



HARVARD MODEL CONGRESS 2014

US-VENEZUELAN RELATIONS

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INTRODUCTION

Oil makes up 95% of Venezuela's **exports**. It accounts for 45% of the federal budget, and 12% of the national GDP. Since 1912, oil drilling has shaped Venezuelan culture, economics, and foreign relations. Industrialization has been neglected in favor of new plants. Unions and interest groups have centered on the energy sector. Venezuela has formed alliances across oceans with other oil exporters and continues to find new trading partners and potential importers for their goods.

However, oil fails to depict the entire story of this Latin American nation. Founded in 1830, Venezuela shares a long history of colonialism and plantation-centered economies with the United States and much of the Western Hemisphere. Almost a fifth of the population lives in the capital city of Caracas, many tied in some way to the oil industry. There is a great deal of poverty, however, among those living in the **Andes** mountain range in the interior of the country.

Politically, Venezuela is a democracy with moderately fair elections. It works under a Presidential system with a unicameral **National Assembly**. There are several problems, like corruption and **patronage**, endemic within the government, and issues of inequality.

Understanding the economy, culture, and society of Venezuela will assist in your research of the country's relations with the United States and abroad. In addition, understanding the three approaches to international relations will give a fuller meaning to the goals in Venezuelan relations. These

three approaches are: **realism**, **rational functionalism**, and **constructivism**. The realist approach suggests countries make their decisions based on what is in their best interest in order to increase their own power and security. The rational functionalist approach also argues that countries' decisions are made with their own interests in mind, but they also emphasize the importance of reputation, which is crucial for long-term alliances and successful negotiations. The constructivist approach views state actions as an extension of their ideologies and values. States go to war because values and cultures clash, and they join together to cooperate when shared principles unite them.

Determine which of these approaches best suits your own congressperson and use it in determining what might be important in US-Venezuelan relations. These theories will assist you in determining what the significant issues are in our relations with this Latin American country: drugs, natural resources, relations with other countries, immigration, security, etc.

EXPLANATION OF THE PROBLEM

Historical Background

Colonialism

Colonization of Venezuela and the rest of Latin America occurred around the same time as the colonization of what would become the United States. However, while occurring concurrently, the results of settlement in each of these two areas could not have been more different. This difference left a lasting impact on the region

In the 13 American colonies, families invested in farms and businesses. Their goals were farsighted. They planned to settle the colonies to make a home. This meant creating an economy that could support generations to come. People became involved their own government and in making decisions for the community. **Civil society**, associations outside of government, also blossomed in these Northern colonies.

The Spanish colonization of Latin America, however, was **mercantilist**. In mercantilist colonies, wealth is extracted from the land, often in the form of minerals, natural resources, or plantations, for the purpose of supplying the colonizing country, in this case Spain.

Because there was no focus on settlement or long-term development in the colonies, Spanish colonies on the continent never formed the institutions of their northern neighbor, and a centralized Spanish bureaucracy discouraged such development because it might threaten its extraction of wealth. Moreover, Iberian culture stunted the growth of grassroots organization and meaningful government participation. Originating in its earliest settlement, Venezuela, like many of its neighbors, has been characterized as a society that is **corporatist**, centralized, and controlled.

A corporatist society, like Venezuela, often has only a single entity for any interest or activity. For example, there is usually only one union for each industry, as opposed to several competing unions. These organizations receive instructions and operating orders from one centralized command, rather than individual branches and local leaders choosing how to operate. Often times organization, unions, interest groups, and even companies are owned or controlled by the government. Decades of elite control stemming from this colonial history stymied the growth of civil society, widespread civic engagement, and strong opposition movements. Much of the country

would not be mobilized until the rise of the **Democratic Action (AD)** party to power, and when they did, the entrenched elite would clash with this movement in an attempt to cling to their old power structure.

The AD and Oil

Venezuela would never be the same again after its 1912 oil boom. With improvements in oil drilling and refinement, as well as an increase in demand, the resource quickly became the country's chief commodity. With oil production jumping 150 times the rate of agricultural production, the latter industry lost its relevance, farmers moved to the cities, and the landowning elite lost power. The old clientele based network decayed and a new network between industries relying on oil formed.

The weakening of the old elite and the new associations in Venezuela allowed for the rise of the AD, a left wing anti-oligarchic party. By the 1940's, the AD was winning seats in the national assembly and a vast number of local positions. Uniting much of the working class and middle class behind its populist movement, the AD was able to start pushing its party agenda: expansion of the state, expansion of welfare, the elimination of malaria, **land reform**, and further democratization. These reforms would greatly expand the bureaucracy and secure living conditions for much of the country. At the same time, land reform and increased civil rights would deal another blow to the already crippled old oligarchy.

The elite, conservatives, and Church pushed back against this new government, eventually calling upon the military to topple it and instate Perez Jimenez as dictator. Jimenez banned the AD, repressed unions, and stripped away reforms. However, this conservative government could not last under pressure from much of the population to reinstate the AD and allow for open elections again. Conceding to public demand, the Jimenez government

stepped down and negotiated the 1958 Punto Fijo Pact. The AD agreed to move towards the political center, and once again regained control of the government.

