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# Comparing Containment Policy With U.S. Policy Towards Venezuela 1999-2020

MA Thesis Final Version



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## Abstract

In this Master Thesis, a comparison is made between the United States foreign policy towards Venezuela in the period 1999-2020 and the U.S. containment policy used during the Cold War. To make this comparison, this thesis is divided in four parts. The chapter *United States Containment Policy* describes the origins and the implementation of the United States containment policy. The chapter *Developments of Venezuela 1999-2020* lists the main developments of Venezuela in the period 1999 until 2020. The chapter *United States foreign policy towards Venezuela* describes the U.S. foreign policy towards Venezuela developed during the period 1999 until 2020. In the chapter *Comparing Containment policy with U.S. Venezuela policy*, findings from the previous chapters are used to make a comparison between the two policies. After Hugo Chávez became president of Venezuela in 1999, his government followed an anti-American foreign policy which threatened United States foreign interests. As relations between the two countries worsened, the United States implemented economic and political sanctions. The containment policy was the dominant foreign policy of the United States during the Cold War. The containment policy was designed to contain communism and avoid the spread of Soviet influence around the world. The policy of containment was very diverse as it was differently interpreted and implemented by each presidential administration. This thesis finds that certain elements of the containment policy were also used in the foreign policy towards Venezuela. However, the foreign policy focused on Venezuela is not a continuation of the Cold War policy. The world order has greatly shifted since the Cold War. The interests and the execution of the policy in the region derive from the context of the international order. Certain elements of containment are no longer suitable and thus are no longer part of the foreign policy towards Venezuela in the period 1999-2020.

**Key Words:** Containment policy, Venezuela, United States, foreign policy, hard power, Chávez, Maduro, Cold War, Latin America, international system.

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# 1. Introduction Chapter

## 1.1 Introduction

In recent years, the diplomatic relation between the United States (U.S.) and Venezuela was extremely tense. This has not always been the case, as Venezuela has been a strong ally to the U.S. during the Cold War. A turning point in the relations between Washington and Caracas came when the socialist Hugo Chávez took office in 1999. Chávez policies like the nationalisation of the oil industry and his warm relations with Castro's Cuba were very unpopular in the U.S. After Nicolás Maduro took over the presidency in 2013, the deterioration of the U.S.-Venezuela relations intensified further. The tension between the states peaked after the Venezuelan elections in May 2018. In this election, Maduro was re-elected with a huge 67,8% of the votes. The result of the election was disputed within the country as in the international community, who suspected election fraud. Thereafter, the U.S. and 58 other countries recognised politician Juan Guaidó as the legitimate interim president in Venezuela in January 2019.<sup>1</sup>

In the last 20 years, the U.S. has implanted many policies to oppose the socialist regimes of Chávez and Maduro. Most used are economic sanctions, aimed at hurting the Venezuelan government. Current sanctions are against individuals who are known to be operating in the gold, oil, financial, defence and security sectors of the Venezuelan economy, key pillars of the socialist government.<sup>2</sup> It could be said that the U.S. attitude against Venezuela has much in common with the containment policies of the U.S. during the Cold War. During this period, the U.S. applied a foreign policy of containing and preventing communist influence around the world. The policy of containment was applied through military presence, support of friendly (often autocratic) regimes, economic and political sanctions, support of the opposition in communist countries, and in certain cases through military intervention. While this containment policy officially came to an end with the fall of the Soviet Union, the United States remained hostile towards socialist states. Most of these states, including Venezuela, are now known as 'rogue states.' In this master thesis, the foreign policy of the United States towards Venezuela in the period 1999-2020 is analysed and compared to the containment policy of the United States during the Cold War. The research

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<sup>1</sup> Adája Stoetman, and Anna Zeverijn, "Sentinel of the Caribbean US Foreign Policy towards Venezuela," *The Hague Centre for Strategic Studies & Clingendael* (July, 2020): 2.

<sup>2</sup> U.S. Department of State, "U.S. Relations With Venezuela: Bilateral Relations Fact Sheet," *Bureau of Western Hemisphere Affairs*, July 6, 2020, <https://www.state.gov/u-s-relations-with-venezuela/>.

question of this thesis is: *What was the United States foreign policy towards Venezuela during the period 1999-2020 and how does this policy compare with the containment policy of the Cold War?*

## **1.2 Research Question and Sub Questions**

As is stated in the introduction, in this master thesis, the foreign policy of the United States towards Venezuela in the period 1999-2020 is analysed and compared to the containment policy of the United States during the Cold War. The research question of this thesis is: *What was the United States foreign policy towards Venezuela during the period 1999-2020 and how does this policy compare with the containment policy of the Cold War?*

This research question covers a broad scope of different topics. To be able to make the comparison between the United States foreign policy towards Venezuela and the containment policy, this thesis covers three different topics relevant to the research question. These topics are divided between three chapters and are based on three sub-questions. In the first chapter, the origins and the implementation of the United States containment policy is analysed. In the second chapter, the main developments of Venezuela in the period 1999 until 2020 are investigated. In the third chapter, the U.S. foreign policy towards Venezuela developed during the period 1999 until 2020 is listed and analysed.

The first chapter *United States Containment Policy* examines the policy of containing communism, the dominant foreign policy of the United States during the Cold War. This chapter starts off with describing the origins of this foreign policy. Next, the most important examples of containment policy in practice are shown to demonstrate how this policy has evolved over time. Two well-known examples of containment examined in this chapter are the Truman doctrine and the Vietnam War. The Truman doctrine is an important form of the containment policy as it was the first time it was implemented in U.S. foreign policy. The Vietnam War is one of the most well-known event in the history of containment policy during the Cold War, as it has been the most violent form of containment, deteriorating in a full out war. Next, this chapter focuses on the containment policy in Latin America. The countries investigated in this chapter are Guatemala, Chile, and Cuba. The U.S. containment policy towards these countries is especially relevant to this research since these cases are the most relatable to Venezuela, the country on which the focus of this thesis lies. This chapter is



concluded with an overview of the evolution of the policy of containment after the end of the Cold War.

In the chapter *Developments in Venezuela 1999-2020*, the main events that have helped shape the country to its current state are researched. This chapter starts off with a summary of the history of Venezuela before 1999 to create context for what follows. Next, the presidencies of Hugo Chávez and his successor, Nicolás Maduro, are described. Hugo Chávez has served as Venezuela's president in the years 1999-2013. Under Chávez's presidency, many important economic, diplomatic and social reforms were implemented in Venezuela. Other noteworthy aspects of Chávez reign are its national unrest and his foreign diplomacy. Nicolás Maduro succeeded Chávez in 2013, and remained in power at the point when this thesis was written. Main developments of the period of Maduro's reign are that of economic crisis, power consolidation and national unrest. This chapter concludes by reflecting on how the international community, especially the United States, has responded to Chávez and Maduro's leadership.

The chapter *United States foreign policy towards Venezuela*, focusses on the foreign policy of the United States towards Venezuela. The relations between the two countries, which had been good up until 1999, has sharply declined over the years. This chapter starts off by listing the main interests of the United States government in Venezuela. Foreign policy is generally designed to safeguard the national interests of the country and to achieve goals through relations with other countries. It is thus self-evident that the protection of U.S. national interests has been a key element of its foreign policy towards Venezuela. Next, the different policies implemented by the United States during this period are analysed. As the bilateral relation and the foreign policies have underwent quite some changes, a distinction is made between the different presidential periods in this timespan. In the period of 1999-2020, the United States has had four different presidential administrations. The administrations of President Bill Clinton, George W. Bush, Barrack Obama, and Donald Trump. Finally, the question is answered whether the interests and thus the goal of the foreign policy of the different administrations has been achieved.

In the fifth chapter, a comparison is made between the containment policy of the Cold War and the foreign policy towards Venezuela. This comparison is based on the findings of the previous chapters. In this chapter, both the similarities and the differences between the two foreign policies are listed. Besides comparing how the two different policies are executed, the interests and the international system are also used in this comparison.

### 1.3 Main Theoretical Framework

For this paper, several theoretical concepts are used to support the research. Although the comparison made in this thesis is predominantly based on historical research, a few concepts from the academic discipline of International Relations are used to support this thesis. The main theory used for this paper is ‘containment’. Other concepts that are applied and therefore reoccur in this thesis are hard power, hegemony and rogue states.

#### 1.3.1 Containment

According to the dictionary, containment (the policy of) is “a United States foreign policy doctrine adopted by the Harry S. Truman administration in 1947, operating on the principle that communist governments will eventually fall apart as long as they are prevented from expanding their influence.” Normally, the fall of the Berlin wall and later the collapse of the Soviet Union is seen as the end of the Cold War and thereby the end of this policy. The containment policy was executed in many ways. Most notably are U.S. military interference as has happened during the Korea War (1950-1953) and the notorious Vietnam War (1955-1975). The goal of these wars was to stop communist factions in these countries from taking over. Containment policies also include the arming of ally regimes (which were often authoritarian) and suppressing communist ideas. The founding of NATO can also be seen as a form of the containment policy. In many cases, economic sanctions were used as a very useful way of containing communist regimes.

The containment policy has been interpreted and implemented differently by different U.S. presidents and policy makers. When the term containment policy was introduced by diplomat George Kennan in 1947, he described it as a way to contain Soviet influence through economic sanctions and psychological warfare.<sup>3</sup> Many other U.S. policymakers referred to containment as a more militaristic foreign policy. John Lewis Gaddis, the author of *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War*, is the most well-known author who has written about containment policy. According to Gaddis, containment policy was rather a political policy than a military policy, which was cautiously implemented within strictly defined geographical limits. This interpretation has

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<sup>3</sup> Office of the Historian, “George Kennan and Containment,” *Department of State*, accessed June 28, 2021, <https://history.state.gov/departmenthistory/short-history/kennan>.

been criticised as too simplistic, arguing that military and political policies are much more intertwined than Gaddis claims.<sup>4</sup>

The concept of containment is a reoccurring feature in this thesis. The main point of research is to compare recent U.S. foreign policy with U.S. Cold War containment policy. To make this comparison, an analysis must be made explaining what containment is and how it has developed. Therefore, is the chapter *United States Containment Policy* dedicated to disclosure what containment policy is and how it has been differently executed during the Cold War.

### 1.3.2 Hard & Soft Power

Hard and soft power are concepts termed by Joseph Nye, a very influential American political scientist and member of the academic discipline of International Relations. In International Relations, power is usually defined as the ability of a state to achieve its desired results, often by changing the behaviours of others. The state has many ways in which it can use its power. These different strategies are divided between hard, soft and smart power. Hard power is based on military or economic power.<sup>5</sup> Hard power has been historically the dominant power states used to impose their will upon weaker states. Traditional wars are a form of hard power. The violence is physical, evident, brutal and immediately evokes reactions.<sup>6</sup> Examples of hard power are military actions like military threats and invasions, but also economic actions like sanctions or boycotts. Generally, political pressure is also considered hard power. Meanwhile, soft power is the ability to change the behaviour of other countries without the use of force or coercion. Soft power is the use of non-physical force to achieve political goals. Examples of soft power are cultural influence and political outreach.<sup>7</sup> Smart power is, according to Nye, the ideal combination of both hard and soft power.

The United States foreign policy instruments analysed in this paper are predominantly forms of hard power. There is however a clear distinction between the different sorts of hard power policies. In the past, hard power was almost always in some way connected with

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<sup>4</sup> John Lewis Gaddis and Eduard Mark, "The Question of Containment: A Reply to John Lewis Gaddis," *Foreign Affairs* 56, no. 2 (January 1978): 430, <https://doi-org.eur.idm.oclc.org/10.2307/20039861>.

<sup>5</sup> Colin S Gray, "Hard Power and Soft Power: The Utility of Military Force as an Instrument of Policy in the 21st Century," *Strategic Studies Institute (SSI)* (April 2011): v.

<sup>6</sup> Jannes H. Mulder, "Soft power," *Ensie.com*, last modified June 26, 2020, <https://www.ensie.nl/jannes-h-mulder/soft-power>.

<sup>7</sup> G. John Ikenberry and Joseph S. Nye, Jr., "Soft Power: The Means to Success in World Politics," *Foreign Affairs* (May/June 2004), <https://www.foreignaffairs.com/reviews/capsule-review/2004-05-01/soft-power-means-success-world-politics>.

military power. In recent years however, hard power in the form of military intervention has been used far less than has happened in the past. After the Bush administration, the United States has tried to limit its military use. However, The U.S. foreign policy remains strongly in favour of economic sanctions. Generally, the U.S. administration uses its economic power over its military power to influence the behaviour of nations. In this thesis, a distinction between military hard power and economic hard power is made in the analysis of containment policy and the foreign policy towards Venezuela. By making the distinction between economic and military hard power, differences and similarities between the two policies can be better demonstrated.

### 1.3.3 Hegemony

The term hegemony is yet another term of the academic discipline of International Relations. The idea of hegemony was conceived by the influential American IR theorist Robert Keohane. The concept 'hegemony' is based on the Greek word '*hegemonia*', which means to dominate leadership.<sup>8</sup> According to the Oxford Dictionary, "hegemony refers to the ability of an actor with overwhelming capability to shape the international system through both coercive and non-coercive means." A hegemon holds political, economic, or military predominance or control over other states. The global hegemon is the most powerful state on earth and must be able and be inclined to take the role of the world leader. Furthermore, the hegemon must have substantially more power than the other major powers and should be accepted by these powers as the world leader. The hegemon is able to make rules within the international community and shapes the international order to its own image.<sup>9</sup>

During the Cold War, the world was divided between two spheres of influence. On the one hand was the democratic capitalistic West, led by the United States. On the other hand were the autocratic communist nations, led by the Soviet Union. During the conflict, the Soviet Union and the United States remained on equal footing, with none of the two powers being able to dominate the other. This changed with the collapse of the Soviet Union in 1991. With communism defeated, the United States, remained the only superpower left on the world stage. With the lack of a rival to challenge them, The United States was able to flex its power all around the world without serious opposition. The new international system, the international liberal order was created with the United States as its hegemon.

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<sup>8</sup> Goda Dirzauskaite and Nicolae Cristinel Ilinca, "Understanding 'Hegemony' in International Relations Theories," (PhD diss., Aalborg University, 2017), 17.

