



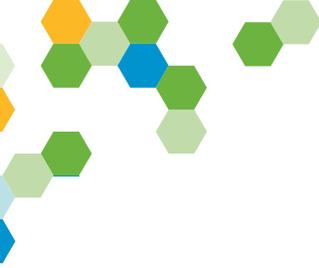
SPECIAL REPORT

What will Venezuela's next scenario be?

Madrid, August 2016

d+i developing
ideas

LLORENTE & CUENCA

- 
1. INTRODUCTION: CURRENT SITUATION IN VENEZUELA
 2. THE FIGHT BETWEEN THE GOVERNMENT AND OPPOSITION IN THE CONTEXT OF THE CRISIS
 3. WHAT WILL HAPPEN IN VENEZUELA? POSSIBLE SCENARIOS
 4. CONCLUSIONS

I. INTRODUCTION: CURRENT SITUATION IN VENEZUELA

Everything indicates there is an irreversible political process going on in Venezuela; the question is only when and how it will happen. To dig deeper into the analysis of what may happen in 2016, it is necessary to look back and see when this change began to accurately evaluate the current situation.

THE FIRST CLEAR SIGNS OF CHANGE

Just 39 days after the death of President Hugo Chavez March 5, 2013, new presidential elections took place in Venezuela between acting President Nicolas Maduro, representing the ruling party, and the governor of Miranda State Henrique Capriles Radonski acting on behalf of the opposition, which had come together in the coalition called the Democratic Unity Roundtable (MUD, from its Spanish name). Even though Venezuela's electoral authority declared Maduro the winner, the margin was very small—about 1.5 percent—which led the opposition to ignore the results and request a recount and verification of electoral ballots—a request that, ultimately, was not carried out.

What is relevant is not only a questionable election to begin a presidency, but also the message the people sent through their vote, since the ruling party lost nearly 700 thousand votes in only six months, as compared to the presidential election in October 2012 when Chavez was elected. Since 2013, the people of Venezuela have been sending signals asking for political change.

The greatest catalyst for the crisis is the decline in oil prices. Dropping prices have revealed the inefficiencies of this model, while the people of Venezuela, especially those with less purchasing power, end up paying a high cost.

After having the greatest oil revenues in the country's history, the recent honeymoon—almost a decade—between the people and the so-called Bolivarian revolution has finally come to an end.

THE FIRST EFFECTS OF THE DECLINE IN OIL PRICES

The first sign of political and social discontent came in 2014, promoted by political leaders such as Leopoldo Lopez, Maria Corina Machado and Mayor Antonio Ledezma, who, together with a group of students, launched a proposal called "The Exit." This initiative sought to discuss the depth of the crisis, warning that it could become worse if corrective measures were not taken, and called for the removal of Maduro through a constitutional

“The opposition parties that compose MUD managed to capitalize on the discontent in the parliamentary elections”

mechanism, which could be a resignation, a recall referendum, an amendment to cut the presidential term and/or a National Constituent Assembly.

Feb. 12, 2014, marked the beginning of peaceful protests in Caracas and other important cities in Venezuela, resulting in a massive turnout of citizens. Two people were killed in these peaceful demonstrations, triggering more protests.

Nicolas Maduro's government decided to imprison the political leader of the Voluntad Popular party, Leopoldo Lopez, who is still under arrest in a military prison. Lopez has since become a highly representative political prisoner. The appropriate bodies of the U.N. have declared it an arbitrary detention and have requested his release. Amnesty International has declared him a prisoner of conscience and several world leaders, including Presidents Obama and Mariano Rajoy, have called for his release.

In February 2015, Mayor Ledezma was also arrested. The report *Protests and Human Rights, February-May*, published by various human rights organizations in Venezuela, led by PROVEA, argues that Venezuela is experiencing the highest number of arrests in 25 years.

In 2015 the economic crisis worsened, with high inflation—approximately 180 percent, the highest in the world—and shortages of food and medicine, among other products. The opposition parties that compose MUD managed to capitalize on the discontent in the parliamentary elections held December 2015, winning 2/3 of the National Assembly—112 out of 167 delegates—and confirming the Venezuelan people's willingness to change.

Once the result became known in December 2015, the outgoing National Assembly, controlled by the ruling party, quickly appointed new judges to the Supreme Court of Justice.

THE NEW PHASE IN 2016

Although in 2016 Maduro acknowledged the results of the parliamentary election, in practice, all of the laws approved to date by the National Assembly have been judicially blocked. Likewise, the possibility of exercising the power of control over public administration has been almost eliminated by being severely limited.