From 1958 to the 1990s the AD dominated Venezuelan political life and continued to pursue involvement in the oil industry. Developments continued in the oil industry, but because there was so much wealth available in this one area, other industries were neglected. Further, the government developed a tendency to spend increased revenues when oil prices rose. When those prices then fell, the government was left with a serious **deficit**.

Deficits, **inflation**, and poor managements of resources would eventually lead to frustration with the old party. While the AD nationalized the oil industry in 1976 and reshaped the face of the Venezuelan economy, its old supporters eventually turned on it. The old, cumbersome party found itself challenged by a new competitor, **Hugo Chávez**.

The Rise of Chávez

The AD's system of politics and governance allowed for corruption and inefficiency. The dominance of the party allowed politicians in many districts to establish clientele networks with a small number of powerful unions and organizations.

The tremendous upsurge in wealth and the dominance of a single party also allowed for inefficiency in the government. By the 1980s, over a quarter of the population worked in the public sector. Because oil created the revenue to continue to pay these individual's salaries, and because public sector jobs were a common way of garnering political support, the bureaucracy grew unreasonably large.

Growing expectations from the public could not be met. Oil revenues would flush cash into the economy. The people would then receive cash kickbacks, additional goods and services, and come to expect this trend to continue to grow. However, when the price of

oil dipped, these excess funds dried up and people – especially those in the Andes and interior not working in the oil industry or for the government – were left with an economy unable to support little other than oil production and an impotent government.

As the AD began to resemble the old clientele network and the party continued to fall short of expectations, the people looked to some other body to represent them. Unlike in other countries, such as the US, there was no other party to take the reigns in Venezuela. Thus, when conditions got worse, the people looked for a political outsider. With support for the party system falling from 70% to just 20%, the impoverished masses wanted a man they could see themselves in, a revolutionary ready to throw off the old system.

An attempted military **coup** in 1992 would reveal that revolutionary. Hugo Chávez, a military officer from modest roots, attempted to overthrow the national government in order to create a “true democracy.” His attempt failed, and Chávez was consequentially arrested. The arrest, however, only fueled the growing mass support for Chávez. Furthermore, many civilian politicians attempted to ride the growing wave to re-election and stood behind his efforts.

By the 1998 presidential election, all of the candidates were outsiders, including Chávez, having returned from a short exile. Running under his own party banner, **the Fifth Republic Movement**, and promising to do away with the old party elites, the former military officer soon became a frontrunner in the election. Backed by the **Chavismo** (pro-Chávez) movement popular among the poor and middle class, Chávez won the presidential election and soon reached a 90% approval rating.

His party, however, could only win a third of the seats in the National Assembly, and Chávez had no connections in the capital. He soon found himself unable to push his goals through the other branches of government. Determined not to let this set him back, Chávez introduced a referendum for a new

constitution, a measure that succeeded with wide support. The new 1999 constitution created a stronger presidency, with a longer term and the option of re-election, and closed both the legislature and Supreme Court. In 2000, Chávez would have a totally new, pro-Chávez government, one ready to back his proposals.

Many of Chávez's policies aided the poor and brought greater equality to the country. Through social spending and changes in labor law, the new government improved access to healthcare, education, and home goods. Through a statist system, what Chávez referred to as **21st century socialism**, the government nationalized additional key sectors of the economy. The result was a drastically less free economy that nevertheless allowed for greater investments in social spending by increasing government revenue.

The rise of Chávez, however, was not a cause for celebration for everyone. Beyond coming to power through the questionable means of a new constitution, the Chavismo movement threatened the status, property, and lives of the elite. The old ruling elites held no position in this new government, and they had little influence on the policies Chávez enacted. 21st century socialism threatened their property rights. The government frequently threatened to seize their land, homes, and wealth without just cause. Above all, the Chavismo movement threatened violence.

Chávez was attempting to create a revolution. In order to do this, he needed to break the old system, and he was willing to take extraordinary measures in order to do so. The government threatened those who challenged the system with imprisonment and fines. The people formed armed bands that patrolled the streets enforcing "the Chavismo movement," occasionally joined by small military patrols. The army became more involved in politics. Schools began to re-educate the youth, focusing on devotion to the Chavismo movement and a hatred of the opposition. These conditions

threatened not just the oldest oligarchic elite, but also the leaders of the media, religious figures, and even the old liberal party officials. Many fled the country, many disappeared, and many more lived constantly looking over their shoulders.

Chávez's grip on power was never absolute or unshakable. His popularity dropped at one point to 30% in 2001. In 2002, a faction of the military attempted a coup. Although it failed, the attempt suggested that the country could still rally against him. Then, later that year, a general strike crushed the economy, dropping GDP by nearly 10%. However, while support ebbed and flowed, the Chavismo movement remained in control.

The greatest challenge to the movement was the death of its leader in March 2013. The government needed to find a replacement for Hugo Chávez and then convince the people of this new leader's commitment. Those in charge were extremely wary, fearing other countries will try to take advantage of this change to reset relations or form a better relationship with this oil-rich country. Opposition movements would resurge, and the old elite, along with the media, non-Chavismo politicians, and the Church, would try to reclaim their home.

Recent Developments

On April 14th, 2013, Nicolas Maduro was sworn in as President of Venezuela. Having served as both foreign minister and Vice President under Chávez, Maduro campaigned as a continuation of the Chavismo movement. However, the international community and domestic population remain uncertain whether this is just a political tactic to win the presidency or a true commitment to continue Chávez's leftist policies.

