

BOLÍVAR

vs.

U.S. DOLLARS

Does changing the money change the country?

A COUNTRY THAT WORKS · UN PAÍS QUE FUNCIONE



BEFORE WE START

Let's talk straight

This book is not here to sell you dollars.

It's not here to defend the bolívar out of nostalgia either.

It asks a question that's already on the street: is it good for Venezuela to officially adopt the dollar?

The answer doesn't fit on a slogan. We'll look at the law, the facts, and people's daily life.

At the end, we'll say clearly what we think.

Legal. True. Good for people. All three. Or none.

SIT DOWN. LET'S TALK ABOUT MONEY.



REAL LIFE

Two monies in one pocket

María went out to buy coffee, eggs, and bread.

She had bolívares in the bank and a few dollars saved.

In the store, the prices were set in dollars. But she could pay in bolívares.

“At what rate?” she asked.

The clerk looked at his phone. María did too. They both did the math.

In the end she paid one way and got her change another way.

Venezuela already lives between two monies, even if only one is the official one.

TWO MONIES. ONE PURCHASE.



THE BASICS

What is money for?

Money does three jobs.

It helps you pay. It helps set prices. And it helps you store value.

When money works, we barely think about it. We buy, we get paid, we save.

When it stops working, everything gets harder.

Prices change. Wages fall behind. Saving gets tough.

Money works when people trust it will still work tomorrow.

PAY. MEASURE. SAVE.



THE BIG QUESTION

What does “dollarize” mean?

To dollarize means the dollar takes over the main jobs of money.

Prices, wages, savings, and debts are all counted in dollars.

The Central Bank can no longer print the money most people use.

That can close a door to abuse.

But it also means the country can't make money when it runs short.

The dollar doesn't show up because a law says so. It has to come in, move around, and be enough.

IT'S NOT JUST A NEW LABEL.



DON'T MIX IT UP

Using dollars is not dollarizing

Here it helps to separate things people often mix up.
A family getting help in dollars is not dollarizing the country.

Someone saving in dollars isn't either.

The State keeping reserves in dollars abroad isn't either.
All of that can happen while the bolívar is still the official money.

Dollarizing is something else: replacing the bolívar as the country's money.

Mixing them up leads to false arguments.

USING THE DOLLAR IS NOT REPLACING THE MONEY.



NOT ALL THE SAME

Three different roads

Venezuela could keep the bolívar and fix it.

It could let bolívares and dollars live together, with order and with law.