The first semester of 2016 has been marked by a clear deceleration of the Venezuelan economy, high inflation, a humanitarian crisis caused by a shortage of basic

“Poverty measured by income grew to 76 percent in 2015, exceeding the poverty level of 1989”

commodities such as medicine and an increase in poverty. All of this is accompanied by growing social unrest, with daily protests across the country, repression and imprisonment of dissidents, corruption scandals, lack of an institutional framework and the erosion of the democratic framework, all of which, along with the collapse of Maduro's popularity, make the governance conditions even more complex in 2016.

The International Monetary Fund (IMF) estimates the region's most affected economy will be Venezuela, with a projected economic decline of about 10 percent. The economic scenario becomes even more complicated, with risk of default, due to the voracious debt Venezuela incurred in recent years, with a fiscal deficit of more than 17 percent. The IMF's estimated inflation for Venezuela in 2016 is over 700 percent, with 2,200 percent predicted for next year.

According to ECLAC, poverty in Venezuela has increased from 25.4 to 32.1 percent, while throughout the region it has remained stable at 28 percent. However, a study, called Encovi and conducted by Venezuelan universities Universidad Central, Simon Bolivar and Universidad Catolica, emphasizes that poverty measured by income grew to 76 percent in 2015,

exceeding the poverty level of 1989, which 58 percent during the Caracazo—a wave of protests and plundering caused by the economic crisis at the time. Thus, the decline in oil prices and the lack of economic policies and adjustments in the first semester of 2016 indicate that poverty will continue to increase severely in 2016.

Likewise, the lack of food has worsened, and the long lines to try to get basic products have become part of the daily routine for Venezuelans. Every day there are more protests from Venezuelans who cannot find food.

Given this scenario of social unrest, Venezuela is experiencing an increase in polarization and repression that is aggravating the economic and social crisis.

It seems like this new situation, driven by the economic crisis, marks the beginning of the end of an era, and it will have an impact on both the political scenario and, quite possibly, the electoral map in Venezuela. To this mix we must add the institutional weakness and lack of leadership from Maduro in confronting this new cycle, also taking into account the division in the official sector, which plays a key role in attempts to remove Maduro from power and aiming, for now, to preserve the revolution.

“88 percent of those who consider themselves Chavists have a negative view of the country’s current situation”

THE CRISIS IN NUMBERS

In order to reaffirm this spirit of change, it is important to keep in mind the latest opinion polls, obtained using recent data from two recognized pollsters in Venezuela: Datanalisis and Venebarómetro. Both surveys agree the situation is unsustainable—Maduro’s popularity is extremely low and could continue to deteriorate.

In its most recent national survey in May 2016, pollster Datanalisis highlights that 94.6 percent of Venezuelans believe the country’s current situation is negative, representing a historic peak. In fact, 88 percent of those who consider themselves Chavists have a negative view of the country’s current situation.

When asked about how they evaluate the supply situation in Venezuela, 96.4 percent consider it negative, with 65.9 percent attributing it to price controls and 72 percent not believing the shortage is due to the economic war or the sabotage the government has been denouncing.

When asked how they would evaluate Maduro’s management, 74.2 percent of Venezuelans consider it negative, including approximately 22 percent of those who identify with Chavism. This negative opinion also marks a historic peak. In addition, when asked whether

they feel confident Maduro can resolve the crisis, 77 percent say they do not, which includes close to 22 percent of those who identify with the ruling party.

On the other hand, according to Datanalisis, when asking Venezuelans how they evaluate MUD, the opposition coalition, 58.6 percent evaluate it positively, while only 23.9 percent gives a positive evaluation to the current ruling party.

The approval rating of opposition leaders Lopez, Capriles and Henry Ramos is double that of Maduro’s; 41.6 percent of people identify themselves as opposition, while only 23.8 percent identify themselves as Chavists.

This data are representative of the period of uncertainty that clouds Venezuela, with Maduro at the helm. We will have to wait and see if Maduro can return to the course of welfare, or if the Venezuelan people need to find another solution to the ongoing political, economic and social crisis.

Below we analyze the current power struggle between the opposition and pro-government blocks in the framework of the economic and social crisis, identifying the strengths and weaknesses of each group and anticipating the possible scenarios for 2016, taking into account the role of the international community.