"I am Chávez"

Maduro has spent much of his first months in office trying to convince the general

public that he will continue in Hugo Chávez's footsteps. This means strongly supporting his predecessor's policies, and it also means using similar language to decry and threaten the opposition, much to his opponents and the international community's chagrin. Maduro has even taken to modeling Chávez's speech delivery, behavior, and gait.

Perhaps more importantly, Maduro has been attempting to model Chávez's vehement denunciation of the United States and its foreign policy. Antagonizing the US is nothing new in Venezuelan politics. Chávez used it as a helpful distraction during difficult economic periods. In fact, in 2005, Chávez ended the Venezuelan partnership with the US in combating drugs and has since deported several American officials. Now, Maduro is using similar tactics, arguing the United States is trying to isolate Venezuela, steal its oil, and even implying the US was behind Chávez's cancer.

Venezuela and the United States certainly have reasons to disagree when it comes to foreign relations. American officials currently working in Venezuela report that both Chávez and Maduro, despite "very public denunciations of Washington, worked behind the scenes to keep trade relations between the two countries, especially in the oil sector, strong." There have been informal meetings between the two, and negotiations among low ranking officials often continue even during the most contentious debates.

Maduro Abroad

In Latin America, Venezuela is an important player in the **Organization of American States (OAS)**. Venezuela often initiates programs and influences a large block of Andean states and Cuba. This block of networking states is called the **Bolivarian Alliance for the Americas**. The OAS also has influence in Venezuela. It helped return

Chávez to power after the 2002 coup, and has helped monitor elections since 2004.

Venezuela has begun to wield social power to gain allies and expand its voting block in the OAS. The country has spent money on social projects ranging from disaster relief after a hurricane swept through Haiti to a loan scheme for Caribbean countries looking for oil. Moreover, this aid comes with few conditions, making it more attractive. When a country receives aid from the US or a loan from the World Bank, that offer generally comes with stipulations. Countries do not want to be bound to international election monitoring or reducing trade barriers. Thus, Venezuelan social spending is especially powerful. Maduro, and before him Chavez, have made many Latin American allies – especially a large number of Caribbean countries, a powerful OAS voting block.

This is not to say that Venezuela has only positive relationships with countries in the region. First, Venezuela's social spending projects often backfire and create enemies in many countries. Chávez and Maduro both tend to give money to potential allies within a country, the current leading party, or politicians with whom they believe they can form lasting partnerships. This strategy creates enemies in the opposition of those countries. Playing favorites has resulted in public opinion polls that suggest they are widely mistrusted – almost as mistrusted as President Bush had been in the region.

Second, Venezuela has had strained relations with Colombia, which borders the country to the East. Venezuela supports the **Revolutionary Armed Forces of Colombia (FARC)**, a militant organization in the interior portions of Colombia. The FARC is an infamous as a player in the drug trade and notorious for kidnapping government officials and terrorizing local villages. This leftist organization opposes the current more moderate regime, and receives tremendous covert support from Venezuela. In 2010,

tensions escalated to the point where Colombia accused Venezuela of harboring terrorists and cut off diplomatic relations. As Venezuela continues to support this militant organization and to upset its trade and ideological competitor, relations have only worsened.

Maduro Overseas

Recently, Venezuela has extended its network of allies over the Atlantic while searching for different advantages. Principally, it needs additional buyers for its oil reserves, importers who could provide arms, and allies with similar goals of increasing their power in their respective regions. These allies would assist the nation in resisting US influence in Venezuelan and Latin American affairs.

Additional oil importers, the first of these three goals, are crucial to the success of the Venezuelan economy. Currently, the United States buys around 40% of Venezuela's oil and refines much of it as well. However, due to the volatile nature of the relationship between the two countries securing other potential importers of Venezuelan oil would benefit the stability of the state's budget and the national economy.

Venezuela has recently been interested in more than just selling abroad. It has been purchasing arms and aircrafts. Currently, much of these supplies come from Russia. Over the past few years, Russia has sold Venezuela 1,800 anti-warcraft missiles, thousands of rifles, 472 larger missiles or missile launchers, and 24 combat aircraft. Despite its bloated stockpile, Venezuela is currently negotiating for additional military supplies.

What Venezuela intends to do with these new weapons is not entirely certain. They may sit on them for their own security, or they may pass them along to others. Colombia and the United States fear that these arms may be supplied to **drug cartels** or anti-Colombian forces. This would fall in line with Venezuela's past history of supporting these militant groups. Over the past couple of years, Venezuela has

provided nearly \$5 billion in arms and supplies to cartels or militants in Colombia. Additional covert spending could be disastrous for the current government of Colombia, not to mention its people.

Beyond trade, Venezuela also seeks to position itself in the international community. Unfortunately for the United States, much of this positioning has been against our policies and priorities. Venezuela has nurtured its strong relationships with Cuba, Ecuador, and **Bolivia**. These left wing governments have all had tumultuous relationships with the United States. In addition, Venezuela has reached out to Iran and Syria. This potential relationship could mean an expanding alliance in what these countries call "anti-US imperialism". Such movements could make US action abroad more difficult and less likely to succeed.