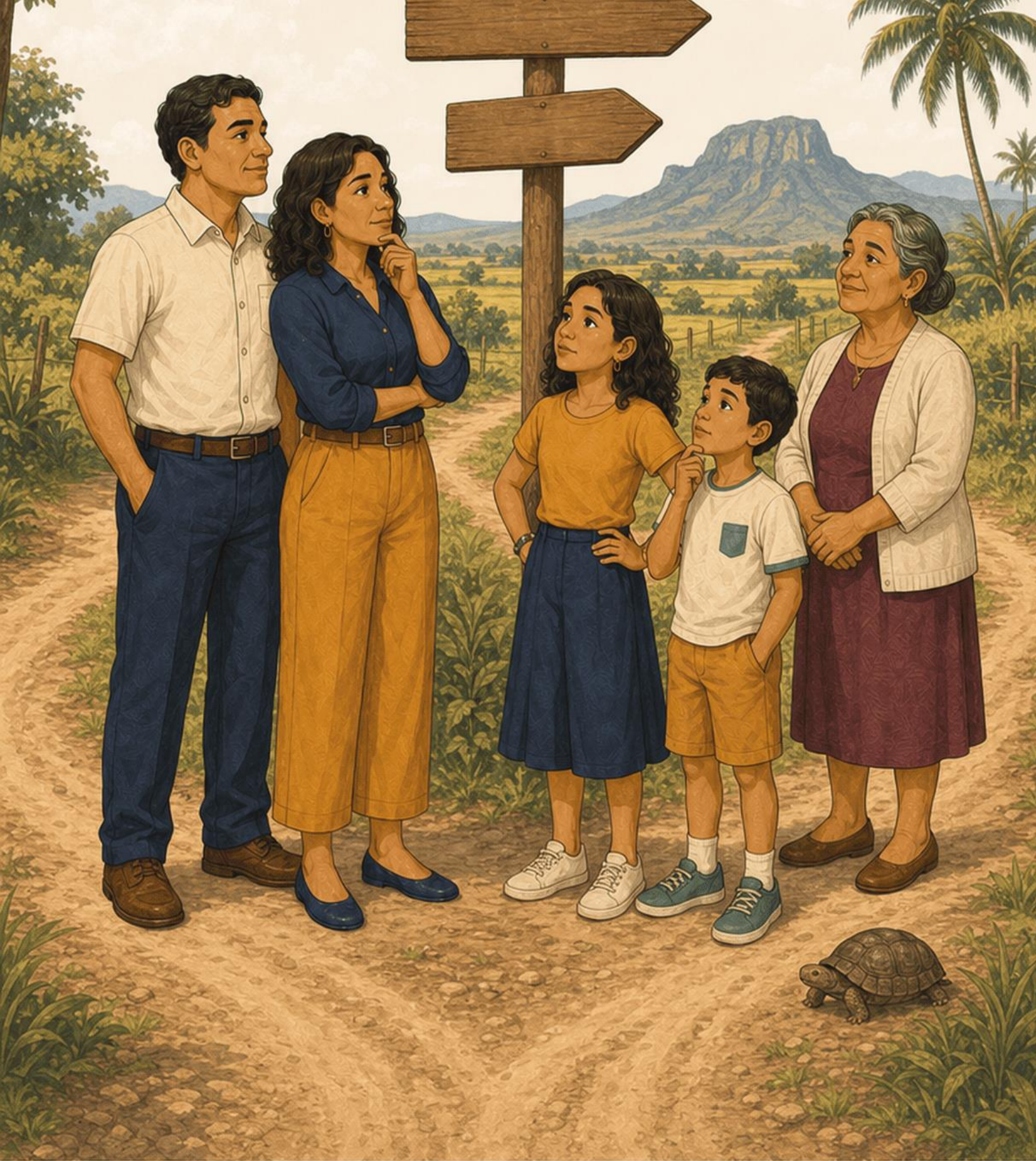
Or it could swap the bolívar for the dollar.

They are not the same road.

Calling everything “dollarization” muddles the talk.

Before we argue the answer, we need to know exactly what the plan is.

FIRST, PICK THE ROAD.



THE PRINTING PRESS

When too many bills show up

Picture ten loaves of bread and ten bills.

Now ten more bills show up. But there are still ten loaves.

There's more money chasing the same amount of bread.

Prices go up.

And if people fear there'll be even more bills tomorrow, they rush to trade them for dollars or goods.

When money grows much faster than what's produced, prices shoot up.

MORE BILLS DON'T MEAN MORE WEALTH.



SPENDING OR INVESTING

Seeds or a party

A family can spend on a party. The next day the money is gone; only the memory is left.

It can also buy tools and seeds. If all goes well, later there's a harvest.

But careful: calling something an “investment” doesn't make it a good one.

An empty factory or an abandoned project can carry that label too.

There are two questions: was the money used well? And where did it come from?

INVESTMENT PROVES ITSELF BY ITS RESULTS.



THE HOUSE

The dollar doesn't fix the institutions

Picture a house with leaks, broken pipes, and bad wiring.

The owner changes the front lock. The new one is strong and hard to force.

That's good.

But the house still has leaks.

Changing the money can bring order to one part of the system.

It doesn't fix, on its own, the courts, the banks, the budget, or the corruption.

A new lock doesn't rebuild a house.

THE MONEY CAN'T DO THE JOB OF THE INSTITUTIONS.



FIRST TEST

Is it legal?

Article 318 of the Constitution says Venezuela's money is the bolívar.

So swapping it for the dollar is a serious decision. It can't be settled with an announcement.

The exact path depends on the design, and it needs the green light from experts on the Constitution.

Where we stand: no shortcuts. The legal path must be defined, made public, and approved before we ask the country to decide.

**THERE'S NO LASTING WELL-BEING
OUTSIDE THE LAW.**



TWO LEGAL PATHS

Do we need a deal with the United States?

Not necessarily.

A country can decide on its own to use the dollar. The United States doesn't have to sign anything.

That's called unilateral dollarization. But “on its own” doesn't mean rushed: Venezuela would still have to follow its Constitution and its laws.

And if one day something is negotiated with the United States, it must be done in the open: what was agreed, who approved it, and with what authority.

**USING THE DOLLAR AND SIGNING A DEAL
ARE NOT THE SAME THING.**



WHAT IT CAN DO

One important door closes

Venezuela can't print dollars.

