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Venezuela: U.S. Leadership Needed

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For the past few weeks, Venezuela has been rocked by anti-government protests. What started as small-scale demonstrations in the capital city of Caracas has escalated to mobilizations throughout the country.

In response, the Venezuelan government has ordered security forces from the national guard to armed motorcycle gangs to brutally crack down on the democratic opposition. Thousands have been beaten and tortured, and at least a dozen have been killed. Moreover, Leopoldo Lopez, a grassroots democratic opposition leader, has been arrested on politically motivated charges. Three U.S. diplomats have also been expelled for allegedly conspiring with the opposition.

The government has instituted a virtual media blackout: Domestic independent media is nonexistent, and the Internet has been cut off in many cities. While some foreign media broadcasters are still present, they have been censored by the government for fear of losing their operating licenses.

As the demonstrations rage on, the United States can no longer continue sitting on the sidelines.

The Legacy of Hugo Chavez: 21st-Century Socialism. Initiated by the late Hugo Chavez, the 21st-century socialist movement, blended with

authoritarian populism, has not been kind to Venezuela. Almost two decades of government abuses, free-spending social programs, and socialist economic policies has led to skyrocketing inflation rates and significant losses of political and economic freedom.

In recent months, the economic and security situation has become more acute. Strict currency controls and haphazard devaluations have decreased the Bolivar's value against the dollar by almost 40 percent. The country boasts the highest levels of inflation and debt in Latin America. In the *2014 Index of Economic Freedom*, published jointly by The Heritage Foundation and *The Wall Street Journal*, Venezuela ranks 175th, above only Zimbabwe, Cuba, and North Korea.¹ And this is occurring in a country with the world's largest proven oil reserves.

The Venezuelan government has also become a threat to U.S. interests. Via the socialist ALBA bloc—composed of Cuba, Ecuador, Nicaragua, and Bolivia—the government of Venezuela has spearheaded the unprecedented wave of anti-Americanism in Latin America. ALBA member countries have expelled U.S. diplomats, shut down U.S.-led counternarcotics programs, and hampered bilateral trade relations.

The Venezuela–FARC–Hezbollah Nexus. Chavez and current leader Nicolas Maduro have also established deep relationships with global pariahs, terrorist groups, and drug trafficking organizations. Venezuela has now become Iran's Latin America platform. Direct flights from Caracas to Tehran run weekly without much international scrutiny. More odiously, the Venezuelan government had previously provided clandestine support for Iran's energy sector in clear violation of international sanctions.²

This paper, in its entirety, can be found at <http://report.heritage.org/ib4157>

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Aside from Iran, the government of Venezuela is also propping up the Castro regime in Cuba. Caracas gives Havana an average of \$10 billion in subsidized oil and petro dollars yearly, more than double the amount it received from the Soviet Union at the height of the Cold War. In exchange, the Castros provide Venezuela with military and intelligence agents as well civilian slave labor.

Most sinister are the government's connections to regional and international terrorist groups. Colombia's narcoterrorist organization, the FARC, has long enjoyed sanctuary within Venezuelan territory.³ High-ranking members of the Venezuelan government have provided support to Hezbollah as well. In 2008, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) found that at Venezuela's Syrian embassy, the most senior diplomat facilitated the travel of two Hezbollah representatives in order to fundraise and open a Hezbollah community center in Venezuela.⁴

What the U.S. Should Do. The U.S. can no longer afford to allow for the proliferation of this looming threat in Latin America. In order to ensure the stability of the Western Hemisphere, curtail the expansion of terrorist organizations in the region, and protect the human rights of the democratic opposition in Venezuela, the United States should:

- Send a clear message of solidarity to the democratic opposition and assure the protestors that the U.S. is committed to holding the Venezuelan government accountable for its violent reprisals.
- Call on the Organization of American States (OAS) to convene a special session of the permanent council to discuss the situation in Venezuela. OAS member states should uphold the basic freedoms guaranteed in the Inter-American Democratic Charter.

- Work with regional partners if the OAS fails to act. The United States needs to encourage a dialogue between the Venezuelan government and the opposition.
- Enact targeted sanctions against Venezuelan government officials already on the OFAC's Specially Designated Nationals List—including revoking their visas and freezing their assets within the United States.
- Immediately reciprocate in the event Venezuela expels any more U.S. diplomats. The State Department waited a week to respond in kind to the expulsion of U.S. diplomats. The Venezuelan government has explicitly declared that it does not wish to have “cordial ties” with the U.S.
- Support domestic policies that increase access to domestic energy sources, such as opening up federal lands and waters to exploration and development, devolving environmental review and permitting decisions to state regulators, approving the Keystone XL pipeline, and preventing federal regulations on hydraulic fracturing. While Venezuelan oil imports have decreased, they are still 9 percent of U.S. foreign oil purchases. This dependence limits the U.S.'s unilateral options.

Solidarity with Venezuela's Democratic Opposition. Latin America has fallen out of the Obama Administration's purview, and it is long past time for the U.S. to reclaim a leadership position in the Western Hemisphere. The U.S.'s foreign policy toward the regions needs to be grounded upon promoting democracy, expanding economic freedom, and protecting human rights.

The inexcusable and politically motivated violence against unarmed protestors demands interna-

1. Terry Miller, Anthony B. Kim, and Kim R. Holmes, *2014 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones and Company, 2014), pp. 453–454, <http://www.heritage.org/index/country/venezuela>.

2. Douglas Farah, “Threat to the Homeland: Iran's Extending Influence in the Western Hemisphere,” testimony before the Subcommittee on Oversight and Management Efficiency, Committee on Homeland Security, U.S. House of Representatives, July 9, 2013, <http://docs.house.gov/meetings/HM/HM09/20130709/101046/HHRG-113-HM09-Wstate-FarahD-20130709.pdf> (accessed February 27, 2014).

3. Press release, “Treasury Targets Venezuelan Government Official Supporting FARC,” U.S. Department of Treasury, September 12, 2008, <http://www.treasury.gov/press-center/press-releases/Pages/hp1132.aspx> (accessed February 27, 2014).

4. Press release, “Treasury Targets Hizballah in Venezuela,” U.S. Department of Treasury, June 6, 2008, <http://www.treasury.gov/press-center/press-releases/pages/hp1036.aspx> (accessed February 27, 2014).

tional condemnation. It is important for the Obama Administration to show leadership and respond quickly, as the continued lack of action will only serve to further embolden the lawless government of Venezuela.

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