[Resolved: The United States should end its economic sanctions against Venezuela]

We negate:

Our Sole Contention is Unlocking Venezuela's Economy

Oil dependence has doomed Venezuela's economy. **Wald '17 of Forbes** explains that Venezuela's overreliance on oil revenues creates an "oil curse" because its central planners depend on oil revenues at the expense of food production and other industries, creating economic disaster when oil prices inevitably fall.

Indeed, **Rossi '11 of the IAEE** adds that Venezuela's oil curse has contributed to its overvalued currency, destruction of agricultural and manufacturing private industries, corrupt governance, and reliance on imports for basic necessities.

Venezuela desperately needs to forge a new economic pathway. **Swift '16 of the IPI** finds that the underlying cause of the current economic crisis is Venezuela's oil reliance, concluding that Venezuela needs to diversify its economy for sustainable economic growth.

Without sanctions, **Nitzberg '18 of Towson University** explains that if oil prices continue to rise, Maduro's government may be tempted to just ride the oil wave back to the boom-bust cycle that Venezuela depends on.

Sanctions are correcting Venezuela's economy through creating a budding private sector in 2 ways:

First is reducing market controls

Lira '16 of Harvard University explains that price controls harm private sector development by creating chronic shortages in raw input materials and equipment necessary for companies to produce breaking production chains when producers exit because of a loss of profitability, concluding that removing price and currency controls would spur private sector development.

Luckily, **Argus '19** explains that sanctions have forced Maduro to ease price and currency controls in a bid to encourage foreign investment and facilitate remittances. As a result, the private sector is projected to account for up to 25% of GDP in 2020 for the first time in decades.

Second is diversifying exports (2:30)

Oil sanctions have led Maduro to turn to other sectors. **The ICS '19** reports that as Washington targets state oil companies, Maduro is desperate to generate new sources of revenue, launching the new Brand Country Institute to help the government diversify exports.

Indeed, **Armas '19 of Reuters** adds that "Maduro's enthusiasm for non-oil exports comes as US sanctions has him scrambling for oil alternatives", for example leading to loosened restrictions and export permits for Venezuelan food producers. Overall, she quantifies that exports by Venezuela's private sector companies increased by 26% in 2019.

Unfortunately, lifting sanctions would cause Maduro to destroy the budding private sector. **Corrales '18 of the New York Times** explains that Maduro wants zero private profits and a total state monopoly to turn citizens completely dependent on the state to extend the control and power of his regime.

There are two impacts.

First is alleviating the crisis.

Argus '19 continues that after sanctions forced market reforms, inflation estimates have fallen by over 1000 times and food and medicine imports have rebounded.

Indeed, **Alvarez '20 of Venezuela Analysis** explains that if liberalization continues, Venezuela's economy will stabilize and start growing in 2020.

This is why **Lopez '19 of Venezuela Analysis** quantifies that after seven years of contraction, Venezuela's economy could grow by 4 percent in 2020.

Second is escaping the oil curse (3:25)

Venezuela's oil-fueled poverty reduction is unsustainable. **Manzano '13 of the NRGI** explains that Venezuela's poverty reduction strategy of using oil rents on imports and welfare is unsustainable because it does not address Venezuela's structural economic problems of low human capital and private investment.

Venezuela needs to adapt before it's too late. **Mu '18 of Beijing University** finds that with decreasing global demand for oil and rising production from other countries, Venezuela's state-controlled oil reliance makes oil price volatility is the most vital threat to the country's economy.

Thus, **Howard '18 of the World Peace Foundation** explains that 19 million Venezuelans live in extreme poverty.

Empirically, **the OECD** finds that after accounting for effects on other industries and investment, a 10% increase in oil share of GDP decreases GDP per capita by 7% in the long run.

Thus, we negate: