



May 2026



THE STABILIZATION TRAP

LEGAL CERTAINTY – AN INSUFFICIENT REQUIREMENT

In theory, countries that fail to uphold the rule of law, with authoritarian and repressive governments, drive away foreign investment. However, reality shows that economic interests in strategic resources, market share, cheap labor, or geopolitical convenience attract investors despite unstable contexts.

Since January 3, companies from various countries and sectors have expressed at national and international meetings and events their interest in investing in Venezuela, applying for licenses from OFAC, offering investments, and signing memorandums of understanding—so far with calculated risks:

- They are exploring opportunities for a future in which Venezuela offers clear and reliable rules with legal certainty and political stability.
- They rely on U.S. protection for their businesses in Venezuela.
- They are willing to expose venture capital if they identify short-term profit opportunities.
- This is speculative capital.

- Companies already operating in Venezuela are not making significant investments but are instead capitalizing on assets they already have in place.
- Creditor companies seeking mechanisms to collect on debt that has been in default for more than eight years.
- Companies seeking access to concessions with little competition, without bidding processes, and looking to take advantage of favorable tax agreements or contacts with the interim government.

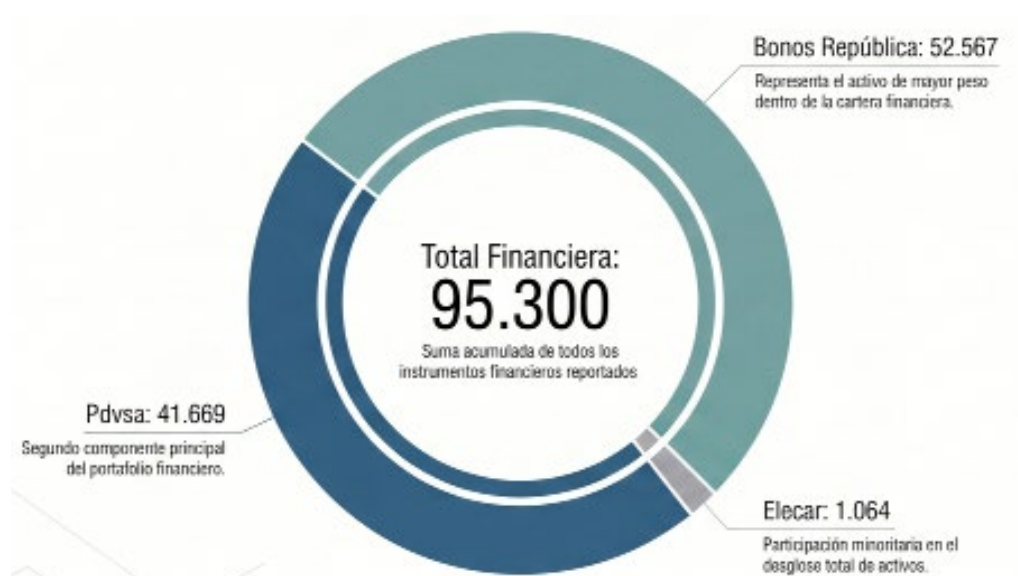
Over the past two decades in Venezuela, the authoritarian and centralized governance model—coupled with opacity in the management of public accounts and the absence of institutional checks and balances—facilitated the inflow of large amounts of corrosive capital¹ into the economy, while the country isolated itself from transparent financial markets. These flows, channeled through agreements with confidentiality clauses with countries such as Russia, China, and Iran, operated with no regard for sustainability, outside of international standards, and benefited a minority. The upshot has been a huge foreign debt, unfinished projects that did not add to the installed capacity but rather resulted in financial losses due to corruption and a severe deterioration of Venezuela’s economic environment.



Venezuela’s external debt balance stands at approximately \$170.86 billion as of December 2024. This amount includes the debt reported in January 2026 by Repsol and Eni.

¹ Financing that lacks transparency, accountability, and market orientation.

