

Protest against US military intervention in Venezuela. Minneapolis, Minnesota. March 30, 2019. Image courtesy of Fibonacci Blue/Flickr.



What is Happening in Venezuela, and What Can the U.S. Do?

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VENEZUELA IS FACING SIGNIFICANT difficulties, and one of the worst is the widespread misinformation distributed by governments and media. In April I returned after 11 days in Venezuela, my sixth trip since 2005. I was on a delegation sponsored by the Alliance for Global Justice, focused on ending sanctions.

There is a lot of confusion about Venezuela, and this article will address important questions about why the economy of oil-rich Venezuela collapsed, and why both Obama and Trump placed sanctions on the country.

Presidents Hugo Chávez and Nicolás Maduro have not been perfect. They made many mistakes, such as not succeeding in diversifying the economy, lack of financial reserves to cope with falling oil prices, and maintenance of a fixed exchange rate far beyond its viability. Venezuelans have been hurt and frustrated by those mistakes, and yet they understand their context, and remember what life was like before Chávez began the process (“el proceso”) of empowering people, and lifting people out of poverty.

“What can we do as a government and as citi-

zens of the United States?” is our key question. Most people in both Venezuela and the U.S. can agree on these three basics:

1. **No war.** Even Venezuelans who did not vote for Nicolás Maduro do not want to be bombed or invaded. Ironically, the threat of military intervention has increased national pride and unity among Venezuelans. Many friends were worried for my safety and the safety of the 12-member delegation. After arriving I felt safer than I expected, and my main fear was about what the United States (my own country, that I love in so many ways) might do. Even in the U.S., most people do not want another Vietnam, or another Libya or Syria.
2. **End U.S. sanctions.** Sanctions are a form of economic warfare. Sanctions kill, and children are the primary victims. Food and medicines are greatly affected. Sanctions impede the ability of Venezuela—and other countries—to solve their own problems; and unilateral coercive measures are out-of-line with the United Nations Charter and the Organization of American States.
3. **Respect other nations’ sovereignty.** Both Venezuelans and people in the U.S. question the credibility of the U.S. government regarding its harsh critiques of Venezuela’s government. The wealthiest country the world has ever known, the United States, has suffered from a growing gap between rich and poor, and from deteriorating schools, non-existent free neighborhood healthcare centers, infant mortality, high incarceration rates, and unjustified killings by police, along with problematic elections of public officials who could potentially solve those problems.



“REGIME CHANGE”

Our government has not been following those three basics. An early sign that predicts U.S. interference in a nation’s sovereignty is use of the word “regime.” That word is broadcast by the media, and even picked up by progressives. It casts aspersions on the “government,” “administration” or “presidency” of non-aligned countries, and leads to the term “regime change.” Do we refer to Theresa May’s regime? Obama’s regime? Another key sign is using the term “humanitarian crisis” rather than “economic crisis,” followed by offering “humanitarian aid” that even the International Red Cross and the United Nations recognized as politicized rather than helpful. Former United Nations independent expert Alfred de Zayas reported after visiting Venezuela that it is an economic, not a humanitarian crisis, contrary to reports by some human rights organizations, such as Human Rights Watch and Amnesty International, which line up with the governments of the U.S. and U.K., where they are based and funded.

How did the Venezuelan economy get so messed up?

Here are 14 basics to help shed light on this complicated situation.

* **Venezuela has an oil economy.** For close to 100 years, oil has represented about 90% of Venezuela's exports. It is a long-standing example of the "Dutch disease," which Wikipedia describes as "the apparent causal relationship between the increase in the economic development of a specific sector (for example natural resources) and a decline in other sectors (like the manufacturing sector or agriculture)."

* **Oil was nationalized in 1976.** More than 20 years before Hugo Chávez was elected president, oil was nationalized in Venezuela. Only the wealthiest Venezuelans benefited, however, and 70% of Venezuelans lived in poverty. In the late 1980s and 1990s, policies were enacted that increased inequality.

* **Chávez shared wealth and power.** When Chávez became president in 1999, his first acts were:

- Achieving almost universal literacy.
- Creating a healthcare system for even the poorest barrios by trading oil for Cuban doctors, who then helped train Venezuelan doctors.
- Developing a new voter-approved constitution using participatory democracy.
- Establishing an electoral system that former U.S. president Jimmy Carter described as the best of the 90 countries he had studied.

