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A Critical Juncture: EU's Venezuela Policy Following the War in Ukraine

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The war in Ukraine accelerated a global energy crisis just as the world was beginning to recover from the Covid-19 pandemic. Venezuela has the largest crude oil and the eighth largest gas reserves in the world and can therefore offer an alternative for Europe to replace its fossil fuels imports from Russia. The problem is, of course, that EU–Venezuela relations have been in a sorry state since the EU denounced President Nicolás Maduro’s re-election in 2018 as neither free nor fair. Since then, the EU has adopted targeted sanctions against the Venezuelan government, thus adding to the maximum economic pressure that former US President Donald Trump imposed on Caracas in an attempt to fatally weaken Maduro. This approach has yielded no result in that respect, and the war in Ukraine, and its energy security implications for the EU, creates the occasion for a revision of EU and US strategies. The hope is that a “more carrots, less sticks” approach could convince Maduro to engage in meaningful dialogue with the opposition. The EU must seize this opportunity of rapprochement and readiness and push forward the recommendations put forth in its electoral observation mission’s report of 2021, reconcile internal disputes to focus on the big picture, give momentum to dialogue efforts, consolidate support among regional allies and rekindle its efforts towards humanitarian relief.

A failed pressure strategy

Venezuela used to be among the most prosperous countries in Latin America, but is now home to one of the largest external displacement crises in the world next to Syria and Ukraine, according to the United Nations High Commissioner for Refugees.¹ When he came into power in 2013, President Maduro inherited from his predecessor Hugo Chávez a country in economic turmoil, high in debt and on an increasingly authoritarian track. The slump in oil prices in 2014 added fuel to the fire, prompting a wave of unrest to which Maduro responded with repression. He then tried to replace the democratically elected National Assembly, which had an opposition majority, with a loyalist Constituent Assembly in 2017. But it was after the 2018 presidential election, when Maduro secured a second term in what are widely considered rigged elections, that Venezuela descended into a full-blown political crisis. Juan Guaidó, speaker of the National Assembly, used a constitutional clause to declare himself interim president until new elections could be held, backed by more than 60 countries worldwide.² In the following years, various negotiations attempts between Maduro and the opposition failed to solve the country's political dispute, prompting fatigue in the opposition ranks while eventually consolidating Maduro's authoritarian grip.

As the political crisis unfolded, the EU and the United States responded with sanctions against the Maduro regime, although with different goals. The Trump administration pursued regime change through a maximum pressure strategy. Instead, the EU combined targeted restrictive measures with humanitarian aid and support for dialogue and mediation efforts. EU efforts have been hampered by: internal divergences, especially on the recognition of Guaidó as interim president; multipolar competition and the perceived excessive proximity with the United States; and regional fragmentation and polarisation. Sanctions have failed to produce substantial change as Russia and China, and to some degree Iran and Turkey, have continued trade (including in oil) and strengthened economic ties

¹ United Nations High Commissioner for Refugees (UNHCR) website: *Venezuela Situation*, <https://www.unhcr.org/emergencies/venezuela-situation>.

² "Crisis en Venezuela: Los artículos de la Constitución a los que aduce Juan Guaidó en su juramento", in *El Mundo*, 24 January 2019, <https://www.elmundo.es/internacional/2019/01/24/5c49bf1dfdddf4e888b468e.html>.

with the Maduro regime.³

How has the EU mitigated constraining factors on its policy?

There have been two issues over which the EU struggled, even failed, to reach consensus. The first was the recognition of Guaidó as interim president. While most member states eventually did so, Italy and Cyprus dragged their feet, until the issue became irrelevant in early 2021 when the term of the National Assembly of which Guaidó was speaker expired. EU divergences stemmed from the political composition of member state governments and their view of the EU's role in the world. Left-leaning governments in the EU tended to frame the recognition of Guaidó as a US-led, “interventionist” initiative, while right-leaning governments advocated a confrontational approach to Maduro, including through the recognition of Guaidó. It was a missed opportunity to show EU unity and put the spotlight on the EU's difficulty to reach agreement over its foreign policy.

