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THE GOLD RUSH IN VENEZUELA COULD DESTABILIZE LATIN AMERICA AND THE CARIBBEAN

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On May 20, 2018, the day of the most recent Venezuelan presidential election, gang members in control of several gold mines in Bolivar State went to mobilize voters for President Nicolas Maduro, leaving behind a small cadre of guards. While the gang members were gone, guerrillas from the National Liberation Army (ELN), a Colombian insurgent force welcomed across the border since the days of Hugo Chavez, [killed the guards and took control of the mines](#).

The incident exemplifies not only the growing lawlessness in Venezuela, but also its seeming incoherence: because they were busy supporting a manifestly rigged election, a criminal organization lost control of lucrative resources to an insurgent group from a country whose border was hundreds of miles away. What provides an underlying coherence is the gold. Just as it has already become [a more lucrative industry for Colombian cartels than drug trafficking](#), illegal gold mining has become big criminal business in Venezuela, and it now poses a major security risk to that troubled country's neighbors.

As Venezuela slides toward possible collapse, gold has replaced the country's world-leading oil reserves as a means to prop up the nearly bankrupt Maduro regime. The government's establishment of the Orinoco Mining Arc in 2016, which opened a broad swath of southern Venezuela to unchecked exploitation, has brought further instability and violence to an area historically difficult to govern. The resulting gold rush, along with the country's general economic collapse, has given rise to a rapidly evolving criminal ecosystem involving the Venezuelan government and military (especially the Bolivarian National Guard, or GNB), domestic and transnational organized criminal groups, and increasingly bold insurgent groups such as the ELN and dissident remnants of the recently demobilized Revolutionary Armed Forces of Colombia (FARC). Reports indicate that as many as [300,000 people](#) have traveled to the Orinoco Mining Arc in search of livelihoods; there are also

thousands of guerrillas, who predictably target many of the displaced persons arriving in the region as [recruits](#).

Within Venezuela, economic and social conditions are likely to degrade further in the wake of opposition leader Juan Guaidó's failed attempt to spark a successful uprising against the Maduro government. In the Orinoco Mining Arc, however, the essential game will remain the same regardless of how the various criminal actors work with or against each other.

At the bottom of the mineral hierarchy are the informal miners, who undertake often dangerous work to extract the ore and perform the initial processing, usually with mercury, which inflicts enormous human and environmental damage.

Above the informal miners sit the criminal groups that control some of the mining areas. Though these organizations overlap, cooperate, and compete in complex and continually shifting ways, they are seen as breaking down into three types. Many of these groups are known as [sindicatos](#). These are local gangs that style themselves as labor unions in regional cities and towns. In some cases they did actually originate in construction workers' unions that used intimidation to secure contracts, but amid the increasing lawlessness in Amazonas and Bolívar states, which contain the Orinoco Mining Arc, they have diversified, mainly into extorting gold from miners. The [pranatos](#) are generally larger and more sophisticated outfits, with wider geographic range. They are run from Venezuelan prisons, where their [pranes](#), or leaders, direct operations while living in relative luxury. The largest of the criminal groups, known as [megabandas](#), have been defined by the [Organized Crime Observatory in Caracas](#) as having more than 50 members, networks extending to local gangs, sophisticated logistics, and military-grade weapons. While this taxonomy generally holds, it can be blurry and confusing in practice, especially across state borders and linguistic boundaries; in one example, a Guyanese (and therefore Anglophone) newspaper reported on violence inflicted along the country's border with Venezuela by "[the Sindicato Gang](#)," as if *sindicato* were the proper name of one criminal group.

Alongside the gangs, sometimes coordinating with them but often displacing them, are the Colombian insurgent groups—most prominently the ELN, [which now reportedly has a presence in 13 of Venezuela's 24 states](#). The ELN, which dates back to 1964, is a hardened organization with a long history of drawing on drug trafficking and illegal mining as income streams.

At the top of the hierarchy are the Venezuelan security forces, most prominently the GNB, some of whose officers have for years been so prominent in trafficking that they have been tagged "[the Cartel of the Suns](#)," after the solar badges on their epaulettes. After the security forces take their cut, the bulk of the Orinoco Mining Arc's extracted gold—[at least 17 metric tons since 2016](#)—goes to the government in Caracas.

Miners and other operators routinely pay a "[vaccine](#)," a payment in gold, to whichever groups are positioned locally to extort it. That gold, as well as any diverted from the flow downstream to the security forces, can be turned to even more nefarious ends, from buying weapons to laundering the profits harvested from various kinds of trafficking. It is understandable how Venezuelan military officers crave posts in the Orinoco Mining Arc and along the Colombian border; a tour there means a personal fortune in a portable, highly fungible, virtually untraceable commodity.

The dynamic within the Orinoco Mining Arc is intrinsically violent, at times explosively so; while accurate figures are nearly impossible to obtain, in 2018 one Venezuelan group identified no fewer than [a dozen mining-related massacres](#) since Maduro's 2016 decree. Violence and instability on that scale tend to spread, and the region around Venezuela has been no exception. News reports around the world have covered the country's crisis largely in terms of urban violence and deprivation, ongoing attempts to deliver aid, the geopolitics of sanctions and sanctions-busting, and the desperation of refugees seeking passage into Colombia or Brazil. But Venezuela has other neighbors, some of them relatively small and some not even Spanish- or Portuguese-speaking, and they, too, are absorbing the consequences of nearby events. Relatively little media coverage has been accorded to them, or to the ways in which the criminal exploitation of the Orinoco Mining Arc's gold and the accompanying expansion of groups such as the ELN are altering the regional security picture.

