

We negate. []

Commented [1]: Resolved: The United States should end its economic sanctions against Venezuela.

Our sole contention is *Paving the Way for Democracy*.

Venezuelan President Nicholas Maduro is failing. [Toro '16 of the Atlantic](#) writes that Maduro has caused Venezuela's economic crisis with foolish investments, institutional corruption and authoritarianism. In fact, [Rapoza '19 of Forbes](#) finds that Maduro led Venezuela into an economic depression three years before sanctions. For example, [Swift '18 of IPI Global](#) writes that Maduro's failure to diversify Venezuela's economy away from oil has been the underlying cause of the crisis, as the increased availability of alternative energy pushes down the value of oil.

Fortunately, US economic sanctions solve the dire Venezuelan crisis.

[Rendon '19 of the CSIS](#) explains that targeted sanctions have cut off oil and mining revenue, and prevented elites from accessing their finances, causing Maduro to lose control of the country. Indeed, [The Economist in 2019](#) writes that the deterioration of Venezuela's oil industry will precipitate a change in government, especially since [Russia and China are facing a credit crunch at home](#).

Commented [2]: Explain what Russia and China have to do with this

[The Latin America Risk Report in 2019](#) finds that by **cutting** off resources for the population and cutting off funds to his inner circle, sanctions are causing larger protests and internal regime fracturing that doom Maduro. Specifically, [Besaw '19 of The Conversation](#) finds that the likelihood of a coup is rising as Maduro's strategy of payments for loyalty is unsustainable.

[Stratfor '19](#) explains that as sanctions continue the probability of a political transition grows, as protests and sanctions' pressure on their own families convince the military to abandon Maduro. Moreover, military officials won't repress growing protests because of fear that such repression will cause US intervention. [Luhnow '19 of the Wall Street Journal](#) confirms that Maduro's base is turning on him in the face of severe economic distress. [Lake '19 of Bloomberg](#) finalizes that the opposition's leader, Juan Guaido, is appealing to the conscience of the military and Maduro's base, a strategy that has already won military defections and has a precedent of success in Serbia and Egypt.

Despite the failed coup in April, [Arreaza '19 of America Quarterly](#) explains that Maduro's allies are slowly rebelling against him, and [as Maduro is now unable to rely on his security apparatus](#), his downfall is confirmed. Arreaza **continues** that political transitions are not linear; while the coup in April may have failed, portions of Maduro's regime are slowly betraying him and opening up to negotiations. Soon another coup will succeed.

Commented [3]: Preempt civilian militias stuff

[The Latin America Risk Report](#) continues that Maduro's recent interference in the election against opposition leader Juan Guaido backfired, unifying the opposition by confirming Guaido's legitimacy and strength as his leading opponent. [Cividanes '19 of the University of Ottawa](#) writes that while high-level defections have not stopped Maduro's regime so far, the government cannot withstand the rising trend,

and will eventually crack. In fact, Palmer '19 of CBS News explains that the majority of lower and mid-level troops are ready to turn against Maduro: all that's needed is one more high-ranking general to lead the way.

Because of sanctions' pressure, The AA Institute just one week ago explains that Maduro is now welcoming negotiations and open to dialogue with the Trump administration. Hamburger '19 of the Washington Post writes that in the face of sanctions, Maduro has agreed to **concessions**, including his departure from power and free and fair elections in Venezuela in exchange for leniency from the United States.

Furthermore, Vyas '19 of the Wall Street Journal finds that Maduro has begun implementing democratic, market-based reforms in order to survive sanctions. In fact, ICS '19 finds that Maduro is diversifying exports and investments away from oil to build new industries that generate revenue. ()

Unfortunately, without sanctions and with Maduro at the helm, Venezuela stands no chance for reform.

Camilleri '19 of Foreign Affairs explains that the long-term consequences of Maduro's regime spill over regionally, sending out millions more desperate refugees that fall victim to transnational crime networks, cause disease outbreaks, and defect to violent guerilla organizations, destabilizing South America as a whole. Without Maduro, Venezuela can finally recover. Padden '19 of Voice of America explains that Guaido's reforms would dramatically reduce poverty and solve shortages. Strauss '18 of the Brookings Institution concludes that with Guaido, Venezuela will recover with double-digit growth rates which will spill over and provide a significant economic boost to the rest of Latin America.

Thus, we negate.

Commented [4]: <https://www.telesurenglish.net/news/China-Works-with-Venezuela-to-Diversify-Economy-20170610-0005.html>

Why sanctions independently good:

Rendon 19 of CSIS: Sanctions cut off funding to Maduro regime; giving funds back → corruption

Commented [5]: <https://www.csis.org/analysis/are-sanctions-working-venezuela>

Concessions sanctions have gotten in Venezuela:

Hamburger '19 of the WP: In the face of sanctions, Maduro has agreed to certain concessions, including his departure from power and a commitment to allow free and fair elections in exchange for leniency from the United States. []

Commented [6]: https://www.washingtonpost.com/politics/trumps-lawyer-and-the-venezuelan-president-how-giuliani-got-involved-in-back-channel-talks-with-maduro/2019/12/29/289dc6aa-235f-11ea-86f3-3b5019d451db_story.html

Faiola 19 of the WP: If Maduro were to be able to run for reelection in a free and fair election, his approval ratings are so low that he has next to no chance of winning a free and fair race.

Commented [7]: https://www.washingtonpost.com/world/the_americas/as-venezuelan-talks-resume-the-opposition-debates-concessions-over-maduros-exit/2019/07/09/1e0f2d0a-a1c3-11e9-a767-d7ab84aef3e9_story.html

Kurmanaev 19 of the NY Times: The new sanctions may now give Venezuelan opposition leaders leverage to seek further concessions from Maduro's government by asking the Trump administration to back off.

Commented [8]: "The preferred scenario for the majority of Venezuelans is to end this crisis through a free and fair election," said one senior opposition leader. "It is secondary whether Maduro stays in power for a temporary period."

Evidence

Commented [9]: <https://www.nytimes.com/2019/08/06/world/americas/venezuela-sanctions-bolton-maduro.html>

Uniqueness

Maduro is the cause of Venezuela's decline, not sanctions

Kenneth Rapoza (). xx-xx-xxxx. "No, U.S. Sanctions Are Not Killing Venezuela. Maduro Is." Forbes. <https://www.forbes.com/sites/kenrapoza/2019/05/03/no-u-s-sanctions-are-not-killing-venezuela-maduro-is/>. Accessed 1-3-2020. //TP

Maduro's incompetence, of which the Socialists United rallies around, is killing Venezuela. Not Trump. Not

Elliot Abrams. Not Secretary of State Mike Pompeo. This is not a pre-emptive strike, searching for terrorists under beds and weapons of mass destruction in the Middle East. **The economy began its deep decline years ago, in the Obama years. It has been in an economic depression for three years.** Obama first sanctioned members of the Maduro Administration in 2015. Trump later sanctioned Maduro's Vice President Tarek El Aissami for drug trafficking in February 2017. Later that year, U.S. companies were banned from providing financial assistance (as in loans) to one company only, oil firm PdVSA. Talk of the U.S. banning food and medicine shipments to Venezuela is not entirely true. So long as those shipments are not going to sanctioned individuals, it's not breaking sanctions law. **In 2018, the U.S. sanctioned trading in PdVSA bonds in the secondary market. All of those bonds but one were already in default long before those sanctions were announced.** Then in 2019, the U.S. asked PdVSA crude oil importers like Chevron to wind down its purchases, demanding PdVSA keep its cash receipts from U.S. sales in its U.S. bank account and not repatriate it to Venezuela. And last week, total bans on PdVSA crude oil shipments to the U.S. began. Venezuela's economy was in dire straits way before this. Worth pondering, if the U.S. sanctions, of which the most serious were only enacted this year, were driving Venezuela to the poor house, why are even worse economic sanctions against Russia not hurting that country just as bad?

Foolish investments, institutional destruction, terrible policy, and corruption are the cause of Venezuela's economic crisis

Moisés Naím, Francisco Toro (). 5-12-2016. "Venezuela Is Falling Apart." Atlantic.
<https://www.theatlantic.com/international/archive/2016/05/venezuela-is-falling-apart/481755/>.
Accessed 1-5-2020. //TP

The real culprit is chavismo, the ruling philosophy named for Chavez and carried forward by Maduro, and its truly breathtaking propensity for mismanagement (the government plowed state money arbitrarily into foolish investments); institutional destruction (as Chavez and then Maduro became more authoritarian and crippled the country's democratic institutions); nonsense policy-making (like price and currency controls); and plain thievery (as corruption has proliferated among unaccountable officials and their friends and families).

A case in point is the price controls, which have expanded to apply to more and more goods: food and vital medicines, yes, but also car batteries, essential medical services, deodorant, diapers, and, of course, toilet paper. The ostensible goal was to check inflation and keep goods affordable for the poor, but anyone with a basic grasp of economics could have foreseen the consequences: When prices are set below production costs, sellers can't afford to keep the shelves stocked. Official prices are low, but it's a mirage: The products have disappeared. When a state is in the process of collapse, dimensions of decay feed back on each other in an intractable cycle. Populist giveaways, for example, have fed the country's ruinous flirtation with hyperinflation; the International Monetary Fund now projects that prices will rise by 720 percent this year and 2,200 percent in 2017. The government virtually gives away gasoline for free, even after having raised the price earlier this year. As a result of this and similar policies, the state is chronically short of funds, forced to print ever more money to finance its spending. Consumers, flush with cash and chasing a dwindling supply of goods, are caught in an inflationary spiral. There are many theories about the deeper forces that have destroyed Venezuela's economy, torn apart its society and devastated its institutions, but their result is ultimately a human tragedy representing one of the most severe humanitarian crises facing the Western hemisphere. Here we offer, through a few vignettes, a glimpse of what it's like for some of the individuals who are living the collapse and seeing no one held accountable.