The estimated liabilities are distributed as follows:

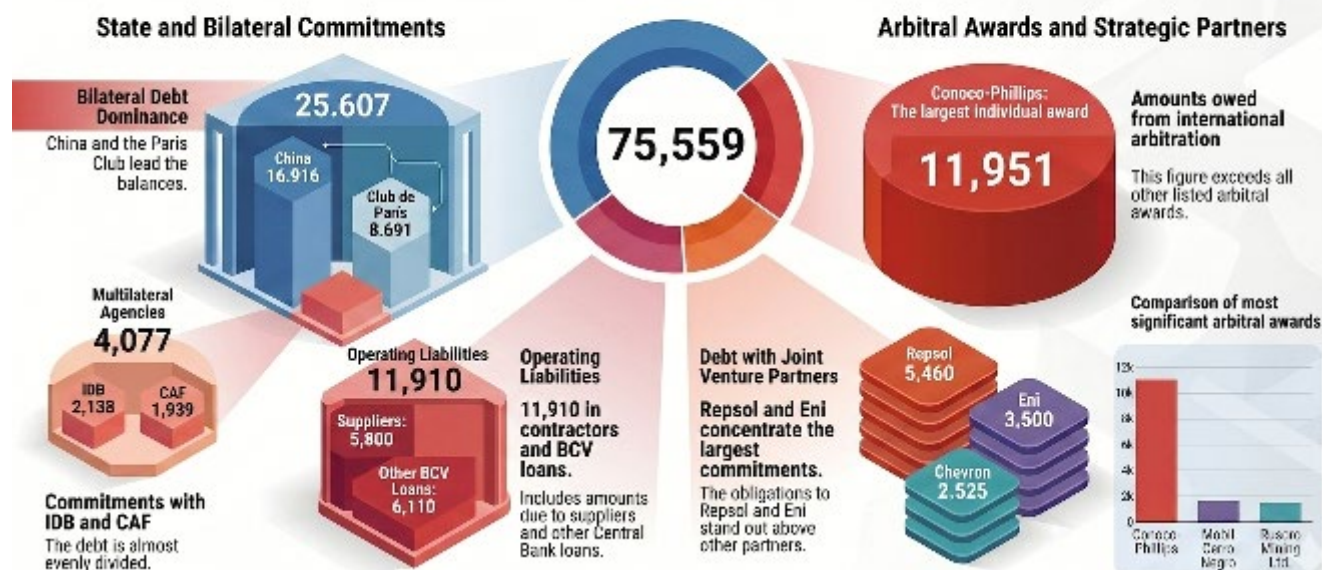


Non-financial debt

ICSID, ICA, and PCA Arbitral Awards	Conoco-Phillips	11951	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td rowspan="2" style="text-align: center;">Multilateral</td> <td style="text-align: center;">CAF</td> <td style="text-align: right;">1.939</td> </tr> <tr> <td style="text-align: center;">BID</td> <td style="text-align: right;">2.138</td> </tr> <tr> <td rowspan="2" style="text-align: center;">Bilateral</td> <td style="text-align: center;">Paris club</td> <td style="text-align: right;">8.691</td> </tr> <tr> <td style="text-align: center;">China</td> <td style="text-align: right;">16.916</td> </tr> <tr> <td colspan="2" style="text-align: center;">With contractors and suppliers</td> <td style="text-align: right;">5.800</td> </tr> <tr> <td colspan="2" style="text-align: center;">Other BCV loans</td> <td style="text-align: right;">6.110</td> </tr> <tr> <td rowspan="4" style="text-align: center;">Partners in joint ventures</td> <td style="text-align: center;">Chevron</td> <td style="text-align: right;">2525</td> </tr> <tr> <td style="text-align: center;">Eni (2026)</td> <td style="text-align: right;">3500</td> </tr> <tr> <td style="text-align: center;">Repsol (2026)</td> <td style="text-align: right;">5460</td> </tr> <tr> <td style="text-align: center;">Cyprus Limited (Russia)</td> <td style="text-align: right;">848</td> </tr> <tr> <td colspan="2" style="text-align: center;">Other partners B</td> <td style="text-align: right;">828</td> </tr> <tr> <td colspan="3" style="text-align: center;">Total non-financial debt 75.559</td> </tr> </table>	Multilateral	CAF	1.939	BID	2.138	Bilateral	Paris club	8.691	China	16.916	With contractors and suppliers		5.800	Other BCV loans		6.110	Partners in joint ventures	Chevron	2525	Eni (2026)	3500	Repsol (2026)	5460	Cyprus Limited (Russia)	848	Other partners B		828	Total non-financial debt 75.559		
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	Gold Reserve	1100																																
	Crystallex International	990																																
	Consortio Andino SL y Valores Mundiales SI	739																																
	OI European Group	677																																
	Tenaris S.A. and Talta - Trading and Marketing Lda.	562																																
Koch Minerals Sàrl and Koch Nitrogen International Sàrl	468																																	
Siemens Energy Inc.	208																																	
Northrop Grumman Ship Systems, Inc.	140																																	
Vestey Group Ltd	132																																	
Tidewater Investment	76																																	
Refineria Di Korsou NV	62																																	
Saint-Gobain Performance Plastics Europe	53																																	
Longreef Investments A.V.V.	43																																	
Air Canada	26																																	
Flughafen Zürich A.G. and Gestión e Ingeniería IDC S.A.	61																																	
Venezuela US S.R.L.	125																																	