**“MUD believe
Maduro’s exit from
power is the only way
to resolve the crisis
in Venezuela”**

2. THE FIGHT BETWEEN THE GOVERNMENT AND OPPOSITION IN THE CON- TEXT OF THE CRISIS

THE POSSIBILITY OF MADURO’S CONSTITUTIONAL EXIT IN 2016

The open confrontation between the National Executive and new National Assembly has added to the economic and social crisis in Venezuela. The current National Assembly thought that, given the results of the parliamentary election, Maduro would facilitate a meeting between Venezuelans. However, his reaction was different: he chose to ignore the National Assembly and exert direct attacks on its directors.

This action has caused the opposition to propose Maduro leave office through a peaceful electoral and constitutional mechanism, such as the recall referendum. In other words, activate a constitutional mechanism so the people can decide whether or not to revoke Maduro’s mandate.

The opposition parties that make up MUD believe Maduro’s exit from power is the only way to resolve the crisis in Venezuela. This is the theory the opposition parties cling to, in some ways vindicating the political theory presented by Lopez, Ledezma and Machado in 2014 in their aforementioned “The Exit” initiative. Despite

their differences, the opposition that composes the MUD has shown a united front and common strategy, and has also demonstrated an ability to develop unitary policies with the National Assembly.

The success of the recall referendum will depend on the opposition parties’ capacities to maintain their objectives and continue mobilizing to achieve the pressure necessary to implement it. Until now, although the opposition has shown cohesiveness in regards to this goal, it remains to be seen whether it will be able to maintain it. At this time, the opposition must still carry out the referendum, representing their biggest challenge. All the conditions are in place to enable this, but if it is not accomplished, it will be much easier for the government to stop them.

THE GOVERNMENT’S TWO ACES, THANKS TO ITS POSITION IN POWER

Given the absence of popular support and the new legislative power against it, the government faces a scenario the Bolivarian Revolution has not experienced in 17 years. To confront the crisis, Maduro’s government has used institutions of power as a way to block the opposition’s initiatives, particularly those deployed by the only independent power

**“Another great ally of
Maduro’s government
has been Venezuela’s
Electoral Power”**

in Venezuela: the National Assembly. To this end, he has mainly resorted to the Supreme Court of Justice and the Electoral Power.

On the other hand, to preserve support from the National Armed Force, Maduro has given them greater participation in the administration, to the point of subordinating the rest of the ministries to the Ministry of Defense in the country’s supply works. Though December 2015 Maduro ordered the military to return to its quarters, six months later the militarization of the public administration is deeper and stronger than ever before.

Lastly, each time the Bolivarian revolution comes across difficulties, the word “dialogue,” which enjoys universal acceptance along with “peace,” continues to resurface. It has been like that throughout the 17 years of the revolution and particularly under Maduro, who, as a way to curb the strong protests in 2014, saw fit to make use of the lifesaver of “dialogue” without producing any positive results for the country.

a. Making use of the Supreme Court of Justice

Maduro’s government has counted on the help of the Supreme Court of Justice to stop initiatives developed by opposition in the National

Assembly. The first of them had to do with the withdrawal of three opposition members belonging to the state of Amazonas in order to break the composition of the New Assembly and avoid a qualified majority of two-thirds of the opposition. The withdrawal was done through a precautionary, or “provisional,” measure, but has not been able to advance this trial or call for new elections to this day. Maduro has also issued rulings declaring all laws passed by the New Assembly unconstitutional, including the Amnesty Law for the release of political prisoners, and others that have seen their control power limited by preventing inquiries from national civil servants unless they have been authorized by the National Executive. Thus, Maduro will most likely continue to work with the Supreme Court to block any initiatives from the current Assembly.

b. Making use of the Electoral Power to avoid the recall referendum

Another great ally of Maduro’s government has been Venezuela’s Electoral Power, whose governing body is the National Electoral Council (CNE, for its name in Spanish).

The opposition has launched a proposal to open a recall referendum against Maduro. The Venezuelan Constitution

“Attaining the recall referendum in 2017 raises serious questions given the aforementioned facts”

provides for the possibility of revoking an elected official's power after they have served half of the term for which they were elected. In the case of Maduro, this period was fulfilled Jan. 10, 2016. The other requirement to start the recall referendum is collecting citizens' signatures for an equivalent of 20 percent of the electorate—about 4 million signatures of Venezuelans registered in the electoral list—who express their desire to begin the referendum.

Although the Constitution is clear in this regard, the Electoral Power issued a rule to regulate the recall referendum mechanism, including a requirement not covered in the Constitution as a kind of prerequisite to initiating the 20 percent requirement; it established that, prior to collecting signatures for 20 percent, 1 percent should be collected—approximately 200,000 signatures—in a format developed by the Electoral Power.

