for reserve deficits. In December 2022, the Banking Superintendency issued new rules on disclosure requirements.

Venezuela signed the Basel Accords in 1989 and ratified them in 1998. In 2014, the Financial Stability Board advised financial institutions that the country was "a noncooperative jurisdiction concerning regulatory and supervisory standards on international cooperation and information exchange." From a judicial perspective, Venezuelan regulators must be considered unfit to commit to the Basel process in the

Banking system

4



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pursuit of financial stability. Furthermore, in 2024, Venezuela was included in the Financial Action Task Force (FATF) “gray list” due to deficiencies in combating money-laundering and terrorist financing.

8 | Monetary and fiscal stability

The Maduro regime’s track record suggests that monetary stability was never a primary policy goal but was subordinated to the overarching goal of maintaining power. As long as the regime could monetize the massive budget deficits of a spendthrift government without jeopardizing that goal, it showed no interest in taking steps to promote stability.

The regime never explored strategies for addressing the volatile cycles of the international oil market, such as establishing a sovereign fund, nor did it attempt to cultivate the expertise or political will needed to implement meaningful reforms. The result was eight years of recession, four years of hyperinflation and a currency in free fall – resulting in the removal of 14 zeros through three “monetary reforms,” known as the 2008 “Bolívar Fuerte” at a 1:1,000 ratio, the 2018 “Bolívar Soberano” at a 1:100,000 ratio and the 2021 “New Monetary Expression” at a 1:1,000,000 ratio.

In 2021, Venezuela emerged from a period of hyperinflation between 2016 and 2020, and characterized by uncontrolled price increases. According to the Central Bank of Venezuela (BCV), the last month in which inflation exceeded 50% was December 2020, marking the end of this hyperinflationary episode. This transition was achieved through a series of economic measures, including de facto dollarization, constraints on public spending and a modest exercise of fiscal discipline by the government.

The reintroduction of oil sanctions in early 2025 has precipitated a marked resurgence in inflation, and further widened the gap between the official and parallel U.S. dollar-bolívar exchange rates.

According to the IMF, annual inflation in 2024 was 71.7%, down from 190% in 2023. However, the IMF said inflation accelerated in the final months of the year because of the Venezuelan bolívar’s devaluation.

The national budget is predominantly made up of oil revenues (72%), with non-oil revenues (28%) derived mainly from tax collection. Additional credits substantially increased the budget. In 2022, additional credits represented a 23% increase over the initially approved amount, underscoring the government’s lack of fiscal discipline and limited capacity for economic planning. Nonetheless, according to the Institute of Economic and Social Research of the Andrés Bello Catholic University (UCAB), the fiscal deficit in 2023 was significantly reduced, closing at around 2% of GDP, three times lower than during the period from 2019 to 2022.

Monetary stability

2

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Fiscal stability

3

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During 2023 – 2024, the Venezuelan government implemented fiscal policies aimed at improving economic stability. Tax revenue increased by about 49% in 2024 compared with 2023, rising from \$5.876 billion to more than \$8.752 billion, according to the Ministry of Communications and the National Integrated Service of Customs and Tax Administration (SENIAT). This increase was driven by reforms in the tax system and greater efficiency in tax collection.

Public spending is projected to increase significantly in 2024, an election year, as part of Nicolás Maduro’s electoral strategy. Unless macroeconomic imbalances – including spendthrift budgets and public debt, high unemployment, depleted asset markets, and current account deficits – are addressed with consistent fiscal, monetary and exchange policy packages, instability will persist. It is difficult to predict whether pragmatic or dogmatic positions will prevail within the regime’s leadership. As long as there are no steps away from socialist dogma toward a social market economy model, fiscal performance will remain weak.

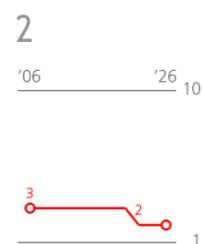
9 | Private Property

The constitution and the law protect private property rights de jure. In practice, these rights are often violated by illegal occupations initiated or supported by the state, or by arbitrary expropriation approved by a submissive judiciary. Venezuela ranks 129th of 129 on the International Property Rights Index, with a score of 1.771. The country’s low scores on the Judicial Independence (0.188) and Rule of Law (0.108) subindexes underscore that assessment. The most recent Heritage Foundation Property Rights Index gave Venezuela a score of 0 (on a scale of 0 to 100). Because weak protections for private property rights correlate with poverty, the lack of reliable safeguards is a structural barrier to eradicating inequality.

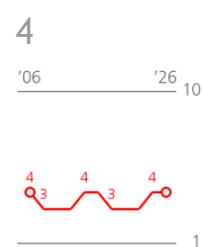
The ongoing economic and social crisis in Venezuela was precipitated in part by arbitrary ad hoc expropriations of about 1,400 private industrial and agricultural enterprises. Subsequent performance of these enterprises under incompetent state management was catastrophic. The Anti-Blockade Law, enacted in late 2020, effectively dismantles the state-ownership dogma.

This shift in policy allows joint ventures and strategic alliances with private investors, who are permitted to profit from state-owned enterprises (SOEs). In May 2022, Maduro declared that numerous SOEs would offer shares for sale and trading on the stock exchange. Notably, even the highly significant and emblematic SOE PDVSA relinquished operational control of its upgrader facility in the petrochemical complex near Barcelona to Chevron. This strategic move was facilitated by a U.S. Treasury license granted to Chevron and was criticized by a faction within the governing alliance that sees it as a capitulation to transnational interests that the working class must resist.