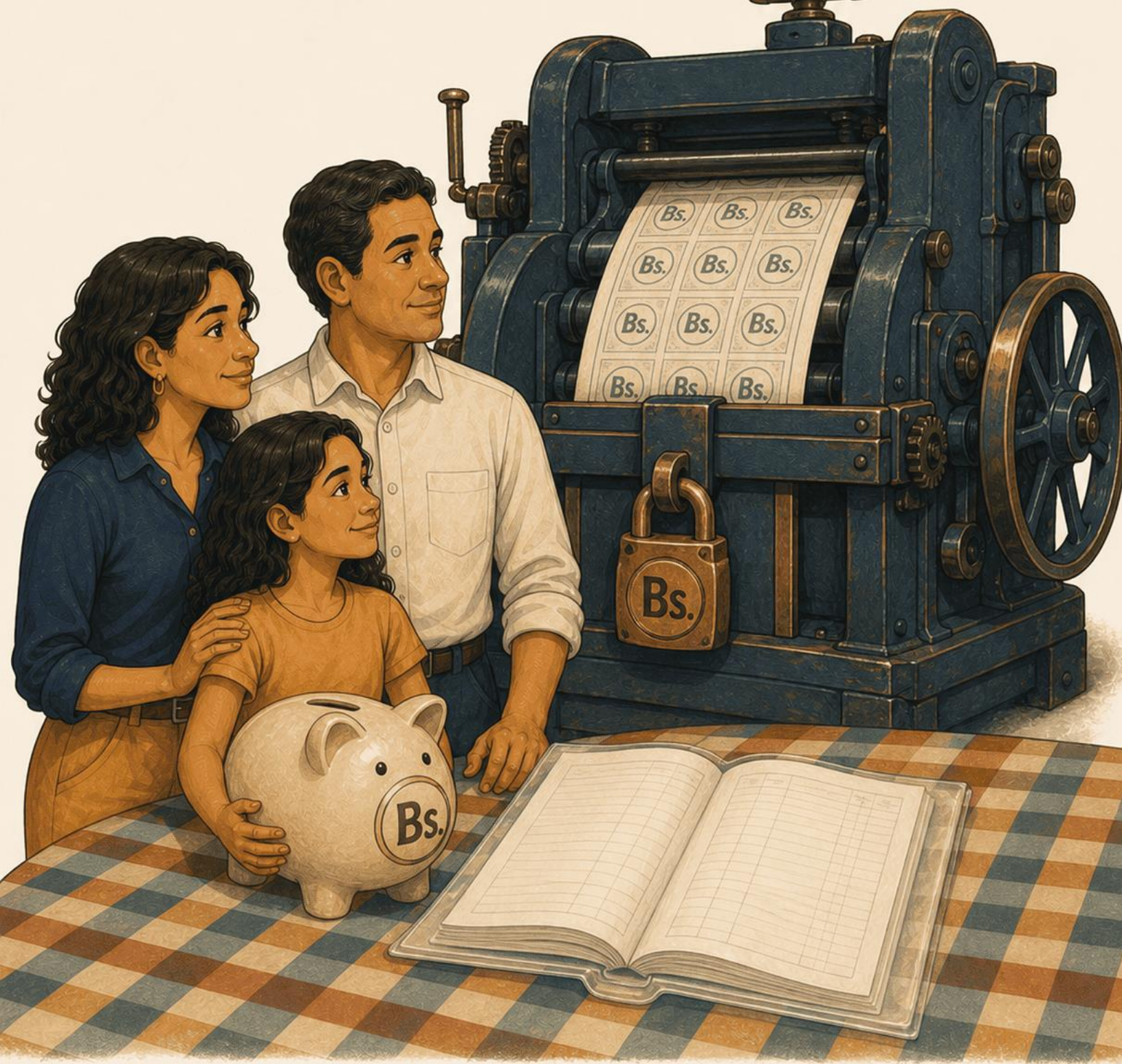
With the dollar, the government loses the easiest way to cover its spending by printing bills.

That helps protect prices, contracts, and savings from certain abuses.

And it makes it harder to hide the cost of public spending behind inflation.

Dollarizing takes a dangerous tool away from those in power. That's a real benefit, not magic.

IT CLOSES ONE DOOR TO ABUSE.



WHAT IT CAN'T DO

The government can still spend badly

Closing the printing press doesn't close every door.