Source:
Transparencia Venezuela. External debt increases to more than 170,360 million dollars.

Radiography of Non-Financial Debt: An Analysis of 75,559 Million



Given the outlook for a potential transition in the country, which impacts the political and economic realms, the discussion on foreign investment holds strategic importance. Venezuela needs to re-enter global financial markets and attract constructive capital: responsible and transparent investments that help revitalize sectors with comparative advantages and build its own competitive advantages to enable diversification.

Furthermore, development cannot be conceived of in any way other than as sustainable development, closely linked to human development, based on expanding citizens' capabilities and, hence, their freedoms. This approach, proposed decades ago by Nobel laureate Amartya Sen,² reinforced by fellow Nobel laureates Daron Acemoglu and James Robinson,³ and also by the UN Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council on June 16, 2011, in Resolution 17/4, requires inclusive institutions that guarantee civil, political, economic, social, cultural, and environmental rights, taking into account their interdependence.

Venezuelans need genuine sustainable development—the kind that allows for the expansion of everyone's capabilities as well as the expansion of their freedoms; and this is only possible in a democracy: A democratic system with the characteristics outlined by the United Nations Human Rights Commission.⁴

However, these objectives face significant obstacles.

According to the OECD's States of Fragility 2025 report, Venezuela is classified as a multidimensional state of high fragility, which raises the risk premiums considered by responsible investors. But could the profit opportunities for businesses in an oil-producing country offset the economic and reputational risks?

2 Sen, A. (1999). *Desarrollo y Libertad*. Buenos Aires: Planeta.

3 Acemoglu, D., Robinson, J. (2012). *Why Nations Fail*

4 UN. (n.d.). Democracy <https://www.un.org/en/global-issues/democracy>

The Danger for Venezuela: Business vs. Freedom

Venezuela has undeniable comparative advantages given its proven reserves of oil, gas, coal, iron ore, gold, coltan, and rare minerals required by the electronics industry, as well as non-polluting energy sources. Added to this is a strategic geographic location connecting it to markets in the Americas and Europe.

Experts claim that the Venezuelan oil industry requires investments of around US\$10 billion annually over the next 10 years to have production reach +4 million barrels per day. Given that oil revenues could be used to leverage sustainable development projects and lift the population out of poverty to a decent standard of living, such investment amounts are considered necessary.

Will the capital coming to Venezuela be corrosive or constructive?

Every transition faces the risk of leading to an undesirable outcome. Venezuela presents a unique complexity in terms of corruption and state capture that surpasses other cases in the region. The country has solidified its position as the worst in Latin America and the world's third worst in the Corruption Perceptions Index, ranking 180th out of 182 countries evaluated in 2025.⁵ Both traditional corruption (bribery and nepotism) and transnational grand corruption—of a structural nature—coexist in Venezuela, in which both legislation and state institutions have become instruments of impunity for the network that controls illicit activities from within the top echelons of government.

Since capturing Nicolás Maduro on January 3, the United States presented a three-phase plan for the transition, and under that pressure, the de facto authorities implemented a series of changes in the economic sector that signal an opening for foreign and domestic investment, with new regulatory frameworks in the hydrocarbons and mining sectors listed below:

<p>In the hydrocarbons sector, the state's operational monopoly is being relaxed, allowing a much broader participation in upstream activities</p>	<p>Contracts are tailored to the risk profile in the case of hydrocarbons and, depending on the scale of operation in the case of mining.</p>	<p>Alternative dispute resolution mechanisms that may include international arbitration.</p>	<p>A new, lower, and more flexible tax regime, although specific regulations are expected for the hydrocarbons sector.</p>
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⁵ Transparency International (2025). Corruption Perceptions Index.