Property rights



Private enterprise



The relationship between the Venezuelan government and the business sector, especially with organizations such as Fedecámaras, has undergone a significant transformation in recent years. Historically, this relationship was characterized by tension and confrontation, particularly during the administrations of Hugo Chávez and the early years of Nicolás Maduro. More recently, however, both sides have shown a willingness to engage in dialogue and cooperation. In 2021, for instance, Vice President Delcy Rodríguez’s attendance at the annual Fedecámaras assembly signaled a notable rapprochement between the government and the private sector.

This rapprochement has led the government to adopt a more favorable stance toward the private sector, contingent on businesses maintaining political neutrality. During the presidential campaign, however, reports emerged that the government used state institutions to sanction small and medium-sized enterprises supporting opposition leader María Corina Machado. These actions underscore the tenuous position of the private sector in Venezuela, where underlying political tensions can undermine collaboration with the government.

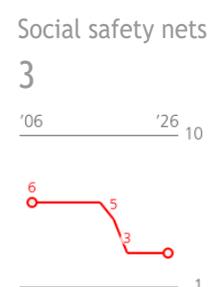
10 | Welfare Regime

The Venezuelan Social Security Institute (IVSS) provides a comprehensive welfare regime that includes retirement, disability, unemployment, accident, health and life insurance. The pay-as-you-go funding system is heavily subsidized by the state. Contributions are compulsory in the formal sector (which includes 50% of the economically active population). As of January 2023, there were 5.5 million pensioners, about 20% of whom had been included without prior contributions, and 5.1 million contributors.

The Law for the Protection of Social Security Pensions Against the Imperialist Blockade was approved on May 8, 2024, with the stated objective of safeguarding pensions and social security from international sanctions. However, while the law claims to establish mechanisms to protect pensions, it primarily introduces a “special contribution” without detailing concrete measures to ensure pension security. As of January 2025, pensioners in Venezuela are to receive additional income, the “war bonus,” which is equivalent to approximately \$44 per month.

To receive unemployment benefits, a worker must have paid contributions for two years. Benefits are calculated as a percentage of the salary received in the past 12 months and are paid for up to five months.

The IVSS provides precarious health care in 36 ill-equipped hospitals, 72 associated clinics, 59 primary health care stations and six popular clinics. In December 2022, it was reported that the system had served 4.3 million patients and performed 92,000 surgeries (300 per 100,000 population).



In addition to the entitlements provided by the IVSS, the government grants ad hoc benefits through cash handouts, food baskets, subsidies and student stipends. To access these benefits, citizens must register with the Patria (Fatherland) platform and obtain the Fatherland ID card, which allows the government to track them. The government also provides frequent cash handouts with pompous names that suggest they are propaganda tools rather than welfare policies – examples include the “Rebirth of Hope Bonus,” “Year of Victories and Joy Bonus,” “Strength and Hope Bonus,” and “Bolívar Lives Bonus.” These are deposited in the accounts of about six million cardholders and are typically worth roughly one-third of the minimum salary, or just over \$2 per month. The Fatherland Card has replaced the former patronage-based, parallel welfare structure of the so-called social missions, which at their peak boasted more than 40 programs in areas ranging from health care and housing developments to education and ecological projects.

Despite the size of the state and the number of its institutions, the most vulnerable populations, including pensioners, rely far more on private structures, such as remittances, to access essential goods and services, including food and health care. This dependence results from the inefficiency and deterioration of public welfare programs, which have been unable to provide adequate support amid economic instability and inflation.

Article 21 of the constitution establishes the principle of nondiscrimination, stating that “all people are equal before the law” and prohibiting any form of discrimination that undermines recognition of equal rights for all people. However, reports from human rights organizations document cases of discrimination based on sexual orientation, gender identity, religion and political affiliation.

Gender inequality is structural in Venezuela. According to the ENCOVI survey, female labor force participation was significantly lower at 37.3% in 2023, compared with 62.7% for men. Similarly, women’s earnings were lower than men’s across all sectors except elementary occupations, despite women having a slightly higher level of educational attainment. According to the World Bank, the female literacy rate is 97.7%, compared with 97.5% for men. The absence of strong institutional frameworks to enforce gender equality policies further hinders progress in closing these gaps. Among working-age women, 8.7% cannot work due to domestic responsibilities.

In 2023, Venezuela ranked 74th out of 198 countries in the LGBT Equality Index, reflecting a lack of inclusive public policies. Indigenous populations also face marginalization and repression, particularly in regions such as Bolívar state, where they have been exploited by armed groups and security forces linked to illegal mining.

Significant disparities emerge between rural and urban regions, particularly between state capitals and the rest of the nation, where deteriorating public services limit access to essential education and health care services.

Equal opportunity

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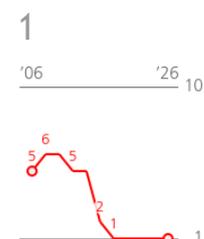
11 | Economic Performance

The Venezuelan economy remains structurally dependent on oil. In 2023/2024, it showed signs of recovery, with GDP growth estimated at 3% for 2024 (IMF). Venezuela's GDP per capita, adjusted for purchasing power parity (PPP), has experienced significant fluctuations in recent years. According to the IMF, GDP per capita in PPP terms was approximately \$8,740 in 2024 – a staggeringly low figure compared with the all-time high of \$18,224.70 registered in 2008. Although it has not reached the hyperinflationary levels witnessed recently, inflation remains high, eroding citizens' purchasing power. The official unemployment rate was 5.5% in 2023. Informality and job insecurity affect more than half of the employed population, limiting the internal market's capacity to expand and to generate sustainable incomes.