It took 48 days for the Electoral Power to handle the format for the collection of this 1 percent. In record time, the opposition was able to collect more than 1,800,000 signatures. Once the signatures were registered, the Electoral Power only had five days to record them. However, it took close to 40 days, as it created extra steps that were not previously accounted for.

Finally, between June 20 and 24, the process for validating the collected signatures was set, which implied the physical presence of the people who had signed the form, as they now had to personally ratify their support before the electoral body. The Electoral Power put up fewer validation points than required by its own regulation—300 instead of 1,300. Despite all these obstacles, the opposition managed to mobilize many Venezuelans so they could validate their signatures, reaching more than double the required signatures in order to complete the 1 percent—409,000 signatures. The validation process was finalized June 24, but it was only Aug. 2 the Electoral Power confirmed the opposition had collected 1 percent and was therefore entitled to formally request the activation of the referendum and the date for the collection of the 20 percent. In the coming weeks, the great battle will be to set the date for the collection of the 20 percent and secure the sites and machines for such a process. Setting that date is key because the implementation of the referendum in 2016 depends on it.

Attaining the recall referendum in 2017 raises serious questions given the aforementioned facts. According to the Venezuelan Constitution, if Maduro is removed from office in 2016,

“73.4 percent of Venezuelans think Maduro should give up his mandate”

new presidential elections should be held. However, if it happened in 2017, any absence of the president would be covered by the vice president for the remainder of the constitutional term—in this case until Jan. 10, 2019. That is why a hypothetical referendum would not be appealing for the opposition; if he is revoked, the current vice president would become president. In other words, it would represent another Chavist government.

According to the Venezuelan Constitution, an official will be revoked if an equal or greater number of constituents who voted for them endorse the recall, provided that the total number of voters is equal to or greater than 25 percent. In Maduro's case, a recall would require at least 7,500,000 votes, which was the number of votes Maduro obtained when he was elected president in 2013.

According to Datanalisis' survey from May, 73.4 percent of Venezuelans think Maduro should give up his mandate in 2016 or be removed by referendum. Assuming a recall referendum takes place, 75 percent of Venezuelans would be in favor of revoking his mandate, while only 24.8 percent would be against it.

Venebarometro's latest survey from June indicates that almost 62 percent of the

population is willing to vote in a referendum, and 88.4 percent of them would do so to revoke Maduro's mandate. In other words, almost 10,700,000 people would be willing to revoke his mandate, by far exceeding the minimum required by the Constitution.

c. What could Maduro do to delay or prevent the recall?

Taking into account the deadlines provided by the Electoral Power for the activation of the recall referendum, it could take place in 2016, but only as long as time limits are respected. With political pressure, those deadlines can be shortened—for example, the law on referendums states that they must be held within 90 days after 20 percent of the required signatures have been collected. Thus, a maximum period of 90 days is established, but it could be done sooner. In fact, national referendums and elections have been held in Venezuela in just one month. For example, the referendum to approve the indefinite re-election of Chavez in 2009 was approved by the National Assembly Jan. 15, and was approved in referendum Feb. 15 of that same year. Likewise, 39 days after the death of Chavez March 5, 2013, presidential elections were held. Thus, it is technically feasible to hold a referendum in 2016.

“These critical voices confirm a possible division within Chavism”

Another alternative for the government would be to obstruct the collection process of the signatures needed to trigger the referendum. The government might not establish the number of recollection points required to facilitate the process, or they might locate them in low-population neighborhoods. They could also try to get involved in the process, causing the opposition to not achieve the minimum number of signatures required and avoiding the referendum.

Additionally, Maduro's government continues to enjoy support from the Supreme Court of Justice and could seek a decision to paralyze or turn back the process. With the help of the court, it could even try to declare the MUD, used by the opposition to carry out formalities in front of the Electoral Power, illegal, thus nullifying the collection process of the 1 percent of the signatures.

Nevertheless, it is expected the opposition will reach the required number of signatures to trigger a recall referendum, as long as the process to collect 20 percent of the signatures is carried out in an organized and peaceful manner.

Venebarometro's June survey indicates that 58 percent of voters would be willing to sign against Maduro to open a

recall referendum, a percentage representing 11,400,000 Venezuelans—well above the minimum constitutional requirement of 4 million signatures, or 20 percent of registered voters. It should be noted that willingness to sign increased from 40 percent in February to 58 percent in June.

This could strengthen the division within Chavism, some of whom favor Maduro's negotiated withdrawal in order to prevent the collapse of the so-called Bolivarian revolution and avoid a referendum. It remains to be seen how trends will evolve within Chavism.