A government can still borrow too much.

It can leave bills unpaid.

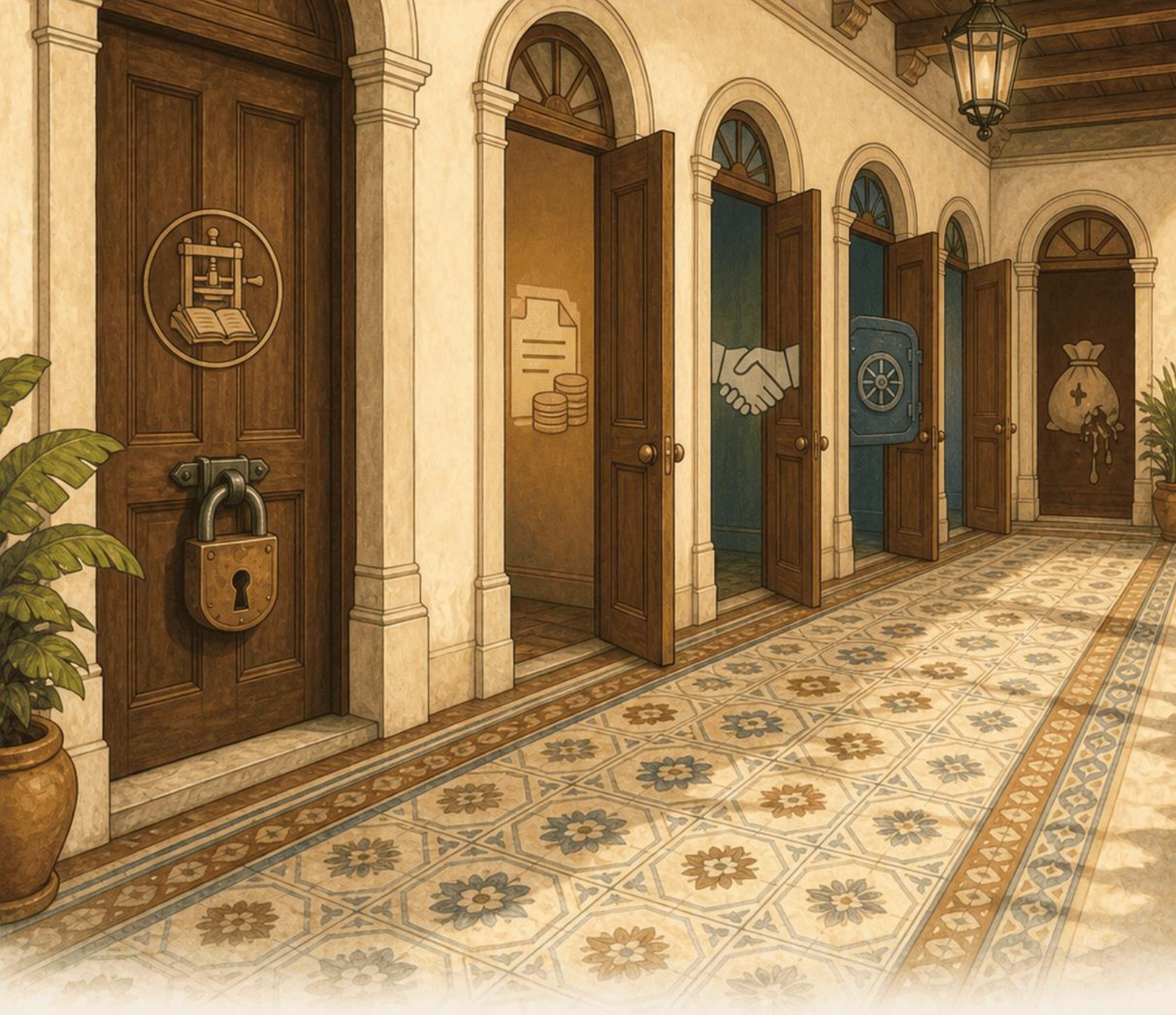
It can raise taxes carelessly.

It can force banks or businesses to fund it.

And it can waste or steal everyone's money.

Dollarizing stops one kind of mess. It doesn't turn a bad government into a good one.

ONE LOCK DOESN'T PROTECT THE WHOLE HOUSE.



A BORROWED MONEY

Someone else's shoes

The dollar is run by the United States.

Its central bank sets the rates thinking first about its own people and its own banks.