<https://www.transparency.org/en/press/corruption-perceptions-index-2025-corruption-across-americas-damaging-peoples-lives-is-fuelling-violence>

However, there is no mention of institutional reforms aimed at ending impunity, guaranteeing the rule of law, and restoring civil and political rights. There are plenty of cases of countries where investment protection was not backed by democratic institutions. Below, we present the risks of transition processes that favored the inflow of investment but not democracy, rights, or transparency.

Risk 1 | A recurring obstacle in transition processes is the creation of institutions that look good on paper but lack real power, independence, and effective implementation capacity. These façade institutions create an illusion of reform and change, but by failing to ensure transparency, alter the distribution of power, or establish checks and balances, they erode trust and scare away future investment, exacerbating economic and social problems. The experience of **Russia** (1990–2000) is a widely cited example of a “Potemkin transition,” despite multiple reforms and institutional frameworks aimed at fostering free market and the façade of a multiparty democratic system. That country failed to build independent institutions or curb corruption, which ultimately undermined the transition process.⁶

**THE
TRANSITION
FAÇADE**

A compelling parallel emerged in **Myanmar** during its decade of tentative liberalization (2011–2020).⁷ Beginning in 2011, the country embarked on a series of reforms, passing modern legislation, dismantling barriers to foreign capital, and erecting new regulatory frameworks aimed at economic integration. Yet, these legislative changes were never anchored by robust institutional safeguards. Instead, the domestic landscape was undone by a chronically subordinate judiciary, entrenched internal conflicts, and fragmented government coordination—all playing out under military interference. Ultimately, this choked the political transition and sent the investment climate into a tailspin.

6 Charles P. Rock, & Vasilii Solodkov. (2001). Monetary Policies, Banking, and Trust in Changing Institutions: Russia’s Transition in the 1990s. *Journal of Economic Issues*, 35(2), 451–458. <http://www.jstor.org/stable/4227677>

7 OECD (2020), *OECD Investment Policy Reviews: Myanmar 2020*, OECD Investment Policy Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/d7984f44-en>.

Risk 2 | After a long tenure in power, elites associated with the previous regime often blend into the new institutional structure to capture emerging revenue streams. A particular case is that of the **Russian oligarchs**. Research by Chatham House⁸ reports that, following the collapse of the Soviet Union, Russia’s political-economic elites reinvented themselves within the new market economy, seizing strategic industries and consolidating transnational corruption networks that facilitated money laundering and cleaned up their reputations, thereby reinforcing the persistence of kleptocratic schemes⁹. These actors emerged or remained precisely because the institutional transition was weak, there was an absence of effective checks and balances, and neither the capture of the state nor the regulatory fragility that allowed the reproduction of corruption were reversed.

THE TRAP OF KLEPTOCRACY AND REVENUE CAPTURE BY THE ELITES

Risk 3 | With a change in government, kleptocrats usually no longer have access to privileges, but they can maintain their hold on strategic economic sectors—using the proceeds obtained through the abuse of their past positions within the authoritarian government’s network—and can obstruct institutional changes to secure impunity and also thus continue to exploit privileges.

An emblematic and controversial case is that of Chile’s transition, which is often cited as an orderly process. However, research by Nash¹⁰ indicates that the negotiated transition propped up for years a structure designed to protect certain groups linked to military power and major private interests. This established mechanisms of state capture that delayed full democratization and restricted accountability. The Chilean case demonstrates how elites can preserve decisive influence through institutional frameworks and arrangements that perpetuate their privileged position.

KLEPTOCRATS REGROUP

8 Heathershaw, J., Cooley, A., Mayne, T., Michel, C., Prelec, T., Sharman, J. and Soares de Oliveira, R. (2021). The UK’s kleptocracy problem: How servicing post-Soviet elites weakens the rule of law. Chatham House <https://www.chathamhouse.org/sites/default/files/2023-01/2021-12-08-uk-kleptocracy-problem-heathershaw-mayne-et-al.pdf>