Retired military officer Cliver Alcalá Cordones, who was very close to Chavez, has publicly announced his rejection of Maduro's policies and openly expressed his support for the recall referendum as a way to overcome the crisis. In a more measured but critical tone, former minister Rodríguez Torres, who was also very close to Chavez, constantly criticizes Maduro's policies. Former civil ministers who were close to Chavez, such as Jorge Giordani and Hector Navarro, have also harshly criticized the current administration.

These critical voices confirm a possible division within Chavism, splitting them between those in favor of Maduro's continuity and those who support his exit in order

“Maduro again raised the possibility of an official dialogue with the opposition, theoretically without any conditions”

to preserve the Bolivarian revolution as a long-term political force.

d. The crisis without a recall referendum. What about regional elections?

This year, regional elections are slated to be held to elect governors in states where the gubernatorial terms end this year. Those elections have not yet been called by the Electoral Power; if Chavism loses support in the regional elections, the internal debate is expected to increase.

The opposition should stand firm in keeping its core proposal of a constitutional exit, and if regional elections are held, use them to further enhance this goal. Otherwise, opposition forces will make strong complaints to their leadership, grouped in the MUD.

e Dialogue as the lifesaver of the Revolution

For the past 17 years, every time the Bolivarian revolution has run into difficulties it has called for dialogues to temporarily stabilize the situation. However, this has not been very effective, and Venezuela must improve its tradition of dialogue between parties.

In light of the difficulties presented in 2016, Maduro again raised the possibility

of an official dialogue with the opposition, theoretically without any conditions. However, the group of mediators, made up of former Presidents Rodriguez Zapatero (Spain), Martin Torrijos (Panama) and Leonel Fernandez (Dominican Republic), under the mediation of Unasur's Secretariat, headed by former President Ernesto Samper (Colombia), has only been approved by Maduro.

According to information collected by different sources, it seems like Maduro's government may have a dual objective in proposing the dialogue. On one hand, it avoids discussion at the Organization of American States (OAS) regarding the request made by its Secretary-General, Luis Almagro, to invoke the Democratic Charter against Maduro's government, taking into consideration that an alteration to the constitutional regime gravely affects democracy in Venezuela; on the other hand, it allows Maduro to remain in power until 2019 and avoids the beginning of the recall referendum.

The international community cannot ignore the Venezuelan crisis, and the OAS is again taking a leadership role. Besides, the other changes in South America make the scenario even more complex for Maduro; the change of government in Argentina and Brazil has led to a

“The current situation in Venezuela still casts doubt about its future”

geopolitical change that has not only reached the OAS, but also regional bodies such as Mercosur and to some extent Unasur. The clearest example is Brazil, Paraguay and Argentina's refusal to transfer the temporary presidency of Mercosur to Venezuela.

In addition to neutralizing the OAS discussion, resorting to dialogue could help Maduro avoid a recall in 2019.

The opposition leaders have been clear in developing the agenda for a possible dialogue. In the first place, they demand respect for the constitutional right to hold a recall referendum; second, the liberation of political prisoners and the return of the exiles; third, respect for the National Assembly; and last, the opening of a humanitarian corridor to help alleviate the crisis caused by the lack of food and medicine.

July 7, 2016, the opposition issued a statement establishing several prerequisites to initiating an effective dialogue that would help Venezuelans overcome the current crisis. These include expanding mediation to include the OAS and the Vatican; publishing a timeline for a recall referendum that could take place in 2016, clearly stating the date for the collection of the 20 percent of the signatures; the release of political prisoners

since former President Rodríguez Zapatero's arrival in Venezuela in May; and respect for the National Assembly and its constitutional functions.

To this date, there has been no indication the government is going to accept these prerequisites. If the current mechanism for exploring dialogue does not change, the recall referendum could fail.

3. WHAT COULD HAPPEN IN VENEZUELA? POSSIBLE SCENARIOS

The current situation in Venezuela still casts doubt about its future. Nevertheless, the recent announcement of the CNE, that plans the signature collection for late October, allows starting predicting different possible scenarios.

If the collection is set for October and the required number of signatures is achieved, the electoral body will have fifteen days to validate them, and, subsequently, three days to call for the recall referendum, that must be undertaken in a deadline of 90 days. This scenario would allow the government to wait 90 days in order to reach 2017, so, in case of Maduro being revoked at the recall referendum, the current vice-president would take over the presidency. This is because in case that

“The opposition needs to exert peaceful pressure from the streets in order to create the conditions necessary to hold the recall”

the recall referendum takes place before January 10, 2017, national elections would be held if Maduro is recalled, and the opposition would have the opportunity to reach power.

