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Foreign Policy Options for US in Venezuela

Venezuela is on the verge of collapse as it reels with a deepening economic, social and political crisis. The country has seen inflation in four figures and its currency has plunged to the point that it is hardly trusted in the country itself. The fact that Venezuela has the world’s largest proven oil reserves is unbelievable when the aforementioned facts are considered. Among all the chaos, President Maduro has remained adamant that he will lead Venezuela out of the crisis and has challenged USA on multiple occasions. The economic downfall of the country will have far-reaching repercussions for USA and the Western hemisphere in general. The crisis has already sent thousands of Venezuelans across its borders and into neighboring countries, stoking fears of a humanitarian crisis. Therefore, the United States must take swift action to ensure that the spiraling crisis is swiftly brought under control.

One of the first policy decisions United States should take is to continue targeted sanctions against Venezuelan officials and politicians. The Venezuelan government has whipped up the sentiment that ‘evil’ American sanctions are the reason for the economic crisis of Venezuela. Targeted sanctions, therefore, will help in refuting the incumbent administration’s narrative that American sanctions are the main reason for the country’s woes. This will be beneficial in attaining the sympathy of the Venezuelan people who will be more likely to turn against Maduro. An added benefit of a set of sanctions related to finances and travel, will be that they will help in pressurizing the administration’s top ranking individuals. It is generally believed that the administration’s corrupt individuals are on Maduro’s payroll and cutting off his and his top supporters’ finances will go a long way in contracting Maduro’s money supply. This will galvanize the administration’s people to change their loyalties towards a more financially viable alternative.

Moreover, another major policy that the United States should pursue is turning Venezuela’s neighbors against Venezuela on the pretext of security and stability. Neighboring countries have received tens of thousands of refugees from Venezuela and there is fear of an even greater influx of refugees as circumstances in Venezuela continue to deteriorate. This presents an opportunity for America to convince Venezuela’s neighbors to adopt a mutual strategy to deal with the crisis. Colombia has recently seen a new government after decades of internal strife, so the new leaders will surely face some backlash after thousands of migrants from Venezuela have fled into Colombia. According to Colombian President Ivan Dukue, his country has suffered 0.5 percent of its GDP due to the influx of refugees from Venezuela. With conditions such as these, it is not far-fetched to assume that neighboring countries’ patience will run out and they will demand a change in governance attitudes inside Venezuela. When push comes to shove, USA should build a regional coalition that would condemn Maduro’s actions and policies, pressurizing him even further.

Finally, USA should allow generous aid to the countries receiving refugees from Venezuela. Since USA is not likely to allow refugees given the current situation, the least it can do is offer aid to countries that fall within the Western hemisphere. Countries such as Brazil, Colombia and Guyana are receiving the highest number of refugees and their economies are burdened. Brazil’s northwestern states are experiencing a socio-economic crisis with health and education facilities receiving more people than they can accommodate. USA should extend generous aid to these countries in the form of food, shelter and clothing so the refugee influx does not spiral into a full-blown crisis. This is necessary because any destabilization in Latin American countries will only damage America’s goal of stabilizing Venezuela and will also have far-reaching socio-economic influences on USA itself.

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