Recent events in Venezuelan foreign relations suggest that its partnership with the US may be on the decline. However, the flow of oil from Venezuela and the demand for it in the US remains strong. Maduro claims to be following in the footsteps of Chávez, and his actions certainly suggest he will continue to do so, but even Chávez worked to secure at least positive trade relations with the US. The question for America, now, is what next step the US can and should take now that Maduro has replaced Chávez.

Congressional Action

HR 944

Representative Joe Garcia (D-FL) introduced the Venezuelan Liberty Act on March 4, 2013. It addresses the question of how to handle political refugees from the Chávez regime in Venezuela. The act would grant permanent resident status to these refugees, ending any processes they might currently be in the middle of to obtain such status. Since obtaining political refugee status is often difficult and full of complicated questions, this act would streamline the process.

In addition to showing support to this group of residents in the US, the act assumes that the government in Venezuela may change little with the rise of Maduro. If it were the case that Maduro was a significant change from the Chávez regime, then it may be safe for these individuals to return to Venezuela.

HR 1687

The Countering ALBA Act of 2013, introduced by Representative Ros-Lehtinen, directs the US Permanent Representative to the OAS to encourage that organization to defend human rights. This piece of legislation would use the sway of the US, an influential member of the OAS, to push the organization towards becoming more involved in domestic human rights abuses.

In addition, this piece of legislation would call for the US executive branch to impose sanctions on those countries that abuse human rights. These sanctions would have a meaningful impact in relations with Latin America, as the US has significant trade with these countries. Exports to the US can make up over a third of a country's total exports, although those from Latin America only make up a small portion of US imports.

Venezuela would most likely be identified as a human rights abuser under this piece of legislation. Sanctions and pressure through the OAS would then continue until certain conditions had been met. These conditions include: releasing political prisoners, ceasing violence against domestic citizens, refraining from the arrest of peaceful prisoners, investigating previous human rights abuses by the military, police or government officials, and promising to stop future censorship and to protect human rights.

FOCUS OF THE DEBATE

Conservative View

When it comes to our relations with Venezuela, the United States cannot falter on its principles for want of oil or eased tensions. The US must stand against threats to international peace, stand by our allies, and stand for democracy.

Venezuela continues to threaten the security of the United States and its allies; it insists on ignoring international law; and recently it has aligned itself with countries known to harbor terrorists and drug lords. In Latin America, Maduro is continuing Venezuela's close alliance with Cuba to promote socialism, not only within its own borders, but throughout the region as well. Overseas, Venezuela has joined forces with Iran, Syria, and Hezbollah in the Middle East to promote anti-American sentiment and threaten our missions abroad. The US must work to curtail the influence of Venezuela and ensure additional nations do not fall in tow.

Our alliances also require the US take a firm stance against Venezuelan aggression abroad. The US must stand with Colombia, our long time ally. Venezuela has been supporting the FARC and other militant organizations in Colombia. They have supplied these terrorists with weapons and secured their drug trade networks. While we allow Venezuela to purchase Russian made arms to support these organizations, we abandon the safety of our Colombian allies and the safety of our own families. We must take a firm stance against drug cartels and those who support them. We must let Maduro know that we will not stand idly by while organizations with his support terrorize innocent families and villages.

Finally, as a leader of the free world, the US must create a "climate for democracy" in Venezuela. Maduro, following in his predecessor's footsteps, has actively worked against this mission. We must not allow him to intimidate his opponents, constrain the press, and manipulate vote tallies in future elections. This means the US must play a larger role in overseeing these elections and provide an active

presence months before the elections actually occur.

The US can improve our security and democratic conditions in Venezuela. However, this should not be accomplished through appeasing leaders who actively decry the United States and oppose our policies. Instead, we must stand strong behind our ideals and commitments. While the manner in which we negotiate and our specific policy agendas may vary by country, who we are as a nation never changes.

Liberal View

The Democratic Party maintains that the strongest priority for our nation is to promote democracy and development abroad. These goals do not subside as our focus shifts to a nation like Venezuela. Rather than approaching our relationship with fear and aggression, we must sit at the table with an eye turned towards the future.

We must continue to stand with the international community and the OAS in promoting transparent, accountable, and free elections in Venezuela. The state has a history of threatening opposition, manipulating vote counts, and limiting press freedoms. We must work to overcome these obstacles to a full democracy in Venezuela. This goal can be accomplished, but it requires the joint effort of the US and Latin American community behind a Venezuelan people seeking democracy.

In working with this community to improve the democratic quality of Venezuela, we must also bear in mind the pressing need for economic assistance. It is true that Venezuela has tremendous oil reserves, but this has not prevented much of the country from continuing to subsist in poverty. It is time that the US fulfills its duty as leader of the free world by not ignoring these problems in our own backyard. Moreover, we strongly believe that such development will curtail the drug trade in the region, helping to make our own families healthier and safer here at home.

We understand that the US and Venezuela have had antagonistic relations in the past, and that there is still a far distance to come. However, we also believe that with the recent death of Hugo Chávez, our two countries can turn a new page in our history. Now is the time to join the government of Venezuela in fighting drugs, battling poverty, forging a true democracy, and forming a more vibrant Latin American community. While such progress will require an open mind from both nations, the US cannot and should not simply wait for Venezuela to come to us. Our country must be proactive in our relations with our Latin American neighbor. While there are certainly different views about the difficulty and best course of action in this matter, the party as a whole believes we can improve our relations with Venezuela.