Venezuela would take those decisions without a vote.

What's good for them can be uncomfortable for us.

If they raise rates, credit gets pricier. If the dollar gets stronger, exporting gets harder.

Using the dollar is like wearing good shoes made for someone else's feet.

THE MONEY POLICY WOULD HAVE ANOTHER OWNER.



ANOTHER OUTSIDE RISK

Washington can change course too

Adopting the dollar doesn't make us property of the United States. No one has a button to switch off our bills.

But an economy with dollars needs banks, payments, and trade with the world.

That's where other countries' policy toward Venezuela does matter.

And that policy can change over time. Today it says one thing; tomorrow, another.

A forever decision shouldn't rest on a relationship that can change.

THE MONEY CAN BE STABLE. THE ACCESS, NOT ALWAYS.



WHEN IT RUNS SHORT

A strong money can still be scarce

A country with dollars needs dollars to keep coming in and moving around.

They come in through exports, oil, tourism, investment, or remittances.

If fewer come in, the country can't print the difference.

Credit can drop. Businesses struggle to pay. The government has to cut back.

The crisis doesn't look like devaluation. It looks like joblessness and wages that don't stretch.

The dollar can be strong and still not be enough for everyone.

STRONG DOESN'T MEAN PLENTIFUL.



THE BANKS

Who lends in an emergency?

In a crisis, even a healthy bank can run out of cash.

With its own money, a central bank can lend it emergency cash.

With the dollar, Venezuela can't make dollars for that help. It can only use funds saved ahead of time.

So it would have to prepare first: reserves, an emergency fund, and protection for people's savings.

With no printing press, you keep the fire extinguisher ready before the fire.

WITH NO PRINTING PRESS, PREPARING AHEAD IS A MUST.



THE MOMENT OF THE SWITCH

At what rate?

Imagine that tomorrow we swap every bolívar for dollars.

At what price does María's wage convert? And her mom's pension? And the savings? And the debts?

A badly chosen rate helps some and hurts others.

The exchange rate isn't just a number. It decides who keeps their money and who loses it.

ONE RATE CAN CHANGE LIVES.



WHO WINS FIRST

Not everyone arrives the same

Whoever already has dollars arrives protected.

Whoever only has bolívares depends on the exchange rate.

Whoever gets paid in dollars feels relief.

Whoever earns little may see stable prices and still not be able to buy.

A business that exports gets dollars. A small shop pays pricey credit.

The country can improve on average while some families get worse.

NOT EVERYONE STARTS FROM THE SAME PLACE.



OTHER COUNTRIES

Others already used the dollar

Other countries tried the dollar before us.

For some it helped stop a crisis. For others it brought calm, but not growth.