Saine '19| Maduro unlikely to step down himself AND sanctions making it difficult for his regime

Saine, Cindy, August 29, 2019, VoA News, "US: Venezuela's Maduro Relinquishing Power Not About Punishment"
<https://www.voanews.com/usa/us-venezuelas-maduro-relinquishing-power-not-about-punishment> // EK

The U.S. Special Representative to Venezuela Elliot Abrams told reporters at the State Department that America is "ready for change in Venezuela," and that embattled President Nicolas Maduro leaving power is a critical part of the country being able to move forward toward free elections and a transition to democracy. But Abrams stressed "this isn't about punishment, this isn't about vengeance and we have tried to make that clear." **Abrams said he has not yet seen any signs of a willingness by Maduro to negotiate a compromise where he voluntarily leaves power.** Maduro's re-election in 2018 is considered to be illegitimate by many nations in the Western Hemisphere. The United States and more than 50 other countries recognize opposition leader Juan Guaido as the interim president of Venezuela. Abrams said the negotiations hosted by Norway between Maduro's representatives and representatives of Guaido are on hiatus, with Guaido's team seeking to ascertain if Maduro is negotiating in good faith, or simply trying to buy time. Maduro has confirmed that members of his government have also been holding talks with U.S. officials, saying there are contacts through various channels — with his direct permission. Abrams pointed to the opening of the Venezuela Affairs Unit (VAU), under the leadership of Charge d'Affaires James Story at the U.S. Embassy in Bogota, Colombia, saying the U.S. wants to be ready for — in his words — "the day this regime falls." **Abrams told reporters Thursday that U.S. sanctions on top-ranking members of Maduro's government continue to have their desired effect, and that he believes they are finding it more difficult to sell their oil at market prices and to engage in financial transactions.** "The U.S. is hopeful the European Union will impose more sanctions on the regime in the

coming months," he added. **Abrams said U.S. sanctions target Maduro's government and not the Venezuelan people, and include exceptions for the flow of food, medicine and other humanitarian goods.** "But **the Maduro regime is spending its money** in other ways — not on food or medicine **but on repaying debts to Russia and China, buying Russian arms, and other ways that do not benefit the Venezuelan people.** including massive corruption," he said. The Trump administration imposed sanctions on Venezuela's oil industry in January in an attempt to bring down Maduro.

Lifting sanctions is not the answer; revenue funds Maduro's hold on power

Moises Rendon (). 9-3-2019. "Are Sanctions Working in Venezuela?." No Publication.

<https://www.csis.org/analysis/are-sanctions-working-venezuela>. Accessed 1-7-2020. //TP

Sanctions are undoubtedly cutting off financing to the Maduro regime, limiting the government's ability to import food and medicine amid economic freefall. However, **reversing sanctions against Maduro and giving the regime access to revenues will not fix the humanitarian crisis** for three main reasons: Although government revenues have been used in the past to bankroll social programs, Maduro's regime has neglected to provide food and medicine to the Venezuelan people. Instead, **they have directly profited from these revenues, funding illicit projects and buying the loyalty of military officials. Sanctions are designed to choke off these earnings, weakening Maduro's grasp on power and therefore accelerating the restoration of democracy.** According to the Venezuelan constitution, Maduro has not been the legitimate president of the country since January 10th, 2019. Over 50 countries have denounced his regime and recognized Juan Guaidó as interim president until free and fair elections can be held. Granting financial access to Maduro only serves to undermine calls for free and fair elections. Instead, the legitimate government of Venezuela should be given authority over the nation's resources and institutions. Alternative approaches to the humanitarian crisis can more effectively relieve the suffering of Venezuelans without empowering Maduro with the state's assets and resources

Warranting

Sanctions are causing Maduro to lose his grip on power

Moises Rendon (). 9-3-2019. "Are Sanctions Working in Venezuela?." CSIS.

<https://www.csis.org/analysis/are-sanctions-working-venezuela>. Accessed 12-25-2019. //TP

There is significant evidence of the impact of sanctions on Maduro's power. Not only have **targeted economic sanctions limited his ability to finance his regime's antidemocratic activities and human rights abuses by reducing oil and illegal mining earnings,** but **they have also strained his inner circle. His control over state institutions and assets is slipping along with public confidence in his regime.** The United States has instituted a strategy of risk; the current administration's interminable threat to impose further sanctions leaves Maduro and his accomplices unsure as to how far it will go, forcing them to fear the worst.

Venezuela can't increase production anymore AND China and Russia won't increase participation AND the declining oil industry will lead to economic collapse, destabilizing the country AND forecasts predict slow recovery

The Economist (). September 11, 2019. "Oil sector struggles to adapt to US sanctions." The Economist.

<http://www.eiu.com/industry/article/848430268/oil-sector-struggles-to-adapt-to-us-sanctions/2019-09-11>. Accessed 12-29-2019. //TP

In an attempt to curb the decline in oil production, the president of PDVSA, Manuel Quevedo, plans to step up production of the Merer 16 blend, a mixture of heavy oil and the lighter Mesa 30 and Santa Barbara light oil produced in eastern Venezuela. Merer 16 is easier to place in some export markets, and reduces Venezuelan dependence on the availability of upgraders and diluents. However, although it is possible to ramp up production of heavy oil, it is not easy to increase output of Mesa and Santa Barbara lights. Almost all the total output of PDVSA's eastern division—about 180,000 b/d of Mesa and Santa Barbara—is used to produce 500,000 b/d of Merer, which is probably the maximum production capacity of the blend. **Any further increase is highly unlikely under current conditions, which include a dearth of resources for investment and an inability to attract foreign direct investment. Moreover, ideologically closer partners such as China and Russia are reluctant to increase their participation in Venezuela, at a time when they face difficulties in cashing out their own credits.** Amid serious financing constraints, it appears inevitable that Venezuela's oil production will continue to fall in the near term. In the absence of political change, sanctions will remain in place. These will continue to be a huge obstacle to the entry of any type of private financing to oil investment in Venezuela. **The continuing deterioration of the country's oil industry implies a continuation of the path of economic collapse, together with greater challenges ahead in terms of political and social stability. Our forecasts assume that oil production will bottom out at 650,000 b/d before the economic collapse finally precipitates a change in government.** At that point, we expect recovery to begin, but this will be a slow process and the risks to our forecasts are substantial.

Maduro is buying time; sectoral sanctions are cutting off popular support and inner circle

Latin America Risk Report (). 11-8-2019. "Venezuela Stability Update." No Publication.
<https://boz.substack.com/p/venezuela-stability-update-november>. Accessed 1-5-2020. //TP

Maduro has been able to continue to sell gold in exchange for hard cash (delivered in bulk cash shipments on Russian planes according to a recent Bloomberg report). The sales of gold has been crucial to extending his time in power. I spoke on a conference call with RANE yesterday discussing sanctions issues globally (which means, obviously, I talked about Venezuela). I'll send a link to a summary and the audio of the call in a future newsletter if/when it becomes available. One point I made near the end of the call was the fact that sanctioned countries are partnering on sanctions evasion. Maduro is working with Russia, Turkey, Iran and Cuba and the various countries learn from each other's sanctions evasion efforts. Combined with some very successful (and brutally violent) repression and counter-intelligence efforts, that

counter-sanctions effort has given Maduro additional resources and kept him in power this year. However, Hxagon's model suggests that he has extended his time in power and bought himself a few extra months, not flipped the script and consolidated control.

In February 2019, Hxagon's model showed Maduro with a 70% possibility of leaving power before the end of 2019. That model remained steady for several months even after Guaido's failed effort on 30 April.

While there were a number of factors involved in that analysis, the most important factor in the model was the rapid decrease in resources for the regime (something that didn't change with the events in late April). **Sectoral sanctions and declining oil sales greatly limit the**

resources to buy off the inner circle, much less feed the population. Individually targeted sanctions

also play a role in creating internal tensions. At this point in mid-November, the chances of Maduro being tossed out this year are closer to the 5-10% range. That's still incredibly high considering there are only about 50 days left in the year, but it's an unlikely event.

However, **with Maduro's resources running out, pressure against Maduro is likely to increase again in the January to May timeframe of next year. The likelihood of Maduro losing power in the next 14 months is going up,** not down. **Maduro is burning through resources to cling to power** rather than consolidating control. **As those resources run thin, his hold on power will face a number of challenges from inside and outside**

the regime. Bigger protests are likely in early 2020, some coordinated by the Guaido-led government and others

spontaneous and without well known leaders. **Those spontaneous protests represent a significant threat to repression efforts as they will be harder to stop by taking down leadership. The perceived stability among Maduro's inner circle may better be described as a rigid fragility. Diosdado, Padrino Lopez and others don't support Maduro because they think he deserves to be president; it's simply a problem that nobody wants to be the first to jump ship and face the consequences. The money is running out.**

Russia has helped Maduro obtain resources he has needed to survive 2019, but also worked to empty

Venezuela's gold vaults and make profits off Venezuelan oil in the meantime. When Maduro finally runs out of gold and cash, nobody is coming in to bail him out. Whether the transition occurs via a palace overthrow, a military coup, a negotiated transition or a popular protest, that final point bodes poorly for Venezuela and whoever the next leader is. When Maduro is finally pushed from power, there are almost no resources remaining to rebuild Venezuela.

Coup risk is rising AND Maduro's financing for loyalty is unsustainable

Clayton Besaw (). 1-31-2019. "Odds of military coup in Venezuela rise every day Maduro stays in office." Conversation. <https://theconversation.com/odds-of-military-coup-in-venezuela-rise-every-day-maduro-stays-in-office-110865>. Accessed 1-6-2020. //TP

However, **Venezuela's risk of coup increases the longer Maduro stays in power**, as CoupCast's trove of historic data shows. Maduro's biggest vulnerability is the prospect of further economic decline. Venezuela's oil-fueled government is going bankrupt due to declining petroleum production, US and EU sanctions and seized assets. **Eventually, Maduro's strategy of paying the military brass for its loyalty will be unsustainable.** Maduro's position becomes especially precarious over time if he continues to stand for election. Authoritarians who hold elections are at higher risk of being deposed — especially if they lose and stick around anyway. Venezuela's coup risk increases the longer Maduro continues to "win" elections as well. However, even the most powerful forecasting models cannot account for everything. Venezuela's deep economic crisis, for example, is somewhat misleading. Citizens are hurting badly, but the Maduro government still has enough funds to offer military leaders governmental appointments and economic kickbacks. That make a serious plot against him less likely. Russia, China, and Turkey have also expressed support for the regime — potentially even military backing — likely depressing coup risk further.

