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SafeAbroad Forecast Report

TERRITORIAL DISPUTE BETWEEN GUYANA AND VENEZUELA

SAFETY IMPLICATIONS FOR **INTERNATIONAL EDUCATION** PROGRAMS

Overview

SafeAbroad analysts have assessed the current dispute between the South American countries of Guyana and Venezuela over the territory of Essequibo. While Venezuela is posturing its military on the Essequibo borders, SafeAbroad analysts have predicted that the outbreak of war is unlikely.

Key Takeaways

1. **After the discovery of oil in Essequibo in 2015, the ongoing dispute between Guyana and Venezuela over the territory escalated in December 2023.** Essequibo has been disputed between the two countries since 1887; however, the recent discovery of oil and upcoming elections in Venezuela have strained the situation. In December 2023, Venezuela approved a referendum staking the country's claim to Essequibo, which was followed by an international response. Both the United States and the United Kingdom have publicly stated their support for Guyana, while Russia has reaffirmed its support for Venezuela.
2. **Despite the ongoing territorial dispute over Essequibo, it is unlikely that Venezuela will declare war against Guyana.** Venezuela significantly outnumbers and outguns Guyana; however, it would be a poor economic decision for Venezuela to enter into a military conflict, as it would put too great a strain on its already suffering economy.

Background

The current dispute between Guyana and Venezuela centers around the territory of Essequibo and has escalated since the discovery of oil in the region in 2015.

The territory of Essequibo has been disputed between Guyana and Venezuela since 1887.¹ The region of Essequibo is 159,500 km, making up roughly 60% of Guyana's territory, and is located to the west of the Essequibo River.² While both Venezuela and Guyana claim the territory, it has been controlled by Guyana and internationally recognized as such since 1899.³ On May 20, 2015, ExxonMobil announced the discovery of crude oil off the coast of Essequibo, mounting tension between the countries.⁴ The production of oil in Guyana has boosted the country's GDP significantly. In Venezuela, it is unclear how the people feel about the situation; however, the government remains adamant about the country's claim to the territory.⁵

¹ <https://www.britannica.com/place/Essequibo>

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<https://www.wionews.com/business-economy/guyana-venezuela-tensions-how-oil-discovery-revived-essequibo-crisis-674201>

³ <https://mapfight.xyz/map/essequibo/>

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<https://www.france24.com/en/tv-shows/business-daily/20231204-essequibo-the-oil-and-mineral-rich-region-disputed-by-venezuela-and-guyana>

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<https://www.aljazeera.com/news/2024/1/11/fears-simmer-in-essequibo-region-as-venezuela-eyes-the-disputed-territory>



Map of Guyana and Venezuela: Encyclopedia Britannica⁶

On December 3, 2023, the government of Venezuela held a referendum over the Essequibo region and reported that millions of voters approved Venezuela's claim to the region.⁷ It is still unclear whether the reported numbers are accurate; however, the announcement of the referendum itself added to the tension between the two countries.⁸

On December 13, 2023, Venezuela announced that they would be doubling their 2024 budget as they plan to include additional spending for the defense of the Essequibo region.⁹ On December 29, the United Kingdom sent the warship HMS Trent to Guyanese waters in support of their former colony. In response, 5,600 Venezuelan military personnel began defensive military exercises.¹⁰ This conflict comes after the war in Ukraine took Russian oil out of Western markets, leading the U.S. to increase diplomatic engagement with Venezuela and furthering the motivations of Venezuela to gain access to the Essequibo region's oil supply.¹¹

Venezuela's renewed interest in the Essequibo territory is primarily a result of the country's present economic difficulties. Venezuela has been dealing with weakened export revenue, leading

⁶ <https://www.britannica.com/place/Essequibo>

⁷ <https://www.npr.org/2023/12/04/1216905515/venezuelan-voters-approve-referendum-that-would-take-over-disputed-area-with-guy>

⁸ <https://apnews.com/article/venezuela-guyana-essequibo-territory-dispute-maduro-referendum-90a4f0f962a83620903987a68a7d39b0>