On the other hand, nominal GDP, estimated at \$109.96 billion, marks a notable increase over previous years, with GDP of \$92.1 billion in 2022 and \$99.2 billion in 2023. This recovery was driven primarily by a rebound in oil production, which reached 921,000 barrels per day (OPEC) and led to a 10.5% increase in oil-sector exports. The recovery was facilitated by licenses granted by the U.S. Treasury Department to companies such as Chevron and Repsol. However, the sustainability of this recovery remains dependent on external factors, such as the continuation of these licenses and the evolution of the global energy market.

Economic diversification to overcome oil dependence remains Venezuela's most significant economic challenge. Sectors such as agriculture and manufacturing have shown some progress, though they still face structural limitations. Foreign and domestic investment remains scarce due to political and economic uncertainty, limiting prospects for sustained medium- and long-term growth. Mining, considered one of the government's main economic diversification strategies, accounts for only 1% of GDP. Moreover, the mining sector faces significant challenges, including high levels of criminal activity, precarious working conditions and severe environmental impacts, which have been exacerbated by the forced displacement of Indigenous communities in the country's south.

Output strength



12 | Sustainability

As one of the countries with the highest levels of biodiversity in the world and some of the oldest geological formations with unique ecosystems, Venezuela has a long tradition of protecting ecologically rich areas. Approximately 57% of the territory has special legal status as a national park, natural monument or protected land. Furthermore, approximately a dozen constitutional provisions address the protection of the environment and habitats. The Ministry for the Environment was established in 1976 and renamed the Ministry for Ecosocialism in 2008. However, under the ministry's watch, the intensity of ecological protection declined as mineral exploitation of vast rainforest-covered areas and other lands expanded.

In 2016, the cash-strapped regime created the Orinoco Mineral Arc, an area of approximately 112,000 km² rich in mineral resources, including coltan, diamonds and gold. It has a potential extraction value of up to \$2 trillion and was declared a Strategic Development Zone open to exploitation without the legally mandated prior impact assessments and consultations with Indigenous residents. Unregulated and mostly illegal semi-mechanical alluvial mining operations have been conducted by Colombian ELN guerrillas and other gangs in collusion with Venezuelan security forces, causing environmental degradation and the destruction of Indigenous communities' habitats. In its 2022 report, the Venezuelan NGO Clima21 reported a 170% annual increase in the Mineral Arc's deforestation rate from 2016 to 2021. These mining activities also turned the Guayana region into a significant malaria hotspot.

Decaying equipment in oil production, transportation and refinery installations has caused further severe environmental damage, primarily because of increased oil spills from the refinery complex on the Paraguaná Peninsula coast, and in the Lake Maracaibo and Maturín areas. Oil spills have become a persistent environmental problem in Venezuela. According to the Observatory of Political Ecology (OEP), there were 86 documented oil spills in 2023, the same number as in 2022.

Venezuela ranks among the top 10 countries worldwide for gas flaring. In 2021, flaring intensity reached about 40 cubic meters of methane per barrel produced, a volume equal to the total LNG exports from Trinidad and Tobago to Europe.

Environmental
policy

2

'06 '26 10



High-quality education is severely compromised across all public and private institutions. Deteriorating physical infrastructure, lack of technical facilities, widespread departure of grossly underpaid teachers and very high dropout rates among students who see no value in continuing their studies have thrown the system into chaos. A study by the Catholic University (UCAB/SECEL 2022) found that over 50% of students underperform in mathematics and verbal ability.

In 2023, the estimated population aged 17 and under was 9.4 million, of whom 72.8% attended primary schools in the country. According to HumVenezuela 2023, 48.3% of respondents reported irregular attendance due to shortcomings in the education sector, including inadequate infrastructure, equipment and basic services. While 64% of male pupils are enrolled in school, the proportion for female pupils is 68%. This disparity grows with age: among those aged 18 to 24, 21% of women are enrolled in educational institutions, compared to 14% of men.

The academic community faces systematic persecution and criminalization, a phenomenon the Inter-American Commission on Human Rights (IACHR) has identified as state policy. Numerous postgraduate programs have been shut down. A report by the Latin American NGO Aula Abierta said that, as of 2022, at least 34 of 157 clinical postgraduate programs in the Faculty of Medicine at the Central University of Venezuela (UCV) were closed or inactive because of high dropout rates or faculty shortages. This situation has been exacerbated by faculty and student emigration, driven by the country's profound economic and political crisis.

The Science and Technology Law (as amended in 2022) establishes contributions to knowledge-formation funding of 0.5% to 2% of revenue, payable by enterprises with minimum gross revenue of 150,000 units of the Central Bank's highest-rated foreign exchange. Updated information on education or R&D is unavailable. However, the country's score on the U.N. Education Index (2022) is 0.726; public expenditure on education is 1.3% of GDP (2017) and on R&D is 0.3% (2014). In 2024, higher education institutions received 2.6% of the national budget, representing a 36% decrease from the previous year and falling short of the 0.5% of GDP target.

Education policy /
R&D

3



Governance

I. Level of Difficulty

Venezuela's geographic location offers several advantages, including vast oil and mineral deposits, a Caribbean coastline well-suited for trade, and diverse ecosystems that support agriculture and the energy sector. However, the country's economic potential is limited by overreliance on oil, poor infrastructure, fragmented terrain and environmental risks.

The Bolivarian regime exacerbated the symptoms of a petrostate. Additionally, extremely high poverty rates and rising levels of inequality; a brain drain due to a lack of opportunities, resulting in a lack of skilled labor; crumbling infrastructure; a grossly underperforming education system; and a lack of R&D activity constrain the regime's governance capacity. These dire living conditions have led to a significant increase in migration, with approximately 7.9 million Venezuelans leaving their homeland by the end of 2024.