The opposition is gaining support among previously politically inactive citizens, creating more protests across the country AND Maduro cannot shield military officials from the economic harm of sanctions AND the armed forces are hit by sanctions creating unrest

Resurgent (). 2-13-2019. "Maduro's End Would Be Just the Beginning of Venezuela's Road to Recovery." Stratfor. <https://worldview.stratfor.com/article/maduros-end-would-be-just-beginning-venezuelas-road-recovery>. Accessed 1-4-2020. //TP

Venezuela's political opposition is also gaining ground among the country's poorer and traditionally less politically active citizens, whom the government could previously intimidate or safely ignore. Many of these poor communities embraced the populist Chavismo movement of Maduro's predecessor, President Hugo Chavez, because of the handouts offered under its programs — but those have dried up under Maduro. These more vulnerable populations have already suffered heavily under the country's economic decline in recent years. And with U.S. sanctions now threatening to eat into oil revenue, it will be these sectors of society that again will be hit hardest, and first. **As the economic crisis deepens, the opposition will offer an increasingly appealing alternative for economic recovery, increasing the likelihood of more frequent, often violent protests in support of a political transition. Snowballing demonstrations across the country also make it easier for dissatisfied military commanders, officers and enlisted personnel to lend their support, raising the risk for a forced removal of Maduro's administration. While military officials have previously received favorable treatment compared to the rest of the population, Maduro will not be able to shield them from the blow of U.S. sanctions this time. This means it's unlikely that armed forces — whose families often suffer from the same shortages of food and medicine as the rest of the country — will uniformly follow government orders to repress the population.**

Maduro is fighting a losing battle; as the economic crisis gets worse protests will AND the military doesn't want mass casualties because of US intervention AND Maduro can't call on armed forces to stomp out rebellions

Resurgent (). 2-13-2019. "Maduro's End Would Be Just the Beginning of Venezuela's Road to Recovery." Stratfor. <https://worldview.stratfor.com/article/maduros-end-would-be-just-beginning-venezuelas-road-recovery>. Accessed 1-4-2020. //TP

But any opposition-led challenge to the government must succeed as soon as possible, or else risk losing momentum. If opposition leader Juan Guaido doesn't make progress in pressing his claim to the presidency within the next few months, the opposition protests risk losing attendance as poverty-stricken, hungry Venezuelans return home to tend to their basic needs. Aware of this, Maduro will take steps to blunt the opposition's advance to power. Though prolonging his stay in power will not free him from the overall political and economic instability plaguing the country, it will buy him time to craft a plan to escape without falling into the hands of hostile political forces. To accomplish this, Maduro will enlist the Bolivarian National Police (a key Venezuelan national police force) to further squash protests, and will also continue relying on Cuban

intelligence to monitor and arrest dissident military officials. However, he will be fighting a losing battle. The longer Venezuela's government remains under sanctions, the more likely a chaotic transition of power will become: **A deepening economic crisis with no hope of recovery (if Maduro stays in power) will cause opposition protests to grow and spread across cities — pressuring the armed forces still loyal to the government to respond with greater force.** However, **such a scenario would likely raise concerns among Venezuelan military and police commanders because of the United States' warning that mass casualties among protesters could spark military intervention.**

The timing of any power transition in Venezuela, however, will depend on closed-door negotiations between the opposition and key armed forces commanders. For a transition to come quickly and relatively painlessly, it will need to gain the support of most regional and national military commanders in the country. Otherwise, the change in power could escalate into a conflict between dissident military units and those that remain loyal to the Maduro government. **It's unlikely that Maduro will be able to call on his armed forces to quickly stomp out a rebellion. He's already shied away from deploying Venezuela's National Guard to conduct heavy repression of protests, suggesting he has doubts about military loyalty when ordered to disperse protesters.** That being said, the military's national leadership and regional commanders have pledged loyalty to Maduro, and will not switch sides without ensuring their safety in a post-Maduro world. Therefore, persuading more commanders to join the opposition will require an expansive amnesty agreement backed by the United States, which is where many fear being extradited. Otherwise, commanders will continue to resist — giving Maduro more time in office, as well as more time for the economic crisis to deepen. Citizens will face more severe food shortages, and even soldiers may start to go unpaid. **A hungrier and poorer population makes for angrier protesters, increasing the likelihood of a violent, military-backed challenge to Maduro's rule.** And while time is not on the government's side, nor is it on the opposition's side. The longer Maduro stays in power, the more likely it is that their offensive to remove him will collapse. And should that happen, the government's political opponents would then have to regroup and reconsider their path to power.

Political transitions are not linear; the slowdown is not indicative of the future AND three reasons Maduro is losing: 1) responses to the revolts are slowing because of no internal consensus 2) Maduro's officials are rebelling and he can't reconfigure the administration 3) Maduro can't rely on his security apparatus anymore

Alejandro Arreaza (). 5-21-2019. "Venezuela's Transition Is Stalled, Not Derailed." No Publication. <https://www.americasquarterly.org/content/venezuelas-transition-stalled-not-derailed>. Accessed 1-5-2020. //TP

After last month's attempted uprising against his government, **Nicolás Maduro's continued hold on power in Venezuela has been read by many as a signal of strength. But there are more reasons to believe that the latest episode in the country's crisis is just one of many zigzags common to political transitions,** rather than a victory for the regime. That's because **the latest events in Venezuela reaffirm that Maduro faces increasing friction within his governing coalition. As more of the ruling elite start to recognize Maduro's**

unviability, evidence suggests that at least a portion of the regime has opened up to negotiate an exit. The first reason to question Maduro's grip on power is the government's response to the April 30 uprising itself. This was the sixth revolt within the armed forces in recent months, and the government's response to the events was even slower than in previous episodes. **The failure to produce an immediate institutional response reflects the lack of internal consensus— the government denounced the events as a coup attempt, yet despite threats of arrest, the main leader of the rebellion remains free.** The regime has initiated a crackdown on opposition figures. However, it has avoided moving directly against National Assembly President Juan Guaidó, who is considered by more than 50 countries as the legitimate authority of the country, suggesting that a move in this direction could be a potential catalyst for a stronger international response. **Second, Maduro seems to have entered a vicious cycle of mistrust. News reports suggest the rebellion may have involved multiple senior members of the regime. Although he is now trying to introduce changes in the government, Maduro can no longer trust his inner circle. His ability to reconfigure the administration will be seriously compromised and likely result in further isolation. With collapsing revenues and no credibility to implement reforms, Maduro has little to offer to strengthen the support of the regimes' various factions. Third, the leading role in the uprising taken by members of the National Guard and the national intelligence services (SEBIN), which are supposed to be the most loyal to Maduro, reveals the fragility of his position. This could indicate how the increase in the cost of sustaining the status quo might be affecting loyalties.** These sectors of the security apparatus have been in charge of controlling protests and managing political prisoners and are therefore paying the highest personal costs for participating in the regime's repression. The army, meanwhile, has received the benefits of holding key positions in the government while not having to get deeply involved in the regime's street campaign against the opposition. **If Maduro can no longer rely on the support of the National Guard and SEBIN in future conflicts, the army may be asked to take part in the crackdown to a degree that risks it being taken out of its comfort zone.** That points to another reason why the regime may have lost more on April 30 than did the opposition. Despite setbacks, the opposition has preserved its greatest asset: the capacity to mobilize the public. Re-engaging with factions of the regime to look for new possibilities of transition could become more difficult after the failure of this uprising, and sectors that might have been excluded from the original deal will probably need to be incorporated and offered guarantees. Fatigue and frustration among the opposition base are also risks. But **so far, the opposition has been able to sustain a high level of protests not only through the more than three months of the current episode, but over multiple years in which Venezuelans have sustained their quest for a re-democratization of the country. This allows the opposition leadership to continue to count on strong international support while sustaining internal pressure on the regime.** Rather than whether there will be a transition in Venezuela, the question may now be what type of transition it will be. Authoritarian regimes do not tend to transfer power voluntarily; they do so only when a significant portion of the regime perceives it as the only way to avoid an undesirable consequence. In the case of Venezuela, international isolation, economic collapse and the resulting humanitarian crisis have so far not been enough to change the balance. **However, considering the armed forces' historical tendency to avoid conflict, an increased risk of fracture within the military and existing threats to the nation's territorial integrity could begin to play a larger role in tilting segments of the regime to support a transition. Events so far have been moving in the direction of an implosion scenario, in which the opposition could take power, potentially forming a government with defecting groups from the regime.** However, the groups from the regime that could be open to a transition might be looking to lead, rather than just share power in the transition process, which may help explain the position that some of them took on April 30. Nonetheless, even if the latter were the transition path, it could be just a temporary stage to create space for a negotiation that would still likely end up in an election sooner rather than later. More twists and turns are surely ahead. Political transitions are uncertain by definition; they do not evolve in a straight line, but have advances and retreats. Although there is a non-negligible risk of a consolidation of the authoritarian regime, **structural conditions in Venezuela support the possibility of a political transition and an opportunity not only to re-institutionalize the country, but also to implement reforms that could lead to the largest expansionary cycle across emerging markets over the next five years.**

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Eli Lake (). 2-26-2019. "In Venezuela, Time Is Not on Maduro's Side." Bloomberg.
<https://www.bloomberg.com/opinion/articles/2019-02-26/in-venezuela-guaido-has-time-and-maduro-doesn-t>. Accessed 1-5-2020. //TP