Second, internal disagreements within EU institutions and member states revolved around the opportunity to send an electoral observation mission to local and regional elections in November 2021, out of fear that this could whitewash the Maduro regime. The mission eventually garnered enough support to be deployed and was later largely perceived as a success by EU member states. The EU electoral observation mission (EOM) produced a report with recommendations that have become the benchmark for the conditions for a free and fair election in the agenda of the Mexico-based talks between the government and the opposition.

The region's fragmented and polarised approach to the Venezuelan crisis has been another factor hampering EU efforts. Trump's push for regime change, embraced by most Latin American countries led by right-wing governments in 2019–20 (crystallised by the creation of the so-called Lima Group) exacerbated geopolitical tensions in the region. The EU-backed creation of the International Contact Group (ICG) in 2019, which aimed to promote dialogue but did not bear fruit because it coincided with the recognition of Guaidó and the EU's rapprochement with the

³ Anna Ayuso, Marianne Riddervold and Elsa Lilja Gunnarsdottir, “The EU Trapped in the Venezuelan Labyrinth: Challenges to Finding a Way Out”, in *JOINT Research Papers*, No. 18 (February 2023), <https://www.jointproject.eu/?p=1550>.

Lima Group. Regional polarisation was epitomised by the appointment of a Guaidó representative in the Organization of American States, despite Maduro's decision to withdraw from the pan-American body, and the prolonged stalemate in the Community of Latin American and Caribbean states (CELAC).

The EU was dragged into a polarisation spiral where its policies were associated with those of the Trump administration, even though they had different objectives. Besides, Trump's policy of maximum pressure as an instrument for democratisation proven ineffective in a context of geopolitical competition with China and Russia. Their support for the Maduro regime allowed it to survive, even though at the cost of the country's descent into economic disaster. Russia in particular also invested political capital by participating in the Mexico talks as the government's accompanying country.

A changed scenario, a new strategy?

President Biden's election and Latin America's shift towards the left created openings for a more constructive international engagement with Venezuela, which have further widened after the outbreak of the Ukraine war, providing the EU with a new set of foreign policy options.

The EU and the US, together with Canada and the United Kingdom, have signalled a willingness to agree to conditional sanctions relief.⁴ The Biden administration has permitted American oil company Chevron to resume limited oil operations in Venezuela in exchange for an agreement by Maduro and the opposition to continue dialogue after a year of stalemate. The talks have made no progress other than an agreement to turn up to 3 billion US dollars of frozen government fund into aid to be distributed by the UN and the International Red Cross to alleviate the domestic humanitarian predicament. Although a more concessions-based foreign policy towards Venezuela may not lead to the regime change some have hoped for, it could still make Maduro willing to allow for fairly free and democratic elections in 2024, when his second term comes to an end.

⁴ European Union External Action Service (EEAS) et al., *Joint Statement on Venezuela Negotiations in Mexico*, 26 November 2022, <https://europa.eu/!x64fMw>.

However, it is clear that the humanitarian crisis will not be over shortly, and the implementation of the 2022 agreement between government and opposition is proceeding slowly. Increased EU humanitarian aid could help promote goodwill in Venezuela and in the region, and thus is not solely to be considered an altruistic gift, but an important part of the EU's foreign policy arsenal.

Finally, Venezuela and the broader region of Latin America and the Caribbean is not only important due to its natural resources, but an important political partner for the EU in its bid to defend a rule-based global order. This has become ever more evident since the war on Ukraine, which has seen some Latin American countries refusing to pick sides. Over the last few years the political landscape in Latin America changed with the election of leftist presidents in almost all countries in the region, with interest in seeking a negotiated response to the crisis in Venezuela. The International Conference on Venezuela convened by Colombian President Gustavo Petro in Bogotá in April 2023 is an illustration of the region's renewed engagement on the issue. The upcoming EU–CELAC summit in July, the first in eight years, is an opportunity to engage with regional partners to foster political cooperation on global and regional issues, including Venezuela.

The EU's pragmatic rapprochement with Venezuela offers the prospect for some progress in the negotiations between government and opposition, but it should not be perceived as a relegation of EU's commitment to democratic norms. The EU should not waste the opportunity to step up its diplomatic engagement with the region and coordination with the US and like-minded countries to ensure that Maduro concedes a real level playing field for the 2024 elections while at the same time pursuing its strategic goal of diversifying energy supplies.



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