



Briefing: The struggle continues – events in Venezuela since autumn 2019

The US tightens the blockade of Venezuela

The US drive for regime change in Venezuela stepped up a gear in August 2019 with the announcement of powers to create a total blockade. US Executive Order 13884 freezes all Venezuelan assets in the US and empowers the US Treasury Department to issue secondary sanctions against non-US third parties doing *any* type of business with the Venezuelan government, not just in oil, banking and mining.

The impact is not just on companies currently trading with Venezuela, but also on countries and companies now holding off from doing business with Venezuela for fear of being sanctioned and paying penalties.

The Trump administration moved in February 2020 to levy new punitive sanctions against the Russian state energy giant Rosneft for trading Venezuelan oil, as well as the Venezuelan state-owned airline Conviasa.

In response, the Venezuelan government is pursuing legal proceedings at the International Criminal Court (ICC) to have the US government's unilateral coercive measures investigated, describing them as a "crime against humanity" and a "weapon of mass destruction."

The sanctions have cut deeply into Venezuela's export earnings and reduced the government's ability to import these essential goods such as food, medical equipment, spare parts and equipment needed for electricity generation, water systems or transportation. They have also constrained Venezuela's capacity to operate freely in the global market, further restricting its essential financial dealings.

The loss of credit and therefore the resources to maintain oil output through maintenance and new investment have led to production plummeting, with earnings falling still further. In April 2020 production was 718,000 barrels per day (bpd) compared to 1.911 million and 1.354 million bpd in 2017 and 2018, respectively

A steep fall in global oil prices is also taking its toll. For some of the state oil company PDVSA's heavy oil extraction projects, some of them joint ventures with foreign companies, this has meant prices are now below production costs.

US sanctions blocking imports of fuel, diluents and spare parts have generated widespread gasoline shortages, with most of the country's refineries currently out of operation. The Maduro government has resorted to exchanging PDVSA cargoes directly for fuel as a way to sidestep Treasury measures. In May 2020 a convoy of Iranian tankers arrived, bringing gasoline and alkylate supplies to improve domestic refining capacity, despite threats by the US government.

However, the US is still applying sanctions. In May the US Treasury Department gave oil giant Chevron until December to wind down its Venezuelan operations, and in June sanctioned four more shipping companies for transporting Venezuelan oil.

How Venezuela is dealing with the coronavirus pandemic – without IMF help

Venezuela's efforts to protect its population from the coronavirus pandemic are being jeopardised by Trump's aggressive tactics towards the country.

Trump's strengthening of illegal US sanctions against Venezuela since 2017 – creating an economic blockade of the type employed against Cuba since the 1960s – have undoubtedly weakened its health infrastructure by cutting deeply into its oil revenues and its capacity to import key medical supplies and equipment.

Inevitably, this is affecting Venezuela's capacity to deal with the pandemic, but unlike Bolsonaro in Brazil the government took swift action to contain its spread.

Decreeing a health emergency, the government prohibited crowds from gathering, cancelled flights from Europe and Colombia and instituted a nationwide lockdown. An online survey about possible symptoms completed by 13 million people identified the need for almost 35,000 door-to-door medical visits.

A raft of other measures prioritising health and wellbeing have also been put in place, with solidarity donations from Cuba, China and Russia helping enormously.

To date (early June), Venezuela has 2,377 cases reported and 22 deaths, compared for example to neighbouring Colombia's 39,236 cases and 1,259 deaths or Brazil's 691,962 cases and 37,312 deaths.

Seeking additional resources to deal with the pandemic, the Venezuelan government asked the International Monetary Fund (IMF) for a US\$5 million emergency loan. But the IMF refused to consider Venezuela's request on the grounds "there is no clarity on recognition" of who the official government is amongst its 189 member states.

In fact, only just over a third of the IMF membership recognise Juan Guaidó, the failed coup leader and self-proclaimed 'interim president', while the United Nations continues to recognise Nicolas Maduro as the elected leader of the country.