<sup>9</sup> Dirzauskaite, "Understanding Hegemony," 19.

The international standing of a nation greatly influences its capacity and interests by the formation of a foreign policy. The concept of hegemony is therefore important in the analysis of the U.S. foreign policy of containment and the foreign policy towards Venezuela. By understanding the position of both the United States and Venezuela, foreign interests and policies can be better understood.

#### **1.3.4 Rogue States**

According to the Cambridge dictionary, a rogue state is “a nation that is considered very dangerous to other nations.” In modern times, rogue states are often mend as nations or states regarded as breaking international law and posing a threat to the security of other nations. The term was invented by the U.S., who used it to indicate countries which were a threat to the international community, led by the United States. These states are often authoritarian with no regard to international laws. Although the term was officially scraped by the United States government in 2000, it has been reintroduced by former American President Donald Trump. Currently, the United States sees six states as rogue: Cuba, Iran, Nicaragua, North Korea, Syria, and Venezuela. The United States has a hostile attitude towards these states.

The concept of rogue states is valuable to this research as it explains the relationship and attitude between the United States and Venezuela. The United States acts as the world leader and leads the international liberal order, which is shaped in its own vision. Venezuela is a dissident in the international community and threatens the stability of the U.S. led order. The perception of the United States of Venezuela greatly influences its foreign policies towards the country and is thus useful in this research.

#### **1.4 Innovative Aspect**

While many scholars and journalists have written about the US-Venezuelan relations and the sanctions the United States has opposed on the regimes of Chávez and Maduro, no academic published academic work has made the connection with the containment policy of the United States during the Cold War. Generally, academics who have written about containment policy claim that the policy ended after the fall of the Soviet Union. John Lewis Gaddis, arguably the most influential author of containment policy, argued that the policy became useless after

communism stopped being a threat.<sup>10</sup> The fact that no author has made a comparison between the United States containment policy of the Cold War and U.S. foreign policy of the 21st century, makes the topic of this thesis interesting and unique. Furthermore, this thesis makes a bridge between the academic field of history and the academic field of international relations. By investigating the historical foreign policy of the United States, current international events can be better understood.

### 1.5 Research Method

The research of this thesis is solely done in the form of desk research. As the chapters of this thesis deal with a very broad variety of topics, the sources reflect this. Chapter 2, *United States Containment Policy*, is primarily based on descriptive secondary literature of the history of the Cold War and literature of the containment policy itself. The most referenced source in this chapter is *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* of John Lewis Gaddis, revised in 2001. Central in this chapter is the concept of containment policy. The first time containment policy is mentioned was in the article *The Sources of Soviet Conduct*, published in 1947. This primary source is analysed in this chapter. The third chapter, *Developments of Venezuela 1999-2020*, is based on descriptive literature and governmental reports. The book *The History of Venezuela* from Micheal H. Tarver and the report *Venezuela: Background and U.S. Policy* from Ribando Seelke and Rebecca M. Nelson are the two most important sources of this chapter. In the fourth chapter, *United States foreign policy towards Venezuela*, is primarily based on governmental reports and official policy documents of the United States government (primary sources). In the fifth chapter, *Comparing Containment policy with U.S. Venezuela policy*, little new literature is added as this chapter is based on the findings of the previous chapters.

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<sup>10</sup> John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War* (Oxford: Oxford University Press, 2005), 385.

## 2. United States Containment Policy

### 2.1 Introduction

In this chapter, the containment policy of the United States is examined. The containment policy was the leading foreign policy of Washington during the Cold War, a period which started at the end of the World War 2 until the fall of the Soviet Union in 1991. To get a better grasp on the meaning and the development of containment policy, the conception of this new policy is studied. It has never been a strict doctrine, as its meaning has changed over time. Containment policy has been differently interpreted and executed, by the different American administrations. The policy is too broad to cover in its entirety, therefore, only the containment policies that are the most significant to the subject of this thesis are described. This chapter looks at the Truman doctrine, the Vietnam war, and the implementation of the containment policy in Latin America, specifically in Guatemala (1950s), Chile (1970s) and Cuba (starting in 1959 but still in place). In the last paragraph of this chapter, the development of containment policy at the end of the Cold War is examined.

### 2.2 Origins of the Containment Policy

The term ‘containment policy’ was first introduced in a publication of the journal ‘Foreign Affairs’ in 1947 in an article named “The Sources of Soviet Conduct.”<sup>11</sup> This article, which was publicly named the “X-Article”, was published by an anonymous author who called himself Mr X.<sup>12</sup> It would, however, not take long until the identity of the author was leaked and became public knowledge. The author of “The Sources of Soviet Conduct” was George Kennan, chief of the newly established Policy Planning Staff of the U.S. government.<sup>13</sup> George Kennan (1904-2005), was a diplomat and historian who received much acclaim as the architect of the containment policy, which would dominate American government perceptions and actions for almost 50 years.<sup>14</sup> In 1946, Kennan had served as Chargé d’Affaires in

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<sup>11</sup> Gaddis, *Strategies of Containment*, 24-25.

<sup>12</sup> Office of the Historian, “George Kennan and Containment, 1947,” *Department of State*, accessed June 28, 2021, <https://history.state.gov/milestones/1945-1952/kennan>.

<sup>13</sup> Gaddis, *Strategies of Containment*, 24.

<sup>14</sup> John O. Iatrides, “George F. Kennan and the Birth of Containment: The Greek Test Case,” *World Policy Journal* 22, no. 3 (Fall 2005): 126, [https://www-jstor-org.eur.idm.oclc.org/stable/40209983?seq=1#metadata\\_info\\_tab\\_contents](https://www-jstor-org.eur.idm.oclc.org/stable/40209983?seq=1#metadata_info_tab_contents).

Moscow. Because of his time spent in Russia, Kennan was one of the few diplomats in the U.S. government with first-hand experience of Stalin's Russia and its aggressive ambitions.<sup>15</sup> Kennan's place in Washington was at that time unique: he was the only one among top officials who combined knowledge of and experience in Soviet affairs. He was one of the first U.S. official who was specialised in what would be called "national security" studies and was in the position of responsibility to make recommendations for action. Kennan would soon after the publication of the article earn himself the reputation of being the government's foremost Soviet expert.<sup>16</sup> While the article written by Kennan brought him much fame and would become very influential, he had never intended that his identity would leak. Because of Kennan's role in the government, the article was interpreted as an official policy pronouncement. Kennan had never intended this article would be interpreted as a comprehensive statement of national strategy in the first place, as it reflected only his imperfectly thinking on the subject.<sup>17</sup> Yet, this article would become one of the building stones for U.S. foreign policy for more than 50 years.

In his article, Kennan's main point is that the United States needed to develop a new approach to temper Soviet aggression and influence. Kennan expressed that a normal form of diplomacy with the Soviet Union was not possible because of the innate antagonism between capitalism and socialism, a concept that had become deeply imbedded in the foundations of the communist state. Kennan believed that because of this, Moscow would never attempt any sincere attempt of reconciliation with capitalist states.<sup>18</sup> According to the communist theory, the capitalist system is doomed to collapse. Therefore, the Kremlin could afford to be patient with achieving their goals as it was under no ideological compulsion to accomplish its purposes in a hurry.<sup>19</sup> Ideological hostility and patient persistence made the Soviet Union difficult to deal with.<sup>20</sup> Kennan argued that the foreign policy of the Soviets could not be countered through conventional diplomatic strategies. Therefore, Kennan argued that "the main element of any United States policy towards the Soviet Union must be that of a long-term, patient but firm and vigilant containment of Russian expansive tendencies."<sup>21</sup> To counter Soviet expansionism, Kennan called for "adroit and vigilant application of counter-

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<sup>15</sup> Office of the Historian, "George Kennan."

<sup>16</sup> Gaddis, *Strategies of Containment*, 24.

<sup>17</sup> *Ibid*, 25.

<sup>18</sup> X, "The Sources of Soviet Conduct," *Foreign Affairs* 65, no. 4 (Spring 1987): 858, <https://www-jstor-org.eur.idm.oclc.org/stable/pdf/20043098.pdf?refreqid=excelsior%3Aa16c9102bd3b6de8f60e30035ca0b3c9>.

<sup>19</sup> X, "The Sources," 860-861.

<sup>20</sup> *Ibid*, 861.

<sup>21</sup> *Ibid*, 861.



force at a series of constantly shifting geographical and political points, corresponding to the shifts and manoeuvres of Soviet policy.”<sup>22</sup> Kennan predicted that if such a policy would be implemented correctly, it would “promote tendencies which must eventually find their outlet in either the break-up or the gradual mellowing of Soviet power.”<sup>23</sup>

Kennan’s proposed policy was directly controversial after its publication. Some policymakers believed this new tactic of containment was far too aggressive. Columnist Walter Lippmann attacked the article for failing to make a clear difference between vital and peripheral interests. Other critics argued Kennan’s policy too defensive. John Foster Dulles declared during the 1952 campaign that the United States’ policy should not be mere of that of containment, but a complete rollback of Soviet power resulting in the eventual liberation of Eastern Europe. The meaning of this new containment policy was also up to discussion. Paul Nitze, Kennan’s successor as director of the Policy Planning Staff, interpreted his predecessors work as a call for the use of military power. Kennan, however, considered the Soviet threat to be mostly of political origin, and advocated for economic assistance like the Marshall plan and psychological warfare to counter the Soviet influence. During the Truman administration, the interpretation of Nitze became the dominant conception of the containment policy, leading to the drastic expansion of the U.S. military budget. Despite the criticism and the struggle of its exact meaning, containment in the general sense of blocking the expansion of Soviet influence remained the basic strategy of the United States’ foreign policy throughout the Cold War. No interpretation of the containment policy became the dominant one, as many different versions were adopted over the course of the Cold War. Each succeeding administration after Truman’s precedency until the collapse of the Soviet Union in 1989, would adopt their own variation of Kennan’s containment policy.<sup>24</sup>

The different presidential administrations would use a variety of military and non-military resources to quell Soviet influence while strengthen its own. The measures American presidents took were conditioned by the U.S. capabilities and influenced by both the international and the domestic political environments of the time.<sup>25</sup> President Truman adopted many of Kennan’s ideas with his Truman Doctrine. Truman’s successors Eisenhower, Kennedy and Johnson were determent to pursue a containment policy that was less draining

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<sup>22</sup> Ibid, 862.

<sup>23</sup> Ibid, 868.

<sup>24</sup> Office of the Historian, “George Kennan, 1947.”

<sup>25</sup> Robert J. Pauly, “US Foreign Policy During the Cold War,” in *The Ashgate Research Companion to US Foreign Policy*, ed. Robert J. Pauly (Abingdon: Routledge, 2009), 35, <https://www-routledgehandbooks-com.eur.idm.oclc.org/doi/10.4324/9781315613727.ch2>.

on the military resources and adopted the policy the 'New Look'. This new approach of the containment policy was based on four strategies. First, nuclear weapons became preferred over the use of traditional military power to scare of Soviet expansionistic tendencies. Secondly, covert action by the CIA (Central Intelligence Agency) became a key strategy to prevent or overthrow the emergence of governments with Soviet sympathies. Third, maintaining the required domestic economic strength to carry out their foreign policy initiatives became a U.S. priority. Last, new alliances with non-aligned governments were sought while already existing alliances were strengthened.<sup>26</sup> Nixon, Ford and Carter diverged from the New Look in their own ways. Nixon primarily used diplomacy to create a wedge between the two biggest communist states: China and the Soviet Union. Ford mostly tried to hold on to the status quo as he dealt with pressing domestic issues. Carter shifted to an emphasis of human rights as the main focus of American foreign policy.<sup>27</sup> President Ronald Reagan, sensing the weakened state of the Soviet Union, took a pro-active stance against the communist state. The main focus of the foreign policy of his administration was to confront and 'roll back' Soviet influence around the world. The main strategy of Reagan was a massive military build up to win the arms race and to support insurgencies in countries allied to and under control of the Soviet Union.<sup>28</sup> When George H.W. Bush became president in 1989, the Soviet Union was in a state of collapse and was dissolved in 1991.<sup>29</sup>

### 2.3 Truman Doctrine

During the presidency of President Truman, the containment policy was first implemented as an actual policy. By the early 1947 it appeared to many Americans that the U.S.S.R. was determined to export communism by subversion throughout Europe and even the world. The United States responded to Russian transgression with the introduction of the Truman Doctrine. This new doctrine aimed at containing communism to areas already under Communist governments. Truman promised that the United States would use economic, diplomatic and even military means to resist the expansion of communism anywhere on the globe. The first example of the containment policy in practice was during the Greek Civil War (1944-1949). Truman asked Congress to provide military aid to anti-communist forces and so

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<sup>26</sup> Pauly, "US Foreign Policy," 35-36.

<sup>27</sup> Ibid, 37-38.

<sup>28</sup> Ibid, 39.

<sup>29</sup> Ibid, 40.

counter the spread of Soviet influence in the eastern Mediterranean. This support proved successful as both Greece and Turkey remained part of the Western bloc.<sup>30</sup> The ensuing “Truman Doctrine” committed \$400 million in aid to Turkey and Greece and offered a precedent for further American assistance to any “free peoples” who engaged in a struggle against “terror and oppression” and “the suppression of personal freedoms.”<sup>31</sup>

Truman’s containment policy was tested when the Soviets attempted to seize control of Berlin. Like the rest of Germany, the German capital had been partitioned into British, French, American, and Soviet zones of occupation. Berlin was located within the Soviet occupied zone which surrounded the city. In 1948, Stalin attempted to cut western Berlin completely off from western access by blocking western routes to the capital.<sup>32</sup> The motivation behinds Stalin’s actions was that he felt threatened by the growing ties among the western nations, and the establishment of new German currency, which was an indication of the formation of what later would become the BDR.<sup>33</sup> Truman responded through the famous Berlin Airlift, which involved transporting supplies in planes to the city to keep the population from capitulating to the Soviet regime. The crisis would last almost a year, until the Soviet Union gave in by lifting their blockades to the capital.<sup>34</sup>

One of the biggest containment policies of the Truman administration was economic support. In 1947, western Europe was on the verge of economic collapse. Inflation was high, food was scarce, and black markets flourished. The United States government recognizing that a political and economically stable western Europe would be an effective block against the popular appeal of communism. U.S. secretary of state George C. Marshall offered Europe economic aid, the Marshall Plan, to help to rebuild Europe. Secretary Marshall wrote in a State Department bulletin, “Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.”<sup>35</sup> Truman believed that the containment of the spread of communism meant securing a capitalist future of western Europe. To achieve this goal, Truman’s administration launched the Marshall Plan, named after Truman’s secretary of state, General George C. Marshall. The Marshall Plan was an economic support program that provided over \$13 billion in grants and credits to reconstruct Europe and facilitate an economic revival. U.S.