But this analysis crumbles under even the mildest scrutiny. Venezuela in 2019 is nothing like Chile in 1973. Allende won a real election in 1970. Maduro prevailed in a fake one last year. **Maduro's opposition is not a junta of military generals storming the presidential palace. It is the National Assembly, the country's only institution with any democratic legitimacy.** In short: In Chile in 1973, coup plotters sought to nullify an election; in Venezuela today, opposition leaders are seeking a new one. Most important, at least from the perspective of the U.S., there is no comprehensive military intervention in the offing. **It's true that President Donald Trump has asked his advisers about the feasibility of an intervention. It's also true that senior administration officials like to say "all options" remain on the table; if Maduro sends his thugs to attack the U.S. embassy, for example, there will be a military response. But this is more about messaging than military action. When a president wants to start a war, he doesn't position the U.S. Agency for International Development at the border. He sends in the Marines.** What's more, Venezuela's interim president, Juan Guaido, is not asking America to invade Venezuela. So far, U.S. policy has been to persuade its allies to recognize his presidency; to sanction Maduro, his regime and the national oil company; and to urge the military to defect. It's regime change through private and public diplomacy. This is the approach emphasized Monday at a meeting of Latin American countries formed to address the crisis caused by Maduro's misrule. The so-called Lima Group made it clear that it was not endorsing an invasion or military force for now. Instead it announced plans to take Maduro himself to the International Criminal Court. Skeptics may ask how Guaido will force Maduro to leave without guns or a foreign army. **But Guaido's method of appealing to the conscience of the military and organizing the population has worked before — in Serbia in 2000 and in Egypt in 2010. In both countries, the military stood down in the face of popular defiance. So far Guaido has had modest success with the military. There has been a steady trickle of defections,** according to the opposition and news reports. Over the weekend, a journalist tweeted a photo of a boarding pass to China through Russia for the children of one of Maduro's top allies, Diosdado Cabello. The crucial fact to remember here is that **time is not on Maduro's side. As their access to international capital and bank accounts is constricted, Maduro and his henchmen will find it harder to stay in power. Eventually his most important international backers, Russia and China, will want their debts repaid.** Maduro has no chance of doing that with international sanctions on the oil industry. Add to this that many of the Venezuelan military's top officers have children studying in the U.S. and other countries that are now recognizing Guaido as interim president. And though Guaido has not yet gotten many high-level defections, neither has the military taken decisive action to keep Maduro in power. This is not to say that Guaido himself does not also face challenges. He has to keep a fractious opposition together and ward off rivals who see him as too young to lead Venezuela's transition back to democracy. That said, **Maduro's position now is more perilous.** All of which relates back to Rubio's tweets. The senator was not threatening intervention or a coup. His message is better understood as a warning about what can happen when a tyrant stays too long. **Ceausescu and Qaddafi didn't learn this lesson until it was too late. Maduro and his family are running out of time.**

Maduro has welcomed negotiations – January 2

No Author (). 2-1-2020. "Maduro says Venezuela ready for talks with US." No Publication.
<https://www.aa.com.tr/en/americas/maduro-says-venezuela-ready-for-talks-with-us/1690317>.
Accessed 1-5-2020. //TP

Venezuela's President Nicolas Maduro said he is ready to set up talks with the U.S. after a year of

tension. "I am a man of dialogue! With [U.S. President] Donald Trump or with whom the U.S. governs: whenever, wherever and however they want, we are ready for a dialogue with the highest respect and dignity to establish new basis of relations that contribute to the stability of the region," Maduro tweeted late Wednesday, **showing his will to open a new page in 2020 with the Trump administration.** Tension escalated between two countries after the U.S. threw support behind opposition leader Juan Guaido at a time when he engaged in a power battle with Maduro at the beginning of 2019. Washington has been focusing on economic and diplomatic strain

against Maduro, including imposing sanctions against him, his top officials and several governmental departments as it seeks to increase pressure on Caracas.

By blocking Guaido, Maduro has restored unity to the opposition

Latin America Risk Report (). xx-xx-xxxx. "Latin America Risk Report." Latin America Risk Report. <https://boz.substack.com/>. 1-6-2020. //TP

If Maduro had hoped to improve his own image of legitimacy by blocking Guaido and rigging a vote to get a more pliable National Assembly leader, **the move almost certainly backfired. Venezuelans and the world saw Maduro spend time and resources in an almost comic attempt to block the National Assembly from voting. They saw Guaido manage to pull together 100 votes in spite of the actions. In recent months, Guaido's coalition was fracturing and his leadership was in question. Maduro's actions appear to have restored the unity behind Guaido and confirmed his role as Maduro's leading opponent.** Though he was blocked from the National Assembly building, Guaido still has freedom of movement, able to travel around much of the country and meet with citizens. Though Maduro has control of most of the security forces and uses repression with impunity, the de facto leader is unable or unwilling to arrest or kill Guaido. In contrast to Guaido's freedom of movement, Maduro remains relatively confined to secure locations with heavy security presence as he fears going out in his own country.

Maduro is losing his base

David Luhnow (). 3-19-2019. "Maduro Loses Grip on Venezuela's Poor, a Vital Source of His Power." WSJ. <https://www.wsj.com/articles/maduro-loses-grip-on-venezuelas-poor-a-vital-source-of-his-power-11553014207>. Accessed 1-6-2020. //TP

This nation's slums have been the backbone of the leftist government for decades, and one of few remaining bulwarks for President Nicolás Maduro. They are now turning on the embattled leader—a shift born of economic misery and police violence that could cost him the country. Support for Mr. Maduro among Venezuela's poorest fifth of the population has gone from roughly 40% in early 2016 to 18% in February, according to Datanalysis, a respected pollster in Venezuela. With the U.S. and other countries supporting opposition leader Juan Guaidó's claim to the presidency, **Mr.**

Maduro's loss of support among even impoverished Venezuelans strips him of a crucial base, leaving him to rely on the loyalty of his armed forces and paramilitary groups. The country's ramshackle slums, known as barrios, hug the hillsides of every large city in Venezuela and make up roughly half the national population. Since January, activists have railed against Mr. Maduro in town-hall meetings that have sprung up in many barrios. Protests erupted this month after a dayslong nationwide blackout that left residents without lights or water, spoiling what little food people had in their refrigerators. "Something new is happening in the barrios," said Father Alfredo Infante, a Jesuit priest in La Vega. "They feel connected to Guaidó in a way they haven't with other opposition leaders. He comes from a poor background, and looks like he belongs in the barrio." Across barrios, fading murals celebrating former leader Hugo Chávez compete with fresh graffiti demanding "Fuera Maduro," or Maduro Out. Many blame government brutality for the shift, a violent crackdown that pits the government against the very people who put it in power. Security forces killed 50 people so far this year, mostly in the barrios, according to Foro Penal, a Caracas group that tracks government abuse. Some 653 other people have been arrested this year at protests or for speaking against the government. "We've never seen so much repression as this year," said Gonzalo Himiob, a director at Foro Penal. The homes of some opposition leaders have been marked with spray paint by barrio gangs, he said. Mr. Himiob and others blame the country's special forces police, known as FAES, a unit known for extrajudicial executions of suspected criminals and, increasingly, political activists. Members of these armed forces wear ski masks and are believed responsible for most of the estimated 3,717 extrajudicial killings in the past two years, mostly of suspected criminals in barrios, according to Families of Victims Committee, or Cofavic, a local human-rights group.

Maduro has precarious control over armed forces AND defections will cause his downfall

Jorge Lazo Cividanes (). 3-6-2019. "How the Maduro Regime Could Fall." University of Ottawa. <https://www.caracaschronicles.com/2019/03/06/how-the-maduro-regime-could-fall/>. Accessed 1-6-2020. //TP

The 1990 transition in Chile is frequently mentioned as a possible model for Venezuela, but we seldom hear an important detail on that process: there were so many acts of violence committed by the Chilean far-left, that a tacit ally of the Pinochet's dictatorship decided to promote democratization in order to avoid the country's descent into revolution. So this key ally, the U.S. government, ended up pushing for an outcome against Pinochet's desires. Another thing is that Pinochet's was a military government, and this is not the case in Venezuela, not even with Chávez. In Latin America, governments of the Armed Forces justify themselves as processes to restore order and therefore tend to be brief, though some military rulers stay for decades. Chavismo is instead a populist hegemonic movement, like Argentinean peronismo. We don't see in Venezuela a strong influence of the armed institution, compared to the dictatorships in Chile or Argentina. We didn't see it with Chávez and is even smaller with Maduro. There are many military men in the government, but for other reasons. However, **the end of the Maduro regime will occur through a fracture within the military support.** Let me explain why. All dictatorships have two main sources of power: the economic resources at its disposal, and its political resources, the ideological base that justifies the existence of the regime, that provides its legitimacy. That's how a dictatorship controls the territory and represses the opposition. Chávez identified the sources of power he needed: the private sector (which he wiped out), the military (which he controlled), and PDVSA (which he took over). **Maduro** has nothing to fear from the private sector because it barely exists, but he **has only a precarious control of FANB and is increasingly unable to finance the bureaucracy.** Maduro is only there due to the weakness of his opponents, and what's left of this control of the repressive apparatus. So far, Maduro keeps the support of his allies, a civilian sector, which I don't think is driven by ideology but by ambition; an international network built with the Soviet-made Cuban know-how on using foreign institutions like the UN; and a military elite connected to the dictator through licit and illicit businesses. I don't consider colectivos because, as Hugo Carvajal said, the Armed Forces can neutralize them if they set their mind to it. The Armed Forces give Maduro the control he may have on the repressive apparatus, this is his source of power. **If Maduro loses the support of the military, he loses his power, because power is the capacity to be obeyed.** Breaking these alliances, producing that fracture, is the only way to make dictatorships fall. I don't underestimate Maduro or the Cubans, but I find very difficult that he could recover the control he had until January. **His regime has been fracturing already.** What could happen from now on? My job is not to forecast phenomena, and several rationalities, not a single one, could decide one outcome instead of others, but **we can see a trend.** Peru's Alberto Fujimori resisted the massive protests after the rigged election of 2000, but he lost his power when he lost his trust in Vladimiro Montesinos, and therefore the alliance was broken. Paraguay's Alfredo Stroessner was suddenly betrayed by a close friend, a general who ended up as the first elected president of the democratic transition. **Surprising defections** like (former Attorney General) Luisa Ortega's **were not enough to oust Maduro, but some defection in the future** (weeks, months, who knows) **will be the decisive fracture.** History doesn't stop.