These predicaments did not exist when the Chavista regime came to power; they result from more than two decades of dogma-beholden, incompetent and learning-resistant macroeconomic management characterized by state interventionism, arbitrary expropriations, destruction of the price system and strangulation of the private sector by a small ruling elite whose members rotate positions.

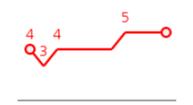
Another structural obstacle is the growing distrust and disaffection toward state institutions, which, although they have not yet eroded the idea of democracy as an ideal political system, pose an enormous challenge for governance. Additionally, the erosion of the social contract, a consequence of extreme political and social polarization exacerbated for a quarter of a century by the confrontational populist discourse of the Chavista governments, has resulted in the division of the population.

There is a long-standing tradition of civil society activity in the country. However, since the start of the Bolivarian Revolution, organizations have shifted their primary focus dramatically from neighborhood associations to defending human rights and monitoring public policies, given the widespread lack of transparent official information. Advocacy groups focus on areas including economic and social development, social protests, crime, the environment, public administration, elections and abuse of office and corruption. Social capital is deficient in this "don't trust anyone" society, reflected in its weak indicators of association (only 15% of the population express social trust, according to Latinobarómetro 2024).

Structural constraints

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Civil society traditions

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Alongside the regime’s authoritarian regression and ideological antipathy toward autonomous civil society organizations, the country’s patterns of association have fundamentally changed. On the one hand, the regime established its dependent organizations, including about 3,200 communes and more than 45,000 local food and production councils that do not produce anything but distribute subsidized food bags. On the other hand, many traditional civil society organizations have disappeared, even as new ones primarily dedicated to defending human rights have emerged. Sinergia, the Venezuelan Network of Civil Society Organizations, includes more than 50 member organizations. Hundreds of other civil society organizations are active in Venezuela, although they face threats and persecution.

However, following the 2024 presidential election, many human rights defenders left the country because of the government’s repressive post-election response, which has weakened many organizations.

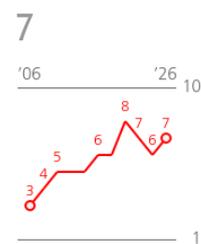
The intensity of political conflict is extremely high. Reports from the U.N. Human Rights Council’s Fact-Finding Mission on the Bolivarian Republic of Venezuela have confirmed systematic patterns of human rights violations in the country, where multiple state agencies coordinate actions against the “civilian population, in the context of a policy of suppressing opposition to the Government” (UN 2024).

Although most Venezuelans do not identify with either the government or the opposition (only 37% of respondents reported feeling close to a political party, Latinobarómetro 2024), the political conflict is all-encompassing, meaning neutrality is not an option. This was particularly evident in 2023 and 2024, when the presidential election cycle saw a significant increase in political polarization.

Social conflict remains exceptionally high. The Venezuelan Observatory of Social Conflict reported 7,032 protests in 2023, of which 80% demanded economic, social, cultural and environmental rights, while the remaining 20% focused on political and civil rights. In 2024, however, only political protests increased significantly, especially after the presidential elections, while other protests declined.

Political conflict has not escalated into violence because the opposition has chosen to use political means rather than armed resistance to challenge the government. Furthermore, the military has so far shown notable unity and loyalty to the government.

Conflict intensity



II. Governance Performance

14 | Steering Capability

In an autocracy, the overarching strategic priority is the autocrat’s survival. Maduro has consolidated his rule against old power brokers within his coalition and the opposition, and he has resisted international efforts to oust him.

Following the 2024 presidential election, the legitimacy of Maduro and his government was significantly undermined. Internationally, allegations of electoral fraud have led to the loss of support from traditional regional allies, including presidents Lula of Brazil and Petro of Colombia, as well as the United States and the European Union, which have demanded proof of Maduro’s electoral results. However, at the national level, his main allies – the leaders of the ruling PSUV and the military – remain loyal to him.

In January 2024, President Maduro presented the Plan of the Seven T 2030, a socioeconomic and political transformation program to guide his new term. The “T” in Plan of the Seven T 2030 refers to transformation in seven key areas. These are economic transformation; full independence; peace, security and territorial integrity; social transformation; political transformation; ecological transformation; and geopolitics.

Of these, political transformation is of particular note because it aims to establish a model of direct democracy that could supersede conventional elections by replacing them with an electoral system based on community structures (Consejos Comunales). This is intended to ensure Chavismo’s stability and continuity in power.

The autocracy has achieved its strategic priority of surviving. Nonetheless, Maduro’s status as the undisputed leader is now seriously in question. The incumbent leader has not only failed to provide evidence for his alleged victory in the 2024 presidential election but has also been unable to refute the proof (tally sheets) presented by the opposition candidate, Edmundo González Urrutia. This has further eroded his credibility, even among his supporters. Maduro is the lowest-rated leader in the region, according to Latinobarómetro 2024.

The 2024 presidential election further isolated him internationally as he lost the support of Brazil and Colombia. In October 2024, Brazilian President Luiz Inácio Lula da Silva vetoed Venezuela’s entry into BRICS for “failing to fulfill its promise to present the official tally sheets of the presidential election results.”

Question
Score

Prioritization

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Implementation

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The post-election crisis also resulted in a loss of internal power. In the aftermath of the election, Diosdado Cabello, a former military hard-liner and a significant figure within Chavismo's second center of power, resumed his position in the presidential cabinet as minister of interior, justice and peace.

