The Double-edged Sword of Economic Sanctions Against Venezuela

Venezuela is going through one of the worst economic crises of the last century. According to the International Monetary Fund (IMF), Venezuela's GDP has fallen nearly 50 percent since 2014.

To understand the magnitude of Venezuela's economic downturn, Spain's GDP fell by 30 percent… during the Spanish Civil War of the 1930s! In other words, a war that lasted three years and killed hundreds of thousands of people had a less disastrous economic impact than Nicolas Maduro's disastrous policies in times of peace.

Price controls, arbitrary nationalizations, irresponsible money-printing, and the highest homicide rate in the world are some of the reasons for the collapse of Venezuela's economy. Their economic woes recently led to a political crisis that ended with the appointment of National Assembly leader Juan Guaidó as interim President of Venezuela, a move supported by many of the most democratic countries in the world. The astute diplomatic move to recognize Guaidó as President was led by the United States, which also imposed new economic sanctions against the Venezuelan government aimed at speeding up the fall of Maduro's dictatorial government.

This isn't the first time that the US government has levied sanctions against Venezuela. In 2006, the Bush administration banned the sale of commercial arms to the South American country after accusing Chávez's government of lack of cooperation on anti-terrorist policy. Two years later, several senior officials had their US-located assets frozen by the Treasury Department for their involvement in drug trafficking.

Since 2014, the Obama and Trump administrations have imposed further economic sanctions on significant political leaders responsible for human-rights violations, including Nicolas Maduro, Vice President Delcy Rodríguez, and Diosdado Cabello, president of the government-controlled pseudo-parliament known as the Constituent Assembly and alleged head of the Cartel of the Suns.

The US recently stiffened the sanctions against Venezuela as a result of the latest political crisis. On January 29, 2019, the Treasury Secretary Steven Mnuchin forbade U.S. citizens from undertaking transactions with the main source of income for Maduro's government, the Venezuelan oil company PDVSA. Prior to that, the Trump administration issued an executive order preventing Venezuela from accessing US financial markets.

But are economic sanctions an effective way to remove Venezuela's satrap from power? If so, are they justified from an ethical perspective? In order to answer the first question, we can look to Cuba. In 1962, the US imposed an economic and financial embargo against the Caribbean island. Forty-seven years later, Cuba is still under the yoke of communism despite the sanctions and the fall of its main benefactor, the USSR.

Some could argue that this time is different. Maduro seems to be on the ropes. Most neighboring countries refuse to recognize his government and the country's economy is falling apart. In these circumstances, economic sanctions could give the *coup de grâce* to the agonizing Venezuelan authoritarian regime.

However, the above reasoning doesn't take into account the potential humanitarian impact of economic sanctions in the long term. If economic sanctions do not quickly result in the end of the tyranny, it won't be Maduro and his clique but the bulk of the population who will suffer the consequences. In fact, the Congressional Research Service has already warned that stronger sanctions against PDVSA could worsen the humanitarian crisis in Venezuela.

Whereas specific sanctions against political and military leaders of the *Bolivarian Revolution* seem justified, broader economic sanctions affecting the heart of Venezuela's economy (i.e., the oil industry) will only contribute to aggravating the situation of a country devastated by the policies of Chávez and his political heirs, punishing the very people they are meant to protect.

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