Troops are ready to flip, all they need is one general AND a steady stream of mid-ranking officers has already started

Elizabeth Palmer (). 2-6-2019. "Hunger pushing Maduro's troops to tipping point in Venezuela." No Publication. <https://www.cbsnews.com/news/venezuela-crisis-nicolas-maduros-military-national-guardsmen-troops-fed-up/>. Accessed 1-6-2020. //TP

Pictures broadcast by state TV almost daily make it look as if the armed forces are still firmly on the president's side, but **the truth is the troops -- most paid about \$6 a month -- have had enough.** "Because they are tired," the guardsman said. "We are suffering just like the people are. My family, for example, my salary isn't even enough to buy food." Asked if he can discuss the complaints back in the barracks, he said, "Yes, we talk," but only with people they trust. The higher ranking officers are not privy to such discussions. He said that's why he insisted on wearing a mask – "to protect myself. We have no freedom of expression." **The fact is soldiers can't feed their families.** Like millions of their fellow citizens, **they're scraping along in an economy ruined by corruption, neglect and mismanagement.** According to BBC News, some of the military's leadership is expected to remain loyal to Maduro because they themselves would be at risk of losing money and could face human rights violations. To try and convince the troops and their commanders to defect to the opposition, Guaidó has offered them amnesty. But the rank and file will need more than that. **In the National Guard, all we need is a high-ranking general to lead the way,** the masked guardsman tells CBS News. One Air Force general did defect in a video posted online at the end of last week, but there has been very little visible sign yet that other top commanders are ready to switch sides. **There has been, however, a steady stream of mid-ranking officers defecting for months.** They leave the country, to avoid being charged with treason. Off the record, we hear from military families that **the rank and file are ready to flip**, but they would be arrested if they breathed a word of it. Regular army soldiers have been confined to their barracks, not allowed any contact with the outside. No cell phones are permitted on bases, and no family visits are allowed. Many of the troops

may not even know what's going on; the extent of the international condemnation of Maduro, or the recent huge demonstrations. The next big test for the armed forces will come as soon as this weekend, when humanitarian aid sent by the U.S. arrives on Venezuela's border. Maduro has ordered the army not to let it in. The national guardsman told CBS News there's every chance they won't obey that order.

Maduro has agreed to concessions including his departure and free and fair elections

x, Tom. "Trump's Lawyer and the Venezuelan President: How Giuliani Got Involved in Back-Channel Talks with Maduro." *The Washington Post*, 30 Dec. 2019, www.washingtonpost.com/politics/trumps-lawyer-and-the-venezuelan-president-how-giuliani-got-involved-in-back-channel-talks-with-maduro/2019/12/29/289dc6aa-235f-11ea-86f3-3b5019d451db_story.html

Sessions told the newspaper he was working to foster "dialogue between parties that are trying to make progress." Mackowiak said Sessions used his own money to pay for the two-day trip. Two people with knowledge of the visit said he was hosted by Raúl Gorrín Bellisario, the owner of a major television network in Venezuela who was viewed with distrust by some U.S. officials and months later would be indicted in Florida on charges of money-laundering and bribery. The people said that rather than staying in a U.S. facility, Sessions stayed at Gorrín's lavish, modernist, walled compound in a fashionable part of the capital. Mackowiak said that Sessions's trip, including where Sessions stayed, was coordinated with State Department officials. **Sessions left Caracas with a list of concessions that had been agreed to by Maduro — his departure from power and a commitment to allow free and fair elections in exchange for leniency from the United States** — according to Mackowiak. But some U.S. officials said they worried that the deal Sessions was floating was intended to legitimize the upcoming election by opening up the vote to at least some opposition candidates, which could help Maduro remain in power, rather than ease him from office, according to a person familiar with the conversations. And they were concerned that the back-channel overtures sent mixed messages to the Maduro government.

Impact

The Maduro regime will create regional spillover effects, with million more refugees, transnational crime networks, disease outbreaks, and guerilla organizations, destabilizing South America

MICHAEL J. CAMILLERI (Director of the Peter D. Bell Rule of Law Program at the Inter-American Dialogue and a former Director for Andean Affairs at the National Security Council), 9-3-2019. "Plan B in Venezuela." *Foreign Affairs*. <https://www.foreignaffairs.com/articles/venezuela/2019-09-03/plan-b-venezuela>. Accessed 12-25-2019. //TP

If Maduro stays, then Venezuela will continue its descent into a shelter for criminals and an exporter of chaos. The regional spillover effects— millions more refugees, supercharged transnational crime networks, outbreaks of communicable diseases, cross-border attacks by guerrilla organizations operating from Venezuelan safe havens— could destabilize parts of South America and the Caribbean basin for a decade or more. U.S. agencies should help their regional counterparts plan for the foreseeable consequences of a long-term breakdown of Venezuelan state and society.

Reforms from Guaido would lower poverty and solve shortages

Brian Padden (). 2-20-2019. "Analysts: Venezuela's Failed Socialist Policies Could Make Market Reforms Easier." *Voice of America*. <https://www.voanews.com/americas/analysts-venezuelas-failed-socialist-policies-could-make-market-reforms-easier>. Accessed 1-7-2020. //TP

Oil-rich Venezuela's near economic collapse may make it easier for U.S.-backed opposition leaders to reverse socialist policies instituted by late President Hugo Chavez, if they are able to oust his successor, Nicolas Maduro, according to analysts. "I do think at the very beginning, **because the Venezuelan people have suffered so much there, they're going to be willing to give a lot of political capital to the new**

leadership to do all of these changes," said Dany Bahar, an Israeli and Venezuelan economist with the Brookings Institution in Washington. In the last five years, Venezuela's economy has shrunk by nearly half. Nationalization of much of the private sector, including the oil industry, has driven away foreign investment. Hyperinflation, aggravated by the increasing fiscal deficit, is now close to 180 percent, with prices of goods tripling every month. More than 3 million people have fled the country to escape increasing poverty. The government-subsidized assistance programs for the poor have been plagued by chronic food and medicine shortages, due in part to corruption and declining oil revenues that account for more than 95 percent of Venezuela's export earnings. Maduro has claimed the humanitarian crisis in his country is a "fabrication," and blamed U.S. sanctions and capitalist sabotage for the economic shortfall. The United States, as well as most of Latin America and Europe, has recognized Juan Guaido, president of Venezuela's National Assembly, as the country's interim leader, and support opposition claims that Maduro's reelection last year was illegitimate after he banned most opposition parties from running. With the "Chavista" socialist model discredited, **new Venezuelan leadership aligned with the United States would be expected to**

embrace strong market reforms that would entail an infusion of international aid and credit, privatizing state-controlled industries and cutting government subsidies. "Market mechanisms have been completely destroyed. The government centralizes everything, decides who gets what, rations all sorts of goods, food, medication, everything. So, you have to get rid of that and just allow the market to reappear, which doesn't really take very long if the situation on the ground is stable," said Monica de Bolle, a senior fellow at the Peterson Institute for International Economics in Washington. **Fighting inflation will likely be the top priority for any new government. Recommended fiscal controls would include**

introducing a new currency tied to international exchange rates, as was done by Brazil and Argentina in the past. Venezuela's bolivar has lost most of its value, as the Maduro government reacted to inflation by printing more money while its oil revenues plummeted and its deficit grew. **The moment you move from very high inflation to low inflation, the first thing that you see is a dramatic reduction in poverty rates.** This is what happened in Argentina. This is what happened in Brazil, you know, at the time when they were fighting their own inflationary problems," said de Bolle. The International Monetary Fund would likely require Venezuela to lift price controls and privatize state-owned companies, including the oil and gas company Petróleos de Venezuela, S.A. (PDVSA), in exchange for billions of dollars in aid and loans. **The reforms and influx of capital would help ease food and**

medicine shortages. Venezuela has the world's largest oil reserves, but production has fallen from three 3 million barrels per day (bpd) in 1997 to just over 1 million bpd in 2019. Maduro contributed to the decline by putting generals in charge of the company rather than industry professionals, and replacing qualified staff with thousands of political supporters. "If we're generous with the interpretation, they have also been doing social programs and things like that. If we're not generous, it has become a vehicle of corruption for the regime. So, there's going to need to be a deep restructuring of the oil company," said Bahar. A U.S.-aligned government in Caracas would likely seek to restructure its debts to creditors like China and Russia, two countries that continue to support the Maduro government. China has loaned Venezuela \$20 billion in exchange for future oil shipments. Ending Venezuela's free oil shipments of an estimated 50,000 barrels per day to Cuba, another key Maduro ally, could redirect billions of dollars to support limited social programs at home. If Maduro is removed from office, Washington is expected to ease oil sanctions imposed this year that are estimated to cut Venezuela's oil exports by two-thirds. Oil sales to the U.S. had provided nearly 90 percent of Venezuela's hard currency before the sanctions were enacted.

Maduro out causes economic growth, spills over

Sebastian Strauss (). 2018. "In No Good Hands: The Venezuela Crisis And Consequences for South America." Brookings Institution. <https://www.moodysanalytics.com/-/media/web-assets/microsites/2018/economic-model/2018-06-15-venezuela-crisis.pdf>. Accessed 1-7-2020. //TP

In this scenario, the Maduro presidency is cut short. U.S. sanctions are lifted, and the International Monetary Fund provides a loan to facilitate the restructuring of Venezuela's external debt. Additional funding from multilateral sources is secured to aid monetary and fiscal adjustment and ease the lifting of price controls. The freeing of the Venezuelan bolivar and phase-out of price controls results in a temporary spike in inflation in the near term, but sharp cuts in government spending and higher domestic interest rates begin to reduce the growth rate of consumer prices. The Venezuelan economy contracts slightly in 2019, but recovery rapidly sets in as oil production rebounds and multinational oil companies revive investments (see Table 3). **Venezuela's recovery delivers a significant boost to**

economic growth in Colombia, Peru and Chile and a small bump to the economies of Brazil, Uruguay and Argentina. Although many Venezuelan refugees return from exile in Colombia and other South American nations, labor force gains are largely the result of improved job prospects and a growing economy. Even with a large disbursement of international aid and a swift transition to a market-based economy, Venezuela will take time to regain its precrisis peak. **The return of foreign investment and the stabilization of inflation will enable Venezuela's economy to grow at double-digit rates in the first few years of the recovery before settling in to a more modest pace consistent with long-run population and productivity dynamics.** However, even if double-digit growth is sustained, **it would still take more than five years for GDP to top its prior peak.** While the return of foreign investment enables oil production to rebound quickly, Maduro's successor will face lower prices than those reached during the bonanza of the Chavez years. As a result, Venezuela's recovery will bear a closer resemblance to the rebound from prior oil price crashes in the late 1980s and 1990s, which saw the economy recover at a more moderate pace.