9 Heathershaw, J., Cooley, A., Mayne, T., Michel, C., Prelec, T., Sharman, J. y Soares de Oliveira, R. (2021). The UK’s kleptocracy problem: How servicing post-Soviet elites weakens the rule of law. Chatham House <https://www.chathamhouse.org/sites/default/files/2023-01/2021-12-08-uk-kleptocracy-problem-heathershaw-mayne-et-al.pdf>

10 Nash, C. (2017). Dictadura, corrupción y transición. http://www.ulpiano.org/ve/revistas/bases/artic/texto/REDIAJ/8/rediaj_2017_8_353-408.pdf

<p>Risk 4</p> <p>GEOPOLITICAL INTERESTS TAKE PRECEDENCE OVER ECONOMIC EFFICIENCY AND DEMOCRATIZATION</p>	<p>The influx of foreign investment may be conditioned by geopolitical interests that overshadow considerations of economic efficiency and human development. This occurs when investor countries prioritize privileged access to strategic resources, the expansion of their regional influence, or the creation of economic dependencies, rather than promoting sustainable, transparent growth with full civil and political rights in the host country.</p>
<p>Risk 5</p> <p>ECONOMIC TRANSITION WITHOUT POLITICAL CHANGE</p>	<p>Here, China serves as the prime example of a model in which economic reforms have been implemented—since 1978—in the agricultural, industrial, technological, and defense sectors, with a focus on market openness, legal certainty, and property rights. The economic results, measured in terms of growth, employment, trade balance, and currency stability, are indisputable. However, restrictions on civil and political rights, the concentration of power within the Communist Party elite, and a lack of fiscal transparency and accountability persisted.¹¹</p> <p>The case of Vietnam, on the other hand, is cited as an example of institutional transformation favorable to foreign investment, while maintaining authoritarian single-party control, with no guaranteed civil and political rights. Vietnam undertook internal reforms beginning in the year 2000 to promote investment protection, and in 2010 took a qualitative step forward by joining new-generation international treaties that require standards of transparency and governance, as well as investor and environmental protection. The reforms associated with these agreements improved the international perception of legal stability and positioned Vietnam as a country with advanced regulatory practices favorable to sustainability, including the national green growth strategy, the commitment to net-zero emissions by 2050, as well as new disclosure requirements for companies. Added to this is the fact that it has become a manufacturing alternative to China due to its low labor costs and trade openness.</p>

11 Open Budget Survey 2023 <https://internationalbudget.org/open-budget-survey/country-results/2023/china>

SPECULATIVE CAPITAL INFLOWS

Risk 6 In various transition economies, including **Russia**, the **Czech Republic**, and **Mexico**, massive inflows of capital rushed in, seeking high and rapid returns in the short term. These initiatives, driven by the search for investment, brought about profound economic distortions and adverse effects on the productive structure. In the case of Russia, for instance, privatizations in the 1990s occurred at a rapid pace; the swift liberalization created an opportunity for large Russian assets to be transferred to a small group of oligarchs and paved the way for speculative financial flows that exploited the enormous gap between real values and liquidation values.¹²

In the Czech Republic, the post-communist transition¹³ also included a process of massive and accelerated privatization without a prior establishment of robust regulations, which encouraged the inflow of purely opportunistic investments.

In Mexico, during the years leading up to the Tequila Crisis (1994–1995),¹⁴ the economy received significant inflows of financial capital attracted by privatizations and high interest rates. The country was overly dependent on foreign capital to sustain its growth. However, this highly volatile capital withdrew abruptly following the peso’s devaluation in December 1994, triggering a deep financial crisis characterized by massive capital flight, a stock market collapse, and the deterioration of the banking system.

This type of capital exacerbates economic volatility due to its abrupt inflows and outflows, which deepen economic cycles; it contributes to the concentration of wealth, especially during privatization processes or the acquisition of undervalued assets; and it favors the displacement of long-term investment, replacing it with enclave or extractive capital. Extractive investments have low levels of integration with the local economy and short-term planning horizons, reinforcing vulnerable, low-growth economies.