Chávez earned the love and respect of the newly empowered Venezuelans, while the Venezuelans and foreign investors who formerly held all the wealth and power, and wanted to keep it that way, were hostile to him. While oil is definitely a factor in Venezuela, it is not all about oil. The "threat of a good example" is the real problem, and can be shown by historic hostility toward countries without oil such as Cuba, Nicaragua, Haiti, Grenada, and Chile.

* **Regional integration made countries stronger.** Hugo Chávez was inspired by Simón Bolívar's goals for regional integration. In the early 1800s, Bolívar led the struggle for liberation and won, beating Spain, the superpower of the time. While facing the United States, the superpower of these times, Chávez strengthened sovereignty for the peoples of Latin America. He helped block a "Free Trade Agreement of the Americas," and played a leadership role in establishing organizations such as ALBA, CELAC, UNASUR, TeleSUR, and PetroCaribe. These organizations focus on economic and political integration, trade alliances, and television communications, and they exclude Canada and the U.S. This solidarity among nations made each country stronger, empowering them to stand up to the enormous economic, cultural, and political influence of the United States, which was nearly impossible for an individual country to do in the past.

* **Coup attempts failed, and "backfired."** In the early 2000s, the opposition made three attempts to oust Chávez: a military coup, a bosses' lockout of the state-owned oil company, and a recall election as authorized in the new constitution. In stunning "backfire effects" the opposition and their U.S. allies lost all three, and "chavismo" became stronger.

* **Economic inequality was reduced.** For the next 10 years, Venezuela showed a marked reduction in inequality, per the "GINI coefficient" measurement. People were lifted out of poverty when oil wealth was shared with all Venezuelans, and policies were enacted that improved health, education, housing, and the minimum wage.

* **Economic warfare increased.** The scenario is familiar in history. "Make the economy scream" was Richard Nixon's order to the CIA in 1970 when he planned to oust Chilean president Salvador Allende. What are the weapons

of economic warfare used against Venezuela now? They include manipulation of the foreign exchange rate to induce inflation, planned shortages due to hoarding and smuggling of subsidized goods for profit, failure of banks to extend needed credit, and capital flight which increases the cost of imports. The leadership of both the Democratic and Republican parties are hostile toward Venezuela, using terms such as “authoritarian,” “autocrat,” and “dictator.” This bipartisan agreement, in combination with aligned media ranging from Fox to NPR, makes it very hard for people to believe there is another side to the story. For more on this bipartisanship, see the section below, “Why did both Obama and Trump sanction Venezuela?”

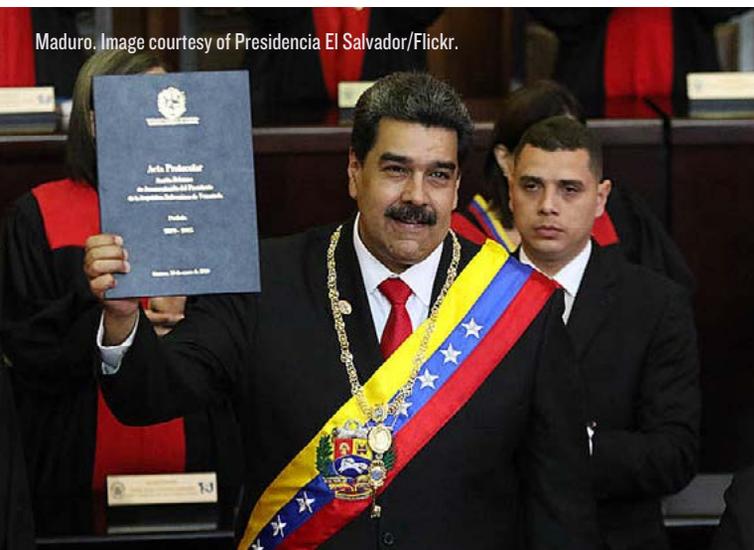
*** Diversification of the economy had been a goal.** Almost everyone criticizes Chávez and Maduro for not diversifying the economy, however they did try, with various programs in manufacturing and agriculture. It is very difficult to get people to go “back to the farm.” In a long-time oil economy, producing goods locally costs much more than importing, and the money saved by importing could continue to reduce poverty and inequality.