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<sup>30</sup> John P. Mckay et al., *A History of Western Society since 1300* (Boston: Bedford St. Martins, 2016), 949.

<sup>31</sup> “American Cold War Policy,” *National Park Service*, accessed June 28, 2021, <https://www.nps.gov/articles/cworigons-americanwcpolicy.htm>.

<sup>32</sup> Robert L. Tignor, et al., *Worlds together, worlds apart* (New York: W.W. Norton & Company, 2014), 752.

<sup>33</sup> Mckay, *A History of Western Society*, 950.

<sup>34</sup> Tignor, *Worlds Together Worlds Apart*, 752.

<sup>35</sup> Mckay, *A History of Western Society*, 949.

policymakers hoped that financial aid would dim communism's appeal by fostering economic prosperity, muting class tensions, and integrating western European nations into an alliance of capitalist democracies.<sup>36</sup> Another form of containment implemented during the Truman administration is the formation of the North Atlantic Treaty Organization (NATO) in 1949. NATO was formed as a military alliance between numerous countries in Western Europe and North America.<sup>37</sup>

Although the United States had a vision of independence based on free-market economics and liberal democracy, it was often willing to support authoritarian regimes that expressed outspoken anti-communist views. The United States extended economic aid and weaponry to decolonizing nations. The Americans promoted cautious moves towards self-determination in the context of containment, attempting to limit the influence of communism in newly liberated states.<sup>38</sup> The U.S.'s determination to enforce this form of containment policy hardened when the Soviet military successfully exploded their first atomic bomb in 1949, raising the public fear of a looming nuclear war. Both within as abroad, the U.S. engaged in an anti-communist crusade. By the early 1950s the United States government was restructuring its military to meet the Soviet threat, pouring money into defence spending, and testing nuclear weapons that dwarfed the destructive power of atomic bombs.<sup>39</sup>

Although Truman's administration never openly endorsed Kennan's theory, U.S. foreign policy showed in the years 1947, 1948 and 1949 were mainly based on his ideas. The major policy implemented by the Truman administration in this period was the Marshall Plan, which helped rebuild Europe after the Second World War, but also served to lessen the appeal of communism and thus Soviet influence. The Marshall plan fitted in Kennan's vision of containment, as he believed that Western Europe and the Mediterranean but also Japan and the Middle East, were high priority centres of industrial power that should be kept out of the Soviet sphere of influence at all times. Kennan also supported the build of military bases in these areas (with exception of Japan), as it would serve as excellent locations to launch a counter offensive in case of Soviet invasion. This is also the reason Kennan attached great value to the rehabilitation and reconstruction of both Japan and West Germany, as both these countries would serve as close allies during the remainder of the Cold War.<sup>40</sup>

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<sup>36</sup> Tignor, *Worlds Together Worlds Apart*, 752.

<sup>37</sup> *Ibid*, 752.

<sup>38</sup> McKay, *A History of Western Society*, 965.

<sup>39</sup> *Ibid*, 949.

<sup>40</sup> Gaddis, *Strategies of Containment*, 59.

## 2.4 Vietnam War

Containment policies were not limited to the use of soft power and economic and political hard power. During the Cold War, there were several instances in which the war turned 'hot'. The most violent and well-known aspect of the Cold War and the containment policy is the Vietnam War. The Cold War and the containment policy shaped the way the Vietnam War was fought and significantly affected its outcome. On the other hand, the outcome of that war also shaped U.S. foreign policy for the remainder of the Cold War. The Vietnam conflict had been raging long before the United States decided to intervene. The war started in 1946 as a bloody anticolonial war between the Vietnamese nationalist and the French colonial regime. Where the United States normally supported decolonisation movements, in the Vietnam case it was different. The Vietnamese nationalist movement, the Viet Minh, was under leadership of charismatic communist Ho Chi Minh. Ho Chi Minh had been a communist operative for many years and Washington feared he received support from the Soviet Union.<sup>41</sup> U.S. officials feared that the fall of Vietnam to communism would threaten vital regional interests of the U.S. Many U.S. officials believed in the so-called domino theory. This theory held that if Vietnam was to fall to the communist Viet Minh, it would spread to the rest of Indochina and the rest of Southeast Asia.<sup>42</sup> To prevent a communist takeover in the region, president Truman and later president Johnson gradually increased U.S. involvement in the country. In 1950, the United States began to assist France against the rebels and eventually became the dominant combatant. In 1954, an agreement was made at the Geneva Conference that temporarily divided the country in North and South Vietnam.<sup>43</sup> U.S. president Dwight D. Eisenhower refused to sign the Geneva Accords that temporarily divided the country into a communist north and an anti-communist south, fearing an increase in communist influence in the area.<sup>44</sup>

After the South Vietnamese government declined to hold free elections that would unify the two zones, Eisenhower provided the south with military aid to combat guerrilla insurgents in South Vietnam who were supported by the Communist north. President John F. Kennedy later increased the number of American troops (named "military advisors") to 16,000 men.<sup>45</sup> The United States moved to block further communist expansion in the region

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<sup>41</sup> George C. Herring, "The Cold War and Vietnam." *OAH Magazine of History* 18, no. 5 (October 2004): 18, <https://www.jstor.org/stable/25163717>.

<sup>42</sup> Herring, "The Cold War," 18.

<sup>43</sup> *Ibid*, 19.

<sup>44</sup> McKay, *A History of Western Society*, 988.

<sup>45</sup> *Ibid*, 988.

by setting up an independent, capitalistic government in South Vietnam. Peace would not last as the North Vietnamese government sent support in the form of men and supplies into South Vietnam to support their communist allies. The U.S. backed government fell in 1963. After the by North Vietnam supported insurgency group the National Liberation Front seemed to topple the new government, the United States officially entered the conflict.<sup>46</sup> In 1964, President Lyndon Johnson greatly expanded America's role in the Vietnam conflict, providing South Vietnam with massive military aid and eventually some 500,000 American troops. Though the United States bombed North Vietnam with ever-greater intensity, it did not invade the north or set up a naval blockade.<sup>47</sup> Under president Johnson's orders, the U.S. army began to bomb North Vietnam and dispatched major increments of combat troops to the South.<sup>48</sup>

The United States never set out to win the war in the traditional sense. The primary goal of the United States government was to deter Communist expansion and to maintain U.S. credibility of upholding its war commitments to its allies. The United States fought a limited war. Fearing that a full mobilization of American forces might trigger the intervention of communist nations and thus evolving in a larger war, perhaps one that could become nuclear. Because of this reason, Johnson did never seek a declaration of war from Congress, nor did he mobilize the reserves, or created an Office of War Information as was done in WWII. The United States government was set to also keep the war "cold blooded" at home. This approach, however, made it impossible to rally popular support for this war under the U.S. population. As this already unpopular war kept dragging on, public support began to dwindle on a rapid pace.<sup>49</sup> While Johnson expanded U.S. operations in Vietnam, more and more soldiers died or got injured in a war that seemed to many as impossible to win.<sup>50</sup> Although Johnson expanded the U.S. military presence in Vietnam, his government went to a great deal to prevent the war from becoming an all-out conflict. U.S. commitment in Vietnam expanded quietly and gradually to prevent the war from escalating to a direct war with Communist China and the Soviet Union. Soviet and Chinese officials were repeatedly assured that the war goals of the United States were limited to protecting its ally. Johnson also limited his generals in the conflict to avoid provocation which would lead to China or the Soviet Union entering

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<sup>46</sup> Herring, "The Cold War," 19.

<sup>47</sup> Mckay, *A History of Western Society*, 988.

<sup>48</sup> Herring, "The Cold War," 19.

<sup>49</sup> *Ibid*, 19.

<sup>50</sup> Pauly, "US Foreign Policy," 37.

the war. For example, Johnson refused to permit the military to pursue North Vietnamese and National Liberation Front units into their sanctuaries in Laos, Cambodia, and across the demilitarized zone separating the two Vietnams. Furthermore, he tightly restricted bombing near the Chinese border, the Haiphong harbour, and the demilitarised zone at the North Vietnamese border.<sup>51</sup>

This approach of war was ineffective as the North Vietnamese troops countered the U.S. limited war with an all-out war. Even though the U.S. army was vastly superior to their own military capabilities, the North Vietnamese could withstand American pressure. As the conflict went on while failing to produce the desired results, the United States military upped their effort, resulting in an “All-out limited war”. The United States army’s massive, elephantine effort inflicted vast destruction in both North and South Vietnam. This destruction resulted in a widespread criticism against the U.S. government both at home as abroad.<sup>52</sup> After Nixon became president in 1969, he was eager to end the Vietnam war which he considered a distraction from more pressing foreign policy priorities. Nixon and his top advisor Henry Kissinger wanted to secure a ‘peace with honour,’ which would make it possible for the United States to step out of the war without losing face in the international community. Nixon made a compromise in which 150,000 North Vietnamese troops were allowed to station in South Vietnam while the U.S. military troops were withdrawing by March 31, 1973, in exchange for the release of the American prisoners of war. As the U.S. troops left the country, the North Vietnamese invaded South Vietnam. In 1975, the South Vietnamese government surrendered. With Vietnam fallen to communism, the domino theory so many United States diplomats feared, showed to be proven true, although different than anticipated. In the region of the former French Indochina, communism spread with Laos and Cambodia taken over by communist regimes. Yet, instead the creation of a unified Communist block threatening the rest of Southeast Asia, the communist countries fought each other.<sup>53</sup>

The containment policy in Vietnam is often seen as one of the biggest failures of United States foreign policy. The war in Vietnam must be seen as a different form of the previous executed containment policy than the past as it was the first-time containment that was executed through military invasion. Officials of the Kennedy and Johnson administrations liked to insist that their policies in Vietnam were consistent with the overall

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<sup>51</sup> Herring, “The Cold War,” 19.

<sup>52</sup> Ibid, 20.

<sup>53</sup> Ibid, 20-21.



direction of American foreign policy since 1947. The military effort in Vietnam, they argued, was nothing but another in a long series of steps taken to demonstrate that aggression did not pay. As long as the United States would stand firm, it was thought, communist aggression would ultimately be halted.<sup>54</sup> There was, however, a clear distinction between the policy of Johnson and Kennedy and the containment theory of Kennan. Kennan had sought to maintain the global balance of power by applying a combination of military, economic, political and psychological leverage in a carefully selected pivotal areas. Johnson (and Kennedy through a lesser extent) was during his presidency almost exclusively relying on the use of military force.<sup>55</sup>

## 2.5 Containment in Latin America

The United States containment policy did not only affect the Cold War. In the western hemisphere, most notably the Latin American countries were a target for U.S. containment. During the Cold War, many openly anti-American and anti-imperialist revolutionaries who adopted Marxist ideology, rose up in Latin American countries. The United States responded in a confrontational manner, using the economic, military, and political resources at its disposal to convert the will of the foreign government to become amenable to U.S. interests. A common strategy employed by the United States to pressure Latin American countries into submission was by limiting economic investment in these countries, in some cases through an official embargo. Another economic strategy used against Latin American countries was by blocking multilateral loans sought by the targeted nations. On a political level, the United States supported political candidates and parties while cutting off all military and economic assistance that was previously extended to past regimes. These tactics were commonly used by the United States to keep leftist forces out of power or remove them from power. In several cases, economic and diplomatic variations of hard power tactics were deemed insufficient and military hard power was used. In its most extreme forms, the U.S. covertly supported the violent overthrow of the left-wing government, or a military invasion of the country. The primary objective of such invasions was to restore order and install right-wing

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<sup>54</sup> Gaddis, *Strategies of Containment*, 236.

<sup>55</sup> *Ibid*, 236-237.



leaders who would cater to U.S. interests, allowing the re-establishment of a capitalist regime.<sup>56</sup>

### 2.5.1 Containing Árbenz' Guatemala

Guatemala was in the 1950s a country with a huge divide between the rich and the poor. The economy of Guatemala was predominantly based on the export of fruit. Foreign multinationals dealing in fruit, hold great sway over the country. The biggest multinational operating on Guatemalan soil was the banana-producing American multinational United Fruit Company. The United Fruit Company was the largest landowner of the country and held ownership over Guatemalan railroads and its major naval port.<sup>57</sup> After the social democrat Jacobo Árbenz Guzman was elected president in 1951, he wanted to tackle the inequality of his country. Arbenz and his progressive-nationalistic administration implemented many reforms to establish social change. In 1952, the Agrarian Reform law was implemented, which expropriated all Guatemalan uncultivated land above a certain size. Although many U.S. multinationals were hit by this law, The United Fruit Company was hurt the most as it lost 234,000 acres of land with this law, which accounted for almost a third of its owned land. Árbenz also implemented several laws designed to break the monopolies in the country. His government also started to build new highways and constructed a new port at Santo Tomas. Furthermore, new electric power facilities were constructed. With these actions, the government broke the U.S. businesses' monopoly on public services.<sup>58</sup>

President Eisenhower responded to these reforms by accusing the Guatemalan government of being communist. Eisenhower tried to politically isolate the country by proposing an anti-Communist resolution during a meeting of the OAS (Organization of American States), which passed.<sup>59</sup> By the late summer of 1953, the situation in Guatemala had only worsened from the perspective of U.S. government. While the government of Árbenz had reached a firm control of the country, the Guatemalan armed forces remained the sole obstacle to be tackled. In Guatemala, the army had remained in a powerful position for

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<sup>56</sup> Wesley A. Fryer, "Defining and Refocusing US Policy Toward Latin America," *U.S.-Mexico Commission for Educational and Cultural Exchange*, August 24, 1993, <https://www.wesfryer.com/uslapolicy.html>.

<sup>57</sup> Tignor, *Worlds Together Worlds Apart*, 775.

<sup>58</sup> Laura Moye, "The United States Intervention in Guatemala," *International Social Science Review* 73, no. 1-2 (1998): 45, <https://www.jstor.org/stable/23883544>.