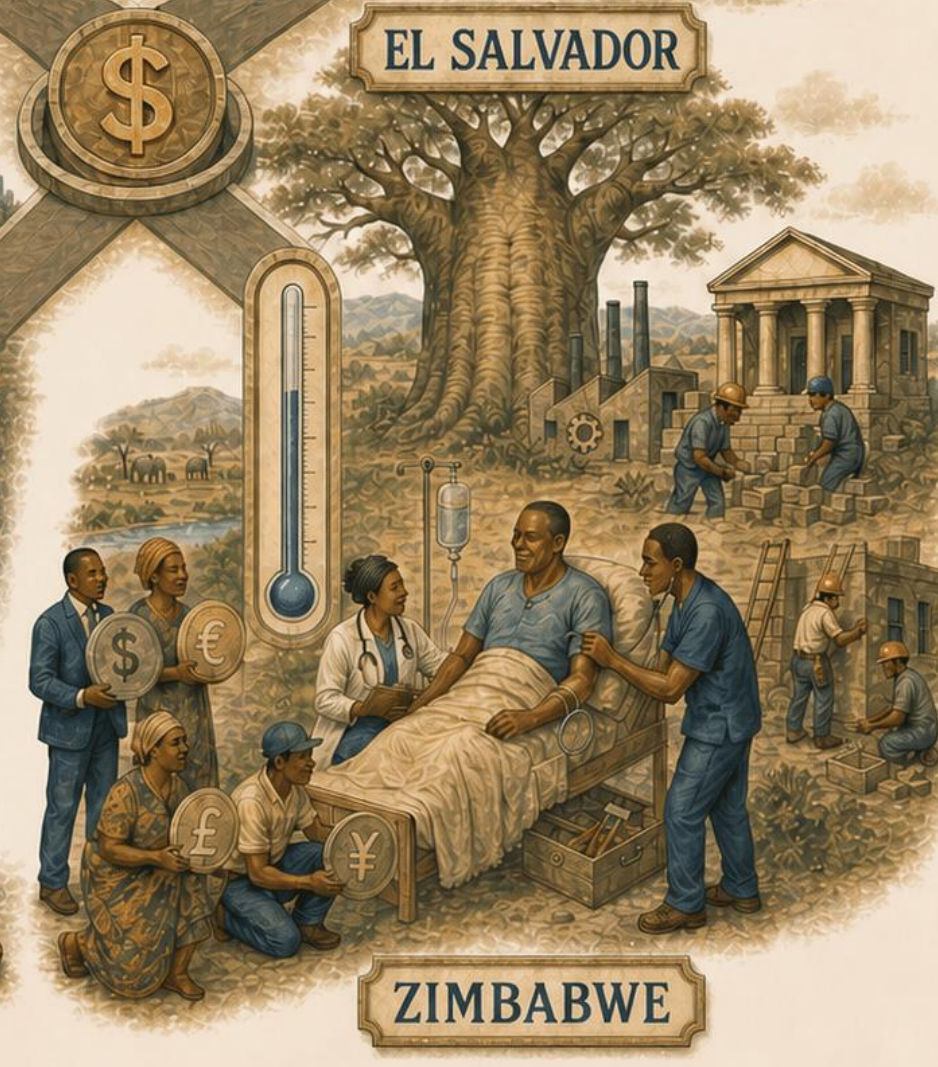
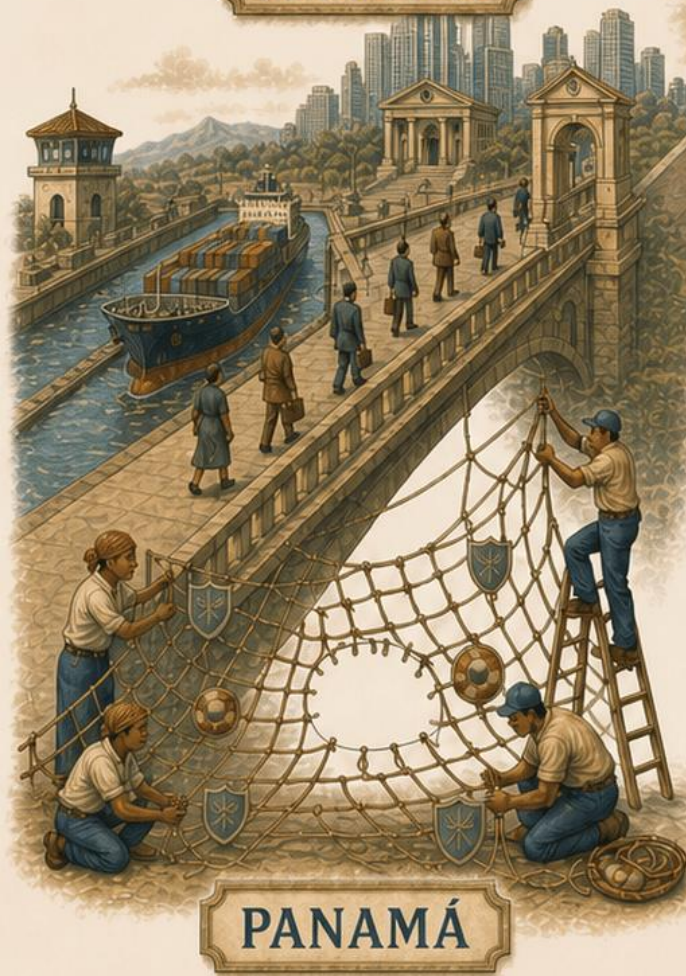
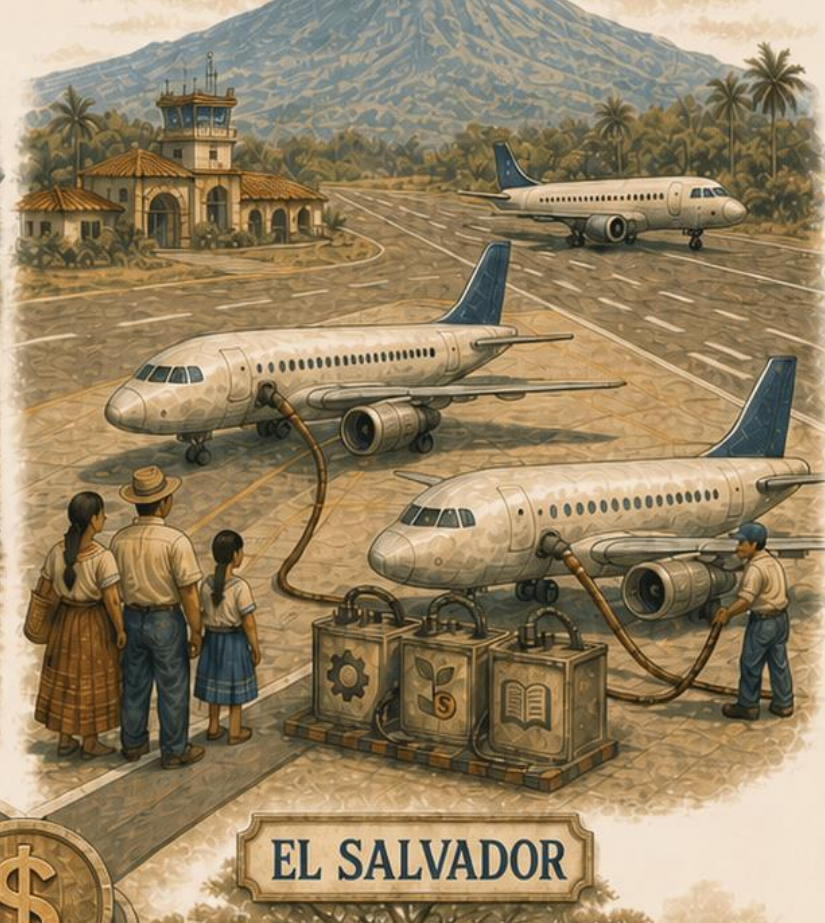