*** Peak oil went in reverse.** Remember “peak oil”? In the mid-2000s, it was predicted that

the cost of extracting oil would become so expensive that global oil production would decline and the price per barrel would increase. Instead of going up to \$200, it dropped from \$140, which was the price before the 2008 global financial meltdown, to less than half that in the years since 2014. How did that happen despite “free market” theories and environmental problems with fossil fuels? Nations and states subsidized hydraulic fracturing (fracking), tar sands oil, transcontinental pipelines, and offshore drilling. Since 2011, there were 20,000 new oil well permits in California alone. These combined subsidies lowered the price per barrel of oil, greatly squeezing Venezuela’s economy.

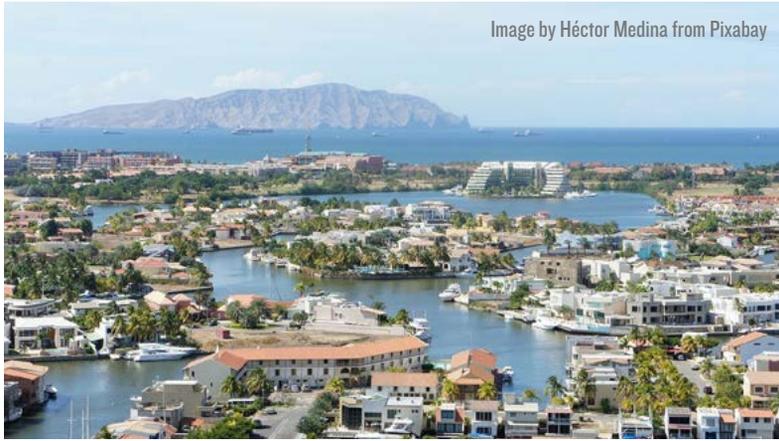
*** Opposition perceived weakness—and opportunity—after Chávez’s death.** After Hugo Chávez’s hand-picked successor Nicolás Maduro was elected in April 2013, the Venezuelan and foreign opposition perceived a weakness and increased its many pressures on “chavismo.” In 2014 and 2015 Barack Obama enacted sanctions and incongruously labeled Venezuela an “unusual and extraordinary threat.” Violent and destructive opposition protests and economic warfare were ramped up, and U.S. sanctions and investment in “regime change” increased dramatically after Donald Trump’s election. Then it was an easy matter to blame a South American government for its economic collapse. Like so many other leaders of countries trying to overcome the impact of colonization and economic domination, it is clear that both Chávez and Maduro made serious mistakes. It was in the interests of media and politicians, funded by the foreign oil interests and other transnational corporations, to amplify these leaders’ mistakes, and downplay their successes.

*** Sanctions are illegal and lethal.** Targeting another country with unilateral coercive measures is prohibited by the United Nations



Maduro. Image courtesy of Presidencia El Salvador/Flickr.

Charter. In Venezuela sanctions have caused deadly shortages in food and medicine, as well as in replacement parts for oil refineries, transit systems, and even



instruments for the famed youth orchestras. By simply declaring that the elected president is not legitimate, U.S. and allies (who either agree with sanctions or who are intimidated by the power of the U.S.) have even withheld from the Venezuelan government billions of dollars of its own money.

*** Re-election in 2018 was preceded by dialogue, and followed by allegations.** After five years of unrelenting pressures from the Venezuelan opposition and U.S. government, resulting in hard times for Venezuelans, Nicolás Maduro was still president, and was re-elected in May 2018. Seven months later, Juan Guaidó declared himself “interim president,” stating that the election of Maduro was not legitimate. Here are facts that get scant media attention.