<sup>59</sup> Stephen M. Streeter, "Interpreting the 1954 U.S. Intervention in Guatemala: Realist, Revisionist, and Postrevisionist Perspectives," *The History Teacher* 34, no. 1 (November 2020): 61, <https://doi-org.eur.idm.oclc.org/10.2307/3054375>.

centuries and while it did not govern the country themselves, it had great influence who did. For the Eisenhower administration, action had to be taken soon before the army would also fall to the communist influence, and thus Guatemala would fall to total communism control.<sup>60</sup> In August 1953, Eisenhower authorized the CIA director to begin planning covert operations against the government of Árbenz, that eventually would culminate to its downfall. The plan was named PBSUCCESS and was assigned as an extremely high operational priority by the Eisenhower administration.<sup>61</sup> On June 17, 1954, the Liberation Army, under the leadership of Colonel Carlos Castillo Amas invaded Guatemala. The military operation was set up in neighbouring Honduras and was logistically supported and organised by the CIA. Eight days after the invasion had begun, the national Guatemalan army abandoned the battlefield and retreated. Árbenz's order to civilian militias was refused by the military high command, who demanded that the president stepped down. After having lost control of his own army, Árbenz surrendered the government to the army.<sup>62</sup>

With the departure of Árbenz and his government, an American loyalist was installed president. The U.S. containment policy towards Guatemala seemed thus to have been a success. The coup in Guatemala is seen as the first time the Cold War had reached the Western Hemisphere. The coup would be seen as a shift in U.S.-Latin American relations, as the former Good Neighbour Policy was replaced with a strong anti-Communist approach.<sup>63</sup>

Scholars argue what the main interest of the U.S was for the interference in Guatemala. Important for the coup was a result of the strong anti-communist sentiment shared within the Eisenhower administration.<sup>64</sup> It is generally agreed that the Eisenhower administration greatly exaggerated the connection between Árbenz's government and communism. In Guatemalan society, communist sympathy was low and many sectors in Guatemala remained strongly conservative through the influence of the church and the strong military presence in the country. It is likely that Eisenhower mistook Guatemalan nationalism with communism.<sup>65</sup> Although there was no indications of a strong connection between the Soviet Union and the Árbenz government, Washington feared that Guatemala could fall under

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<sup>60</sup> Max Holland, "Private Sources of U.S. Foreign Policy: William Pawley and the 1954 Coup d'État in Guatemala," *Journal of Cold War Studies* 7, no. 4 (Fall 2005): 50-51, <https://www.jstor.org/stable/26925851>.

<sup>61</sup> Holland, "Private Sources," 51.

<sup>62</sup> Streeter, "Interpreting the 1954 U.S. Intervention," 61-62.

<sup>63</sup> Michelle Denise Getchell, "Revisiting the 1954 Coup in Guatemala: The Soviet Union, the United Nations, and 'Hemispheric Solidarity'," *Cold War Studies* 17, no. 2 (Spring 2015): 73, [https://doi.org/10.1162/JCWS\\_a\\_00549](https://doi.org/10.1162/JCWS_a_00549).

<sup>64</sup> Moyer, "The United States Intervention," 44.

<sup>65</sup> Getchell, "Revisiting the 1954 Coup," 76.

Soviet influence, breaking the United States hegemony in the Western hemisphere.<sup>66</sup> U.S. business interests also influenced the government's decision to intervene in the Central American country.<sup>67</sup> The United Fruit Company had close ties to the Washington network and pushed for military intervention in the country. Furthermore, through this coup, the United States warned other governments in Latin America and elsewhere that it would not tolerate assaults on its national interests in what it deemed its backyard.<sup>68</sup>

### 2.5.2 Containing Allende's Chile

One of the most notable containment targets of the United States in Latin America was their operation in Chile. In 1970, Salvador Allende, an avowed Marxist, was elected with a popular vote as President of Chile as a candidate of the Popular Unity Party.<sup>69</sup> Allende had won the election with 36% of the total vote. The two conservative opposition parties, who had found support of the CIA and were bankrolled by U.S. funds, were forced in opposition.<sup>70</sup> As a result of Allende's victory, the United States policy towards Chile shifted to becoming increasingly hostile.<sup>71</sup> The main aims of U.S. involvement in Chile were to prevent Salvador Allende from coming to power. After that failed, the main focus shifted to destabilizing his government and to secure the economic interests of U.S.-owned multinational corporations. Allende political agenda formed a threat to the U.S. agenda in Latin America and should therefore be eliminated. In the United States government, there was a legit fear that a victory of Allende would eventually lead to some sort of communist government.<sup>72</sup> In a 1975 interim report of CIA, it was stated that the U.S. had no vital national interests within Chile and that the military balance of power between the Soviet and the United States would not be significantly altered by an Allende government. Yet, the CIA concluded that there would be economic tangible losses and that Allende's victory would create a considerable political and psychological cost, including a threat to the hemispheric cohesion and a definite psychological advance for Marxist belief.<sup>73</sup>

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<sup>66</sup> Moyer, "The United States Intervention," 44

<sup>67</sup> Ibid, 44.

<sup>68</sup> Tignor, *Worlds Together Worlds Apart*, 776.

<sup>69</sup> Gregory A. Pannoni, "Overthrow of Allende: An Analysis of U.S. Involvement," *Towson State Journal of International Affairs* 13. no. 2 (Spring 1979): 97, <https://wp.towson.edu/iajournal/journal-issues/issues-between-1970-1979/spring-1979/overthrow-of-allende-an-analysis-of-u-s-involvement/>.

<sup>70</sup> Lisa Reynolds Wolfe, "Cold War Chile," *Cold War Studies*, April 10, 2013, <https://coldwarstudies.com/2013/04/10/cold-war-chile/>.

<sup>71</sup> Pannoni, "Overthrow of Allende," 97.

<sup>72</sup> Ibid, 97-98.

<sup>73</sup> Ibid, 98.

The fear of Allende communistic sympathies had some merit. In his first formal address to the state after his election, the new president promised the destruction of large landholdings and of monopolies, a reform of the tax system, and the nationalisation of banking and credit, as well as foreign-owned industries and mines. On a diplomatic level, Allende sought closer ties with the rivals of Washington. In November 1970, Allende re-established political ties with Cuba. Two month later, Chile established diplomatic ties with the communist government with China.<sup>74</sup> During his first year as president, Allende lived up to his words and continued to push forward with its plan of nationalising foreign-owned and domestic firms. Many American corporations, most notably Chile's copper industry, were nationalised without compensation for the American owners.<sup>75</sup> At the time of Allende's election, three American multinationals, the International Telephone and Telegraph (ITT) and two copper mining companies, held great influence over the Chilean economy. Allende's reforms deeply harmed their economic position in the country.<sup>76</sup>

The United States saw Allende early on as an enemy. After Allende's election in 1970, President Nixon called for plans to remove him from power.<sup>77</sup> Both political and economic means were used to put pressure on the Chilean socialist government. U.S. officials were determined to remove Allende from power and used all of its leverage to cut off international credit to Allende's government.<sup>78</sup> American multinationals in cooperation with the CIA channelled economic funds to Allende's opposition. The ITT and CIA funded an influential right-wing newspaper to stir up anti-Allende sentiments. Furthermore, the United States officially embargoed Chilean copper in 1972, Chile's main export product. While the relations between the United States and Allende's government was at an all time low, the United States continued to aid the Chilean army with technical aid, equipment and training. During these trainings, military leaders were exposed to the idea of revolting against its government.<sup>79</sup>

In September 1973, the coup was started. The coup in Chile was much bloodier than the coup in Guatemala in 1951. Thousands of supporters of the party of Allende were herded in the Santiago football stadium, of which many were tortured and murdered. The victims

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<sup>74</sup> Ibid, 98-99.

<sup>75</sup> Ibid, 102.

<sup>76</sup> June Zaccane, "The Other 9-11: The Destruction of Chile's Democracy [1973] and its Test of Democratic Socialism," *Conference: Quest Foreign Affairs* (February 2018): 3, DOI: 10.13140/RG.2.2.33439.25764.

<sup>77</sup> Zaccane, "The Other 9-11," 3.

<sup>78</sup> Wolfe, "Cold War Chile."

<sup>79</sup> Zaccane, "The Other 9-11," 3.

were buried in mass graves. Allende himself refused to escape the country and died while the presidential palace was stormed by armed forces.<sup>80</sup>

While the nationalisation of American business in Chile have been influential for the intervention, it was not the only reason. Just as was the case in Vietnam, U.S. officials feared for a domino effect in the region. A successful effort by Chile could possibly encourage economic nationalist or more dangerously, communist sympathisers, elsewhere in the region.<sup>81</sup> With the removal of Allende, a right-wing military dictatorship under Augusto Pinochet was installed. Pinochet's government would commit many atrocities yet served U.S. interests as he suppressed communist uprisings and protected U.S. industry in Chile.

### **2.5.3 Containing Castro's Cuba**

The United States – Cuba conflict, especially the Cuba crisis, is one of the most memorable aspects of the Cold War. Yet at the beginning of the Cold War, Cuba was considered one of the key allies of the U.S. in the western hemisphere. This changed in 1959, as the communist Fidel Castro overthrew the U.S. backed government of Fulgencio Batista to establish a socialist state. As the distaste and antagonism between the two countries grew, Castro sought closer ties with the Soviet Union. In the following years, Castro's government increased its trade with the Soviet Union, nationalised American-owned properties, and hiked taxes on U.S. imports. The United States responded by limiting the import of Cuban sugar, Cuban biggest export good to the U.S., and instituted a ban on nearly all U.S. exports goods to Cuba.<sup>82</sup> Furthermore, President Eisenhower froze Cuban assets in 1960 and cut all diplomatic ties with the Caribbean island.<sup>83</sup> After president John F. Kennedy was elected office, he expanded the already existing sanctions into a full economic embargo and implanted strict travel restrictions for Americans who wanted to travel to Cuba.<sup>84</sup> During the years that followed, successive U.S. governments followed policies intended to isolate the island country on a both economic as a diplomatic level.

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<sup>80</sup> Wolfe, "Cold War Chile".

<sup>81</sup> Pannoni, "Overthrow of Allende," 103-104.

<sup>82</sup> CFR.org Editors, "Backgrounder: U.S.-Cuba Relations," *Council on Foreign Relations*, last modified May 12, 2021, <https://www.cfr.org/backgrounder/us-cuba-relations>.

<sup>83</sup> CFR.org Editors, "Timeline: U.S.-Cuba Relations," *Council on Foreign Relations*, accessed June 28, 2021, <https://www.cfr.org/backgrounder/us-cuba-relations>.

<sup>84</sup> CFR.org Editors, "Backgrounder."

The U.S. containment of Cuba did not stop at economic and diplomatic sanctions. On April 17, 1961, an army of 1,400 soldiers, consisting of Cuban exiles who had fled for Castro's regime, launched an invasion at the Bay of Pigs, a swamp in the southern coast of Cuba. The plan, made by the CIA, was to overthrow the Castro government through military force. The success of the invasion heavily relied on the support of the Cuban people, who, as the CIA thought, would rise up against their oppressive government after the soldiers arrived on the island. The mission was meant to be a covert operation, but rumours of a naval invasion spread quickly among the Cuban community in Florida.<sup>85</sup> The invasion failed catastrophically. After the invasion was repelled, Castro openly declared himself a socialist and sought a closer relationship with the Soviet Union.<sup>86</sup> One year after this failed invasion, Castro allowed the Soviet Union to install nuclear weapons on the Caribbean island. For the Soviet Union, Cuba was an excellent location to execute a nuclear attack, as the island is only 145 km off the coast of the mainland of the United States. After the United States got wind of the shipment of nuclear weapons to Cuba, Kennedy ordered a naval blockade of the island. What followed was the 'hottest' period in the Cold War that would ever be. For weeks, the United States and the Soviet Union (with his ally Cuba), were stuck in a stalemate in which no country dared to take the initiative and attack. Meanwhile, both Castro, Khrushchev, and Kennedy exchanged threats. While the crisis ended with the Soviet Union retreating, hostility among the United States and Cuba remained.<sup>87</sup>

Since the events of 1961 and 1962, economic embargos and a policy of diplomatic isolation have been the major strategy of U.S. policymakers. In 1982, President Ronald Reagan accused Cuba of supporting leftist militant terrorist organisations in Central America and Africa.<sup>88</sup> Under the administration of George H.W. Bush, the Cuba embargo was strengthened with the 1992 Cuba Democracy Act. Under Bush successor Bill Clinton, the 1996 Helms-Burton Act passed the senate, which stated that the previous embargo may not be lifted until Cuba holds free and fair elections and transitions to a democratic government that excludes any member of the Castro family. Furthermore, the act called for improvements in human rights, including the insurance of a free press and the release of political prisoners. These embargos have been costly for Cuba, as the Cuban government estimates that more

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<sup>85</sup> John F. Kennedy Presidential Library and Museum, "The Bay of Pigs," accessed June 28, 2021, <https://www.jfklibrary.org/learn/about-jfk/jfk-in-history/the-bay-of-pigs>.

<sup>86</sup> Tignor, *Worlds Together Worlds Apart*, 776.

<sup>87</sup> *Ibid*, 776.

<sup>88</sup> CFR.org Editors, "Backgrounder."

than fifty years of stringent trade restrictions has resulted in a loss of approximately \$1.126 trillion.<sup>89</sup>

After Barack Obama became president of the United States in 2009, the containment policy towards Cuba gradually phased out. Several weeks after Obama took residence in the White House, he eased restrictions on travel and remittances. Meanwhile, President Raul Castro, brother of Fidel Castro, slowly began to liberalise the state-controlled economy and Cuban society. In 2014, Raul Castro and Obama announced that the two countries would fully restore their diplomatic ties. While the rapprochement between the two countries seemed to be the end of the hostile relations, tensions once again grew after Donald Trump succeeded Obama as president. Under Trump's administration, the United States once again reinstated economic sanctions and diplomatic ties. One of the reasons for this policy switch was, according to the Trump government, the close ties between Cuba and Venezuela. Trump sanctioned shipping firms and Cuba's national oil company to staunch the flow of Venezuelan oil to Cuba.<sup>90</sup>

## 2.6 Containment Policy after the Cold War

With the fall of the Soviet Union in 1989 the containment policy came to an end. The world order, which had since the end of the world war, been split in two powers, was no more. Now the United States was the sole hegemon of the new liberal world order. George Kennan himself saw no more relevance to his policy of containment now that the Soviet Union no longer formed a threat.<sup>91</sup> Another factor that diminishes the use of containment policy in the 21st century is that state based strategies no longer works. With the rise of terrorism, states are no longer the only threat the United States faces.<sup>92</sup> According to Gaddis, the containment policy was limited to the specific time it was created.<sup>93</sup>

With the end of the Cold War, American policy makers have struggled to form a coherent, overarching strategy to guide U.S. diplomacy in the uncharted waters of this new age. With the demise of the Soviet Union, the chief characteristic of this new era is the absence of a great power who can compete with the United States. The United States emerged

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<sup>89</sup> Brianna Lee, "U.S.-Cuba Relations," *Council on Foreign Relations* (February 26, 2014): 2.