12 Contexto y Acción (2022). De la terapia del “shock” a la guerra financiera.

<https://ctxt.es/es/20220401/Firmas/39406/rusia-privatizaciones-default-vladimir-putin-terapia-del-shock.htm>

13 GCC VIEWS (2018). El camino checo. Cómo se hizo la transición del comunismo al capitalismo.

<https://gccviews.com/el-camino-checo-transicion-del-comunismo-al-capitalismo/>

14 Financionario (2025). ¿Qué fue la crisis del tequila en México?. <https://financionario.com/la-crisis-del-tequila-en-mexico>

<p>Risk 7</p> <p>AGREED-UPON IMPUNITY</p>	<p>During transition processes, political agreements may be reached that prioritize political stability over accountability, creating scenarios of agreed-upon impunity that hinder the prosecution of corruption cases and human rights violations, leaving the door open to structural social and political problems and to history repeating itself. Such agreements undermine the development of sound democratic institutions and perpetuate perverse incentives for abuse by political and military elites or agents with economic power. In terms of investment, this type of impunity limits the inflow of transparent funds, increases the perceived risk for formal investors, and encourages the entry of opportunistic capital. In Malaysia (2018–2020) and South Africa (2018–2019), impunity led to setbacks in efforts to counter kleptocratic capture.</p> <p>In Chile, the impunity agreed upon after the fall of the dictatorship (1973–1990) protected high-ranking military officials and allowed serious cases of corruption to go unpunished. It laid the groundwork for the exploitation of private companies and military leadership during the privatization of public enterprises, as well as the control of resources through the Copper Law.¹⁵</p>
<p>Risk 8</p> <p>DECISIVE INFLUENCE OF ECONOMIC POWER</p>	<p>In some countries in transition, economic elites with high concentration of power manage to influence government decisions, shaping public policies in their favor through lobbying, electoral financing, and privileged relationships with officials.</p> <p>An example of this is the case of Peru, where investigations reveal clear capture by economic elites and corporations (lobbying, electoral campaign financing, and revolving doors between 2012 and 2016), especially in the extractive and infrastructure sectors.¹⁶ The specialized literature shows how these mechanisms influenced public regulations and decisions during reform cycles, affecting competition and regulatory predictability. These forms of capture were also detected in Bulgaria, Moldova, and Georgia after 2010.¹⁷</p>

15 Nash, Claudio: Dictadura, transición y corrupción. Algunas lecciones del caso chileno. Revista Electrónica de Investigación y Asesoría Jurídica – REDLAJ N° 8. Instituto de Estudios Constitucionales. Caracas, February 2017, pp. 353-408

16 Durand, F. (2016). Cuando el poder extractivo captura el estado. Lobbies, puertas giratorias y paquetazo ambiental en Perú. Oxfam. https://www.desco.org.pe/recursos/site/files/NOTICIA/707/Cuando_el_Poder_Extractivo_captura_el_Estado_-_Francisco_Durand.pdf

17 USAID. (2022). Dekleptification Guide. Seizing Windows of Opportunity to Dismantle Kleptocracy.

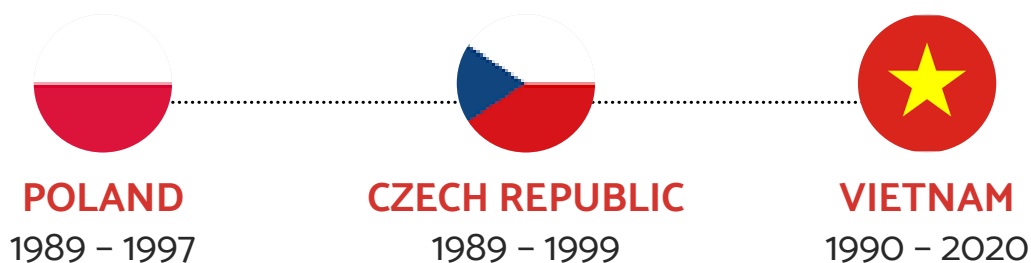
Successful experiences in countries in transition show that foreign investment has been key to economic reconstruction, productive modernization, and the adoption of new technologies, **but these and other risks must be considered to prevent investment and modernization from becoming allies of authoritarianism and the continued hold on power by corrupt and kleptocratic networks.**

In countries like Venezuela, periods of transition can be an opportunity to build democratic systems of law and justice, but old corrupt networks can also be reconfigured within a new framework of relative economic freedom, with higher revenues that merely create a facade of development for groups connected to power.

Stable legal frameworks that reduce uncertainty for investors are important, but **they must first and foremost guarantee justice, freedom, equity, and democratic principles.**

Transition and Investment: Different Outcomes

A comparative analysis of countries in transition invites reflection on their outcomes.