Maduro diversifying because of sanctions

International Consulting Services (Ics) (). 12-2-2019. "Maduro promises to diversify and make the oil economy independent ICSLATAM.COM." No Publication. <https://www.icslatam.com/maduro-promises-to-diversify-and-make-the-oil-economy-independent?lang=en>. Accessed 1-8-2020. //TP

Venezuelan President Nicolás **Maduro insisted on diversifying the economy to generate more sources of income, more than oil, already blocked by the US.** From the Hotel Alba Caracas, **Maduro launched** on Monday the so-called Brand Country Institute, **a mechanism that seeks to govern the process of the Venezuelan brand impulse and the development of external diversified trade, as well as international relations, within the framework of a strategy that will allow to diversify exports and investments and strengthen the tourism industry.**

"Venezuela needs, today more than ever, a diversified economy that seeks quality production and the placement of these products in the world, new sources of income for national wealth," stressed the Chief Executive. The Chavista leader added that the Marca País strategy, under the slogan Venezuela open to the future, provides a unique opportunity to advance the development of international tourism in the Caribbean country through major challenges, according to the local portal AVN. "It is a good opportunity, when Venezuela is in the eye of the geopolitical hurricane of the world and the entire world press devotes whole pages and social networks boil daily with news of our country," he said. Maduro also pointed out that a large part of the "media war" that his country is facing in the world has as an additional objective to keep companies interested in investing in Venezuela from strangulating their economy. According to the head of the Venezuelan State, there is no other country in the world with greater opportunities, with greater advantages for reproductive investment, today, than Venezuela. **The mechanism comes at a time when Caracas is the target of unprecedented pressure from the United States.** since, Juan Gualádo, the head of the Venezuelan National Assembly (AN) - of opposition majority and declared in contempt - will proclaim himself

"president in charge" of the country. **To subdue Caracas and force Maduro to relinquish power, Washington sanctioned state oil company Petróleos de Venezuela, SA (PDVSA), in addition to freezing assets for \$ 7 billion from Venezuela. It is the pillar of the Venezuelan economy, which became one of the five largest oil companies in the world and which provides at least 90% of the country's income.**

Maduro's implementing free-market reforms

Kejal Vyas (). 9-17-2019. "Venezuela Quietly Loosens Grip on Market, Tempering Economic Crisis ." WSJ. <https://www.wsj.com/articles/venezuela-quietly-loosens-grip-on-market-tempering-economic-crisis-11568718002>. Accessed 12-28-2019. //TP

President **Nicolás Maduro's authoritarian government, long a practitioner of tight state control of the economy, has quietly and cautiously begun implementing free-market policies to tame hyperinflation and correct an economic contraction worse than America's Great Depression.** So far, that approach is providing a

sliver of light to the moribund economy. In recent months, the regime has scaled back its once frenzied printing of money, nearly ended frequent salary hikes, and largely stopped enforcing the price controls that had led to dire food shortages and a thriving black market. Inflation has fallen from a peak 12-month rate of 2.6 million percent in January to 135,000% in August, the National Assembly says. The easing of controls is a risky move for a government that has publicly championed its state-led, socialist economic model as the country's only salvation from greedy capitalists. But the measures are giving some life, even if limited, to the economy Mr. Maduro controls, despite a raft of U.S.-led financial sanctions and dozens of nations deeming his leadership illegitimate. The economy is also getting a boost from a key consequence of its miserable state: the massive migration of desperate Venezuelans. The some four million migrants who fled since 2015 are sending about \$4 billion annually to relatives they left behind, private economists say, and those remittances are in hard dollars.

Venezuela's dependence on oil is causing economic crisis

Matthew A. Swift (). 6-7-2016. "Hungry Venezuela Needs a New Economic Pathway." IPI Global Observatory. <https://theglobalobservatory.org/2016/07/venezuela-maduro-oil-renewable-energy/>. Accessed 1-8-2020. //TP

With oil revenues accounting for about 95% of its export earnings, Venezuela's economy has been among the hardest hit as the global oil price has fallen almost 20% over the past 12 months. The economic contraction has produced the most severe humanitarian crisis in the country's history, with citizens now reportedly streaming across national borders seeking food and other basic provisions. **Venezuela's government desperately needs to forge a new economic pathway.** As recently discussed at the World Economic Forum on Latin America and a summit hosted by Concordia, **Venezuela must adapt to evolving energy dynamics to maintain growth and development,** including through accessing new markets in renewable energy and natural gas. **The underlying causes of its crisis are the growth in global oil supply and a decline in demand for the country's output.** An excess of two million barrels of Venezuelan oil are being produced daily, significantly exceeding demand. Investors have increasingly been drawn to opportunities in more stable countries such as Canada and the United States, which have benefited from the fracking revolution. As these dynamics have evolved over the past several years, the regime of Nicolás Maduro did little to diversify the Venezuelan economy and continued to put capital into costly and economically ineffective oil subsidies. Domestic oil prices have not changed in the past 20 years as a result. Until recently, a liter of gasoline cost the equivalent of about one penny at the pump. These public expenditures have not yielded any positive financial return and certainly haven't helped curb the economic downturn or made Venezuela less vulnerable to global oil price volatility. **A better strategy would discontinue oil subsidies and diversify the Venezuelan economy to expand its sources of revenue.** This could take advantage of the economic opportunity—and environmental benefits—of renewable energy. Other large oil producers such as Saudi Arabia, Iran, Kuwait, and the United Arab Emirates have already taken measures to diversify their energy dynamics by, for instance, encouraging homeowners to install solar energy panels. Kuwait, Qatar, Jordan, and Egypt aim to source between 15-30% of their electricity from renewable sources, particularly wind and solar, by 2030. Redirecting government funds currently allocated toward oil subsidies would create fertile grounds to attract investment and bring renewable energy sources to the market, with the caveat that investments need to be made in line with consumer behavior. Lower prices combined with government incentives such as federal tax credits could nonetheless drive demand in this direction. **Venezuela's new path could see adoption of more free markets principles, in combination with smart government regulations and a strong legal framework,** to create a new era in energy. A completely deregulated free energy market could otherwise result in substantial price and volume fluctuations, which might deter investors from directing capital into emerging markets. For example, American Electric Power, a utility in the US state of Ohio—which has operated a deregulated energy market since 1999—has recently called for the state government to re-regulate to guard against price spikes and help preserve jobs. **The Venezuelan government must set standards that foster growth and innovation on the one hand and mitigate risk and enable investment opportunities on the other.** This balance is difficult to strike and the political landscape makes it particularly challenging. Until now, Maduro's socialist government has continued to perpetuate the failing policies that gave way to the current humanitarian crisis. Even as oil prices collapsed, strategic intra-party opposition to free market solutions and diversification manipulated the market to no avail. Consequently, 70% of basic food products are missing from supermarket shelves, just one tenth of pharmaceuticals required by consumers are available, and looting is rife. Venezuelans are waiting in lines for hours to enter grocery stores, hospitals have little or no resources to treat their patients, and the death rate among newborn babies increased from 0.02% in 2012 to just over 2% in 2015. The worsening economic conditions have undermined the regime's authority and the regulatory mechanisms it uses to assert its legitimacy. **Venezuela is a prime example of how socialist policies can, in practice, not only pose challenges to economic development but also violate basic democratic principles.** The lynching of 74 members of the political opposition in the first four months of 2016 is a clear indication that the system is broken. The country has descended into something resembling anarchy, with Caracas earning the title of the most violent city in the world. The ongoing crisis has left the regime undeterred yet vigilant against political opposition who are calling for a referendum to recall Maduro. A democratic process such as this might nonetheless be necessary to exact the changes in government that will allow a return to economic growth. As a gatekeeper of order in the region, the Organization of American States (OAS) could be especially beneficial in promoting democracy and economic prosperity for Venezuela. May's OAS General Assembly reaffirmed the organization's key role in ensuring policy coordination and coherence geared at

increasing sustainable development and diplomacy. Secretary-General Luis Almagro invoked the OAS's Democratic Charter over the issue. As Almagro stated at Concordia's May summit, this provides strategies to attempt to change Venezuela's electoral system and the country's fundamental rights as a member state of the OAS. It could potentially result in Venezuela's suspension from the organization, putting further pressure on the Maduro government to reverse course. Almagro's strong stance on addressing the humanitarian crisis in Venezuela was unprecedented and controversial, and contrasts with other international leaders who are hesitant to risk their political capital to echo his concerns. The OAS needs to act tactfully to promote democratic ideals, address diplomatic concerns, and forge partnerships that foster economic growth. Respect for democratic principles will be necessary to allow the Venezuelan people to gain leaders that provide hope for the economic future of their country. With a legitimate government and the support of the people, Venezuela's economy can begin to recover and its humanitarian crisis be eased.

Extra Warranting:

Extra

Political transition is increasing in likelihood

Resurgent (). 2-13-2019. "Maduro's End Would Be Just the Beginning of Venezuela's Road to Recovery." Stratfor. <https://worldview.stratfor.com/article/maduros-end-would-be-just-beginning-venezuelas-road-recovery>. Accessed 1-4-2020. //TP

An abrupt fall from power is becoming more and more likely for Venezuela's leadership in 2019.

Venezuelan President Nicolas Maduro and his political allies are under siege by the resurgent national opposition and now face crushing economic pressure from the United States through heavy sanctions. As Venezuela's crisis advances, the opposition and the United States have all the more incentive to increase their pressure, placing the Maduro government in an untenable situation. **There's a good chance that by the end of the year, an interim government — buttressed by military officers and their units that abandon their support for Maduro — will be in power in Caracas.** But any new government will be left to fix Venezuela's crippled economy and end enduring corruption from the Maduro administration, risking its success.