<sup>90</sup> CFR.org Editors, "Backgrounder."

<sup>91</sup> Gaddis, *Strategies of Containment*, 381.

<sup>92</sup> *Ibid*, 382-383.

<sup>93</sup> *Ibid*, 385.



from the Cold War as the sole superpower, meaning that the U.S. was the only state left who is capable of projecting its military power globally. Yet, while the U.S. military strength remains unmatched by all other nations in the world, it was challenged in other ways. As other categories of power, like political and economic power, became more relevant in the new international order, the new system has become increasingly multipolar. Overall, the emerging post-Cold War order is characterized by a greater diversity and a weakened hierarchy.<sup>94</sup>

With the United States now being the sole hegemon on the world stage, there was no more an eminent enemy. Yet, some states would not ‘play by the rules’ of the U.S. led world order. These ‘rogue states,’ a term reintroduced by President Bill Clinton, were nations who posed a serious danger to regional stability in many corners of the globe. Antony Lake, a national security advisor of Clinton, argued that rogue states could be identified as authoritarian nations with aggressive and defiant behaviour and a chronic inability to engage constructively with the outside world. Lake argued that the U.S., as sole superpower, had a special responsibility for developing a strategy to neutralize, contain, and through selective pressure, eventually transform these backlash states into constructive of the international community. With the fall of the Soviet Union, the United States now faced a “less formidable challenge” in containing this band of outlaws. To combat the rogue states, Clinton’s administration wanted to set up a post-cold war doctrine to meet the challenge of these states.<sup>95</sup>

A few problems arose with the reintroduction of the containment policy. During the Cold War, there was a consensus both at home as abroad about the containment of the Soviet Union. Such consensus does not exist with respect to rogue states. In a number of instances, the U.S. and its allies are perusing different approaches. These differences originate from the differences over the extent to which rogue states constitute a threat to their neighbours and Western interests. These differences arise from different assessments about the effectiveness of inducements or penalties in changing rogue states’ behaviour. Furthermore, domestic political and commercial interests also play a significant role in shaping these contending approaches.<sup>96</sup>

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<sup>94</sup> Robert S. Litwak, *Rogue States and U.S. Foreign Policy: Containment After the Cold War* (Washington DC: Woodrow Wilson Center Press, 2000), 1.

<sup>95</sup> Litwak, *Rogue States*, 2-3.

<sup>96</sup> *Ibid*, 3.



U.S. policy towards rogue states, whether pursued multilaterally or unilaterally, has been that of comprehensive containment and isolation. Depending on the target country, the objective is to either change the regime or change its behaviour.<sup>97</sup> With the exception of Cuba, rogue states derived from destabilizing external behaviour. Examples of destabilising external behaviour are the pursuit of weapons of mass destruction, support of international terrorism, and threats to American interests in key regions.<sup>98</sup> During the administrations of W. Bush and Clinton, rogue state policy has for the first time been implemented. The centrepiece of this process has been the shift from a strategy of global containment focused on the Soviet Union to a regional strategy designed to combat rogue states in the Northeast Asia and the Persian Gulf.<sup>99</sup>

## 2.7 Conclusion

The concept of the policy of containment was first introduced by the American diplomat George Kennan in 1947. The main goal of containment was to prevent Soviet expansionism by containing its influence abroad. Containment policy remained an integral part of United States foreign policy until the end of the Cold War. Containment has never been a precise policy as it has been interpreted and executed differently by each presidential administration. The policy was first implemented by President Harry S. Truman in what is known as the Truman doctrine. This doctrine was mostly focused on supporting friendly regimes through economic and military support. Most notably achievements of the Truman doctrine are the Marshall plan and the creation of NATO. The Truman administration did not solely rely on soft power, as it played a significant role in the Korean war of 1950-1953. Containment policy as military intervention continued with the Vietnam war of 1955-1975. While the United States already supported the French and later the South Vietnamese government, it officially entered the conflict under the order of President Lyndon B. Johnson in 1964. The Vietnam war is regarded as the deadliest conflict during the Cold War and unique as form of the containment policy as it solely relied on military hard power. The United States also implemented the containment policy in its own hemisphere. Both Guatemala, Chile and Cuba had installed leftist regimes with (suspected) close ties to communism. The United States has tried to suppress these regimes by economic and political sanctions. When the suppression

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<sup>97</sup> Ibid, 5.

<sup>98</sup> Ibid, 26.

<sup>99</sup> Ibid, 26-27.

failed, the U.S. overthrew these regimes in several ways by using force. In Chile, the coup of 1973 succeeded with the help of the CIA. In Cuba however, the United States failed to end the socialist regime, with the failure of the invasion of the Bay of Pigs as most notable example. After the fall of the Soviet Union, the policy of containment became obsolete. Yet, many elements of the containment were later reintroduced in a new policy dealing with rogue states.

The policy of containment is thus in cohesive, yet diverse foreign policy. Containment policy was differently interpreted and executed by the U.S. presidents and their administrations. While some elements of the containment policy are used again against rogue states, the situation in which this happens differs greatly. With the end of the Cold War, the United States is the sole hegemon. In this new power structure, a different approach is necessary.

## **3. Developments of Venezuela 1999-2020**

### **3.1 Introduction**

The first twenty years of the 21st century have been turbulent years for Venezuela. While the country was one of the wealthiest countries in South America, twenty years later it was a country plagued by economic collapse, national unrest and an authoritarian regime. To get a better understanding of this period in Venezuelan history, the main developments in the country during the period 1999-2020 are examined in this chapter. First, the years leading up to Chávez rise to power in 1999 are described. Next, the main developments that took place during the presidency of Chávez in the period 1999 until 2013 are analysed. This chapter focuses on Chávez political and economic reforms, social programs, national agitation, and Chávez foreign policy. Next, this chapter focuses on the presidency of Chávez successor, Nicolás Maduro. Maduro, who is still in power at the moment of the publication of this thesis, has led Venezuela in a period of great national turmoil. Therefore, the focus of Maduro's paragraph is the economic crisis, Maduro's consolidation of power and the national crisis the country is currently facing. Last, the reaction of the international community towards the situation and the leadership of the country in this period is analysed. The deteriorating relationship between Venezuela and the United States is especially highlighted.

### **3.2 Venezuela before 1999**

The Republic of Venezuela came into existence in 1830, after it gained its independence due to the collapse of the Gran Colombia. During the 19<sup>th</sup> century, the young republic suffered from political instability, dictatorial rule, and revolutionary unrest. Turmoil would continue in the 20<sup>th</sup> century as in 1908, Juan Vicente Gomez rose to power to become one of the cruellest dictators in the history of Venezuela. Under Gomez authoritarian regime, social unrest in the form of local revolts were quelled by the army and the secret police. The social differences between the people of Spanish descent and the Native American population were large and Gomez contributed to the lasting divide between these two groups. He did little to develop education and health care in the country and was racist towards the Native American population. With the discovery of oil in 1914, the history of Venezuela would dramatically alter. Under Gomez authoritarian regime, oil would quickly become the main export product of Venezuela. Most of the Venezuelan people barely notice this newfound wealth, as Gomez mainly enriched himself and his inner circle. In the year 1929, there was no country in the

world that exported as much oil as Venezuela. The United States held close ties to Gomez, and soon became the main importer of Venezuelan oil, among other things.<sup>100</sup>

Through the support of the United States, Romulo Betancourt became the first democratically elected president of Venezuela. To combat the huge inequality in the country, Betancourt had set up a system through which the people of Venezuela finally started to benefit from oil exports. A tax system was set up that filled the Venezuela's treasury through the taxation of oil. After the second term of Betancourt his presidency came to an end in 1964. Then political instability returned as presidents succeeded each other in a rapid pace. Socialist guerrilla movements tried to seize power several times. The movements were often financed by Fidel Castro as he hoped that more countries in South America would come under communist rule.<sup>101</sup> In 1989, numerous economic and political challenges would plague the country. In 1989, the right-wing President Carlos Andres Pérez, initiated an austerity program that fuelled riots which resulted in several hundreds of casualties. The unrest in the country continued to grow, resulting in two attempted military coups by the Revolutionary Bolivarian Movement-200 (MBR-200).<sup>102</sup> Hugo Chávez, then leader of the military group, was arrested after the first coup attempt, and was sent to prison for two years. In May 1993, the reign of President Perez came to an end as the legislature dismissed the president from office. His successor, former president Rafael Caldera, brought a measure of stability, but as severe banking crisis and a rapid decline of the oil price caused a recession. At that time the socialist Chavez gained popularity.<sup>103</sup> Chávez main theme during his campaign for the presidency in 1998 was economic inequality. Chávez promised to represent the poor, dissolve the existing National Congress, convene a Constitutional Assembly, eradicate corruption, and distribute the nation's resources more equitably. To the nation's poor, these promises brought hope, while the middle and the upper class feared Chávez and his socialist rhetoric.<sup>104</sup> In 1998, Chávez won the national elections.<sup>105</sup> This electoral victory was the result of only a relative majority, garnering 56.2 % of the vote in an election with a 36.2 % abstention rate.<sup>106</sup>

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<sup>100</sup> "Politieke Geschiedenis van Venezuela," IsGeschiedenis, accessed June 28, 2021, <https://isgeschiedenis.nl/nieuws/politieke-geschiedenis-van-venezuela>.

<sup>101</sup> IsGeschiedenis, "POLITIEKE GESCHIEDENIS VAN VENEZUELA".

<sup>102</sup> Clare Ribando Seelke, et al., "Venezuela: Background and U.S. Relations," *Congressional Research Service* (April 28, 2021): 2.

<sup>103</sup> Seelke, "Venezuela, Background, and U.S. Relations," 2.

<sup>104</sup> Micheal H. Tarver, *The History of Venezuela: Second Edition* (Santa Barbara: Greenwood Publishing Group, Inc., 2018), 164.

<sup>105</sup> Seelke, "Venezuela, Background and U.S. Relations," 2.

<sup>106</sup> Tarver, *The History of Venezuela*, 165.

### 3.3 Chávez Presidency (1999-2013)

Hugo Rafael Chávez Frías became the 64<sup>th</sup> president of Venezuela in 1999, a position he would hold until his death on the fifth of March 2013. Chávez first years in office were quite successful. Under his leadership, Venezuela adopted a new constitution, a new unicameral legislature. He even gave the country a new name; the Bolivarian Republic of Venezuela, named after the nineteenth century South American liberator Simón Bolívar. Under Chávez leadership, the Venezuelan state expanded its role in the national economy. Funded with the huge oil profits, Chávez set up large social programs and services, which helped reduce the poverty rate with 20%, improved the literacy rate in the country and made healthcare more accessible to its population.<sup>107</sup> On the international stage, Chávez' Venezuela openly opposed the United States hegemony by subsidizing oil to its rivals, of which Castro's Cuba is the most notable.<sup>108</sup> The disastrous combination of socio-political conflict and new economic control measures, however caused Venezuela to have the least productive economy and the largest welfare state in Latin America.<sup>109</sup>

#### 3.3.1 Political Reforms

When Hugo Chávez Frías became president, a new style of political discourse emerged that completely broke the Venezuelan democratic traditions that were created in 1958. In a short period of time, Venezuela's competitive democratic tradition of over 40 years began to be systematically dismantled.<sup>110</sup> Following his victory of the election, the new President's first goal was to write a new constitution. A Constituent Assembly was held in July of 1999, which Chávez won.<sup>111</sup> Through this new constitution, the Venezuelan National Assembly adopted an Enabling Law on November 7, 2000, which granted President Chávez the power to enact laws addressing a broad range of issues without the need to have such laws pass through the processes of legislative debate or approval. This broad range of issues contains areas such as science and technology, civil service, finance, economy, infrastructure and personal security. This law gave the president a tremendous amount of power. For example, one year after this law was passed, Chávez used his newfound power to proclaim 49 new laws in one night without needing the approval of the National Assembly.<sup>112</sup>

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<sup>107</sup> Seelke, "Venezuela, Background and U.S. Relations," 3.

<sup>108</sup> *Ibid*, 3.

<sup>109</sup> Tarver, *The History of Venezuela*, 171.

<sup>110</sup> *Ibid*, 163-164.

<sup>111</sup> *Ibid*, 166.

<sup>112</sup> *Ibid*, 166.

Under Chávez, the democratic system of Venezuela changed drastically. Many American critics claim that Chávez has severely damaged the democratic system of Venezuela. Steve Ellner claims that this view of the Venezuelan democracy is too simplistic. Ellner uses two distinct criteria to evaluate the political system that has emerged under Chávez distinct rule. On the one hand, liberal democracy emphasizes checks and balances and the rights of minorities and warns against excessive executive power and centralism. On this front, the Venezuelan democracy is highly deficient.