Nevertheless, if the recall referendum takes place after January 10, 2017, -when the second third of the office term is reached, which started in January 10, 2013- the presidency will be held by the current vice-president in case that Maduro turns out recalled.

By now, we have to wait for the next steps in order to safely predict how the developments in the country will pan out. Yet in view of the current tumultuous situation in Venezuela, here are some potential dynamics explored that seem possible to happen this year.

SCENARIO 1: STOPPING THE RECALL REFERENDUM OR WITHDRAWAL BEFORE IT IS HELD

The opposition has made this proposal a common cause. As the process moves forward, it will become increasingly difficult for Maduro's government to stop it, and if it does, the political cost will be very high.

This scenario will only happen if the opposition remains cohesive and leaves the fight for the presidential

leadership in the background. The opposition needs to exert peaceful pressure from the streets in order to create the conditions necessary to hold the recall. This would be the opposition's greatest challenge. To this day, we have not seen pressure strong enough to create the conditions necessary for its realization. They have not even pushed for a date to collect 20 percent of the signatures. It would seem to have begun with the formal approval of 1 percent of the signatures, which happened Aug. 2. The stronger the social pressure is, the impact it will have, not only on Venezuelan institutions but also on certain Chavists and on the armed forces, which could facilitate this constitutional mechanism.

The international community understands the crisis could impact the entire region, which is why they support an electoral exit, with some countries beginning to speak in favor of the recall referendum option. An illustrative example is the recent statements made by U.S. President Barak Obama, Canada's prime minister and the president of Mexico, all supporting the need for a recall and the release of political prisoners. In June, a joint statement from the foreign ministers of Uruguay, Chile, Argentina and Colombia emphasized the importance of respecting the recall referendum. Aug. 1 in Colombia,

“Social upheaval, motivated by the crisis or set off by the government’s decision to stop or delay the referendum, is a scenario that is always possible in Venezuelan politics”

United States Secretary of State John Kerry and Colombia’s Foreign Minister stressed the need for a timely referendum in Venezuela.

If the recollection of 20 percent of the signatures is successful, we cannot rule out the possibility of Maduro resigning in order to avoid being the first president removed from office in Venezuelan history, as well as being the first president after Chavez.

SCENARIO 2: SOCIAL UPHEAVAL WITH OR WITHOUT A RECALL

Even if the recall referendum is set for the end of the year, Venezuela’s political dynamic would be very complicated. Waiting until December in the middle of an economic storm is not an easy job in a country in which street protests are part of daily life.

That same scenario without a recall would have unpredictable consequences. Political actors could lose control over the crisis.

Therefore, social upheaval, motivated by the crisis or set off by the government’s decision to stop or delay the referendum, is a scenario that is always possible in Venezuelan politics and, if it happened, would have unpredictable consequences. This scenario could force Maduro’s exit.

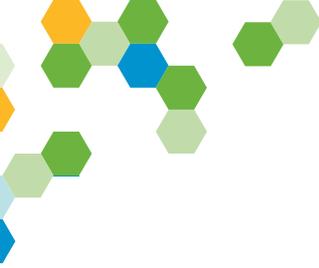
SCENARIO 3: MADURO CONTINUES IN 2017

Some factions of Chavism are considering the possibility of maintaining the situation in 2016 with the intention of Maduro staying in power in 2017. If he is absent, the vice president would assume power for the rest of the constitutional period, until Jan. 10, 2019, as stated in the Venezuelan constitution. That way, the succession of power would stay in the hands of the Bolivarian revolution.

Even though this scenario, propelled by Chavism, seems very straightforward since it contains no risk of leaving power, 2017 will still be an extremely difficult economic year, so unless the people of Venezuela can see a change, political instability will only increase.

4. CONCLUSIONS

1. Venezuela faces a crisis that is currently affecting the political, institutional, economic and social spheres.
2. Maduro’s popularity continues to decrease and rejection of his government increases.
3. Chavism will continue to be affected as long as Maduro stays in power.