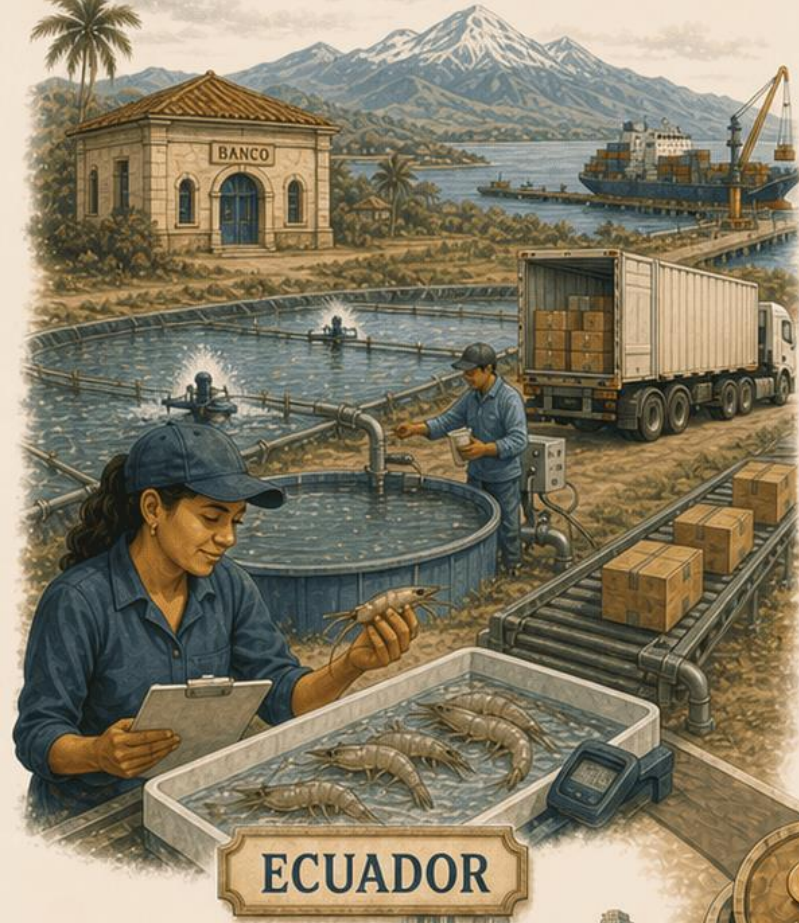
Some have used it for more than a hundred years.