In all three cases, the reforms ensured effective protection of private property and the adoption of binding international commitments, including: political risk insurance from the Multilateral Investment Guarantee Agency (MIGA); international treaties and arbitration mechanisms have been key elements in attracting large volumes of investment. In these cases, domestic legal reforms, which included automatic incentives, for example, were complemented by external anchors (commitments to the European Union and the OECD), which reduced perceived political risk.



POLAND

1989 – 1997

In Poland, the institutional transformation that took place in the 1990s progressively strengthened property rights and regulatory transparency, and these factors stimulated the growing and sustained inflow of foreign direct investment, at least until 2015. The reforms included a transition toward more investor-protective regulations and advances in the security and exclusivity of revenue allocation.¹⁸ Similarly, automatic incentives were created through special economic zones and standardized schemes for tax exemptions and subsidies granted under predefined criteria, reducing the scope for direct negotiation and offering greater predictability to investors.¹⁹

But the original driving force behind the transformation was the demand for civil and political rights, led by the Solidarity trade union movement, which pushed for competitive parliamentary and executive elections and the adoption of a new Constitution in 1997. Although V-DEM reports show that there was democratic deterioration in Poland between 2015 and 2022, the most recent assessment reveals improvements.²⁰

Regarding citizens' quality of life, Poland's Human Development Index (HDI) rose from 0.715 in the 1990s, with sustained growth, to 0.906 in 2023, which is considered a very high HDI.

18 Owczarczuk, M. (2013). Property Rights As A Factor Of Foreign Direct Investment. The Case Of Poland, *Oeconomia Copernicana*, Institute of Economic Research, vol. 4(2), pages 97-116, June.

https://econpapers.repec.org/article/pesieroec/v_3a4_3ay_3a2013_3ai_3a2_3ap_3a97-116.htm

19 Polish Investment and Trade Agency (2025). Investment Incentives.

<https://www.paih.gov.pl/en/why-poland/investment-incentives/>

20 V-Dem. (2015). Democracy Report 2025. https://v-dem.net/documents/54/v-dem_dr_2025_lowres_v1.pdf



**CZECH
REPUBLIC**
1989 – 1999

Starting in 1990, the Czech Republic also established a predictable legal environment, currency convertibility, free transfer of profits, and adherence to OECD and European Union standards for the equal treatment of local and foreign investors through clear procedures, technical criteria, and less discretionary intervention, which allowed for the standardization of profit allocation and reduced the need for negotiation with bureaucrats. It also signed a bilateral investment treaty with the United States that guarantees international arbitration for investor-state disputes, significantly strengthening legal certainty.²¹

The Czech Republic's political transition serves as a model of an orderly and peaceful transformation from a communist system to a democracy that achieved early and sustained stability. According to V-Dem's liberal democracy index,²² it ranks seventh among the countries evaluated (0.82) in 2025. Similarly, its Human Development Index (HDI) rose from 0.750 at the start of the transition to 0.920 in the most recent assessment.



VIETNAM
1990 – 2020

In Vietnam, regional integration into the Association of Southeast Asian Nations in 1995 and the World Trade Organization in 2007, along with the aforementioned investment protection measures and the adoption of ESG criteria—environmental, social, and corporate governance factors—strengthened institutional credibility. The expansion of the green taxonomy, the flow of green bonds, and sustainable financing have consolidated a system that guides the decisions of major investors who have transformed the financial landscape.

But economic improvements were not accompanied by the restoration of civil and political guarantees: its political system is authoritarian; the V-DEM democracy index stands at 0.12, ranking it 135th among the countries evaluated, while its HDI is 0.766.

21 U.S Department of States (2017): Investment Climate Statements, Czech Republic
<https://2017-2021.state.gov/reports/2017-investment-climate-statements/czech-republic/>

22 https://www.v-dem.net/documents/62/V-Dem_Democracy_Report_2025_spanish_lowres.pdf

Despite low standards of democracy and human rights, Vietnam has a significant presence of renowned international companies:

Technology and industrial multinationals

- Samsung Electronics: It is the largest foreign investor in Vietnam, with massive smartphone and electronics production complexes.
- LG: Produces electronics and home appliances, particularly in Hai Phong.
- Intel: It has one of its largest chip assembly and testing plants in Ho Chi Minh City.
- Apple: It does not manufacture directly, but a large part of its supply chain (Foxconn, Luxshare) operates in Vietnam.
- Huawei: Is expanding its presence in digital banking and telecommunications.