“2017 will still be an extremely difficult economic year, so unless the people of Venezuela can see a change, political instability will only increase”

4. The opposition must understand that the fight for the presidential race must remain in the background. Also, they must show that not only they can win elections but that they can govern together. Their greatest challenge is the mobilization of peaceful street protests to reach their objectives.
5. The dialogue approach that is being explored by former Presidents Zapatero, Fernandez and Torrijos, with the assistance of Unasur's Secretariat, is being questioned. It can only succeed if the prerequisites established by the opposition are met: expanding mediation to include the OAS and the Vatican, setting a timeline for the recall referendum in 2016, releasing some political prisoners, and showing respect for the constitutional powers of the National Assembly.
6. The international community cannot ignore the Venezuelan crisis, which must be addressed by the different regional bodies, particularly the OAS. Given the new international order, Secretary-General of the OAS Luis Almagro has taken an important step by invoking the Democratic Charter. The new governments in Argentina and Brazil have generated a new regional dynamic that breaks the Bolivarian block, which had been maintained for years.
7. Venezuela is going through a process of irreversible political change that could lead to Maduro's exit from office before his term ends in 2019.

LLORENTE & CUENCA

CORPORATE MANAGEMENT

José Antonio Llorente
Founding Partner and Chairman
jalloriente@llorenteycuenca.com

Enrique González
Partner and CFO
egonzalez@llorenteycuenca.com

Adolfo Corujo
Partner and Chief Talent and
Innovation Officer
acorujo@llorenteycuenca.com

Tomás Matesanz
Chief Corporate & Brand Officer
tmatesanz@llorenteycuenca.com

MANAGEMENT - SPAIN AND PORTUGAL

Arturo Pinedo
Partner and Managing Director
apinedo@llorenteycuenca.com

Goyo Panadero
Partner and Managing Director
gpanadero@llorenteycuenca.com

MANAGEMENT - LATIN AMERICA

Alejandro Romero
Partner and CEO Latin America
aromero@llorenteycuenca.com

Luisa García
Partner and CEO Andes' Region
lgarcia@llorenteycuenca.com

José Luis Di Girolamo
Partner and CFO Latin America
jldgirolamo@llorenteycuenca.com

TALENT MANAGEMENT

Daniel Moreno
Chief Talent
dmoreno@llorenteycuenca.com

Marjorie Barrientos
Talent Manager for Andes' Region
mbarrientos@llorenteycuenca.com

Eva Perez
Talent Manager for North America,
Central America and Caribbean
eperez@llorenteycuenca.com

Karina Sanches
Talent Manager for the
Southern Cone
ksanches@llorenteycuenca.com

SPAIN AND PORTUGAL

Barcelona

María Cura
Partner and Managing Director
mcura@llorenteycuenca.com

Muntaner, 240-242, 1º-1ª
08021 Barcelona
Tel. +34 93 217 22 17

Madrid

Joan Navarro
Partner and Vice-president
of Public Affairs
jnavarro@llorenteycuenca.com

Amalio Moratalla
Partner and Senior Director
amoratalla@llorenteycuenca.com

Luis Miguel Peña
Partner and Senior Director
lmpena@llorenteycuenca.com

Latam Desk
Claudio Vallejo
Senior Director
cvallejo@llorenteycuenca.com

Lagasca, 88 - planta 3
28001 Madrid
Tel. +34 91 563 77 22

Ana Folgueira
Managing Director of
Impossible Tellers
ana@impossibletellers.com

Impossible Tellers
Diego de León, 22, 3º izq
28006 Madrid
Tel. +34 91 438 42 95

Lisbon

Madalena Martins
Partner
mmartins@llorenteycuenca.com

Tiago Vidal
Managing Director
tvidal@llorenteycuenca.com

Avenida da Liberdade nº225, 5º Esq.
1250-142 Lisbon
Tel. + 351 21 923 97 00

Cink.

Sergio Cortés
Partner, Founder and Chairman
scortes@cink.es

Calle Girona, 52 Bajos
08009 Barcelona
Tel. +34 93 348 84 28

UNITED STATES

Miami

Erich de la Fuente
Partner and Managing Director
edela Fuente@llorenteycuenca.com

600 Brickell Ave.
Suite 2020
Miami, FL 33131
Tel. +1 786 590 1000

New York City

Latam Desk
Adriana Aristizábal
Senior consultant
aaristizabal@llorenteycuenca.com

277 Park Avenue, 39th Floor
New York, NY 10172
Tel. +1 917 833 0103

Washington, DC

Ana Gamonal
Director
agamonal@llorenteycuenca.com

10705 Rosehaven Street
Fairfax, VA 22030
Washington, DC
Tel. +1 703 505 4211

MEXICO, CENTRAL AMERICA AND CARIBBEAN

Mexico City

Juan Rivera
Partner and Managing Director
jrivera@llorenteycuenca.com

Av. Paseo de la Reforma 412, Piso 14,
Col. Juárez, Del. Cuauhtémoc
CP 06600, Mexico City
Tel. +52 55 5257 1084

