

BULLETIN

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The Prospects of Overcoming Political Conflict in Venezuela

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President Nicolás Maduro's government remains in power mainly due to the loyalty of the military and security forces, and to support from China and Russia. That is why it managed to counter the opposition's attempts and international pressure, both mounting since January, to trigger political changes in Venezuela. Stabilisation in the country could be gained through negotiations between the main Venezuelan parties to the conflict resulting in a free election, as supported by the EU. Such a scenario would require cooperation and coordination between the United States, the EU and their Latin American partners.

It has been more than two months since the Venezuelan opposition led by Juan Guaidó and supported by the largest countries of the Americas (the United States, Brazil and Colombia) tried to force out the Venezuelan leader. They don't recognise the legality of his second six-year presidential term, because they accuse the Venezuelan authorities of violating democratic standards during the May 2018 election won by Maduro. On that basis, Guaidó announced on 23 January his intention to take over as the interim president of Venezuela. That moment unleashed the biggest response to the economic and humanitarian crises which have been increasing in Venezuela since 2014, and to the government's retreat from democratic rule. The main sign of internal destabilisation has been a massive outflow of population. The UN estimates that there are currently more than 3.5 million Venezuelans outside the country, five times more than in 2015. Divergent Visions Prompting Change. In his domestic efforts, Guaidó has so far focused on garnering public support and convincing regime members to join the opposition (through, for example, amnesty proposals). More than 50 countries (mainly from the Americas and the EU), which recognised his status as interim president, consider political changes and letting humanitarian aid into Venezuela as the minimum conditions for stabilisation. However, that group does not agree about how to reach the goal.

The U.S. simply wants to oust Maduro, and has employed the toughest measures so far. It expanded sanctions against individuals and brought in restrictions intended to hit the Venezuelan oil sector, which is the pillar of the country's economy. It also resorted to aggressive rhetoric (such as threats suggesting armed intervention as a feasible option) and diplomatic isolation of the Maduro regime. The U.S. has support from the main Latin American partners, chiefly Brazil and Colombia—the latter with the highest presence of Venezuelan immigrants (more than 1.1 million). Mexico, however, recognises Maduro's legitimacy. In general, Latin American governments would not accept armed intervention. However, Luis Almagro, Secretary General for the Organisation of American States, claimed the Responsibility to Protect doctrine could justify such an option.

The main opposition to the use of force comes from the International Contact Group (ICG) inaugurated on 7 February in Montevideo by the EU (represented by Federica Mogherini), representatives of eight EU governments (among them, Spain, France and Italy), Ecuador, Costa Rica and Uruguay. ICG members don't want to call the initiative "mediation" because actions presented as such failed in recent years. Nevertheless, their goal is clearly to mediate between the conflicting sides so they agree to talks, which

would result in a free election. These efforts have been in vain so far, because the government and opposition are not willing to negotiate.

Why Maduro's Government Endures. The Venezuelan authorities maintain control over the main state institutions and resources despite the escalation. The army, involved in governing the country since the time of the late Hugo Chávez, Maduro's predecessor, provides the basis for their durability. The military has benefited from, for example, managing the government food distribution system and, in respect of some members, from drug trafficking (as investigated by Insight Crime, among others). Their loyalty stems from fear of financial loss and potential prosecution for illicit activities and their role in repressing government opponents. The risk of a military coup has been reduced by effective anti-rebel mechanisms. Additionally, responsibility for public order is shared by various armed formations, so the negative effects of a rebellion in one of them could be limited. The most important in countering anti-government protests are now the special police unit FAES (created by Maduro in 2017) and the *colectivos*, groups of pro-regime activists who are in fact paramilitary militants.

Maduro now has the support of less than 15% of Venezuelans (as per Datánalisis), which has to do with state propaganda centred on blaming the U.S. for all Venezuela's difficulties. The government also tried to suppress journalists, including foreign reporters. For example, FAES detained and beat a Polish reporter from the daily *Gazeta Wyborcza* in March. It also was arbitrary in referring to legal rules and tried to show apparent allegiance to law by referring to decisions of its puppet institutions as the highest court.

Finally, the government is able to get financing from the sale of commodities. The main one is oil, despite a crisis-induced reduction in daily production from 2.4 million barrels at the end of 2015 to fewer than 900,000 in March 2019 (according to the U.S. EIA). Output may fall further due to sanctions imposed by the U.S. (the top importer of Venezuelan petroleum). Valuable ores, especially gold, are the second most important source of finance for Maduro.

International Support for Maduro. China and Russia are the main international partners for Maduro's government as they have the biggest economic stakes in Venezuela. China has been the main creditor (Venezuela being by far the largest Latin American recipient of Chinese loans), but has been scaling down engagement for the last few years. New China's financing in recent years has aimed not to support Maduro's government directly but to ensure the supply of oil, with which Venezuela repays its debt.

Russia is the key political ally of the Venezuelan authorities. It has supported them in, for example, the UN Security Council. It has acted as a trading partner and facilitator to circumvent sanctions, and offered expertise on debt management and military matters. According to Reuters, a few hundred Russian mercenaries from the Wagner group arrived in Caracas at the end of January. On 24 March, a 100-strong military delegation visited Venezuela. Additionally, Russian state media such as RT supplements the propaganda of Maduro government.

Maduro's government also sought support from partners able to help in bypassing U.S. sanctions. In the case of oil, the Venezuelan authorities turned to importers from India (the third-largest buyer of Venezuelan petroleum) and in the case of gold, they approached Turkey and the UAE. **Conclusions, Prospects.** Maduro's success in neutralising pressure from the opposition and from Guaido's international supporters has fuelled the Venezuelan government's determination to remain in power even at the cost of further economic and social aggravation. At the same time, the internationalisation of the crisis has been expanding. Outside interest is no longer limited to attempts to resolve the crisis, but has increasingly become a function of the rivalry between the U.S. and Russia.

For the Donald Trump Administration, changes in Venezuela may help to weaken anti-American governments in Latin America (apart from Venezuela, also in Cuba and Nicaragua) and Russian influence in the region. That's why the U.S. will scale up economic sanctions to force Maduro to retreat. If he eventually gives in, the ICG may have an opportunity to play a leading role in bringing parties to the conflict to the negotiating table, and in verifying talks and outcomes. China and Russia will also be interested in taking part. That is why there is a need for coordination and cooperation between the United States, other American countries and the EU, especially on the plan to support Venezuela's economic recovery. If the current deadlock persists, there is a risk of further destabilisation and escalation of social tensions, which may create conditions for a military coup. In that case, Maduro could be removed, but the opposition would be excluded from influencing the changes so the political status quo would be preserved.

From Poland's perspective, it is important to support a peaceful process that could solve the crisis in Venezuela with the involvement of all main parties and in line with international law. Should the Venezuelan government and opposition start negotiations, Poland could engage in ICG work on the basis of its own experience of democratic transition. At the same time, Russian engagement in Venezuela may strengthen Polish arguments about the threat arising from a revisionist Russia's policy. Poland could highlight the contradiction between that country's support for Maduro in the name of non-interference and Russia's use of aggression as in case of the annexation of Crimea and support for separatist groups in eastern Ukraine.