Automotive and Transportation

- Ford Motor Company: Operates through Ford Vietnam with a plant in Hai Duong.
- Hyundai: Produces vehicles locally through joint ventures.
- Toyota: Has been assembling vehicles in Vietnam since the 1990s.
- Škoda Auto: Opened a factory in 2025 to expand in Southeast Asia.

Energy, infrastructure, and heavy industry

- General Electric: Active in energy (gas, renewables) and industrial equipment.
- SK Group: Invests in energy (LNG), data centers, and technology.
- Kepeco: Energy projects, including wind power.

Consumer goods and retail

- PepsiCo: Has invested hundreds of millions in food and beverage plants.
- Nestlé: Significant presence in coffee, dairy, and food.
- Unilever: Strong in everyday consumer products..
- Nike: Produces a large portion of its footwear in Vietnam (industrial outsourcing).

Aerospace, logistics, and finance

- Boeing: Participates in commercial missions and agreements with Vietnam.
- DHL: Key logistics operations in the country.
- JPMorgan Chase and Visa: Involvement in financial services and regional expansion.

Oil exploration. Profits outweigh the risks of instability

Much of the oil industry operates precisely in politically unstable or authoritarian environments, because that is where many of the reserves are located—hence the so-called “oil curse.” But it is important to clearly distinguish between types of companies and contexts, because not all operate the same way or with the same level of risk.

Private or publicly traded international oil companies typically operate in complex countries through joint ventures with governments:

- ExxonMobil is present in countries such as Iraq, Guyana (stable), and previously in Russia (it withdrew after the war).
- Shell, historically in Nigeria (Niger Delta region, conflict zone) and Iraq.
- TotalEnergies is active in Iraq, Mozambique (an area with insurgency), and West Africa.
- BP has a presence in Iraq, Azerbaijan, and other regions with geopolitical tensions.

These companies argue that their operations are protected by legal contracts with recognized governments; they also provide investment, jobs, and follow ESG standards (at least in theory). However, Shell was held liable for the climate crisis in 2021 and has not mitigated the damage caused by spills in the Niger Delta²³, Total Energies faces claims of forced displacement in Mozambique²⁴, and BP and Exxon have also been accused of environmental damage, and most maintain ties with authoritarian governments.

23 Amnesty International (2025) Global: Nigerian residents take Shell to UK High court following 10-year fight for justice <https://www.amnesty.org/en/latest/news/2025/02/global-nigerian-residents-take-shell-to-uk-high-court-following-10-year-fight-for-justice/>

24 TotalEnergies faces criminal complaint for complicity in war crimes, torture and enforced disappearance in Mozambique <https://friendsoftheearth.eu/press-release/totalenergies-criminal-complaint-complicity-war-crimes-torture-enforced-disappearance-mozambique/>

Final Thought

It is not only opaque capital that will lead to undesirable outcomes; responsible companies may ignore the political and human rights context as long as their economic rights are guaranteed, as has occurred with hotel chains operating in Cuba, major oil companies in territories with armed conflicts, or those that discriminate against population groups on the basis of gender, among other jurisdictions that violate civil and political rights, such as Vietnam and China. These practices deepen inequality and entrench the power of authoritarian leaders.

In Venezuela, there are democratic roots, and the values and principles set forth in the first articles of the Constitution serve as a benchmark that can serve to reconcile visions regarding the democratic and social state governed by the rule of law and justice, respectful of life, liberty, justice, equality, solidarity, social responsibility, ethics, democracy, and, in general, the preeminence of human rights. The recommendations²⁵ on transparency and investment competitiveness presented in previous documents²⁶ alongside inclusive political and economic institutions, combined with comparative advantages and human capital, will lead to sustainable development with the potential to expand the capabilities and freedoms of all its inhabitants.

²⁵ <https://transparenciave.org/venezuela-necesita-inversion-constructiva-que-rinda-cuentas-al-pais/>

²⁶ <https://transparenciave.org/declaracion-de-transparencia-venezuela-sobre-los-capitales-y-empresas-extranjeras-que-llegan-al-pais/>

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states that investment and growth are sustainable only if the rule of law is upheld, there is political participation, and freedoms are respected.



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