Judging from the official discourse, the permanent anti-capitalist and anti-imperialist revolution has advanced steadily from one victory to the next in its transition toward socialism, overcoming sanctions and the "criminal" U.S. dollar in the economic war, and vanquishing the interim government and its supporters on the diplomatic front. The minimum necessary social and economic viability was ensured by implementing orthodox economic measures, including effectively adopting the U.S. dollar, loosening exchange controls, implementing limited privatization and establishing a covert reconciliation with the "Empire" following the energy crisis caused by the Russian invasion of Ukraine.

Propagandistic newspeak is found throughout the regime's communications, including speeches, statements, documents, reports, institutional sites and legislation. To avoid political risks associated with facts, this language employs euphemisms, circumlocutions and the inversion of customary meanings. On the one hand, it conceals the truth and, on the other, it uses aggressive, degrading and dehumanizing labels to stigmatize dissenters. The latter approach leads to the "legitimization" of offensive actions taken against dissenters, which helps maintain control over an impoverished population.

The regime has stayed in power, but its public policy goals are further away than ever. In January 2021, the Planning Ministry issued a document entitled "Venezuela in Numbers 2021 – Our Transition to Socialism – Radiographing Hope, the Fight and the Construction of the Fatherland Plan." The document outlines quantifiable policy goals to be achieved by 2025 and specifies the corresponding monitoring indicators. Several examples illustrate the vast gap referred to above, contrasting the government's plan with independent data. While the extreme poverty rate was projected to fall to 1.5% by 2022 and 0% by 2025, independent observers estimated it at 50.5% in 2023 (ENCOVI 2023). The Gini coefficient was expected to reach 0.27 by 2022 and 0.26 by 2023, but external estimates place it at 0.512. The student population was expected to expand to 13.8 million by 2025, but was just 7.6 million in 2023. All homes were slated to have landline telephone coverage by 2022, but the actual rate was 18.4% in 2020 (WorldData). As of January 2025, when about 7.9 million Venezuelans had turned their backs on their country in search of better opportunities abroad, the Planning Ministry's Venezuela in Numbers report avoided any reference to that fact, even in its demographic data.

The Venezuelan government shows no willingness or capacity for policy learning. Its primary focus is on preserving power rather than implementing policies that promote social progress. Most policies introduced are intended to address crises that could threaten the government's continuity.

While authorities have implemented some economic adjustments, such as controlled market liberalization and an informal process of dollarization, these changes have been largely reactive, with authorities lacking a comprehensive plan for long-term recovery. The government's approach favors short-term solutions over institutionalized mechanisms for policy learning.

The Venezuelan state's approach to policy learning is marked by ideological rigidity and a lack of transparency. The government does not systematically evaluate past policies or incorporate independent expertise into its decision-making. Instead, it relies on top-down directives.

The government's rigidity is particularly evident in its handling of social and political crises. Despite the population's sustained economic hardship, the administration has prioritized control over adaptation, restricting civic space and repressing opposition rather than introducing structural reforms.

15 | Resource Efficiency

Assessing the efficient use of resources in public administration requires up-to-date, reliable qualitative and quantitative data, which are unavailable in Venezuela. Nearly all existing tracking tools are published by international organizations and initiatives.

The country's vast resource potential – from hydrocarbons and metals to hydropower, solar energy, wind-energy farms, agriculture, livestock and fishing – is largely underused or even ignored. Many skilled workers have left their homeland and are contributing to positive developments elsewhere.

The Venezuelan government's approach to resource allocation prioritizes political stability, regime continuity and ideological dogmatism over professional rationality and effective governance. The government's inefficient use of available human, financial and organizational resources demonstrates this.

The allocation of resources is largely influenced by clientelist dynamics, in which state funds and administrative capacities are used to maintain political allegiance rather than improve public services or economic development. The government's lack of transparency in budget management and widespread corruption have significantly undermined the state's ability to deliver essential goods and services to the population efficiently.

Policy learning

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Efficient use of assets

2

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A salient trend since 2007 has been the recentralization of power, as the national government has progressively reduced the financial resources available to and political authority of regional and local governments, leaving the regions with only limited capacity to formulate and implement local policies.

Top ministerial and state-owned enterprise positions are filled by a limited pool of high-ranking officials – many with military backgrounds and only a handful with proven expertise – who rotate frequently, hampering the pursuit of consistent policy and coordinated strategies. This, in turn, fosters shortsighted ad hoc tactics.

Maduro's cabinet includes 33 ministries and nine vice presidencies. Since assuming office in 2013, he has appointed numerous ministers, with some serving in as many as eight cabinet posts. PDVSA, the state-owned oil and gas company, has had seven CEOs since 2017; three were from the military, each pledging loyalty to the Chavista revolution. The Federal Government Council – ideally a platform for coordination between horizontal and vertical powers – in practice, functions more to centralize a decentralized government.

The absence of coordination among departments and stakeholders is not confined to different levels of government; it is also evident in other sectors. A clear example of this is unilateral decision-making on minimum wage increases. Before the Chavismo era, determining wage increases involved tripartite negotiations among workers, business representatives and the government. However, with the rise of Chavismo, the government began imposing wage increases unilaterally, without consultation or coordination with any sector. The most recent minimum wage increase for public employees was decreed by Maduro in May 2023, setting the salary at \$130 per month.

Venezuela's Anti-Corruption Law, as amended in 2022, meets international standards and provides a solid legal framework to combat corruption. However, that does not prevent the country from being perceived as one of the most corrupt in the world. Venezuela is a high-risk jurisdiction where adherence to the law is the exception rather than the rule, enabling elites to weaponize laws at their discretion to repress dissent. The Comptroller General's Office has disqualified opposition politicians from running for office over alleged wrongdoing.