The IMF's refusal has attracted widespread criticism for putting ideology above the welfare of an entire people and accepting more deaths in Venezuela rather than take a humanitarian position and offend the US, a major funder of the organisation.

The European Union's Foreign Ministers supported Venezuela's application to the IMF for financial aid, and a wide spectrum of organisations across the world called for US sanctions to be suspended immediately, to be replaced by constructive dialogue and aid.

UN Secretary General Antonio Guterres has advocated the lifting of sanctions imposed on Venezuela, Cuba and other countries to ensure access to food, essential health supplies and Covid-19 medical support, rightly saying "this is the time for solidarity not exclusion."

Venezuela repels armed incursions

In the early hours of May 3rd Venezuelan government forces repulsed a seaborne invasion near the port city of La Guaira, killing eight mercenaries and detaining two others. The botched attack is reminiscent of the failed US-backed attack on Cuba at Playa Giron in 1961, also intended to achieve the US's goal of 'regime change'.

One of the two captured attackers claimed to be an agent of the US Drug Enforcement Administration.

Florida-based ex-Green Beret Jordan Goudreau has claimed responsibility for organising the attack, codenamed Operation Gideon, a goal of which was to capture President Maduro, on whose head Trump recently put a \$15 million bounty.

Associated Press has revealed that Goudreau has been working with retired Venezuelan army general Clíver Alcalá — who now faces US narcotics charges — to train deserters from Venezuela's security forces at secret camps inside Colombia.

Alcalá admitted that US\$ 500,000 worth of weapons seized recently by the Colombian authorities were purchased for an attack on the Maduro government with funds given to him by Guaidó, with whom he allegedly signed a contract. Alcalá has claimed that the intended operation, a series of selective assassinations including that of President Maduro, was planned by US advisors with whom he supposedly met at least seven times.

Goudreau has also implicated Juan Guaidó in the latest enterprise, providing an 8-page contract allegedly signed by Guaidó and two political advisers in Miami in October for \$213 million of unspecified "general services" to be provided by Goudreau's company, Silvercorp USA.

This recent attack comes a year after Guaidó's military putsch against President Maduro failed to topple the elected government.

A day later, another attempt by mercenaries to infiltrate Venezuela from the Colombia border was foiled by the defence forces who arrested eight armed terrorists inside the town of Chuao in Aragua state.

This latest bout of attacks took place a month after the Trump administration dispatched US Navy warships to the Caribbean Sea to increase its military strength in the area and put more pressure on Venezuela.

Trump has threatened to intensify the US's illegal sanctions still further if President Maduro fails to accept a so-called 'democratic transition plan' under which Maduro and his cabinet would resign and be replaced by a caretaker administration headed by a five-person "council of state" composed of opposition and ruling party members.

Taken together, at a time when Venezuela is understandably focused on dealing with the Covid-19 pandemic, these various manoeuvres indicate that the US and some of its client right-wing supporters in Venezuela such as Guaidó see this period as a window of opportunity to push even harder for 'regime change'.

Internal political developments

The right-wing opposition in Venezuela has continued to fragment since President Maduro reached an agreement in September 2019 on key points with four opposition political parties as part of the newly established National Roundtable Dialogue, which was subsequently joined by Javier Bertucci, an opposition evangelical leader who won over 1 million votes in the 2018 presidential elections.

The roundtable brings together the ruling United Socialist Party (PSUV), a number of minority opposition parties, as well as civil leaders including the Catholic Church. Larger opposition parties such as Democratic Action, Popular Will, and First Justice have refused to take part, despite reportedly having been invited.

In January 2020 Juan Guaidó was defeated in his bid to secure re-election as president of the country's National Assembly (AN). Opposition deputy Luis Parra was named president of the Assembly with 81 votes out of 150, vowing to pursue the "path of reconciliation".