First, key positions in the Venezuelan government which are intended to be politically nonpartisan, were often occupied by Chávez loyalists. These positions were those of the position of attorney general, national controller, and a majority of the members of the National Electoral Council. As a result, institutional checks on power have been largely absent. Second, the authority of the central government had been greatly strengthened in the 1999 constitution. This new constitution gave Chavez for example, exclusive control over the promotion of military officers. Third, the non-political character of the public administration continues to be openly disregarded. Ellner notes however, that this was not so different before Chávez took over. Last, the opposition in the Venezuelan government is mostly powerless, which results in them often being bypassed in the decision making.<sup>113</sup>

Ellner argues that radical democracy stresses majority rule and the direct participation of the people in decision making (though not necessarily to the detriment of representative institutions).<sup>114</sup> Ellner argues that Chávez's government fared far better on this front. During Chávez presidency, the government held a record number of elections, which were validated by international observers and surveys by the international media. In these elections, Chávez won by percentages unmatched since 1958, with an abstention rate generally lower than throughout the 1990s.<sup>115</sup>

Another important aspect of radical democracy is mobilisation. Ellner notes that in Venezuelan history, the country has never seen massive numbers of people participated in marches and rallies over such an extended period of time as during the Chávez presidency. One of Chávez key tactics was massive mobilisation on the streets. An example of such a mass mobilisation is during the failed coup attempt of April 11, 2002, in which hundreds of thousands of supporters of their president surrounded the presidential palace and military

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<sup>113</sup> Steve Ellner, "Hugo Chávez's First Decade in Office: Breakthroughs and Shortcomings," *Latin American Perspectives* 37, no. 1 (January 2010): 79-80, <https://www.jstor.org/stable/20684699>.

<sup>114</sup> Ellner, "Hugo Chávez's First Decade," 79.

<sup>115</sup> *Ibid*, 80.

bases.<sup>116</sup> The mobilisation and inclusion of Venezuelan citizens in politics represented an important step towards a new, more inclusive political system.<sup>117</sup>

### 3.3.2 Economic Reforms

Under Chávez, the Venezuelan economy has changed fundamentally. The Chávez government had targeted three fundamental economic goals. The first explicit goal was the diversification of commercial relations in order to overcome the dependence on the U.S. oil market.<sup>118</sup>

The second economic goal of the Chávez administration was the assertion of national sovereignty by increasing the nation's independent productive capacity, specifically severing dependence on capital and technology from capitalist nations.<sup>119</sup> The third economic goal of Venezuela was to challenge the oligopolistic control of the economy by opening opportunities for new sources of competition.<sup>120</sup>

In an attempt to achieve these goals, the Chávez government has displayed a sense of economic nationalism.<sup>121</sup> One of the most notorious economic reforms of Chávez was the nationalisation of the Orinoco Oil Belt in 2007. With this arrangement, the state oil company *Petróleos de Venezuela (PDVSA)* was given a minimum of 60 percent ownership. The nationalisation of the Orinoco Oil Belt led to mixed results. Huge oil companies like Exxon and ConocoPhillips refused to accept reduced ownership and pulled out of the region. This resulted in a shortage of skilled personnel. Some oil companies like Chevron Texaco however, accepted the new arrangement and even expanded their business.<sup>122</sup>

To become less dependent on the U.S. oil market, Chávez made many new trade partners around the world. During his presidency, Venezuela's exports of crude oil to China had risen rapidly, even surpassing 350.000 barrels per day in 2008. Additionally, Chavez established PetroCaribe, an oil programme consisting of 16 nations which received lenient terms of payment for 40 percent of the price of the Venezuelan oil that was purchased. Furthermore, gas pipelines and refineries were constructed, connecting Venezuelan with its

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<sup>116</sup> *Ibid*, 81.

<sup>117</sup> *Ibid*, 83.

<sup>118</sup> *Ibid*, 85.

<sup>119</sup> *Ibid*, 85.

<sup>120</sup> *Ibid*, 85.

<sup>121</sup> *Ibid*, 85.

<sup>122</sup> *Ibid*, 85.

neighbours Colombia, Brazil and Cuba. These policies were reasonably successful, resulting in an 8,2% decline of oil exports to the United States in 2005/2006.<sup>123</sup>

A major shortcoming of the government economic policy has been the failure to stimulate production in certain key sectors to the degree necessary to meet the levels of demand brought about by record high oil prices. Chávez government responded in 2001 with the introduction of the Land Law Act. The Land Law (*Ley de Tierras*) was part of a radical land reform and was designed to break the oligopoly control of the food industry that had induced shortages. In general, it taxed unused landholdings and expropriated unused private lands for use by small farmers and collectives. These efforts backfired significantly as great shortages came to be, including milk, sugar, meat, and orange juice.<sup>124</sup> Under Chavez rule, Venezuela's dependence on foreign imports reached extreme heights. With the steady increase in oil revenue, the problem of commercial dependence had reached an exceptional height in 2007. In this year, overall national demand had risen with 30%, while the industrial production only increased with 7%. Chronic shortages, a poor investment climate, and the failure of the nation's productive capacity to keep the pace with increased demand translated in inflation, which reached 22,5% in 2007 and 30,9% in 2008.<sup>125</sup> As a response to rampant inflation, Chávez introduced a new currency, the Bolívar Fuerte in January 2008. In January 2010, the government adjusted the fixed exchange rate for certain imported cars and electronics.<sup>126</sup>

Even with the significantly high government revenues stemming from the sale of crude oil in the period 2008-2012, Chávez struggled to finance his ambitious social programs. To acquire a guaranteed long-term supply of cash, Chávez worked out a deal whereby the Chinese state-owned China Development Bank loaned 37 billion dollars to Venezuela. With this additional debt to China, Chinese influence spread throughout the Venezuelan government and the oil industry. American oil companies that have remained, were slowly driven out by Chinese investors.<sup>127</sup>

During the second half of Chávez reign, the budget resources allotted to social programs surpassed all income tax revenue. Experts estimate that in 2011, the sum of all social expenditures was 15 times that of the income tax revenue totals. Because of the great profits of petroleum export, the idea of great prosperity and abundance was shared. Chávez'

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<sup>123</sup> *Ibid*, 85-86.

<sup>124</sup> *Ibid*, 88.

<sup>125</sup> *Ibid*, 88.

<sup>126</sup> Tarver, *The History of Venezuela*, 174.

<sup>127</sup> *Ibid*, 174-175.



oil policies, coupled with the performance of oil price fluctuations in the global market, reinforced Venezuela's status as a rentier state. Despite resolutions to diversify its economy, Venezuela remained heavily dependent on petroleum during Chávez presidency.<sup>128</sup>

### 3.3.3 Social Programs

President Chávez started a series of missions/programs which were designed to eradicate poverty and illiteracy in Venezuela. Most of these programs were part of an education- and medicine-for-oil exchange program with Cuba. The Venezuelan opposition claimed that this was an underhanded means of spreading socialism. The main program was the *Misión Barrio Adentro*, meaning Inside the Barrio. This program started in March 2003, in the midst of national economic decline. This government program was designed to provide free health and dental care for the poor. The program began in Caracas and would then spread through the rest of the country. Most of the healthcare was provided by Cuban doctors, of which more than 20.000 had come over from the Caribbean island.<sup>129</sup> In October the same year, a series of programs to combat illiteracy were deployed. While the Venezuelan illiteracy rate at this time was relatively low compared to the other countries in the region, it remained a large factor in poverty. The same as with the health program, Cuba helped by sending literacy experts to train the Venezuelan teachers.<sup>130</sup> *Misión Mercado* (meaning Market Mission) was a food distribution network, which was established by government supermarkets that offer food below the market price.<sup>131</sup> The most controversial of Chávez's programs was *Misión Miranda*, which created a military reserve of 100.000 men by the end of 2003. Governmental administrators claimed the goal of the program was to employ thousands of formerly unemployed ex-military personnel at a minimum wage. The opposition feared this new militia would become a parallel army loyal to Chávez and his regime.<sup>132</sup>

### 3.3.4 National Unrest

In order to further his revolution, Chávez needed to take control of the petroleum industry. In 2002, Chavez appointed a new board of directors for *Petróles de Venezuela (PDVSA)* to gain greater control of the company. This move was seen as illegal by most and led to great

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<sup>128</sup> *Ibid*, 175.

<sup>129</sup> *Ibid*, 172.

<sup>130</sup> *Ibid*, 172.

<sup>131</sup> *Ibid*, 172.

<sup>132</sup> *Ibid*, 172.

opposition. Trade unions declared a general strike, which was later repressed by Chavez, resulting in several deaths and over hundreds of injured.<sup>133</sup> Images of these violent repression led to international condemnation and the Venezuelan military denounced this and refused to take part in such crowd suppression tactics. In response to the uncontrolled violence, members of the military high command rebelled and demanded Chávez resignation. General Lucas Rincón Romero informed that Chávez had resigned and Pedro Carmona was named as head of transitional government. He would later proclaim himself president and rejected the 1999 constitution. This action, among other mistakes by the new ‘self-proclaimed’ president, were very unpopular by the military. Many military officers who had disavowed Chávez suddenly changed their minds. In a bizarre chain of events, Hugo Chávez returned to power with the support of the air force.<sup>134</sup>

### 3.3.5 Chávez on the Global Stage

On the international stage, Chávez hold on to a risky strategy. Despite his struggles with domestic problems, the president initiated several foreign policy programs to strengthen his position on the international stage. President Chávez was not on friendly terms with the United States. He strongly opposed the neoliberal model of globalisation, which he claimed was forced upon nations by the principles of the Washington Consensus. While rejecting U.S. friendship, Chávez aspired Latin American integration. On the global stage Chavez held friendly contact with other nations that shared his anti-U.S. sentiment, including Iran, China, Russia, Libya and Syria. Chávez alienated himself with other socialist countries like Cuba and North Korea.<sup>135</sup> Chávez made numerous public statements against U.S. foreign policy and even mocked its presidents. One of the most well-known statements was during the UN General Assembly in 2006, in which the Chávez called U.S. President George W. Bush “the devil”.<sup>136</sup> Until his death, Chávez continued to claim that the United States had planned to assassinate him. He often threatened to stop oil exports to the United States if it ever took serious action against his country.<sup>137</sup>

With the rise of Chávez, The United States saw a former regional ally turn into an enemy. American policymakers were unable to influence the Chávez government, who’s

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<sup>133</sup> Ibid, 166-167.

<sup>134</sup> Ibid, 168-169.

<sup>135</sup> Ibid, 176.

<sup>136</sup> CNN, “2006: Chavez calls Bush ‘the devil’,” *Youtube* video 2:24, March 5, 2013,

<https://www.youtube.com/watch?v=IOsABwCrn3E>.

<sup>137</sup> Tarver, *The History of Venezuela*, 177.

foreign policy mostly existed as an anti-U.S. and anti-capitalist crusade.<sup>138</sup> Most alarming to the U.S. was the deteriorating state of the Venezuelan democracy. Chávez government had concentrated political power in the hands of the executive, curtailed the independence of the judiciary, shown limited tolerance for domestic critics, and openly intervened in the electoral politics of neighbouring states allied to the United States. The U.S.-Venezuela relations would further damage after suspicions that Washington was involved in a failed military coup against Chávez in 2002.<sup>139</sup> Although the political ties between the two countries were in a bad shape, economically, the U.S. and Venezuela remained mutually dependent. Venezuela's economy was (and still is) mostly dependent on the export of their oil, of which the U.S. was the biggest buyer. In 2006, roughly 60% of Venezuelan oil exports were destined for U.S. consumption.<sup>140</sup> During the Chávez presidency, The United States opposed the far-left-wing administration of Hugo Chávez. The United States funded the democratic efforts of the Venezuelan opposition and referred to Chávez as a negative force in the hemisphere.<sup>141</sup>

It can be concluded that the relation between the two states deteriorated drastically during Chávez presidency. Prior to Chávez, the United States and Venezuela were on friendly terms in a relation that can be described as a strategic friendship.<sup>142</sup> After Hugo Chávez won the Venezuelan election in 1998, he undertook an Venezuelan identity reformation in which the friendship with the U.S. in the past was delegitimised. As an alternative, Chávez proposed a new Venezuelan identity which depicted the country as a revolutionary social democratic state which resisted the authoritarian U.S. hegemony. Meanwhile, the United States perceived this new Venezuela as an undemocratic, unstable, authoritarian leftist state. Washington believed that the South American country could no longer seen as a participating member of the international order. The contradicting perception the United States and Venezuela held over each other led to a deep mistrust between the two governments.<sup>143</sup>

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<sup>138</sup> Richard Lapper, "Living with Hugo: U.S. Policy Toward Hugo Chávez's Venezuela," *CFR Council Special Reports* 20 (November 2006): 3.

<sup>139</sup> Lapper, "Living with Hugo," 3.

<sup>140</sup> *Ibid*, 3.

<sup>141</sup> Tarver, *The History of Venezuela*, 177.

<sup>142</sup> Isabella Hermann, "A Question of Status Misperceptions," *St Antony's International Review* 10, no. 2 (February 2015): 117, <https://www.jstor.org/stable/26229190>.

<sup>143</sup> Hermann, "A Question," 117.

### 3.4 Maduro Presidency (2013-2020)

Nicolás Maduro Moros succeeded Hugo Chávez in 2013 as president of Venezuela. Just before Chávez could start his fourth term in office, he unexpectedly died of colon cancer. According to the Venezuelan constitution, Chávez would be succeeded by the Speaker of Congress, Diosdado Cabello, until new elections were held. Yet, Vice President Maduro took the position of acting president.<sup>144</sup> Maduro did call new elections, which he just narrowly won with a small margin of 50,9%. The result of the election was contested by the opposition, who demanded a paper ballot recount, which was refused by the new Maduro government.<sup>145</sup> With that, the succession of Chavez immediately started with controversy.<sup>146</sup> Meanwhile, the new President has inherited many of Venezuela's problems from his predecessor. A pressing concern in Venezuela was the chronic shortages of numerous consumer goods and products, including basic ones. Another big problem which the Maduro administration had to tackle was the rising inflation of the Venezuelan bolivar.<sup>147</sup> In 2013, the inflation had risen to 40,64%. During Maduro's presidency, the inflation would continue to grow, reaching to 65.394% inflation in 2019.<sup>148</sup>

#### 3.4.1 Economic Crisis

Venezuela was in the midst of an economic crisis. President Maduro announced in February 2016 a currency devaluation and an increase in gasoline prices, expecting these measures would ease the situation. The inability of the government to maintain subsidies or welfare programs forced the regime to print more money. Printing money had become a standard response of the Maduro government to combat economic downturn. The frequent dump of cash in the economy caused inflation rates to rise to new heights.<sup>149</sup> Although Venezuela stopped published its inflation rate after 2014, it its estimated that the Venezuelan bolivar reached the staggering 65.394% inflation in 2019.<sup>150</sup> High inflation forced the regime to set up more price controls and establish a new currency exchange rate. This forced many businesses to shut their doors, and thus weakening the economy even further.<sup>151</sup> At this point,

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<sup>144</sup> IsGeschiedenis, "POLITIEKE GESCHIEDENIS VAN VENEZUELA".