The Comptroller General, the Public Prosecutor and the National Anti-Corruption Body are the agencies responsible for prosecuting corrupt practices. The Comptroller General's Office controls the electronic system for processing asset declarations by senior public officials. Generally, there is little enforcement of anti-corruption regulations. Besides bribery that has traditionally been endemic, characterized by excessive bureaucratic controls in which procedures can be fast-tracked through facilitation payments, corruption has taken on a strategic character that transcends greed and serves to benefit higher echelons, accommodate particular elites and secure their loyalty to Maduro.

Policy coordination

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Anti-corruption policy

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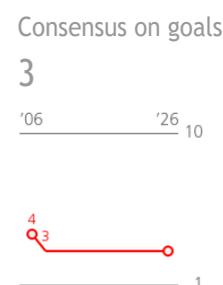
Corruption is a strategy for gaining support from stakeholders through unlawful means. Many public contracts are issued under emergency procurement procedures, thereby bypassing the public tendering process. A highly politicized judiciary stands ready to “legalize” the tolerance of illegal activities.

In 2023, Nicolás Maduro’s government launched an anti-corruption campaign that led to the arrest of 40 individuals, including high-ranking officials, businesspeople and military officers. Most were associated with the state-owned oil company PDVSA. Among those detained was Tareck El Aissami, a former oil minister and vice president, who was accused of orchestrating a substantial embezzlement scheme within PDVSA. In addition, several mayors and regional officials from the ruling PSUV were detained on corruption charges.

Despite the anti-corruption campaign, the judicial process is unclear, and details about the location of the former minister’s detention are unavailable. This lack of transparency extends to the government’s anti-corruption efforts, raising questions about the initiative’s scope and effectiveness.

16 | Consensus-Building

Although consensus on democracy as a political system and on the market economy has weakened significantly since the beginning of Nicolás Maduro’s government, most of the population still considers democracy and the market economy long-term strategic goals for transformation. In 2013, when Nicolás Maduro was elected president, Venezuela recorded its broadest consensus on democracy, with 84.4% of Venezuelans agreeing that “democracy may have problems, but it is the best system of government.” However, in 2023, the country recorded its lowest level, with only 57.8% of respondents agreeing with the statement. Venezuela thus fell from being the country with the highest democratic consensus in the region to 13th out of 17 countries, according to Latinobarómetro. The Chavista period, which began in 1999 with Hugo Chávez’s first presidency, is marked by a rupture in the most fundamental social contract concerning the general goals of development and transformation. Chavismo’s explicit objective has always been to “refound the republic” and replace the representative democratic system with the revolutionary ideal of a radical democracy. The radical-democracy model is characterized by the concentration of political power and those who do not subscribe to the revolutionary ideals are identified as traitors to the homeland. The 2024 presidential elections, however, showed an emerging consensus on the need for democratization, as evidenced by data published by Edmundo González Urrutia’s campaign team indicating that two-thirds of Venezuelans supported democratic political change. The broad support from various social actors reinforces this consensus, which encompasses social leaders, workers, business representatives, religious figures and intellectuals who collectively advocate restoring democracy as the prevailing political model, and the primary mechanism for conflict resolution and decision-making.



In 2013, 72.8% of Venezuelans supported the market economy as the only economic model capable of generating development. However, by 2023, the figure had declined slightly to 68.5%. The 2024 presidential elections demonstrated an emerging consensus on the need for democratic political change. This consensus also extends to the market economy, though it is nuanced. The most contentious issue in the economic model is the role of the oil industry in development, particularly the debate over privatization versus nationalization.

Despite the government's diverse composition of actors with occasionally conflicting interests, during periods of stability – when there are no threats to the continuity of the Chavista government – moderate actors are able to advance reforms, liberalization measures and even minimal power concessions, such as mayoralties, governorships, judges or directors within the electoral body. However, during periods of crisis, the forces of Chavismo tend to unite, if necessary, around hard-liners to preserve power.

A salient example of this phenomenon is the Chavista leadership's unified, repressive response to the popular protests that followed the presidential elections, when no prominent Chavista figure voiced any public objections. Thus, all relevant actors in the current government are characterized by anti-democratic attitudes and behavior.

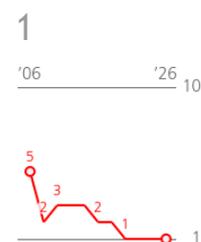
The regime has no interest in depolarizing the political conflict. Populist autocracies thrive on enemies, not on adversaries. Some observers see the ruling elites' success in persuading specific sectors of opposition to accept coexistence in exchange for minor concessions that strengthen the regime's legitimacy as a potential shift toward moderation. In other cases, the regime has actively promoted the emergence of pseudo-opposition actors. Conversely, non-cooperative democratic actors are often branded as antipatriotic enemies and subjected to persecution. As shown by the violent repression of protests after the fraudulent 2024 elections and the persecution of opposition leaders, the Maduro government has no interest in alleviating existing political divides.

Venezuela's participatory democracy constitution enshrines citizen participation in multiple ways, from providing a voice in the judicial, electoral and citizens' power branches to participating in formulating, financing, implementing and monitoring public policies.

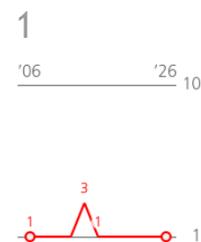
However, such participation is strictly nominal, a facade, as evidenced by the Supreme Court's 2022 renewal. The National Assembly amended the law to expand its power in appointing court members, a move that the International Committee of Jurists described as "co-optation." This effectively turned the court into an appendage of the executive branch.