Protests are spreading around Latin America

James Bosworth, Hxagon (). 11-25-2019. "2019 has been a difficult year in Latin America — 2020 may only get worse." Business Insider. <https://www.businessinsider.com/political-instability-protests-in-latin-america-may-intensify-in-2020-2019-11>. Accessed 1-5-2020. //TP

Latin America's citizens are angry at their political systems due to corruption and a lack of results on citizen security and economic promises. They are upset about inequality, low growth and the increasing cost of living. Urbanization and youth with cell phones made rapid organization of protests in cities possible. Some variation of those base level factors exists in nearly every country in Latin America. They explain the protest movement we are seeing post hoc, but they aren't predictive. For example, nothing about economic inequality predicted Chile would experience mass protests in October 2019 rather than April 2019 or October 2018. Similarly, it's tough to take any specific variables that would have predicted three months ago that Chile would fall into major protests before Brazil. People in numerous countries around the region have been angry about corruption, economic inequality and other base level issues for a while. **But having seen protests begin, there are strong reasons to believe they will continue and expand around the region. Many countries seem to be on edge, waiting for a catalyst to light the fire. And as protesters have seen success in neighboring countries, they have been emboldened to call for similar protests in their own countries. Venezuela, Honduras, Ecuador, Haiti and Bolivia all have factors that are going to lead to continued**

and likely increased protests in the coming year. Though the strength of the protests will ebb and flow, none of those five countries has a clear path out of the protest movements that continue.

Dissatisfaction among military officers

Lenin Cavalcanti Guerra (). 11-22-2018. "In What Seems Like an Endless Nightmare, Maduro Clings on to Power." Fair Observer. https://www.fairobserver.com/region/latin_america/venezuela-coup-crisis-juan-guaido-nicolas-maduro-latin-america-news-17171/. Accessed 1-6-2020. //TP

Nicolás Maduro's resistance is based in two main factors: support by the Venezuelan army, as well as Russia and China — the country's biggest military supplier. When it comes to the military in Venezuela, there is a close relation with Maduro's predecessor, Hugo Chávez. Under the former president — himself a career military officer — the army has grown in number as well as political prestige. The army began to occupy official positions and participate in the country's strategic decisions. In 2017, 10 of the 32 cabinet members were active-duty, and two were retired military officers. Today, the armed forces still manage some of the country's key industries, including the national oil company, PDVSA. This way, the regime has created a belt of protection for itself, ensuring military support. Nonetheless, **with the country plunging deeper into crisis, the conditions, especially for the military's lower and middle ranks, have worsened.**

Maduro's high command has created special units to stamp out anti-regime activities in the forces. Since then, **hundreds of arrests and incidents of torture of soldiers and their relatives were registered.** In January, Juan Guaidó, a deputy elected in 2015 and president of the national assembly, declared himself interim president on the basis that Nicolás Maduro disrespected three articles of Venezuela's constitution, which was drafted under Chávez. In the following days, more than 50 countries, including the United States and most of the European Union, recognized Guaidó as interim president, putting pressure on Maduro to step down. In South America, Colombia, Perú, Argentina and Venezuela's biggest neighbor, Brazil, have recognized Guaidó. Many analysts agreed that once the military withdrew support for the failing regime, the fall of Bolivarian socialism would be unavoidable, perhaps a matter of days or weeks. Following international recognition of Guaidó as interim leader, over 300 members of the Venezuelan armed forces have deserted in a matter of days, many fleeing to Colombia and Brazil. It is not clear if there is a conflict between lower and upper ranks of the armed forces, but **the desertions indicate that dissatisfaction among the officers is growing.** However, not everything was lost: Maduro found support from allies like Cuba, an old friend of chavismo, as well as Turkey, China and Russia endorsing the regime. In a demonstration of solidarity, Russia has sent military support in a clear message that an intervention from the United States would have consequences.

Maduro losing popular support makes military support untenable

Brian Ellsworth and Mayela Armas In Caracas (). 7-28-2019. "How a military overhaul in Venezuela keeps troops standing by Maduro." Reuters. <https://www.reuters.com/investigates/special-report/venezuela-military/>. Accessed 1-6-2020. //TP

The result, government opponents say, is a bureaucratic and operational mess, even at the very top. Padrino, for instance, is both a general and defense minister. But he can't officially mobilize troops without the consent of Remigio Ceballos, an admiral who also reports directly to Maduro and heads the Strategic Operations Command, an agency created by Chávez to oversee deployments. "You have a general in chief and an admiral in chief," said Hebert García, a retired general who once served under Maduro but now supports the opposition from Washington.

"Which one are you supposed to obey?" **The armed forces could still turn on Maduro, particularly if popular outrage boils over and makes military support for the president untenable.** Still, calls by opposition leader Juan Guaidó, who in late April unsuccessfully sought to rally the troops against Maduro, thus far remain unheeded. Guaidó in May told reporters his efforts to convert troops are thwarted by the military's fragmented structure and intimidation within its ranks. "What is preventing the break?" he asked. "The ability to speak openly, directly with each of the sectors. It has to do with the persecution inside the Socialist Party, inside the armed forces." To better understand the pressures and policies keeping the troops in Maduro's camp, Reuters interviewed dozens of current and former officers, soldiers, military scholars and people familiar with Venezuelan security. In their assessment, the military has evolved into a torpid bureaucracy with few leaders capable of engineering the type of mass mutiny that Maduro's opponents long for.

New sanctions will convince Maduro allies to depose him and restore democracy

Peter Harrell, (). 8-27-2017. "Trump's smart sanctions can lead Venezuela back to democracy." The Hill. <https://thehill.com/blogs/pundits-blog/foreign-policy/348154-trumps-smart-sanctions-can-lead-venezuela-to-democracy>. Accessed 1-5-2020. //TP

The new U.S. sanctions focus on one of Venezuela's biggest economic vulnerabilities: its outstanding debts. Venezuela and its state-owned oil company, PDVSA, owe international investors more than \$100 billion, including an estimated \$60 billion in debts that were either issued in the United States or subject to U.S. law. **The new sanctions will prevent Venezuela from borrowing more from**

international capital markets and will also prevent Venezuela from refinancing the billions of dollars of existing debts that are coming due later this year, meaning that Maduro's government faces a growing financial crisis this fall. The new sanctions also target Venezuela's biggest money earner, its oil profits. But rather than trying to prevent Venezuela from exporting oil, which could roil international energy markets and hike gas prices in the U.S., the sanctions simply prevent PDVSA's U.S. energy company, CITGO, from sending profits back to Venezuela. CITGO can still sell gas to American drivers and it can keep its profits in the U.S., but CITGO's profits will not longer be able to finance PDVSA and Maduro's government. This is a smart approach. **The new measures represent a major increase in U.S. sanctions on Venezuela's government. Previous U.S. sanctions had targeted Maduro's personal assets and the personal assets of several of his close associates inside the U.S., but had not put significant economic pressure on the government as a whole or on Maduro's assets in Venezuela. The new sanctions change that. As a result, Maduro and his henchmen will soon face painful decisions about how to slash the government spending they rely on to prop up their regime.** For the Trump administration, the next task is diplomacy. Trump, Mnuchin and Secretary of State Rex Tillerson need to ensure that other countries, like China and Russia, do not step in to provide Maduro with financing he can no longer get in America. Even more importantly, the administration needs to signal to Caracas that Venezuela can avoid the fiscal collapse the sanctions will likely cause, but only if Venezuela restores its democratic institutions. The Trump administration has hinted at this approach. In a statement accompanying the new sanctions, the Treasury Department indicated that the U.S. government would consider lifting the ban on debt if Venezuela's democratically-elected National Assembly, which Maduro dissolved earlier this year, was reconstituted and approved Venezuela again issuing international debt. But in the coming weeks the Trump administration needs to press this point to foreign allies, to the private sector, and to the public and leaders in Venezuela. All parties need to understand that relief from the sanctions is possible, but only if Venezuela reverses its slide to dictatorship. **It is this potential for sanctions relief, and for avoiding economic catastrophe, that is most likely to convince Maduro to reverse course, or to convince the allies Maduro depends on to depose him and to restore democracy.** The last several years have been a tragedy in Venezuela, where, as a result of Maduro has gone from a nation that was once among Latin America's most democratic and prosperous to one that has growing food lines, shortages of basic goods and rising authoritarianism. The new U.S. sanctions were a smart, tough tool to begin pushing back on these trends. For Washington, and for our allies in the region, the task now turns to the diplomacy that can turn economic pressure into political change in Caracas.

Lifting sanctions is not the answer; revenue funds Maduro's hold on power

Moises Rendon (). 9-3-2019. "Are Sanctions Working in Venezuela?." No Publication.

<https://www.csis.org/analysis/are-sanctions-working-venezuela>. Accessed 1-7-2020. //TP

Sanctions are undoubtedly cutting off financing to the Maduro regime, limiting the government's ability to import food and medicine amid economic freefall. However, **reversing sanctions against Maduro and giving the regime access to revenues will not fix the humanitarian crisis** for three main reasons: Although government revenues have been used in the past to bankroll social programs, Maduro's regime has neglected to provide food and medicine to the Venezuelan people. Instead, **they have directly profited from these revenues, funding illicit projects and buying the loyalty of military officials.** **Sanctions are designed to choke off these earnings, weakening Maduro's grasp on power and therefore accelerating the restoration of democracy.** According to the Venezuelan constitution, Maduro has not been the legitimate president of the country since January 10th, 2019. Over 50 countries have denounced his regime and recognized Juan Guaidó as interim president until free and fair elections can be held. Granting financial access to Maduro only serves to undermine calls for free and fair elections. Instead, the legitimate government of Venezuela should be given authority over the nation's resources and institutions. Alternative approaches to the humanitarian crisis can more effectively relieve the suffering of Venezuelans without empowering Maduro with the state's assets and resources.