1. Leading up to the 2018 election, at the last minute the opposition refused to sign an agreement negotiated for almost two years between the government and opposition with help from the president of the Dominican Republic and the former prime minister of Spain.
2. The opposition called for a total boycott of the election, apparently in order to discredit it. The boycott failed because moderate opposition candidate Henri Falcon ran. Ironically, frustration with the economic crisis was so great that if the opposition had participated in the election, they might have won. As it was, Falcon received 1.9

million votes to Maduro’s 6.2 million. Maduro achieved in 2018 an almost identical percentage of eligible voters that Obama achieved in 2008.

3. Allegations of fraud preceded and followed the election, and were repeated without evidence by corporate media outlets in which investigative journalism is a thing of the past, as demonstrated by the intensified prosecution of whistleblowers.

*** Venezuelans know their history.** There was massive inequality when the opposition was in power, and although many chavistas blame Maduro for a large part of the desperate economic situation, they remember what life was like before Chávez came to power. They also remember the short-lived 2002 military coup, with its immediate severe repression and abolishment of democratic institutions. They do not want that in their future, which helps explain why Guaidó’s “interim presidency” has failed to capture the support of most civilians and the military. Venezuelans also know that the charge of “no free press” is false. They have seen media outlets stay in business after labeling Chávez and Maduro “dictator” in three-inch headlines, calling for their overthrow, and in fact playing a key role in the 2002 coup attempt.

*** Interference continues.** Despite the apparent failure of the “interim presidency,” efforts toward “regime change” have continued on multiple fronts. Sanctions have increased. The U.S. administration presented, unsuccessfully, its case for removing Venezuela’s ambassador to the United Nations. In Washington, DC,

police entered the Venezuelan embassy, in clear violation of international law regarding embassies even in times of declared war. They arrested American activists who, as part of the Embassy Protection Collective, stayed at the embassy with the permission of the Venezuelan government. Leading up to the arrests, deliveries of food and supplies were prevented, and electricity and water were turned off, in moves very similar to the nation-wide, long-lasting power outages and water shortages in Venezuela, which are strongly suspected to be the result of sabotage.

Why did both Obama and Trump sanction Venezuela?

This question has deep relevance, and was reflected in the first of four questions Rabbi Michael Lerner asked me before I left for Venezuela in March. Many aspects of our government are in play in opposing the “regime” in Venezuela.

*** One aspect relates to the Electoral College in the United States.** Why haven’t any political leaders led us out of that outdated, slavery-based, undemocratic disaster? With the Electoral College in place, neither Democratic nor Republican candidates have anything to gain by *not* bashing Venezuelan president Nicolás Maduro. Why? Because many disgruntled Venezuelans of the upper classes moved to Florida and they now organize with hard-line Cuban-Americans and compose a small but inordinately significant swing constituency in a swing state in the 2020 elections. What incentive is there for party leaders like Obama to alienate them and their campaign donations, instead of merely going along with the story “everybody knows”?

*** U.S. Rep. Ro Khanna (CA) wrote a letter.** My delegation’s lead organizer saw Ro Khanna’s “Dear Colleague” letter to Secretary of State Pompeo change from an eloquent

call urging the Trump administration to end the sanctions to a letter with paragraphs that “strongly condemn the Maduro government’s actions,” call him a “failed autocrat,” and argue that because of current sanctions, “Venezuelan government officials can claim that the U.S. is waging an economic war.” It is an easy claim for Venezuelans to believe. They have experienced the economic and empowerment benefits brought to their lives by Chávez and Maduro, such as universal access to healthcare, housing, literacy, and suffrage. They have also experienced U.S.-backed opposition obstructions to these benefits, both when the opposi-



tion ran the country before Chávez, and since. Unfortunately, even with statements against Maduro that toe the line of the Democratic Party national leadership, this otherwise informative and well-written letter only managed to gather 16 signers out of 435 members of Congress, 97 of whom are members of the Progressive Caucus. Yes, U.S. citizens need to pressure our government, *especially* those most likely to support the rights of regular people over corporate and billionaire interests.

* **“Does the government represent the people?”** This is a good question to consider

when addressing why both Obama and Trump take the positions they take. A Princeton study pointed out that whether there is 100% public support for a given idea—or zero support—there is about a 30% chance of Congress passing a law that reflects the idea—unless the support or non-support comes from the 10% “elites.” Public policy lines up with their wishes. Unfortunately, (publicly funded) war creates profits for “elites,” as do (subsidized) oil companies and (bailed-out) financial institutions. Related to Venezuela, the military-industrial-financial complex benefits significantly from sanctions and threats of war, especially when the threats are aimed at an oil-rich country that has been sharing wealth and power with non-elites.

