



Trump, Biden, and Venezuelan sanctions

by Andrew Thompson

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What happened?

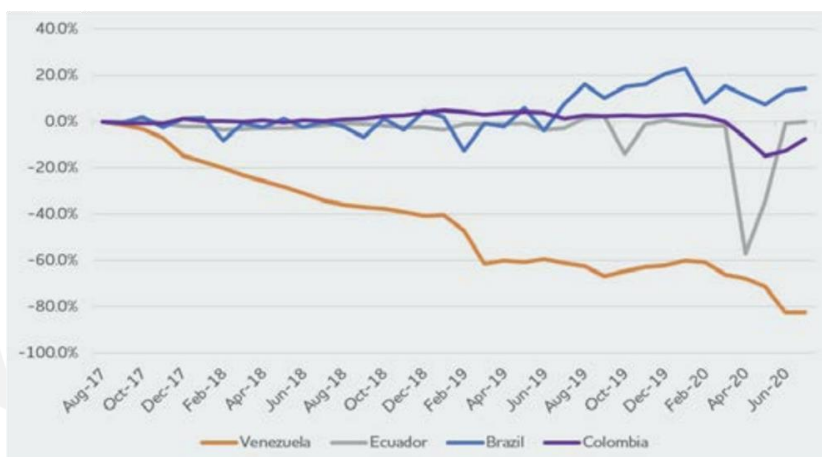
At the time of writing it is not clear whether Joe Biden or Donald Trump will be the next US president, but whoever gets the job will at some point next year have to take a decision on whether to maintain economic sanctions against Venezuela.

The details

But perhaps there is a small hint of future movement. The economy is in such dire condition that Maduro may find himself forced to negotiate in 2021. Maduro has claimed he is prepared for a dialogue with whoever next occupies the White House. There is some evidence of direct contacts between the two sides through a meeting in Mexico City in September. Lobby group the Washington Office on Latin America (WOLA) has published a report on sanctions by economist Luis Oliveros. It says that Venezuela's economic catastrophe has been partly caused by economic mismanagement, but is also partly the result of sanctions which have reduced foreign currency revenues by between US\$17bn and US\$31bn. Sanctions are calculated to have compressed import spending to US\$500mn a month last year, and to US\$250mn now, contributing to massive hardship and scarcities of petrol, food, and medicines.

WOLA says the country's political and military elite seems to be "insulated" from the effects of sanctions, while

GRAPH 2: OIL PRODUCTION IN SOUTH AMERICAN COUNTRIES VS. VENEZUELA (MONTHLY % VARIATION)



Source: OPEC monthly reports; National Agency of Petroleum of Brazil; National Agency of Hydrocarbons of Colombia

the economic squeeze is taking an increasing toll on the wider population. Meanwhile the country seems no closer to a peaceful and democratic solution to the crisis. WOLA calls for the next US government to rethink the sanctions regime so as to reduce its negative humanitarian effects and contribute to a return to democracy. How this might be done by a Trump or a Biden administration is not clear, but various ideas are proposed, including a UN-audited scheme to swap Venezuelan oil for essential goods, medicines, or even potential future COVID-19 vaccines. Rapid change is unlikely whoever is in the White House, but a Biden administration might be prepared to offer a relaxation of sanctions in return for a commitment from Maduro to hold meaningful negotiations with the opposition.

About the Author

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As well as being a Canning House Associate Fellow, Andrew is a former foreign correspondent (Buenos Aires, Mexico City, Rio de Janeiro) and a broadcaster for the BBC's Latin American Service. Working through La Rambla Research Ltd., he writes about economics, political risk, and business in Latin America.



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