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Congressional Testimony

CAN THE UNITED STATES PLAY A ROLE IN VENEZUELA?

Testimony by **Moisés Naím**

Senior Associate

Carnegie Endowment for International Peace

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Political Crisis: Human Rights Violations and
Beyond**

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Thank you Chairman Menendez, Ranking Member Corker and members of the committee, for inviting me to appear before you today. It is an honor to be here.

I would like to begin on a personal note. I spend most of my work days analyzing global economic and political trends and the capacity of nations to successfully accomplish their societal goals. The case of Venezuela is different for me. I grew up there, studied there, taught there and in the early nineties worked with an extraordinary team of government officials as Minister of Trade and Industry to bring prosperity to a country that had a defective but vibrant democracy. For over forty years in Venezuela the results of elections were largely unpredictable, term limits were enforced and checks and balances helped contain the concentration of power.

I will be as dispassionate as possible in my analysis and recommendation on US policy toward Venezuela. But I come to this task with a heavy heart. I see a country I love, and which gave so much to me and my family, spiral downward into economic chaos, fighting in the streets, a deeply divided society, massive government abuses and unimaginable corruption. To have this fine country acquire many of the characteristics common to much poorer and failed states, and to witness how human suffering mounts is nothing less than a personal tragedy for me, my family and, of course, and most importantly, for the Venezuelan people.

Venezuela today is not a democracy, and it clearly is an economic failure. Politically, it is a post-modern autocracy. What is this? It is an authoritarian government that knows how to look democratic while rigging elections, stifling the media, repressing the opposition and undermining checks and balances, thus concentrating power while keeping the appearance of a democracy. Just one example can illustrate this: in the fourteen years of Chavez' rule and one year of Maduro's government, there is no single instance when the legislative or the judiciary branches have opposed a government initiative or stopped the president from doing exactly what he wants, when he wants.

The government has stealthily and effectively annulled any checks and balances on the power of the executive. Governmental accountability and transparency have been systematically eroded and, for all practical purposes, ceased to exist years ago. That said, I will share with you five practical steps I believe could be taken by the US government that would make a positive contribution to understanding the Venezuelan reality, alleviating this suffering and assisting an important nation in our Hemisphere to move beyond this horrendous situation.

It is important, however, to stress that I deeply believe the conflicts in Venezuela can only be solved by Venezuelans, and that the United States cannot and should not be a protagonist in what is going on there. The steps I recommend are aimed at facilitating the resolution of the conflicts and at clarifying a situation that the Venezuelan authorities are deliberately obscuring.

Unfortunately, as we speak there is another improbable and surprising external power calling the shots in Venezuela and interfering with the will of the people there: Cuba. I hope that this Committee will discuss Cuba's defining role in Venezuela in a future hearing.

The context for the steps I recommend is a severe and ill-understood human rights crisis. I am fully aware of the extent of arbitrary arrests, lack of judicial oversight, kidnappings, beatings, threats, restrictions of the media and the jailing of young protesters in horrible prisons for hardened criminals. I know you will receive a comprehensive and reliable report on these and other human rights violations from Jose Miguel Vivanco of Human Rights Watch so I will not enumerate them here, except to comment that my fondest hope was that these practices were left behind with the end of the dark days of brutal military dictatorships in Latin America. Sadly, they have come back in Venezuela.

The most important clash in today's Venezuela is not that of the left versus right, rich versus poor, socialism versus capitalism, oligarchs versus the people or even good ideas versus bad ideas on how to run a country. No; the defining issue of current day Venezuela is the wholesale, state-sanctioned and amply documented violation of the human rights of those who oppose the government; violations carried out by the national guard and well trained and thuggish civilian militias, the infamous "colectivos".

Under these circumstances, it is a challenge for the US to intervene in a constructive way. At best, the US can take positive steps that will help support the central drivers of a change for the better: the Venezuelan people.