⁹ <https://www.bnnbloomberg.ca/venezuela-nearly-doubles-2024-budget-amid-tensions-with-guyana-1.2011268>

¹⁰ <https://www.theguardian.com/world/2023/dec/28/venezuela-mounts-military-exercises-as-uk-sends-war-ship-to-support-guyana>

¹¹ <https://www.forbes.com/sites/arielcohen/2023/11/16/venezuela-vs-guyana-the-battle-for-el-essequibos-oil/?sh=2a7bf3a7cfa4>

to a 75-year low in oil production.¹² As a result, Venezuela's GDP has seen a sharp decrease. In 2024, Venezuela's GDP is projected to be around \$97.68 billion, a significant drop from the \$125.45 billion recorded in 2015.¹³ The discovery of oil off Guyana's shores further threatens its regional oil dominance; however, the opportunity to claim the estimated 11 billion barrels of oil could revive a waning Venezuelan export market and ensure oil dominance in the region.

On February 20, Russian Foreign Minister Sergei Lavrov visited Venezuela to reaffirm Russia's support of Venezuela in various strategic sectors, such as energy and technology.¹⁴ Six days later, on February 26, 2024, the United States ambassador to the United Nations announced the US's continued support for Guyana over the region of Essequibo.¹⁵

Forecasted Outcome

Despite the ongoing territorial dispute over Essequibo, it is unlikely that Venezuela will declare war against Guyana.

Instead of forcibly trying to annex Essequibo from Guyana, Venezuela is using a strategy of military posturing to coerce Guyana into giving up the disputed territory. Satellite images show that Venezuela is boosting its military presence on Anacoco island, suggesting that Venezuelan President Maduro will not comply with the Argyle Agreement, in which both countries promised not to use force against one another;¹⁶ however, despite appearances, it is unlikely that Venezuela will actually use force.

In terms of military power, Venezuela has over 100,000 military personnel and hundreds of tanks and planes, making them better equipped than Guyana which has about 4,000 active military members; however, corruption and lack of both proper management and maintenance of equipment severely hinder Venezuela's capabilities. The jungle and swamp ecosystems of the area, without any paved roads, additionally limit military mobility. Given that Guyana is allied with Brazil and the United States, they would ultimately be a threat to Venezuela.¹⁷

Additionally, Venezuela cannot afford a war, as the country has been in an economic downturn for years, leading to millions of citizens fleeing the country. A recent easing of sanctions by the United States in October has allowed the United States to engage in oil production in Venezuela, helping to boost their economy;¹⁸ however, declaring a war against a U.S. ally would ultimately result in sanctions being re-imposed and greater economic decline.

Despite the unlikeliness that Venezuela will initiate a conflict with Guyana over Essequibo, it is still

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<https://oilprice.com/Energy/Crude-Oil/Venezuelan-Oil-Production-Has-Plummeted-By-75-In-Ten-Years.html>

¹³ <https://www.statista.com/statistics/370937/gross-domestic-product-gdp-in-venezuela/>

¹⁴

<https://apnews.com/article/venezuela-russia-lavrov-maduro-caracas-visit-negotiations-ac89e24a5ac652759dec00b6e98bc7c2>

¹⁵

<https://ground.news/article/us-backs-guyana-in-territorial-dispute-with-venezuela-denies-military-base-plan-s-la-prensa-latina-media>

¹⁶

<https://www.csis.org/analysis/miscalculation-and-escalation-over-essequibo-new-insights-risks-venezuelas-compellence>

¹⁷ <https://responsiblestatecraft.org/guyana-venezuela/>

¹⁸ <https://www.cfr.org/backgrounder/venezuela-crisis>

important to recognize the movements of the Venezuelan military in the Essequibo area. Venezuela outnumbers Guyana greatly in terms of manpower (123,000 Venezuelan troops versus 3,400 Guyanese troops);¹⁹ however, the Guyanese military has a longstanding partnership with the United States, which is currently increasing military aid to Guyana.²⁰ Economically, Guyana is superior to Venezuela. Guyana is currently the world's fastest-growing economy, with its real GDP expected to rise 115% in the next five years.²¹ In comparison, Venezuela's real GDP is only expected to increase 4.5%.²²

In the event of war, Guyana's high-performing economy in a wartime situation would allow it to make the international purchases and agreements necessary to keep Venezuela out of Essequibo, despite the Venezuelan military's size advantage.