Havana

Pau Solanilla
Managing Director for Cuba
psolanilla@llorenteycuenca.com

Lagasca, 88 - planta 3
28001 Madrid
Tel. +34 91 563 77 22

Panama City

Javier Rosado
Partner and Managing Director
jrosado@llorenteycuenca.com

Av. Samuel Lewis
Edificio Omega - piso 6
Tel. +507 206 5200

Santo Domingo

Iban Campo
Managing Director
icampo@llorenteycuenca.com

Av. Abraham Lincoln 1069
Torre Ejecutiva Sonora, planta 7
Tel. +1 809 6161975

ANDES' REGION

Bogota

María Esteve
Managing Director
mesteve@llorenteycuenca.com

Carrera 14, # 94-44. Torre B - of. 501
Tel. +57 1 7438000

Lima

Luisa García
Partner and CEO Andes' Region
lgarcia@llorenteycuenca.com

Humberto Zogbi
Chairman
hzogbi@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7
San Isidro
Tel. +51 1 2229491

Quito

Alejandra Rivas
Managing Director
arivas@llorenteycuenca.com

Avda. 12 de Octubre N24-528 y
Cordero - Edificio World Trade
Center - Torre B - piso 11
Tel. +593 2 2565820

Santiago de Chile

Claudio Ramírez
Partner and General Manager
cramirez@llorenteycuenca.com

Magdalena 140, Oficina 1801.
Las Condes.
Tel. +56 22 207 32 00

SOUTH AMERICA

Buenos Aires

Pablo Abiad
Partner and Managing Director
pabiad@llorenteycuenca.com

Daniel Valli
Senior Director of New Business
Development for the Southern
Cone
dvalli@llorenteycuenca.com

Av. Corrientes 222, piso 8. C1043AAP
Tel. +54 11 5556 0700

Rio de Janeiro

Yeray Carretero
Director
ycarretero@llorenteycuenca.com

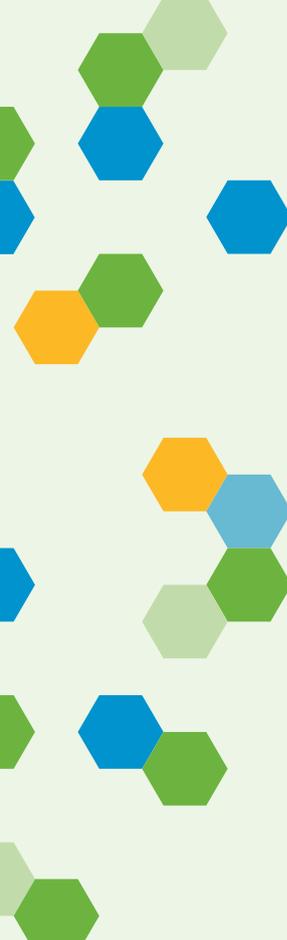
Rua da Assembleia, 10 - Sala 1801
RJ - 20011-000
Tel. +55 21 3797 6400

Sao Paulo

Marco Antonio Sabino
Partner and Brazil Chairman
masabino@llorenteycuenca.com

Juan Carlos Gozzer
Managing Director
jcozzer@llorenteycuenca.com

Rua Oscar Freire, 379, Cj 111,
Cerqueira César SP - 01426-001
Tel. +55 11 3060 3390



Developing Ideas by LLORENTE & CUENCA is a hub for ideas, analysis and trends. It is a product of the changing macroeconomic and social environment we live in, in which communication keeps moving forward at a fast pace.

Developing Ideas is a combination of global partnerships and knowledge exchange that identifies, defines and communicates new information paradigms from an independent perspective. **Developing Ideas** is a constant flow of ideas, foreseeing new times for information and management.

Because reality is neither black nor white, **Developing Ideas** exists.

www.developing-ideas.com
www.uno-magazine.com



AMO is the leading global network of strategic and financial communications consultancies, with over 940 professional consultants and offices in more than 20 countries.

The network brings together local market leaders with unrivalled knowledge of financial markets and cross-border transactions in the key financial centers of Europe, Asia and the Americas.

Providing sophisticated communications counsel for M&A and capital market transactions, media relations, investor relations and corporate crises, our member firms have established relationships with many S&P 500, FTSE 100, DAX 30, SMI, CAC 40 and IBEX 35 companies.

www.amo-global.com