The five steps I recommend are:

(1) Help Venezuelans and the world understand the real impact of fifteen years of the model of governing that Hugo Chavez put in place;

(2) Help uncover and publicize the level of corruption and foreign influence in the present government;

(3) Sanction those responsible for human rights abuses, as well as the oligarchs connected to the Chavez elite who have amassed unimaginable fortunes through corrupt deals and criminal undertakings;

(4) Prevent measures which will fuel the "blame others" tactic of avoiding responsibility for a failed state and a collapsing economy that the Venezuelan government and its apologists at home and abroad so often use; and

(5) Encourage Latin American allies to abandon their silence about government abuses in Venezuela that they would not tolerate in their own country. I am not asking Venezuela's neighbors or the

Organization of American States (OAS) to intervene in Venezuela's politics. But it is absolutely valid to expect decent governments --and decent leaders--not to remain indifferent as the Venezuelan government brutally represses its opponents.

Next, I will briefly elaborate on each of these five proposals.

1) Fight Lies with Facts

One of the most potent tools the Venezuelan government has used is the manipulation and the hiding of social, economic, political and institutional information.

To confront this reality, I recommend the US government exert the significant influence it has in international and national institutions which collect data and publish reports on the state of the country's economy, society, political liberties, international relations and national and international security. Use the vote of the US representatives in international organizations such as the United Nations, the World Bank, the International Labor Organization, the Inter-American Development Bank and even the shamefully ineffectual OAS to push for quality research on the Venezuelan reality. US national institutions such as the Congressional Research Service, private foundations and NGOs could also be engaged.

The first casualty in a dictatorship is often truth. The Venezuelan reality is not being presented by the government as data is not reported, is manipulated or fabricated. There are legitimate doubts regarding the accuracy of the data concerning poverty and inequality, no objective assessment of the social programs has been carried out, the public ignores how much the massive foreign aid programs cost or the nature of the obligations the nation has acquired with countries like China, Russia or Belarus. We don't even have reliable information about homicides, kidnappings and crime. The government ably exploits for propaganda purposes its doctored figures and benefits from the information vacuum. Recently, for example, the Governor of the Central Bank announced that the data about scarcity of consumer goods and medicines would no longer be published.

Shining a light on the true conditions of poverty, inequality, labor practices, productivity, oil production, fiscal and monetary balances, censorship, and, of course, human rights will help reveal the failure of the Venezuelan leadership to pursue an economic and social path that serves its people. I am not asking that the US explicitly "classify" the Venezuelan government as a dictatorship, but that the US use its power to fight an abusive regime with the force of information: to get the real facts out for everyone to see and debate. It is imperative to make it harder for the regime and its apologists to lie about what is going on in the country and to hide the devastating impact of their policies.

2) Uncover the Dirty Secrets

Rumors, individual cases, whispered revelations, confessions by Venezuelan government operatives, wild accusations and sporadic reports all tell of the Cuban influence on Venezuelan government policies, of the enormous influence of narcotraffickers or their accomplices in the government and of the massive corruption in the use of government revenues and contracting. The US security and financial agencies are well-informed on each of these realities. My recommendation is to conduct an information audit of all intelligence and law enforcement reports that illuminate the Venezuelan situation and to release the information that can be made public without threatening security assets or damaging the intelligence community's need to protect sources and methods. I am sure that such audit will find that the US government holds secret information whose revelation can shed important light into the workings of the Venezuelan government and its Cuban partners (or the narcotraffickers in its midst) without causing any lasting damage to US intelligence.

It is critically necessary to present information about the level of foreign influence, illegal money flows, government criminality and corrupt practices in Venezuela and to document how its government has become an important enabler of the illicit trade in drugs, people and weapons. Under conditions of widespread media censorship and coercion, the potential for manipulating the public with false information is high. Again, the US government could take an important step in countering this misinformation by systematically revealing what it knows about these corrupt practices.

3) Target the Bolivarian oligarchs and their partners

The US has a number of tools to sanction individuals who enter US territory. It is well known that the same corrupt individuals who steal from government coffers, take kick-backs on contracts and launder drug money while loudly condemning the United States, also come here to enjoy this country's goods and services. These new billionaires, who have amassed unimaginable personal fortunes by criminally tapping into public funds, travel in private jets to the US, take advantage of top-flight US health services, send their children to US colleges and spend their holidays shopping in New York, skiing in Aspen or yachting in Florida. They are also heavy users of the US banks and invest their misbegotten gains in real estate and other investment instruments under US jurisdiction. My concrete proposal is to broaden the scope and reach of the micro targeted sanctions against specific individuals and their families and business partners. Since Hugo Chavez came to power, fifteen years ago, it has become almost impossible to thrive in the private sector in Venezuela without entering into business deals with the government. Rarely are these deals conducted at arm's length and without corruption. There is a long and growing list of obscenely and inexplicably affluent Venezuelans who pass for "business people" but are nothing more than criminals who enriched themselves on the backs of the Venezuelan poor that the Bolivarian government so ardently claims to represent. These crooks and their associates should be targeted with individual sanctions. The US government knows who they are.