The regime typically rejects consultation with civil society, resorting instead to repression and harassment of civil society actors. Occasional consultations – such as a roundtable involving employers, unions, government representatives and civil society groups engaged in efforts to renew negotiations between the government and the opposition – are rare exceptions or merely democratic façades meant to buy time.

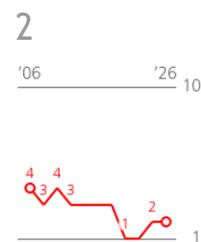
Anti-democratic actors



Cleavage / conflict management



Public consultation



The government asserts that it has consulted 60,000 communal councils in preparing the 2025 – 2030 government plan, titled Plan de la Patria de las 7T, las Grandes Transformaciones. However, since these communal councils are organizationally and financially dependent on the executive branch through the Ministry of Popular Power for Communes and Social Movements, these consultations are neither open nor free.

International monitoring tools rate citizen participation in Venezuela as nonexistent. The 2023 Open Budget Survey, which evaluates the budget practices of the executive, legislative and auditing authorities, ranked Venezuela last for public participation and transparency, with a score of zero out of 100. The country also ranked fifth worst for budget oversight, scoring 13 out of 100. Additionally, the 2022 U.N. e-Government Index ranked Venezuela 178th out of 193 countries for e-participation.

Reconciliation between victims and perpetrators of the current regime is unequivocally not on the ruling leadership's agenda. According to the December 2023 report by the U.N. Independent International Fact-Finding Mission on the Bolivarian Republic of Venezuela (FFMV), Venezuelan authorities have failed to hold perpetrators accountable or provide reparations to victims.

On the contrary, the mission found that Venezuelan authorities have maintained or even promoted some of the individuals responsible, rather than dismantling the structures involved in previous human rights violations and crimes through genuine institutional reforms and accountability.

The government of Nicolás Maduro actively denies ICC allegations of crimes against humanity in Venezuela. In December 2024, following statements by ICC Prosecutor Karim Khan criticizing the lack of implementation of laws to protect civil rights in the country, the Venezuelan government issued a statement rejecting them. In the statement, the Venezuelan authorities claimed to have informed the ICC Office of the Prosecutor “in a timely and comprehensive manner” about the measures taken internally to comply with commitments under the Rome Statute. Furthermore, they regretted that the ICC prosecutor allowed himself to be influenced by “information from public campaigns promoted by the extreme right, Zionism and colonialist Western powers on social networks.”

Reconciliation

n/a

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n/a

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17 | International Cooperation

Venezuela has formed strategic alliances with countries in the region and around the world to foster trade and financial relations that will enable it to reduce its commercial reliance on democratic countries, particularly the United States and EU member states.

In this regard, it has maintained strategic partnerships with Cuba, China and Russia for over a decade. Long-term cooperation agreements with Iran and Türkiye were signed in 2022. China and Russia provided debt-restructuring deals, Iran supplied vital gasoline shipments, and Türkiye became the primary partner in gold trade and refining.

However, the country's trade relations do not necessarily align with these strategic partnerships. In 2022, according to the WTO, Venezuela's top trading partners were the United States, the European Union, China, Colombia and Brazil, in that order.

Venezuela holds the status of a comprehensive strategic partnership – the highest classification bestowed by China – alongside six other South American countries. It is the region's largest recipient of loans, having received approximately \$68.6 billion in total. In 2020, Venezuela was due to pay \$3.1 billion, accounting for about 57% of that year's budget.

Venezuela is Russia's key ally in the southern half of the Western Hemisphere. The Chávez administration switched its primary arms supplier from the United States to Russia; the armed forces are now largely equipped with Russian-made military hardware. Cooperation includes joint military drills with Iranian and Chinese units. Even the potential deployment of Russian bases is no longer taboo and has neither been confirmed nor ruled out.

Russia also cooperates by providing medical supplies and oil-well services. In November 2024, during the 18th Meeting of the High-Level Intergovernmental Commission between Venezuela and Russia, 17 strategic agreements were signed, extending the bilateral relationship in various areas until 2030.

Maduro visited Iran in October 2022 and signed a 20-year cooperation roadmap with President Raisi, though details have not been disclosed. In addition to vital gasoline shipments, Iranian technical assistance has been crucial to avoiding the collapse of Venezuela's refineries. According to a November 30, 2022, BBC press release, Iran provides the Venezuelan military with armed surveillance and combat drones. However, Iran was critical of Maduro's rapprochement with the United States.

In recent years, Türkiye has become a significant trading partner. Since 2019, the two nations have signed numerous agreements, including eight during a visit by Türkiye's foreign minister to Caracas in April 2021. Yet, relations with Türkiye have been limited when it comes to strengthening commercial ties.

Effective use of support

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Venezuela has also strengthened alliances with other countries to share lessons learned and promote initiatives supporting an alternative model to liberal democracy, collaborating with countries such as Nicaragua, Cuba, China and Russia. Through strategies such as empowering like-minded aspirants, pushing toward autocratization, consolidating existing autocracies and generating distrust in democratic leaders, Venezuela and its allies seek to advance governance models that challenge Western liberal democratic norms.

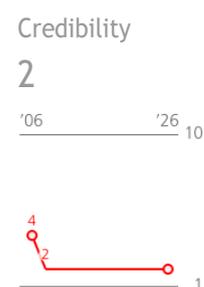
Venezuela's international credibility is in serious doubt, even among its closest allies. China and Russia – the country's largest creditors – are losing patience over outstanding debt. Both have agreed to repeated restructuring schemes and grace periods but have become reluctant to extend new funds. However, given Venezuela's geographic position and rich resources, they consider the partnership essential because it serves both their geostrategic and economic interests in the region.