Presidential View

As of May 12th, 2013, the United States had not officially recognized Maduro as the new President of Venezuela. This is not to say the President refuses to work with Maduro, nor does it mean that the US will never recognize Maduro as president. Rather, the US and Venezuela find themselves in a precarious situation. To much of the Venezuelan public, the US is quite unpopular, and feelings about Maduro are still uncertain. A strong voice of approval from the US for Maduro could worsen his situation in the country.

For each government, losing Maduro's leadership could worsen the situation. For the US, Maduro does reflect more of Chávez's policies than we would like. However, if Maduro lost power, there is the possibility of working with an even more radical president. It may be in the interest of the US to cut our losses and fight to keep Maduro in power. For Maduro, the negative impact of losing power is much more obvious. Understand that losing power due to unpopularity could mean the end of his political career, exile, and even physical threats.

The President's office is currently uncertain how to proceed. It shares many long-term goals with the Democratic Party and will work to see democratization in the region. While moving slowly and cautiously, Secretary of State Kerry has traveled to Venezuela. The results of this trip are still unclear. The Office of the President hopes it will be a first step towards better relations between our two governments.

Interest Group Perspectives

DuktoGrayling

DuktoGrayling is a lobbying firm based in Washington DC, representing several large clients, many of them in the energy sector. It has years of experience in lobbying and educating Congress, the Executive Branch, and federal agencies about the energy needs of our country and how those needs can best be met.

DuktoGravling believes that the US should work to reopen Venezuela to US oil companies who might assist the country in refining their oil supplies. Over the past few years, challenging political conditions and government barriers put in place by Chávez have forced US oil out of the country. Until the mid 2000s, companies like Exxon Mobile played a notable role in refining Venezuelan oil.

This organization argues that allowing those oil companies to return to Venezuela would benefit all involved. It would secure greater oil supplies for US consumption. Having that US presence in the country could help sway local politics and decisions in favor of generous US-Venezuelan trade relations. The lack of industrial development in the country means that oil must be exported in order to be refined. US companies could allow more oil to be refined in Venezuela for export and for domestic use. Finally, cooperation between American and Venezuelan companies could be the key to improved relations between governments.

Council on Foreign Relations

The Council on Foreign Relations (CFR) is a Washington DC based non-profit think tank with a focus on students, governmental officials, and nonprofit leaders on foreign policy issues. The CFR is nonpartisan, and therefore evaluates situations like that in Venezuela based on what would produce the best results for all the involved countries. It does not aim to support either the Democratic or Republican Party.

The CFR acknowledges the importance of increasing trade, promoting democracy, and combating the drug trade. However, the council argues, the US currently overlooks the importance of focusing on poverty and inequality, migration, and energy security in Venezuela. These use to be included in US foreign policy, along with the funding to support such initiatives. This changed, however, after 9/11 when the US diverted funds originally reserved for additional missions in Latin America to its activities in the Middle East. Now, according to the CFR, the US is not focusing enough on Venezuela and the rest of the Latin American region.

In addressing these issues and improving relations, the CFR argues it is crucial that the US approaches these matters multilaterally and with **soft power**. The US must form relationships with local governments, Venezuelan civil society, and political leaders. By working with Venezuelans, the US can create changes that will last after US officials have left. In order to gain initial support for these changes, it is also important the US work multilaterally. The US needs to join forces with the OAS and other Latin American countries in addressing these issues. Working with the larger community will also help to better improve these problems that stretch internationally, such as the drug trade.

Center for a New American Security

The Center for a New American Society (CNAS) is a Washington DC based think tank focused on national security. CNAS is wary of Chinese influence in the region. China has recently been forming a stronger relationship with Venezuela and securing oil supplies. In return, China is supplying much-needed loans for Venezuelan development. According to CNAS the US must allow big companies to play a larger role in Venezuelan relations in order to prevent this growing Chinese-Venezuelan relationship.

POSSIBLE SOLUTIONS

There is a wide range of possible solutions for the current uncertainty in US-Venezuelan relations. US policymakers must first identify the problems in the country, and then the desired stance towards Venezuela and Maduro. Then, debate over a solution can begin. For any issue or position, there are many possible solutions. Below is just a sample of different possibilities.

Aid in Return for Change

Maybe it is time that the US improves its relations with Venezuela. With the current change in leadership, this is the perfect time for the US to make such a change. Chávez had been solidly in control of the country over a decade, and Maduro could also potentially hold power for a long time. Our decisions over the next year could decide our relations with Venezuela for the next decade. Better relations would improve our standing in Latin America and the chance of the success of projects such as the war on drugs.

Improved relations will not be an easy task. We already discussed the negative views of the US through the Venezuelan public, partially fueled by an anti-US regime and by past anti-Venezuelan policies. However, press about Venezuela in the US is equally as negative. A couple months ago the Miami Herald

published an article titled “Tour of Tyrants”, about a meeting between Chávez, Ahmadinejad, and other Latin American leaders (the Miami Herald has since removed this article). While these leaders certainly share some tyrannical traits, labeling them this way shapes American views and also does nothing for our relations with the country. Overcoming public hostility to Venezuela could be one of the greater challenges in trying to improve relations and aid to Venezuela.