The most striking change in the security picture is the increasing range and prominence of the ELN, whose position is likely to grow stronger now that the increasingly embattled Maduro government has had to suppress more domestic unrest and adopt a more militaristic defensive posture. While dissident fragments of FARC along the border remain something of a threat to Colombia, they seem more interested in profiteering than in fighting for the cause. It was the ELN that [detonated a bomb in January](#) that killed 21 people and wounded 68 others at a police academy outside Bogota, signaling its emergence as the primary insurgent threat in the region. Current estimates place the group's numbers [between 4,000 and 7,000 fighters](#), but even that may be conservative given the ELN's broad footprint in Venezuela and its ability to supply its members with necessities that can otherwise be nearly impossible to procure within Venezuela. The mere fact that ELN guerrillas have pushed into Bolivar State, so far from Colombia, to displace homegrown Venezuelan criminal groups indicates the extent to which the Maduro government has either entered into a partnership with the group, effectively ceded sovereignty to it in some mining areas, or both. Furthermore, given that the group's income stream from Venezuelan gold depends largely on a working relationship with the Maduro government, the ELN could rightly be regarded as a seasoned guerrilla army [prepared to either defend the current regime](#) or destabilize its successor.

Given that the ELN is not simply a dissident outfit but a long-established, ideologically driven, increasingly wealthy and well-armed group, its spread deep into Venezuelan mining areas suggests that it could become a major regional threat. Not only is it filling the void left in Colombia by the demobilization of FARC; it might also be in a position to venture into Brazil, now headed by a Bolsonaro government the ELN would correctly regard as inimical, or even into an increasingly moderate Ecuador.

While those potential dangers are no doubt receiving serious consideration in some quarters, a less obvious threat involves the potentially destabilizing spread of violence and criminality into smaller countries along the shoulder of South America and into the Caribbean, some of which have valuable extractive resources of their own.

As Venezuela's immediate eastern neighbor, Guyana literally sits on the border between the rule of law and lawlessness. Unfortunately, that border itself is in dispute: in 2015, the Maduro government

reasserted long-standing Venezuelan claims to the Essequibo region, which makes up more than half of Guyana's total territory. Guyana has taken the case to the International Court of Justice, and [Venezuela recently failed to meet a deadline for submitting a counter-Memorial](#), so the proceedings may continue without Venezuelan participation. At stake are potentially vast reserves of oil as well as gold and other minerals. Guyana has its own history as a gold producer, and the largely undeveloped areas along the Cuyuni River, which defines the current border between the two countries, have long been a venue for informal mining. In many cases, Guyanese miners cross the river into Venezuela. Since the opening of the Orinoco Mining Arc, however, Venezuelan criminal groups have made their presence felt in Guyana. [Reports](#) of border crossings in which Guyanese mining sites are attacked and [Guyanese miners murdered or mutilated](#), and of [gunfire](#) from the Venezuelan side directed at Guyanese ferryboats traveling between towns along the Cuyuni, all indicate that criminality and insecurity are spilling across the border. It may be that some gangs in Bolivar State being elbowed aside by the ELN are seeking new territory; the ELN may eventually cast a covetous eye on Guyanese gold as well.

A more immediate concern is refugees. Venezuelan nationals have begun pouring over the land border and arriving by sea up and down the Guyanese coast, straining the small country's capacity to accommodate new arrivals. Some remain, some procure essentials and return to Venezuela, and a few engage in robbery. Attacks on fishing boats have become so worrisome that Guyanese fishermen are increasingly staying closer to shore and turning to black market trading in Venezuelan fuel, drugs, and possibly gold. The rise in cross-border violence, crime, and displacement could scarcely come at a worse time for Guyana, which has been enjoying a boom in tourism and a growing footprint by oil majors such as Exxon and BP.

Beyond Guyana, other Caribbean countries either have already faced a rising tide of violence, criminality, and insecurity or are at risk of experiencing it soon. The waters between Venezuela and Trinidad and Tobago, as well as around some other Caribbean islands, have already seen a spike in [piracy and armed robbery at sea](#), and guns from Venezuela are increasingly finding their way to Trinidad. Smuggling routes for drugs, weapons, and gold take advantage of land, sea and air routes to transshipment hubs linked to Europe, including the Dutch ABC Islands (Aruba, Bonaire, and Curaçao), St. Maarten, Suriname, and others. The overseas regions of France, such as French Guiana, Martinique, and Guadeloupe, offer the added benefit of clearing EU customs before leaving the region.

The Orinoco Mining Arc has grown from a zone of human and environmental exploitation into an epicenter of regional insecurity. On the one hand, it has geographically extended the chronic lawlessness of the Colombian-Venezuelan border, broadening the base of insurgent groups whose ambitions and capabilities are likely to track their rapidly increasing wealth. On the other, transnational organized criminal groups and corrupt officials will further entangle Venezuela's neighbors in illicit income streams, [invisible supply chains](#), and money laundering schemes, exporting their activities, and their rivalries, in the race to maximize profits, power, and prestige. Marriages of convenience and joint ventures between militant groups, criminal gangs, and security forces will continue to heighten these risks. And though the Venezuelan crisis has resulted in formidable and widely understood challenges for the larger states in the region, especially Colombia

and Brazil, anyone seeking to address its wider consequences must pay attention to the smaller states nearby. Otherwise, the violence and criminality running rampant in Venezuela will metastasize far more quickly than it can be contained.



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