<sup>145</sup> Steve Ellner, "After Chavez: The Maduro Government and the 'Economic War in Venezuela," *Venezuela analysis*, December 30, 2014, <https://venezuelanalysis.com/analysis/11121>.

<sup>146</sup> IsGeschiedenis, "POLITIEKE GESCHIEDENIS VAN VENEZUELA".

<sup>147</sup> Ellner, "After Chavez."

<sup>148</sup> "Venezuela: Inflation rate from 1985 to 2022." Statista, last modified April 2021, <https://www.statista.com/statistics/371895/inflation-rate-in-venezuela/>.

<sup>149</sup> Tarver, *The History of Venezuela*, 188.

<sup>150</sup> "Venezuela: Inflation rate from 1985 to 2022." Statista.

<sup>151</sup> Tarver, *The History of Venezuela*, 188.

the petroleum industry accounted for over 90% of Venezuela's export revenues and its profits were to cover the costs of its social and military programs. With the oil value going down, many of these programs were curtailed. This resulted in the eroding of the support of its traditional base, the poor Venezuelans.<sup>152</sup> Both of these problems are, according to Maduro, part of an 'economic war' waged by powerful interests to destabilize Venezuela. While Chávez faced these problems as well, this became more prevalent under the leadership of Maduro as many of the economic implemented policies proved counterproductive.<sup>153</sup>

### **3.4.2 Power Consolidation**

In December 2015, the opposition party MUD captured a two-third majority in the National Assembly in the legislative elections. This was a major setback for Maduro's government. The Supreme Court, loyal to Maduro blocked three MUD deputies from taking office, depriving the opposition of a two-thirds majority. The court would during 2016 and 2017 continue to block laws of the National Assembly and assumed the legislature's functions. One example of opposition suppression was the delay and later suspension of a national referendum which was called by the opposition to recall President Maduro. Most of the opposition parties then entered talks with the government which was mediated by neutral factions like the Vatican. The talks failed as the opposition left the negotiation table as the government failed to meet its commitments. In May 2017, Maduro announced he would convene a constituent assembly to revise the constitution. He scheduled an election to select the delegates of that assembly without first holding a popular referendum (as the constitution required). The opposition boycotted, arguing that the elections were unconstitutional. The vote would however continue, and his party won 18 of the 23 elections. Although fraud likely took place, the opposition could not prove it.<sup>154</sup>

With the opposition in disarray, Maduro moved quickly to consolidate his power. The national elections, which according to the Venezuelan constitution should be held in December 2018 (elections were to be called with at least six months anticipation), were brought forward to May 2018. Many opposition leaders had been held imprisoned, barred from seeking office, or in exile. The MUD, now the biggest opposition party, declared an election boycott, but its leader Henri Falcón broke with the coalition to run. The elections took place in a climate of state repression and workers were bribed with food to vote for

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<sup>152</sup> Ibid, 188.

<sup>153</sup> Ellner, "After Chavez."

<sup>154</sup> Seelke, "Venezuela, Background and U.S. Relations," 3.

Maduro. Maduro won the election with 67,7% of the votes. The Voter turnout was very low with only 46% (compared to 80% during the 2013 elections).<sup>155</sup> Since 2015, the approval numbers of President Maduro have not surpassed 30%.<sup>156</sup>

### 3.4.3 National Crisis & Revolts

Following the elections, political unrest evolved in an electoral rebellion against the Chávez-Maduro agenda. In early 2014, protests erupted in Táchira and Mérida before spreading to the capital. The government suppressed the revolts harshly, resulting in an estimate of 45 deaths and 875 injured. Yet through 2014, various protests continued against Maduro and his regime. To some degree, the protests were as much economically motivated as politically. The nation was undergoing the consequences of declining oil prices. By the end of the year, cuts in public spending were enhanced as petroleum prices reached a four-year low.<sup>157</sup>

The economic collapse that followed led to great instability. Street violence increased; state run markets sat empty while widespread food shortages continued to plague the country. The Black market continued to grow, and public transportation resorted to informal practices. The various cycles of desperate economic measures were destroying what was left of the economy. The once prosperous nation of Venezuela had now its majority of its population living under the poverty line. Many citizens tried to flee the country, with hundreds of thousands of citizens fleeing and seeking refuge overseas.<sup>158</sup>

On the 19<sup>th</sup> of April 2017, demonstrations broke out throughout Venezuela in a joined protest against Maduro and his administration. Estimates of the number of protestors were over 5 million participants, which would be the biggest protest march in the history of the country. Compared to the protests under Chávez, the number of casualties was low with only 3 deaths. However, over 500 protesters were arrested.<sup>159</sup>

## 3.5 International Reaction

Since Hugo Chávez took over the power in Venezuela, three changes have had a lasting impact on the relations between the United States and Venezuela. First, the country is in the

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<sup>155</sup> *Ibid*, 4.

<sup>156</sup> Tarver, *The History of Venezuela*, 185.

<sup>157</sup> *Ibid*, 183-184.

<sup>158</sup> *Ibid*, 188.

<sup>159</sup> *Ibid*, 189.

midst of a prolonged political and economic crisis. Second, the once admired model of representative democracy has changed in an authoritarian led government. Third, the cooperative attitude in matters of bilateral and multilateral foreign policy which once could be taken for granted has become confrontational, especially on issues that require not only agreement but negotiation. Where Venezuela once was one of the most loyal friends of the United States in South America, it had now become its main rival in the region. Tensions are especially pronounced in matters relating to the fight against drugs, the promotion of democracy, human rights, intellectual property protection, security issues related to civilian air traffic, and the environment.<sup>160</sup> The predominant U.S. interests was to guard the stability in South America. Venezuela offers a threat to this stability.

The regime of Maduro received a lot of criticism of the outside world. The U.S. watchdog group Freedom House has accused the Maduro regime of selectively enforcing laws against opposition groups as a means of undermining, belittling, and, at best, unfairly manipulating the role of the opposition as a necessary check against the president's alleged abuse of power. Following the outbreak of protests across the nation against Maduro's government in 2014, Human Rights Watch and Amnesty International denounced the use of oppressive brutality in dealing with protesters, including the disturbing use of live rounds of ammunition and physical torture. These organisation also noted the use of politically driven persecution and arrest of members of the opposition as targets of criminalisation under charges of inciting violence.<sup>161</sup> In the aftermath of the protests, the Maduro administration was castigated at a meeting of the UN Human Rights Council in Geneva. The council accused Maduro of failing to comply with its obligation to investigate, prosecute, and deliver punishment for those officials responsible for any acts of violent torture and cruel and degrading treatment perpetrated against Venezuelan citizens. In 2015, the UN Human Rights Committee expressed their concerns about "alleged acts of discrimination and violence on the grounds of sexual orientation or gender identity; violence against woman; conditions of detention; observance of human rights in the context of demonstrations; the independence of the judiciary; alleged intimidation, disparagement, threats, and/or attacks against journalists, human rights defenders, and lawyers; and alleged arbitrary detentions of some members of the political opposition."<sup>162</sup>

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<sup>160</sup> Carlos A. Romero, "The United States and Venezuela: From Special Relationship to Wary Neighbours," in *The Unravelling of Representative Democracy in Venezuela*, ed. Jenifer L. McCoy and David J. Myers (Baltimore: Johns Hopkins University Press, 2004), 130.

<sup>161</sup> Tarver, *The History of Venezuela*, 185.

<sup>162</sup> *Ibid*, 186.



After the elections, the United States, the EU, and many neighbouring countries ceased to recognize Maduro as Venezuela's legitimate president. On January 5, 2019, the democratically elected opposition controlled National Assembly elected Juan Guaidó, a 35-year old industrial engineer as its president. Guaidó announced he would serve as interim president until new fair elections were held. Guaidó took the oath of office 13 days later on January 23. Nearly 60 countries, including the United States, recognized Guaidó as interim president.<sup>163</sup>

As Maduro's regime became weaker, it had to rely on the support of foreign powers to stay in control. Maduro's key allies are Russia, China, Cuba, Iran, and Turkey. These states provide varying degrees of financial, diplomatic, and intelligence support to the Venezuelan regime. While China and Cuba were allies of Venezuela during the reign of Chavez, the others emerged as new lifelines amid mounting international pressure. Russia and Venezuela have a longstanding financial, political, and diplomatic partnership. Russia continues to help Venezuela circumvent oil sanctions, fuels disinformation campaigns, and provide military supplies to the Maduro regime. China has a significant stake in Venezuela, as Venezuela has at least \$20 billion in loans from Chinese banks. Iran and Venezuela have had a symbolic and heavily rhetorical partnership since the early years of the Chávez administration. Both countries are deeply isolated on the world stage and thus are dependent on one another. Cuba is Venezuela's greatest ally. Both countries are ideological linked and have a strong relationship since the beginning of the Chávez administration. Furthermore, Cuba is existentially dependent on Venezuela and has tremendous sway over important organs in the Maduro administration. Turkey is a relatively new partner of the regime and has emerged as a facilitator of Venezuela's illicit gold trade.<sup>164</sup>

### 3.6 Conclusion

The country of Venezuela has a history of great instability. The country was in the midst of an oil and banking crisis when the socialist Hugo Chávez won the elections with a wide margin in 1998. As Chávez became president in 1999, the by him named 'Bolivarian Revolution' had begun. During his presidency, Chávez had set up massive reforms in the form of social

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<sup>163</sup> Seelke, "Venezuela, Background and U.S. Relations," 4.

<sup>164</sup> Moises Rendon and Claudia Fernandez, "The Fabulous Five: How Foreign Actors Prop up the Maduro Regime in Venezuela." *Center for Strategic and International Studies (CSIS)* (October 1, 2020): 1, [www.jstor.org/stable/resrep26421](http://www.jstor.org/stable/resrep26421).



programs to help the poor, of which there were many. Chávez programs focused on the improvement of healthcare, education, and the distribution of food. These broad social programs were very expensive, and Chávez needed funds to pay for them. Chávez found these earnings in the country's oil industry. Venezuela has the biggest oil supply of any country in the western hemisphere and a huge petroleum industry to process it. Chávez nationalised Venezuela's oil industry and broke the oligopoly of the food industry of big landowners. These policies, in combination with a plunge in the oil price, led the country in a political crisis. The Chávez administration faced national unrest at many points during its reign. In 2001, a coup was even executed to overthrow the government, which failed. As Chávez came to deeply distrust the opposition, he implemented a series of laws centralising its power and making the opposition lose most of its influence of the governance of the country. Meanwhile, Chávez became a big critic of the United States on the international stage. The Venezuelan president blamed much of its domestic problems on the interference of the United States. After Hugo Chávez suddenly died in 2013, Nicolas Maduro became his successor. Maduro inherited many of its country's problems from the Chávez regime. The inflation of the Venezuelan currency reached a new height and national unrest spread all around the country. The Maduro administration failed to address these issues and as the situation became more and more desperate, Maduro increasingly clung to his power. In the 2018, Maduro won the national election with a landslide. This election is international regarded as illegitimate. Currently, the United States and 44 other countries regard Juan Guaidó, Maduro's rival, as the legitimate leader of Venezuela.

## **4. United States Foreign Policy towards Venezuela**

### **4.1 Introduction**

In this chapter the United States foreign policy towards Venezuela in the period 1999 to 2020 is discussed. To gain a better understanding of the actions of the United States towards Venezuela, an examination is made about the U.S. interest in the South American country. Next, the U.S. policy towards Venezuela is analysed. A distinction is made between the implemented policies of the various U.S. presidential administrations. The U.S. presidents who served their term in the period 1999-2020 are Presidents Bill Clinton, George W. Bush, Barack Obama and Donald Trump. In the analysis, special attention is paid to the international reaction on the U.S. policy. In the final section of this chapter, the effectiveness of the U.S. policy is analysed.

### **4.2 United States Interests in Venezuela**

With the end of the Cold War, security circles in Washington began to relax towards South America as countries settled into relatively peaceful processes of democratic consolidation. U.S. primary historical concerns in the region like financial catastrophes, civil unrest and partnerships with dangerous extra hemispheric allies were becoming things of the past. This complacency ended definitively with the rise of Hugo Chávez, who shortly after his 1998 election began to talk about issues that other Latin American leaders had either stopped believing or had politely refused to raise. Chávez talked about the United States plotting coups, masterminding presidential assassinations, contemplating invasions to gain access to oil assets, pursuing development schemes designed to increase private gains for capitalist parties, and even going so far as promoting genocide. The rhetoric of Chávez was well known by United States officials, as it was a reminiscent of the radical left during the Cold War. Once again United States officials started to worry about possible financial calamity like an oil embargo and the rising risk of civil unrest in Venezuela, not to mention the possibility of the neighbouring states being deliberately provoked by Venezuela. Another concern of the U.S. was the threat Venezuela could develop for the Organisation of American States (OAS). Venezuela could become an unyielding veto actor or might even withdraw from the organization entirely, undermining what was left of the U.S. influence in the Western Hemisphere. In the late 2000s, Washington once more stated to fear the formation of new

alliances by Chávez, like his technology exchange with China, Russia weapon import, or secret trade deals with Iran.<sup>165</sup>

Officially, the United States claims that the primary aim of their Venezuela foreign policy is to restore the democratic institutions of the country. The U.S. message of democracy is often perceived with great scepticism among Latin American nations who were targeted by the U.S. containment policy in the past. During the Cold War, the United States overthrew several democratically elected leaders in favour of dictators (take the 1973 Chilean coup d'état for example). U.S. diplomacy, however, seems to indicate that the preservation of democracy in Venezuela has indeed been the overarching goal of Washington. In the last twenty years, U.S. main interests in the region have been the protection of democratic norms, preserving regional stability and security and preventing humanitarian catastrophes with significant spill-over effects. It was thought by the successive administrations since Clinton, that these goals were best accomplished through a policy aimed squarely at restoring democratic institutions over the rule of law in Venezuela. Since the takeover of Chávez in Venezuela in 1999, the United States was among the first and the loudest in defending the human rights of the Venezuelan citizens.<sup>166</sup>

While the interaction between Venezuela and the United States has constantly been influenced by both global and hemispheric changes, U.S. economic interest has remained constant. The primary economic interest of the U.S. government in Venezuela is its role as a petroleum supplier, which is their most important source outside of the volatile Middle East.<sup>167</sup> The United States and Venezuela had a close economic relationship in the past. In 1999, the year when Chávez became president, the U.S. made goods made up 45% of Venezuela's total import. These imports were valued at \$5,4 billion. This made Venezuela the U.S. third most important trading partner in Latin America (number one and two were respectively Mexico and Brazil). Meanwhile, exports to the United States amounted to \$11,3 billion, of which 85% were oil and oil products. Venezuelan public owned oil company, *Petróleos de Venezuela Sociedad Anónima*, enjoyed solid business relations with U.S. companies with investments in the United States worth more than \$7 billion.<sup>168</sup> While the diplomatic relations between the two countries has soured in the last 20 years, Venezuela and

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<sup>165</sup> Javier Corrales and Carlos A. Romero, *U.S.-Venezuela Relations since the 1990s: Coping with Midlevel Security Threats* (New York & London: Routledge, 2012), 4.