Supplying aid has often been an effective means of encouraging change in countries, whether that change is more democratic elections or a freer press. Better relations may be possible, but then we must ask whether they are advisable. Maduro came to power through a potentially large amount of election fraud and certainly through some fear and intimidation of the opposition. After coming to power, pro-Maduro legislators have banned the opposition from committee hearings and speaking on the floor in the National Assembly. Should the US cooperate with and support such regimes? Then, if we choose to supply economic aid, we must also determine which improvements to prioritize.

International Cooperation

The United States could opt to work through an outside body to try to achieve similar goals. The Organization of American States, OAS, could be the best chance of changing the system in Venezuela through a method that maintains the approval of Venezuela and the international community. The US acting directly can easily lead to unpopularity. However, working through an international organization could avoid this tension.

One of the problems in Venezuelan politics is weak institutions. In the US, there are strong laws to prevent corruption, blackmail, and patronage. The institutions in Venezuela are comparatively very weak. Weak electoral laws means that politicians can manipulate the

system to their advantage, suppressing media coverage and altering vote counts. Weak policy-making rules means politicians often have to circumvent the system to accomplish their goals.

An international body like the OAS could assist in enforcing these laws. The new regionalism in Latin America has made the OAS even stronger. This could be the perfect opportunity to test its strength. With US and OAS support, change might be even greater in Venezuela.

Cut off Diplomatic Relations

It may be that the US cannot support Maduro and his government. Should you deem that this is the situation, then cutting off diplomatic relations until Maduro leaves office could be the right choice. In addition to cutting off diplomatic relations, a soft power campaign could quicken the process of Maduro losing power. In Chile during the presidency of **Salvador Allende**, the US funded anti-Allende media campaigns and opposition movements. These helped force Allende out of power. A similar campaign in Venezuela might be effective in changing the leadership.

Besides ignoring the people's right to self-determination, forcing Maduro out of office could result in a worse situation. In Latin America, unpopular presidents have often led to street protests and violence. Governments that do not know how to respond to these movements often respond with additional violence. The resulting situation that ensues is fraught with casualties and instability.

Instability is often a problem with changing leadership, especially when leaders are forced out before the end of their term. With the strong presidential system of Latin America, the problem is especially hazardous. Much of the power in government lies with the president, along with much of the people's support for the government. When a president is forced out of office, the people begin to question the entire system, rather than just the

individual. This can cause entire regimes, constitutions, and bureaucracies to fall. It is doubtful that the situation in Venezuela calls for anything even close to this level of change, especially when it would be coupled with additional violence.

A Trade Embargo

An embargo would end trade between our two countries. Because the oil trade is so important to the Venezuelan economy, this could seriously disrupt the economy – enough to force Maduro out of power. Venezuelan support for the FARC and its involvement in the weapons trade may justify this action.

However, an embargo will not necessarily succeed. In Chile, the blockade of Allende was crucial to his downfall from power. In Cuba, an embargo has failed to bring down the Castro regime for decades. There is also the question of whether forcing Maduro out of power could usher a less favorable government into power. One could argue this is what happened in Chile. Socialist leader Allende was forced out of power, only to be replaced by Pinochet, a dictator known for his human rights atrocities. The decision to embargo Venezuela should not be made lightly because of the large impact it would have on both our nations and the uncertain results that stem from any embargo.

QUESTIONS FOR POLICYMAKERS

What concerns us most in Venezuela?'

There are several different problems that the US could try to solve in Venezuela, just as there are in any country. The US must determine whether economic, criminal, or political issues concern our nation most. The US could focus on development, the drug trade, the arms trade, international anti-US sentiment, or a host of other problems. The US, however, does not currently have resources

available to approach all of these problems. Thus, we must prioritize.

Should the US have diplomatic relations with Venezuela?

Venezuelan leaders have a long and complicated history. There have been wide strides in economic equality, but at the same time significant political oppression. The US must weight the costs and benefits of diplomatic relations and determine our future relationship with Venezuela.

Should the US be involved with Venezuela's foreign relations?

Part of what concerns American politicians and the public about Venezuela is its recent positive engagements with countries like Iran and Syria, in addition to its old alliance with Cuba. The US fears international coalitions working against its goals abroad. Such coalitions could stymie our initiatives in international organizations, like the UN, and work against our national security and the security of our allies, like arming FARC.

At the same time, working to force every country into making alliances that we approve of could have the opposite effect. This type of manipulation may turn off potential allies and create additional enemies.

Are Venezuela's connections a national security threat?

If we determine that the US should have some role in shaping the influences in our hemisphere, then we must determine whether the alliances between Venezuela and other nations are actually a threat. Is the weapons trade between Russia and Venezuela large enough that Venezuela could become aggressive in the region, or is the US military and the militaries of its allies just too large? We have to be careful not to allow public and media hype swing our foreign policy in directions that will not benefit the country.

What are Venezuela's goals with its foreign relations?