Many challenges to Maduro will come this was just one; historical precedent ensures AND political repression won't solve

Tom Hennigan In São Paulo (). 1-5-2020. "Venezuela: Uprising failure will be of limited relief to

Maduro." Irish Times. <https://www.irishtimes.com/news/world/venezuela-uprising-failure-will-be-of-limited-relief-to-maduro-1.3877796>. Accessed 1-5-2020. //TP

But if Tuesday did in fact constitute a more carefully planned military uprising that somehow went wrong or was betrayed, its failure will bring only a limited amount of relief to the Maduro regime. **Over the course of modern Latin American history many such military movements, against both dictatorships and democracies, were unsuccessful. But they helped chip away at a government's authority until, in many cases after a series of apparently hapless efforts, one of them succeeded.** The Chavistas around Maduro have sought to counter this threat by two means. One is by allowing the military to debase itself in its own orgy of corruption. While many analysts are calling for an international outreach to the generals in a bid to peel them away from the Chavistas, others balk at such a strategy, pointing to the fact that the upper ranks now include some of the region's biggest cocaine traffickers. The other strategy relies on old-fashioned repression. **Chavismo has already snuffed out several attempts from within the armed forces to topple it. But it must do so every time one of these takes place. Fail once and its leaders could face exile, jail or worse.** This reality helps explain the paranoia that is a constant feature of reports that leak out from inside the heart of the regime. **So the likeliest outcome of this week's events is an intensification of political repression. Many of the hundreds of political prisoners currently in jail in Venezuela are members of the security forces,** and the Venezuelan military is believed to be one of the most spied-upon institutions on the continent – but by its own political masters as opposed to any foreign power. **This dual-track strategy for ensuring the loyalty of one of its last supports is high-risk for an already discredited regime. Maduro may have faced down the latest challenge to his authority but there are likely be more.**

Sanctions contributed to resource constraints

Boz (). 1-9-2020. "Latin America Risk Report." No Publication. <https://boz.substack.com/>. Accessed 1-9-2020. //TP

This question refers to my [November 2019 analysis on Maduro's stability](#). Apparently my newsletter on this subject has become a point of contention. Building a model for if and when an authoritarian regime will fall is more difficult and more subjective than a basic "who will win the election?" model (take polls, calculate error, throw a few economic or incumbent advantage points in, and run [monte carlo simulations](#)). The methodology for a regime change model contains a lot more questionable assumptions. It's also hard to test. I've been running a "Will Maduro fall?" question since around 2014, updating it every few months, though my methodology has changed over time as my understanding of the regime changes. For this Venezuela analysis, my focus is on: Public opinion in Venezuela Cohesiveness of the regime Cohesiveness of Maduro's opposition Occurrence of protests Resource constraints I try to measure each of those as accurately as I can, but there is a fair bit of guesswork involved as well. Nobody has perfect insights into how cohesive the regime is or how many resources they have left. Prior to 2019, my model had never been over 50%. In December 2018, it was running around 30% probability that Maduro would leave office in the following 12 months. I'm not someone who always predicted that Maduro would fall (or Chavez before him). The situation really changed in January 2019 for four reasons. The opposition found new leadership in Juan Guaido. The international community became disputed over who was president of Venezuela. The numbers and scale of protests were increasing. The US imposed sanctions on PDVSA. Meanwhile, around that same time, somewhat related to sanctions, [Venezuela's oil exports were falling quickly](#) and the amount of cash producing barrels was very low (many barrels are sent to China or Russia in exchange for debt payments, cash that Venezuela received years before and now must pay back). **The main reason my analysis continues to have such a high probability of Maduro falling is the resource constraint question. Maduro needs enough resources to pay off those around him and to feed the country at least a minimal amount of food.** My methodology [changed over 2019 to more strongly focus on resource constraints](#) as a factor that can singularly alter the outcome in Venezuela (and if you're looking for flaws in my methodology, the fact I've shifted the methodology on this is one place to attack). **Maduro's resource constraints come from two factors: His own mismanagement of the economy. Sanctions, specifically the US-imposed sectoral sanctions on oil, gold and debt** (the individual sanctions imposed by the US, EU, Canada and others don't really impact the regime's financial situation; there is a policy debate over whether and how they impact regime cohesiveness.) It isn't easy to sort out what percentage of Venezuela's

economic decline comes from each. **Pre-2017, nearly all the resource constraints were due to Maduro's own ineptitude. The sanctions against Venezuelan debt were the first to really hit the regime's finances. They were further hit in January 2019 when the US sanctioned PDVSA.** From a stability analysis perspective, this should lead you to the following questions: How much money does Maduro have left? How much can he bring in per month via gold and oil? How much money does he need to spend per month? The Venezuelan regime is not particularly transparent about its financial situation. It is complicated by two more factors: The economic situation has changed in recent months due to the dollarization of the economy and the increasing amount of remittances. Russia has helped Maduro evade sanctions and access resources. The Trump administration has not sanctioned Russia or Rosneft to stop them from helping Maduro. In fact, I believe those two factors are the only reasons Maduro survived 2019 without running out of resources. The other way I've tried to run this analysis is to look at what the various options for transition are. I have a list of 13 ways for Maduro to lose power, but the four most likely to occur this year are: military coup, internal Chavista power struggle, negotiated exit, and protest event. All four can be driven in some way by the lack of resources. In short, there is a methodology but there is also a lot of guesswork. I have good information and a strong track record on geopolitical predictions and Latin America political analysis. I'm also very aware of where the uncertainties in this analysis are. I know my analysis on this situation is in the minority, with many other political risk firms claiming Maduro will remain in power this year. There are a lot of competing factors in this including some individuals and governments who are strongly invested in Maduro remaining in power and others who want to see him gone. This isn't a stable system to model. It moves as people and governments try to influence it. For those who want to dive deeper into geopolitical predictions in general, the three books I often recommend are Thinking Fast and Slow by Daniel Kahneman, The Signal and The Noise by Nate Silver, and Superforecasting: The Art and Science of Prediction by Philip Tetlock. I'll also add that I do work as one of the Superforecasters with [Good Judgment Inc.](#), a status I received by competing on their [Good Judgment Open](#) platform back in 2016 (though I'll note they are not involved in my work on this question nor do they endorse it). If you want to try your hand at geopolitical predictions, head over to Good Judgment Open and make some predictions of your own. You can compete on a [Venezuela question right here](#) and track your prediction.

Diversification

Oil investment crowds out agriculture

Scott Tong, 4-18-2016, "Oil pushes out Venezuela's agriculture,"
<https://www.marketplace.org/2016/04/18/venezuela-ranchers/>

At a time when oil prices are low and petrostates are suffering, economists and historians mention the term "resource curse." It is a paradox: many natural resource-rich economies have under-performed, faring worse economically than non-endowed countries. How could this be? Often **oil crowds out other sectors**, so when a price bust hits an undiversified economy, the impact is severe. **Which brings up Venezuela, once dominated by agriculture. Before the country found oil** in the early 20th century, ranches provided ample milk and meat. Coffee beans led the country in exports. **People mostly worked on farms. Today, after the Age of Oil, there are food lines and shortages.** "The Venezuelans were fed on food brought from overseas, on imports," said rancher Giovanni Finol, former president of the livestock federation in the western state of Zulia. "For the last 15 years, the government has been destroying production." This represents a strain of what's called "Dutch disease." In the Netherlands, Nigeria, Venezuela and elsewhere, oil has pushed out other sectors, in this case dairy, cocoa beans, coffee and poultry.

Paul Dobson (). 12-16-2019. "ALBA Summit: Venezuela Promises to Relaunch PetroCaribe in 2020."
Venezuelanalysis. <https://venezuelanalysis.com/news/14745>. Accessed 1-10-2020. //TP

The Venezuelan government has vowed to revive the PetroCaribe oil exchange initiative in 2020 after nearly two years of inactivity.

The pledge came during the XVII Summit of the Bolivarian Alliance for the Peoples of Our America (ALBA), held in Havana, Cuba, on Saturday. "From Venezuela, we commit (...) to relaunching PetroCaribe with great strength in the first semester of 2020," Venezuelan President Nicolas Maduro told the inter-governmental gathering. "This is a summit which sends a message of hope, unity and that another world is possible to all of the people who struggle in Latin America and the Caribbean," he continued. The ALBA is a regional integration initiative founded by Venezuela's Hugo Chavez and Cuba's Fidel Castro as a counterweight to US hegemony in the hemisphere. PetroCaribe was created alongside the ALBA in 2005 to supply Venezuelan crude oil to Caribbean and Central American nations at preferential prices with long-term payment plans or in exchange for other goods or services, including doctors or agrarian technicians. It benefitted all ALBA members as well as other neighboring countries including El Salvador, Jamaica, and Haiti. **However in June 2018, all shipments – except those to Cuba – were suspended amid plummeting Venezuelan crude output caused in part by US financial sanctions. Many Caribbean countries have since reported being pressured to return to US oil suppliers. During the summit, ALBA leaders also announced plans to reconstitute a range of joint social programs, including the Miracle Mission, which has restored sight to over seven million people in the region, the Children's Heart Hospitals, the Latin American Medical Schools, and programs attending to disabled citizens. Member nations also vowed to bolster the organisation as an economic bloc by strengthening the ALBA Bank, which funds many of the social programs.** Leaders also stated their commitment to construct "a new financial architecture to consolidate a reciprocal, solidarity, participative and complementary system of exchange and cooperation." The ALBA has been weakened in recent years, with Ecuador leaving the bloc in 2018 and Bolivia's de facto government following suit after a coup d'etat ousted President Evo Morales in November. Current members include Venezuela, Cuba, Nicaragua, Dominica, Granada, Saint Kitts and Nevis, Antigua and Barbuda, St. Vincent and the Grenadines, Saint Lucia, and Surinam. At the conclusion of the summit, heads of state signed a final declaration, condemning Washington's unilateral coercive measures against both Venezuela and Nicaragua, as well as the long-standing blockade against Cuba. They also congratulated the Venezuelan people on their "resistance" to US sanctions. Furthermore, member states reaffirmed their backing of Nicolas Maduro as Venezuela's legitimate president, while rejecting efforts to undermine constitutional rule by "self-declared presidents" in the region, in an allusion to Jeanine Anez who recently proclaimed herself "interim president" of Bolivia following a November 10 military coup. The declaration likewise rejects the recent activation of the Inter-American Treaty of Reciprocal Assistance (TIAR) as a measure to pressure the Maduro government, which has brought sanctions against a number of top Venezuelan officials, as well as threats of military action. Delegates went on to reaffirm Latin America and the Caribbean as a "Zone of Peace." Heads of state also congratulated Dominica's left-leaning prime minister, Roosevelt Skerrit, on his party's recent electoral victory, backed talks between Nicaragua's President Daniel Ortega and the local opposition, and reaffirmed member countries' commitment to work to prevent climate change, which they described as "a product of the capitalist system."