Implications

As of March 2024, the dispute between Venezuela and Guyana over Essequibo appears to be settling down, with a diplomatic route more likely than a military conflict; however, travelers to Guyana should remain cautious while in the country in the upcoming months due to the continuation of threats made by Venezuela.

What to watch for in 2024:

- **Increased military presence on Guyana's northwestern border with Venezuela.** Despite the low likelihood of a military conflict, Venezuela is increasing its military presence on its border with Guyana.²³ Travelers should exercise caution when traveling along the Guyana-Venezuela border.
- **The possibility of further action by Venezuela, or lack thereof, leading up to, and directly after the presidential election in 2024.** Despite predictions that the two countries will not go to war, Venezuela should be watched closely, as President Maduro is known for irrational policy-making. Now that opposition leader Maria Machado has been banned from running, Maduro is likely to win the election and may continue to dispute Essequibo.²⁴
- **Increased Risk of Detention and Enforcement of Local Laws.** Given Venezuela's continued military posturing, law enforcement is likely to be more alert. In the most extreme cases, the application of local laws can become arbitrary or politically motivated.²⁵

¹⁹<https://www.popularmechanics.com/military/a46091879/can-guyana-defense-force-resist-a-venezuelan-invasion/>

²⁰<https://apnews.com/article/guyana-us-military-assistance-venezuela-essequibo-8765aa50e4ff5e6e0af61bb527389c0f>

²¹<https://www.cnbc.com/2023/09/27/worlds-fastest-growing-economy-guyana-could-grow-100percent-in-5-years.html>

²² https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/VEN?zoom=VEN&highlight=VEN

²³ <https://www.cnn.com/2024/02/09/americas/venezuela-guyana-border-troops-intl-latam/index.html>

²⁴<https://www.reuters.com/world/americas/venezuela-arrests-allies-opposition-candidate-conspiracy-accusations-2024-01-26/>

²⁵<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Venezuela.html>

Timeline of Essequibo Dispute (December 2023 - Present)

Essequibo Dispute (December 2023 - Present)	
December 3, 2023	Venezuela approves a referendum that claims sovereignty over the disputed territory, Essequibo - a region controlled by Guyana. ²⁶
December 14, 2023	Argyle Agreement- states that Guyana and Venezuela will not use force against one another ²⁷
December 29, 2023	The United Kingdom sends the HMS Trent (warship) to Guyana as tensions between Venezuela and Guyana rise. ²⁸
December 29, 2023	Venezuela begins conducting military exercises as a response to the United Kingdom. ²⁹
January 13, 2024	Guyana's government receives satellite imagery from Western allies showing Venezuelan military movements near Venezuela's eastern border with Guyana. ³⁰
February 26, 2024	United States Permanent Representative to the United Nations, Ambassador Linda Thomas-Greenfield emphasizes the United States' support for Guyana and the country's territorial integrity. ³¹
<i>Not an exhaustive list.</i>	

²⁶<https://apnews.com/article/venezuela-guyana-essequibo-territory-dispute-maduro-referendum-90a4f0f962a83620903987a68a7d39b0>

²⁷<https://caribbeannewsglobal.com/guyana-venezuela-joint-declaration-of-argyle-for-dialogue-and-peace-between/>

²⁸<https://www.pbs.org/newshour/world/british-warship-arrives-in-guyana-as-venezuela-holds-military-exercises-in-response>

²⁹ <https://www.bbc.com/news/world-latin-america-67836342>

³⁰https://villagevoicenews.com/2024/02/10/trouble-looms-on-the-boarder-as-satellite-images-show-venezuela-has-strengthened-presence/#google_vignette

³¹<https://newssourcegy.com/news/us-remains-clear-with-its-support-for-guyanas-territorial-integrity-us-permanent-rep-to-un/>