Part of determining whether Venezuela's foreign relations are a potential threat is determining the goal of those foreign relations. It is unusual for countries like Iran and Venezuela to become allies. Venezuela is a leftist country in Latin America. Iran is a theocracy in the Middle East. The relationship between Russia or China and Venezuela is much more predictable.

What could come out of these types of relationships? Is this simply showboating, or is there a more meaningful interaction going on? Researching the results of these types of summits and meetings can help shape American policy toward them.

What direction is Latin America moving in politically?

Latin America as a whole has often shifted among different political and economic stances. It went through a stage of presidents elected with few party ties. It went through a stage of military and bureaucratic authoritarian governments. Economically, it has swung from domestic industry driven economies to export based economies.

Knowing what direction other Latin American countries are heading in will help to understand changes in Venezuela and the impact of Venezuelan relations with other Latin American countries. It is important that policymakers ask themselves whether they believe Venezuela has the political or economic clout to sway other Latin American countries against the US. Remember, trade with the US is important for many of these countries.

How will US involvement in the region affect our national reputation?

During the Cold War, the US had many covert missions and a few open missions trying to prevent the rise of socialist leaders. The US active involvement in toppling leaders did not have a positive impact on our image in

the region and the larger international community. We must consider the impact of any meddling with Venezuelan politics and governance.

Should the US work first to promote security in the region or democracy?

During the Cold War period, the priority was clearly security. Many democratically elected leaders were toppled in favor of authoritarian regimes that promised a more conservative rule. However, the Cold War is over. Is a leftist or socialist government still a threat?

Should the US be involved with Venezuela's domestic affairs?

Self-determination, or the right to self rule, would dictate that the US abstain from involving itself in Venezuela's domestic affairs unless asked to do so. No one is asking right now. However, if the US offered aid or assistance, it might be accepted. The question here is what role should the US play in determining what happens in Venezuelan politics and society.

How important are free and fair elections?

There are plenty of leaders who were never elected in the first place, such as the monarchs of Saudi Arabia. Is democracy right for every country? If an election is manipulated in favor of one politician, then should outside organizations and countries step in to right the election?

What is Maduro going to do?

Maduro has promised to follow in the footsteps of Chávez. However, this promise was politically necessary. It is not clear yet whether Maduro will follow through on his promise. The election of a new Venezuelan president could allow the US to reset its relations with the country.

What can be done about the drug trade through Venezuela?

We are not coming together to fix the drug problem on our continent. However, Venezuelan cooperation on this front has often been minimal. In determining our future relations, we must consider how large of a role we want that government to play in stopping the drug cartels. This is a question of what to prioritize in our foreign relations.

What can be done about poverty?

While inequality and poverty have decreased, they are still pressing problems in the country. Our policymakers must determine how much assistance, if any, the US will provide.

How could any of our actions potentially backfire?

Foreign policy is always a tricky game. The best laid plans and policies can often backfire with unintended consequences. Any legislation that we reach must be carefully evaluated for any side effects.

Can this legislation get passed with increased media and public scrutiny?

Venezuela has not gotten the best press. Anything too positive concerning Venezuela may be decried in the news. The same goes for anything involving troops, funding, or wide departures from our current standing. Policy is not created in a vacuum.

Should I write a bill or resolution?

A bill takes the form of a law that the executive branch then enforces. A resolution uses the form of a recommendation from the legislative branch to the executive. While much of the country's foreign policy is given to the executive branch to dictate, the legislative branch controls the funding for much of these projects, and it can make recommendations to the president in the form of resolutions. Determining the form of the legislation will be

an important part of any decision on the topic of US-Venezuelan relations.

CONCLUSION

The United States and Venezuela have historically had a tumultuous past. Chávez and previous US presidents have clashed on matters of the economy, trade, and political rights. Frequently, the public has asked whether Venezuela could become another Cuba. Neither country is entirely to blame, with each trying to secure its position in the international community and extend its reach. While relations have continued over the last decade, they have consistently been uneasy.

The election of Maduro could turn a new page in that history. Maduro is the chosen successor of Chávez, and he models himself after the former leader of Venezuela. As this could be merely a political stint, we are not sure how closely Maduro's reign in power will copy that of Chávez's. Maduro is a different person with different political views, views that appear so far to be more moderate economically. However, Maduro's suppression of the opposition is not encouraging. It is not clear whether Venezuela will want to change its current course with the US.

If not Maduro, then maybe the US can initiate the change. If the US approaches Maduro with plans for a better relationship, this may be enough to start to turn our relationship around. However, it is not clear whether the US public would want better relations with a regime known for previous political suppression.

US policymakers now face the difficult task of determining the future. The change in leadership makes this the best time to alter relations, but will ideological differences and domestic politics block any progress on this front? Can our two countries overcome their differences? Should they? These are the types of questions you will have to answer in determining the future of US-Venezuelan relations.

GUIDE TO FURTHER RESEARCH AND USEFUL SOURCES

Going forward, it is important keep track of Venezuela's practices, as well as those of the other countries involved with US-Venezuelan relations. The popularity of Venezuela with other Latin American states should impact the position of the US towards Venezuela. The current popularity of the United States will also change how our policies are viewed abroad. If the US has more support in the region, it may be able to carry more clout in the OAS and to shape Venezuelan policy. Finally, the situation in Colombia and other countries that frequently interact with Venezuela are important for our relations. Continue researching these areas over the next couple of months.