A troubling situation concerns the country's obligations to the international community under the numerous treaties, conventions and agreements it has ratified. Specifically, the country remains indebted to corporations that were expropriated without compensation in concluded International Center for Settlement of Investment Disputes (ICSID) arbitration cases, owing billions of U.S. dollars. Examples include Occidental Petroleum, Rusoro Mining and ConocoPhillips.

In addition, Venezuela has strengthened its claim to Guyana's oil- and mineral-rich Esequibo region, which Guyana administers but Venezuela claims. The dispute escalated in 2023 when Venezuela asserted sovereignty over the territory through a referendum. Despite low voter turnout, the government used the results to justify potential annexation measures. The move was widely criticized as a violation of international law and a threat to regional stability. The July 2024 presidential election further damaged the credibility of Nicolás Maduro's government, even among former allies in the region, such as Colombia and Brazil.

In light of the human rights situation, ICC prosecutors investigated crimes against humanity. Following the UNHRC Fact-Finding Mission's report of non-compliance, the ICC prosecutor sought to reopen the case in late 2022. In October 2022, the Governing Council of the Interparliamentary Union called for an end to the persecution of opposition members of parliament. A December 2024 report called for continued international monitoring of Venezuela's human rights situation.

There is a bright spot in the country's climate change commitments. The Ministry for Ecosocialism is on track with a significant UN-financed biodiversity project to design a platform for monitoring implementation of the Cartagena Protocol on Biodiversity. However, the adverse impacts of climate change are significant. Venezuela has committed to a set of quantifiable goals as a follow-up to the Paris Agreement.



The 2024 presidential election has escalated tensions between Venezuela and its regional neighbors. In the aftermath of Venezuela's election, Uruguay, Argentina, Costa Rica, Ecuador, Guatemala, Panama, Paraguay, Peru, the Dominican Republic and Chile did not recognize the result announced by Venezuelan electoral authorities. The president of Chile, Gabriel Boric, declared on July 29 that "Chile will not recognize any result that is not verifiable."

In response, the government of Nicolás Maduro demanded the withdrawal of the representatives of Argentina, Chile, Costa Rica, Peru, Panama, the Dominican Republic and Uruguay from Venezuela, citing their "interfering actions and statements."

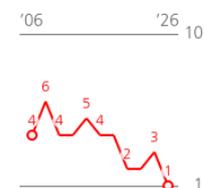
Despite attempts by the presidents of Colombia, Brazil and Mexico to mediate the post-election crisis and propose alternatives to resolve it, they could not avoid confrontation because the regime refused to provide proof of Nicolás Maduro's electoral victory. Only Bolivia, Nicaragua, Honduras and Cuba recognized the result and congratulated Nicolás Maduro on his victory. Mexico remained neutral.

The unprecedented influx of Venezuelan migrants across Latin America and the Caribbean has continued to strain host countries' hospitality. By the close of 2024, the number of Venezuelan migrants had surpassed 7.9 million, with 85% residing in Latin America and the Caribbean. This situation has given rise to considerable tensions in host countries, which have struggled to manage the social and economic integration of these migrants. During the 79th U.N. General Assembly in September 2024, Chilean President Gabriel Boric addressed the Venezuelan migration crisis, stating that "Chile is not in a position to receive more migration." In January 2025, Peruvian President Dina Boluarte also expressed concern.

Yet tensions with the United States have abated somewhat. In January 2025, President Maduro met with a special U.S. envoy, with whom he agreed on the release of six U.S. citizens detained in Venezuela and the deportation of Venezuelans.

Regional cooperation

1



Strategic Outlook

During the period under review, Venezuela underwent significant change. The modest economic recovery during this period underscored the country's reliance on oil and foreign investment, particularly from the United States. Meanwhile, informal economic liberalization has not addressed the deeper structural issues of a rentier economy, exposing the failure of the economic model established by Chávez.

With more than half of the population living in poverty, economic progress has failed to translate into social well-being, thereby perpetuating deep inequalities. Economic improvements also have not been reflected in the quality of public services. Education, health care and road infrastructure continue to deteriorate, particularly affecting rural areas far from major cities.

The 2023 – 2024 period saw a notable deterioration in the political sphere, marked by electoral fraud and subsequent mass repression, escalating the regime's authoritarianism to unprecedented levels. However, Nicolás Maduro, delegitimized both nationally and internationally, remains in power because of support from a shrinking political and military elite.

The Venezuelan government has become increasingly isolated following allegations of electoral fraud, which have led to the loss of key regional allies, Brazil and Colombia. Meanwhile, the opposition has reconnected with both the population and the international community through primary elections and its participation in the presidential race. However, the new U.S. administration may seek to improve relations with Venezuela, which could reshape the political landscape. As a result, the opposition could face internal power struggles and remain weak in defining a political program beyond removing the government.

While maintaining its commitment to the democratic struggle and rejecting the electoral authorities' results, the international democratic community has probably learned from its errors in supporting Juan Guaidó. The Barbados experience demonstrates that certain agreements can be reached through dialogue as long as they are not perceived as threatening to the survival or political continuity of either party.

Parliamentary, regional and local elections are scheduled for 2025. Nicolás Maduro has also proposed a constitutional reform, details of which remain unknown. These electoral processes will profoundly affect the Venezuelan political system and alter the dynamics of the political conflict.