Guaidó's efforts to establish a parallel Assembly at the El Nacional newspaper offices were condemned by Bertucci, who also indicated that the roundtable would urge the new AN leadership to approve a swift overhaul of the National Electoral Council (CNE), paving the way for parliamentary elections in 2020.

Since then, Guaidó has seen his popularity steadily decline amid a series of scandals, including association with Colombian paramilitaries and evidence of corruption amongst his team. Internal challenges to his leadership have increased following the failed coup attempt in early May.

Opposition leaders are said to have lobbied the US State Department to revise its Venezuela policy by dropping Guaidó as the leader of the anti-government bloc.

Some members of the opposition are said to favour a return to talks with the Maduro government, including the holding of parliamentary elections scheduled for this year. Guaidó himself has declared elections should not be held while Maduro is still President and has opposed negotiations with his administration.

In a further sign of reconciliation, the Venezuelan government has signed an agreement with the opposition-controlled National Assembly to coordinate efforts against the Covid-19 pandemic.

The agreement commits the government and the opposition to work together in the areas of detection of new cases, timely treatment, supervision of quarantine, protection of health personnel, public communication regarding risks, among others.

Guaidó has recently been under increasing pressure to use frozen Venezuelan state funds to fight the Covid-19 pandemic. In April, he announced that he would use US-based funds to pay 60,000 healthcare workers \$100 monthly bonuses, but provoked a storm after it was revealed that \$13.6 million would be earmarked for parliamentary expenses, including \$5000 salaries for anti-government legislators.

UK government complicity in the US's drive for 'regime change'

Revelations of a "Venezuela Reconstruction Unit" in the Foreign and Commonwealth Office show that once again the UK government is coat-tailing US foreign policy.

The unit's stated aims are to "*coordinate a UK approach to international efforts to respond to the dire economic and humanitarian situation in Venezuela*". Foreign Secretary Dominic Raab's welcome of Juan Guaidó in January 2020, along with representatives of the unit, suggests that whatever 'reconstruction' is in mind, it is not going to involve the elected government.

The UK Government recognised self-declared 'interim president' Juan Guaidó last year following the Trump administration's lead. It has continued dealings with him despite his reputation being increasingly tainted by his association with drug traffickers, his team's embezzlement of humanitarian funds, his rejection by many of his Venezuelan opposition colleagues and his involvement in a further failed coup attempt against the elected government.

Guaidó's representative in Britain, Vanessa Neumann, cultivated contacts in the UK throughout 2019, encouraging support for US sanctions against Venezuela and promising that a meeting with Guaidó would "sustain British businesses in Venezuela's reconstruction".

In September 2019 the UK govt pledged £30M to organisations inside Venezuela for "humanitarian aid", while the US increased its funding by awarding an extra \$52M, part of which was intended to directly support Guaidó's campaign. The US is well-known for using organisations like the National Endowment for Democracy for channelling funds to local NGOs operating in foreign countries to undermine or destabilise governments of which it disapproves. The UK government has not disclosed details of which organisations in Venezuela received the aid.

Another example of the UK's adherence to the US's 'regime change' agenda is that of the Venezuelan gold reserves currently deposited with the Bank of England. As US sanctions have intensified and world oil prices have dropped, these reserves are now needed in Venezuela. In a striking demonstration of non-independence from government, the Bank of England have been refusing to repatriate the gold because they say the legitimacy of the Venezuelan government is disputed.

In an attempt to break the deadlock, the Venezuela Central Bank has arranged for funds released from the sale of the gold to be deposited directly with the United Nations Development Programme Fund for the purchase of food and medicine needed to tackle the pandemic. However, the Bank of England still refuses to abide by its contract with the Central Bank and the outcome is being decided in court.

The evidence that the FCO has been working behind the scenes with the Venezuelan opposition, and that the Bank of England is prepared to sacrifice its independence to keep the Trump and Johnson administrations happy, makes it clear that the "special relationship" is very much alive.

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