Keep an eye on the news. You will also want to use some Internet searches to obtain more information about Venezuela and your representative's specific stance on the situation. If you cannot find information about your congressional stance, feel free to reach out to congressional offices. They are always happy to provide information on a congressperson's stance. Also, use the sources in the bibliography for this briefing. While some information has already been pulled from each of them, you will find even more useful information there. Thorough research will lead to more success in your legislative agenda.

GLOSSARY

21st Century Socialism - The term Hugo Chávez gave to his economic policy that centers on increased state involvement and trade barriers. The goal of this economic policy is to increase economic equality

Allende, Salvador - The former President of Chile in the 1970's. He came to power on a

socialist policy, which he later implemented. The US helped to remove him from power allowing Pinochet to become dictator

Andes Mountains - Mountains along the Western coast of South America. Much of the population in this region is impoverished and often ignored by the government

Bolivarian Alliance of the Americas - This group of states, including Venezuela, Bolivia, Cuba, and others, work to promote a leftist agenda on the international and domestic level.

Bolivia - Another South American country with a leftist government. Morales, the current president, has increased economic equality. It is a close ally of Venezuela, and has also had tenuous relations with the US

Chávez, Hugo - The former left-wing president of Venezuela

Chavismo - This is the pro-Chávez movement that supports a left-wing government and Chávez, himself

Civil society - This is the part of civic engagement outside of the government. It includes religious organizations, interest groups, and unions. A strong civil society is considered a requirement of a full democracy

Constructivism - A theoretical approach to international relations and law. This approach maintains that states make decisions for ideological reasons

Corporatist - A way of organizing groups in the state where only one organization prevails in each area. For example, there might only be one oil workers union

Coup - A situation in which a group grabs power by force, often the military.

Deficit - A situation in which the government spends more money than it has

Drug cartel - A militant group involved in transporting drugs from production areas to areas of use, i.e. the US

Exports - Goods that are shipped out of the country. Much of the Latin American economy depends on exports

Industrialization - The process of moving away from agriculture towards manufacturing.

Inflation - decreases in the value of currency.

Land reform - Generally, refers to the redistribution of privately held land to a larger number of people. This reform harms the oligarchic elite

Mercantilist - The creation and use of colonies for economic profit of the state that colonized them

Multilateral - working with additional countries to accomplish goals, as opposed to taking action without the support of other countries

National Assembly - the unicameral legislative body of Venezuela

The Organization of American States (OAS) - an international body that works to address trade, economic, and social issues in the Americas

Patronage - the process of elected officials giving materials benefits to the constituents and those who supported them for office.

Rational functionalism - the theoretical approach to international relations and law that maintains states make decisions about foreign policy based on concerns for security and their international reputation

Realism - the theoretical approach to international relations and law that maintains states make decisions about foreign policy based on security concerns and power relations

Revolutionary Armed Forces of Colombia (FARC) - The militant organization involved in the drug trade and attacks on Colombian government organizations. It receives support from Venezuela and wants a left-wing government in Colombia

Social spending - the spending of government funds for social projects, like health or disaster relief

Soft power - the use of negotiations, relations, and diplomatic pressures to influence decisions on the international level

The Democracy Action Party (AD) - a Venezuelan political party that played a large role in nationalizing the Venezuelan oil industry and increasing access to the political system

The Fifth Republic Movement - the party Hugo Chávez used to originally come to power in Venezuela

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APPENDIX

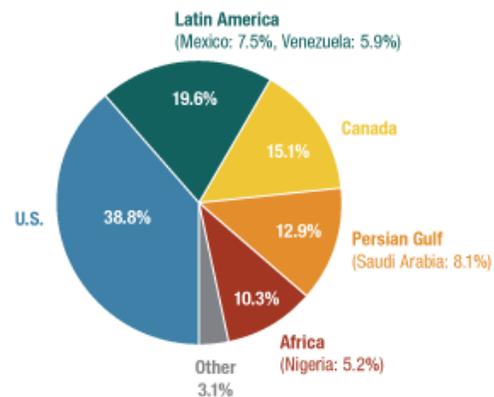


Figure 1: Where the US Gets Its Oil



Figure 2: Venezuela Map

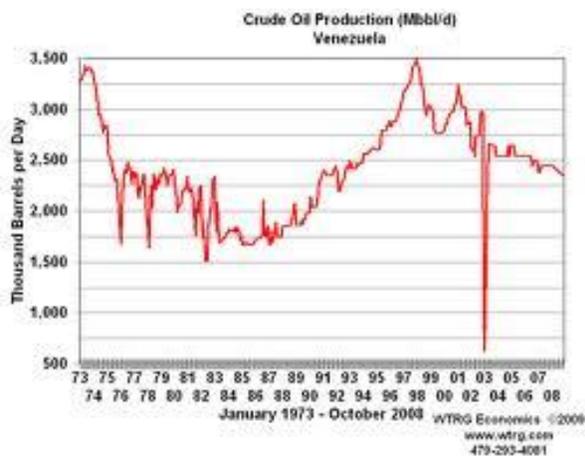


Figure 3: Venezuelan Oil Production

The chart depicts Venezuelan crude oil production. Note the dip in 2002-2003 during the general strike.