None lived the same story.

The lesson is simple: the dollar can help, but it doesn't do the job alone.

Copying another country's money doesn't copy what that country did right.

**EVERY COUNTRY IS DIFFERENT. THE
MONEY DOESN'T DECIDE EVERYTHING.**



BEFORE DECIDING

The other choices count too

The choice isn't only between today's bolívar and a perfect dollar.

Venezuela could rebuild the bolívar, with an independent Central Bank and clear rules.

It could let the two monies live together, with contracts protected.

Or it could get ready to adopt the dollar.

Each choice has upsides, risks, and requirements.

Comparing for real means putting real choices side by side, not an ideal one against a broken one.

THERE'S NOT JUST ONE TOOL.



OUR LIST

What would have to exist first

Before changing the money, the basics have to be ready first:

- A legal path, clear and approved the way the Constitution requires.
- Public accounts in order, that can be checked.
- Healthy banks and people's savings protected.
- Fair rules to convert wages, pensions, and savings.
- And a real way to produce and bring in dollars.

If an important piece is missing, we don't change the engine yet.

PREPARE FIRST. DECIDE AFTER.



- ☒ LAW
- ☒ BANKS
- ☒ RESERVES
- ☒ PRODUCTION
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____

THE GOOD SIDE

The real upsides

- It can curb the reckless printing of money.
- It takes away the fear of devaluation against the dollar.
- It makes prices and contracts more predictable.
- It can lower part of the cost of credit, though it doesn't make it cheap.
- It makes everyday deals easier in an economy that already uses dollars.

These are real upsides. But none of them replaces institutions or production.

USEFUL TOOLS. NOT MIRACLES.



THE RISKY SIDE

The costs we shouldn't hide

Venezuela would lose control of its own money.

It would take decisions made for another country.

It couldn't make dollars in an emergency.

It would need dollars coming in all the time, and more coming in than going out. When we buy more from abroad than we sell, more dollars leave than come into the country. If that happens, we run out of dollars to cover our day to day, and that can be bad.

The adjustment could fall on wages and jobs.

Dollarizing with no institutions would give stable prices, but not well-being.

The discipline also hurts, most of all for those who have the least.

EVERY DECISION HAS TWO SIDES.



OUR VERDICT

Where we stand

Today we don't recommend swapping the bolívar for the dollar all at once.

- The problem isn't getting bills. It's having firm ground: laws, healthy accounts, strong banks, and protection for people.
- Dollarizing without that ground can calm some things and hit others: wages, jobs, and services.
- The first thing isn't to dollarize. It's to put the house in order and compare the roads in plain view.

Our verdict: not now.

ALL THREE. OR NONE.



WHAT WOULD CHANGE OUR VERDICT

A “yes” with conditions

We could support the change if someone independent shows that everything is ready:

that the path is legal; that the accounts hold up; that the banks are ready; that there are reserves; that people are protected; and that the country can bring in dollars.

Each point with a number, a person in charge, and a date.

A promise doesn't count as a task done.

We don't back leaps of faith. Only a change that is legal, measurable, and made for the people.

A YES ONLY AFTER WE CHECK.



TO WRAP UP

The money is not the country

The bolívar is not Venezuela.

The dollar won't be Venezuela either.

Money is a tool to work, to trade, and to save.

What matters is whether that tool helps people live better.

We don't want a money that only makes the numbers prettier.

We want wages that stretch, savings that are safe, businesses that produce, and a State that answers for itself.

The best money will be the one that, with good institutions, brings real well-being.

THE ECONOMY IS MEASURED IN PEOPLE'S LIVES.



A NOTE OF HONESTY

A verdict open to the facts

This little book is a first version, made to be discussed and improved.

It still needs a review by law experts and a final close.

Our opinion can change if better data or better ideas show up.

We do not bend the facts to fit a conclusion. We fit the conclusion to the facts.

**LEGAL. TRUE. GOOD FOR PEOPLE.
ALWAYS.**

OUR SOURCES

What we lean on

This little book leans on public reports we trust.

Among them: the International Monetary Fund, the World Bank, the U.S. Federal Reserve, the Central Bank of Ecuador, and the Constitution of Venezuela.

The version with the full list of sources is available for anyone who wants to check it.

WHAT WE SAY CAN BE CHECKED.



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**IT'S NOT ABOUT PICKING A BILL.
IT'S ABOUT BUILDING A COUNTRY THAT WORKS.**