Denying a visa, freezing bank accounts and limiting the access of the Chavez oligarchs and their families to the US will obviously have a direct impact on these individuals. As important, it will make

public the corrupt nature of the regime and will identify some of its wealthy beneficiaries. Demonstrating that the US does not condone this kind of corrupt and illegal behavior will show these individuals, and the world, what it stands for and what it stands against.

4) Avoid the Anti-Imperialist Trap

There has been much discussion of using the oil trade with Venezuela as a tool to sanction the country. I strongly oppose this proposal for two reasons. First, as others have said, cutting off the most important source of revenue for the Venezuelan economy hurts all Venezuelans, most of whom have no influence in government decisions and certainly no ability to tap into public revenues for private gain.

Second, and in this politically-charged environment a key factor, a US oil embargo on Venezuela or any kind of nation-wide economic sanction would instantly be painted as Yankee imperialism, intervention and a typical US strong-arm tactic to harass poor Venezuela—a nation that is valiantly challenging this evil empire which longs to control its massive oil reserves. This is the narrative that Chavez and his acolytes in and outside Venezuela have nurtured for a long time. The tenets of this narrative are firmly believed by Latin Americans and millions of others around the world -- it is also widely accepted in Venezuela. If the US imposes a total or partial oil embargo or otherwise uses heavy-handed, generalized economic sanctions, it would be committing a clumsy and self-inflicted wound. The US would instantly become the cause of all Venezuelan ills, from the lack of basic goods at the grocery store to the deaths of children in hospitals without medicines.

No sanction imposed by the US can cause more damage or be as politically destabilizing for the Venezuelan government as the sanctions that the Maduro administration and its Cuban handlers are currently imposing on the Venezuelan people.

Oil sanctions by the US government would be a reward for the Caracas government and its Cuban partners, since they are desperately looking for someone to blame for the economic crisis they have created.

So it is my strong recommendation NOT to do something that has been discussed by some members of Congress. Don't fall into the Anti-Imperialist trap.

5) Rally Latin American Government Voices to Condemn of Human Rights Violations in Venezuela and Demand the Freedom of Political Prisoners

Finally, I would like to make a recommendation for action in the area of human rights. Even though the US has lost influence in Latin America, it still does have supporters and allies in the region. I recommend rallying these allies to get political prisoners such as Leopoldo Lopez, the opposition leader, Ivan Simonovis, the long-held political prisoner, and all of the young people who have been

swept up by the government forces out of prison. A unified call for living up to the most basic of human rights, the right to due process under the law, from friends of the US across the continent would be an important force in gaining liberty for those unjustly jailed and in some cases tortured. US leadership in mobilizing a group of countries to denounce the old but not forgotten tactic of governments to jail and harass their critics would be a loud voice in saying enough is enough. Release the prisoners!

Venezuela's brutality should be a stain on the conscience of other Latin American nations that have looked the other way for too long. The US should make indifference and bystanding harder to sustain. Additionally, the US should engage and encourage in the very innovative process spontaneously taking place in Latin America where opposition forces are taking a public stand against their governments' complacency towards the Venezuelan situation. In Brazil, Argentina, Chile and Peru, elected legislators have openly challenged their own governments for their passive stand towards Venezuela. This is a process that should be welcomed and encouraged by the US. It is very important to have elected officials who are members of non-ruling parties throughout Latin America shaming their own governments out of their silence regarding the abuses taking place in Venezuela.

To conclude, I would like to reiterate that these recommendations are based on the idea that real information and its broad dissemination are powerful tools in confronting deception and corruption. They embrace the idea that those culpable of wrongdoing should bear the brunt of punishment. They take into account the special role of the US in the region and in the world, and they strive to bring nations together to defend modern practices of real democracies in protecting and defending all citizens. For the sake of Venezuela, and the Venezuelan people I hold dear, I hope these and other actions can help make progress toward a better future.

Thank you for your leadership in holding this hearing and for giving me the opportunity to address you this morning.