* **Obama eased up on Cuba, and sanctioned Venezuela.** On December 17, 2014, Obama de-escalated the isolation of Cuba, while keeping the economic blockade in place. The very next day he signed S. 2142, an act created “to impose targeted sanctions on persons responsible for violations of human rights of anti-government protesters in Venezuela, to strengthen civil society in Venezuela, and for other purposes.” In so doing, Obama served the same powerful interests that in 2008 caused him to bail out Wall Street and not Main Street, and in 2009 motivated him to deliver what some call the “insurance company bail-out.” Rather than use his 60% majority in both houses of Congress to push for single-payer healthcare, he took it off the table and instead delivered Obamacare, without even a “public option” that would have made private insurance companies compete with a Medicare-style option. As a result, the U.S. healthcare system continues to be the worst system of the thirty wealthiest industrialized countries, in terms of expense, access, and results. Had Obama delivered a comprehensive system like other countries implemented long ago, and as Venezuela



did twenty years ago, it would be very hard for Trump or anyone to take it away from people who depend on it.

Regarding Cuba, changing demographics among Cuban-Americans made it less risky to ease Cuba-U.S. relations in order to move toward creating business opportunities there. Placing sanctions on Venezuela served to appease the hard-line Cubans living in Florida.

What can we do?

As citizens it is our job to pressure our government—especially the best of them—to represent us in both domestic and foreign policy. As citizens, it is not our job to treat the Venezuela situation as another “yelp review” in which we judge what other countries do as right or wrong by standards our own country doesn’t even follow.

The U.S. has a lot of work to do inside our borders without interfering in the affairs of other nations. Doing the needed work in our country helps other countries by example rather than destroying them with our will.

- Dump the Electoral College, and stop looking for other excuses for elections “won” without the popular vote, such as Bush in 2000 and Trump in 2016.
- Progressives can learn from countries such as Venezuela that have already implemented education, healthcare, housing, and justice policies that democratic socialists like Bernie Sanders propose to implement in the U.S.
- See *The Revolution Will Not Be Televised*, a very well-named documentary about the attempted coup in 2002 against Hugo Chávez. It provides a lesson on media bias, and can provide hope, “esperanza.”
- Stop seeing South and Central America and the Caribbean as our domain, our “backyard,” or as needing a savior. Recog-

nize when our recent “help” has not helped other countries.

To help Venezuelans during their economic crisis, three fundamental options are on the table: no war, end sanctions (which are a form of war), and respect national sovereignty. Choosing those options will benefit not only Venezuela, but the rest of the world, including the United States. ●



LAURA WELLS blogs about the electoral and social revolutions in Latin America, and how they might apply to California and the United States. She is a Green Party political activist. Her blogs are found at <https://laurawells.org/blog/>.

REFERENCES FOR MORE INFORMATION

venezuelanalysis.com is a resource that provides perspective on news about Venezuela.

Video: “The Origins of Venezuela’s Economic Crisis.” In twelve minutes Greg Wilpert, a founder of venezuelanalysis.com and journalist with *The Real News*, provides a comprehensive video that discusses Venezuela’s economic crisis and tries to take all of the underlying factors into account. He wraps up his analysis with the words, “The sanctions have now made a bad situation far worse and on top of it have made it almost impossible for the government to take corrective action because it lacks the resources to do so.” <https://therealnews.com/stories/the-origins-of-venezuelas-economic-crisis>

Fairness and Accuracy in Reporting (FAIR) helps describe the role of the media in this piece, “There’s Far More Diversity in Venezuela’s ‘Muzzled’ Media Than in US Corporate Press”

<https://fair.org/home/theres-far-more-diversity-in-venezuelas-muzzled-media-than-in-us-corporate-press/>

Democracy Now! with Alfred de Zayas, who visited Venezuela as a UN representative in 2017

<https://truthout.org/video/the-us-is-violating-international-law-by-attempting-a-coup-in-venezuela/>