<sup>166</sup> Michael J. Camilleri, "Evolution or Revolution? U.S. Policy on Venezuela from Obama to Trump," *Pensamiento Propio* 47 (September 20, 2018): 193.

<sup>167</sup> Romero, "From Special Relationship to Wary Neighbours," 137.

<sup>168</sup> *Ibid*, 137.

the United States remained close economic partners. While there has been a clear decrease in trade between the two countries, the U.S. remained Venezuela's largest trading partner until very recently. Bilateral trade between the two countries reached \$3.2 billion in 2019. U.S. imports from Venezuela is totalled around \$1.9 billion while U.S. exports to Venezuela are estimated \$1.2 billion. U.S. exports to Venezuela have been mostly focused around petroleum and refined petroleum products. Other items are machinery, organic chemicals, and agricultural products. Meanwhile, crude oil has been the dominant U.S. import product from Venezuela.<sup>169</sup>

The primary national security interests that underpin the importance for Washington of retaining Venezuela as a dependable source of petroleum, has been undercut after Chávez came to power in 1999. Issues like drug trafficking, terrorism, money laundering, intellectual property, and human rights have become of great importance to Washington.<sup>170</sup>

### **4.3 United States Policy toward Venezuela**

The bilateral relation between the United States have deteriorated sharply since Chávez became president of Venezuela. American officials and presidential administrations had been divided over how best to deal with Venezuela's belligerent rhetoric, nationalistic economic policies, and centralisation of power, while ensuring the continued access to Venezuelan oil.<sup>171</sup> The U.S. policy towards Venezuela has not remained consistent during the 21 years of Chávez and Maduro leadership. As the diplomatic relations between the two countries deteriorated and Venezuela slipped further and further into a crisis, the United States policy makers adapted to the situation.

#### **4.3.1 Clinton Administration (1993-2001)**

When Chávez was elected president in 1999, President Bill Clinton was serving his second term as president of the United States. The White House was not pleased with Venezuela's anti-American rhetoric and foreign policy. The Clinton administration did however not pay much attention to the South American country. The United States remained relatively unconcerned when Chávez made his early overtures to Cuba and Iraq, both declared enemies

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<sup>169</sup> Bureau of Western Hemisphere Affairs, "U.S. Relations With Venezuela: Bilateral Relations Fact Sheet," *U.S. Department of State*, July 6, 2020, <https://www.state.gov/u-s-relations-with-venezuela/>.

<sup>170</sup> Romero, "From Special Relationship to Wary Neighbours," 137.

<sup>171</sup> Lapper, "Living with Hugo," 21.

of the U.S. The most notable event in the US-Venezuela relations happened during the Vargas Tragedy in 1999 (chapter 3), when a massive mudslide killed approximately 30.000 and displaced 70.000 Venezuelans. In the wake of this tragedy, Chávez had asked the U.S. for support in the form of rescue equipment and aid supplies. Yet at the last minute, Chávez inexplicably refused the help.<sup>172</sup>

Clinton and his administration largely avoided direct confrontation, giving the preference to emphasize the disparity between Chávez radical rhetoric and his actual implemented policies. At this point, the United States were still confident that the economic interdependence between the two countries would make a serious break in relations unfeasible. Clinton found support for this approach by U.S. businesses who operated in Venezuela.<sup>173</sup>

#### **4.3.2 Bush Administration (2001-2009)**

Just like Clinton, President George W. Bush spent most of his first year in office paying little attention to Venezuela. Venezuela, and the entirety of Latin America, were deemed insignificant after the terrorist attacks of (9/11) September 11. Bush and his administration were preoccupied with the War on Terror in the Middle East and Afghanistan, and domestic security.<sup>174</sup> During the next two years, Venezuela slowly became a point of interest for the U.S. government. Two events triggered this change in U.S. policy position. The first trigger was Venezuela's emerging role as a dissenting voice in the global community. Chávez was one of the few world leaders who openly spoke out against the U.S. invasion of Afghanistan. Furthermore, Venezuela's verbal attacks on the United States had started to escalate. In late 2003, Chávez began to openly blame the United States for Venezuela's instability. The second trigger for the U.S. policy shift was Venezuela's rising domestic instability. In 2001, Venezuela entered a turbulent period of political and national unrest. After two failed coups, Washington could no longer ignore the situation in Venezuela.<sup>175</sup>

The relationship between the governments of the two countries was greatly damaged by the U.S. clumsy reaction to the Venezuelan coup on the 11<sup>th</sup> of April 2002. As Chávez was held in custody by the coup plotters, White House Press Secretary Ari Fleischer responded to the situation by proclaiming that the United States was looking forward to

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<sup>172</sup> Corrales, *Coping with Midlevel Security Threats*, 45.

<sup>173</sup> Lapper, "Living with Hugo," 21.

<sup>174</sup> Corrales, *Coping with Midlevel Security Threats*, 46.

<sup>175</sup> *Ibid*, 48.

working with the new transitional government. In Venezuela and in the rest of the world, this statement was interpreted as a message of support for the removal of the Venezuelan president. Outside of Venezuela, U.S. allies in the Rio Group strongly distanced themselves from this statement, unequivocally condemning the interruption of constitutional rule. Chávez, after he regained his position as president, would remain distrustful of American intentions. Although no complicity of United States involved in the coup has been found, the Bush administration failed to dispel the widespread impression that his government had been involved in the organisation of the ordeal. Chávez used the widespread distrust to fan anti-American sentiment and discredit U.S. foreign policy.<sup>176</sup>

Between 2003 and 2007, the United States adopted an imitative foreign policy, essentially replicating almost every aspect of Chávez policy of soft balancing.<sup>177</sup> Since 2003, the relationship between the two countries became more antagonising. As Chávez launched a new rhetorical offensive against the United States, Bush responded with deployed policies in an attempt to contain the international influence of the Chávez regime.<sup>178</sup> The United States responded to Chávez criticism by attacking Venezuela's foreign policy by criticizing Chávez alliances with rogue states, mysterious connections to the FARC and other terrorist groups, and lack of cooperation in the drug war. Furthermore, Washington accused Chávez government of intimidating the Venezuelan opposition, undermining human rights and democracy, and fostering a noncooperative spirit – or refraining from cooperating – on vital hemispheric security issues, such as drug interdiction and counterterrorism.<sup>179</sup> As Venezuela intensified its bilateral relations with the ideologically ally and U.S. rival Cuba in 2003, President Bush responded by doing the same with its own allies in the region. In 2004, the American president visited Colombia, U.S. closest ally in the region. One year later, Bush ratified CAFTA-DR, a free trade agreement between Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. In addition, the United States countered Venezuela's approach to Cuba by intensifying its own embargo on Cuba.<sup>180</sup>

In 2005 President Bush had determined that Venezuela had failed demonstrably to adhere to its drug control obligations under international counternarcotic agreements. Responding to this, Bush issued a national interest exemption to enable certain assistance programs vital to the national interests of the United States, such as human rights and civil

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<sup>176</sup> Lapper, "Living with Hugo," 21.

<sup>177</sup> Corrales, *Coping with Midlevel Security Threats*, 55.

<sup>178</sup> *Ibid*, 50.

<sup>179</sup> *Ibid*, 52.

<sup>180</sup> *Ibid*, 52.

society programs, to continue.<sup>181</sup> Chávez continued his support for the Colombian guerrilla group FARC and expelling the DEA, which undermined U.S. security and counterdrugs interests in the region.<sup>182</sup> In 2006, the Department of State had determined that Venezuela was not cooperating fully with the U.S. counterterrorism efforts. Under this provision, defence articles and services could no longer be sold or licensed for export to Venezuela during the relevant fiscal year.<sup>183</sup> Bush administration responded with increasing militarization in the region. Bush persuaded its allies Israel, Spain, and Brazil to stop providing military equipment to Venezuela. Furthermore, the State Department announced a ban on arms sales and military equipment to Venezuela.<sup>184</sup>

Somewhere around late 2007, United States foreign policy towards Venezuela started to change drastically. Where the United States was very active in undermining Chávez's authority in previous years, it now realised that the best strategy to hold Venezuela back was to hold back themselves. Instead of responding to Chávez rhetoric attacks, the U.S. government adopted a policy of deliberately avoiding responses. The United States government would, however, continue to treat Chávez' Venezuela as a serious threat. This policy of avoiding a war of words was complicated. On the one hand, the U.S. government allowed its agencies to produce reports documenting ways in which Venezuela was violating international law. On the other hand, criticisms coming from the highest levels of government and from the U.S. embassy in Caracas were minimized.<sup>185</sup> Furthermore, Bush led go of the attempt to rally its Latin American allies in a coalition serving as a united front against the Venezuelan threat, which had failed in the previous years.<sup>186</sup> The United States softer approach to Venezuela was also visible in the newly imposed sanctions. After the arms embargo of 2006, the United States government had resisted implementing new sanctions, despite the mounting pressure of Congress in doing so. The new sanctions that were implemented, were often very light and aimed directly at individuals rather than the country as a whole.<sup>187</sup>

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<sup>181</sup> Bureau of Western Hemisphere Affairs, "Bilateral Relations Fact Sheet."

<sup>182</sup> Corrales, *Coping with Midlevel Security Threats*, 53.

<sup>183</sup> Bureau of Western Hemisphere Affairs, "Bilateral Relations Fact Sheet."

<sup>184</sup> Corrales, *Coping with Midlevel Security Threats*, 53.

<sup>185</sup> *Ibid*, 57.

<sup>186</sup> *Ibid*, 57.

<sup>187</sup> *Ibid*, 57.

### 4.3.3 Obama Administration (2009-2017)

As Nicolás Maduro's government became more and more authoritarian, the Obama administration turned to economic sanctions, first targeted on specific officials and then later aimed at broader sectors of the economy and the Maduro government.<sup>188</sup> In March 2015, President Obama issued a degree in which Venezuelans involved in public corruption and undermining democracy, including Maduro, were suspended of entering the United States. Furthermore, all property of these individuals were blocked.<sup>189</sup> In this Executive Order, Obama declared a national emergency “with respect to the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the situation in Venezuela”.<sup>190</sup> According to the Obama administration, this order was issued in order to advance the respect for human rights, safeguard Venezuelan democratic institutions, and to protect “the U.S. financial system from the illicit financial flows from public corruption in Venezuela”.<sup>191</sup>

In its final two years in office, the Obama Administration pursued a multi-track approach to Venezuela's government that included individual sanctions, multilateral diplomacy (mainly through the OAS), support for negotiations between the Venezuelan government and political opposition, and public advocacy for human rights and constitutional order – including the recall referendum.<sup>192</sup> Obama often sought support of other countries in the region for its sanctions, as in the past, U.S. sanctions led to strong negative reactions in Latin America.<sup>193</sup>

### 4.3.4 Trump Administration (2017-2021)

During the administration of President Donald J. Trump, the U.S. strategy emphasized diplomatic efforts to strengthen the support for Guaidó and isolate Maduro; targeted sanctions and visa revocations on Maduro government officials and their families; along with broader sanctions on the economy and government; assistance for the Venezuelan people; and actions to cut off the Maduro government's unlawful revenue sources.<sup>194</sup>

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<sup>188</sup> Seelke, “Venezuela, Background and U.S. Relations,” 17.

<sup>189</sup> Bureau of Western Hemisphere Affairs, “Bilateral Relations Fact Sheet.”

<sup>190</sup> White House Office of the Press Secretary, “FACT SHEET: Venezuela Executive Order,” March 09, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/03/09/fact-sheet-venezuela-executive-order>.

<sup>191</sup> White House, “Venezuela Executive Order.”

<sup>192</sup> Camilleri, “Evolution or Revolution,” 193.

<sup>193</sup> *Ibid*, 193-194.

<sup>194</sup> Seelke, “Venezuela, Background and U.S. Relations,” 17-18.



After the efforts to secure a resolution critical of Venezuela at the OAS General Assembly in June 2017 failed, the administration of President Trump began to distinguish its approach to Venezuela policy more clearly, even if the overall thrust of U.S. policy remained consistent. While the United States stated that their primary objective remained the promotion of democracy in Venezuela, a shift occurred. The new administration, frustrated by the OAS dynamics and the unwillingness to wrestle with its own mistakes, shifted tactically towards unilateral policy options, with a particular focus on sanctions instead of multilateral diplomacy. This policy shift included an expanded list of sanctions aimed at 44 additional Venezuelan individuals.<sup>195</sup> In 2017, the Department of Treasury has designated two individuals for involvement in narcotrafficking under the Kingpin Act, including former Venezuelan Vice President and Minister of Oil, Tareck El Aissami.<sup>196</sup> These individuals were the same people who were targeted in 2015 by an executive order issued by President Obama which froze their assets and issued a travel ban. These Venezuelans were targeted as they were seen by U.S. officials as those who undermined democracy, violated human rights or freedom of expression and assembly, and/or engage in public corruption by senior government officials. On July 31, 2017, the Trump Administration added President Maduro to the sanctions list, one of only four heads of state in the world subject to such drastic measures.<sup>197</sup>

A month later, Trump already added new sanctions. Previously, the sanctions aimed at Venezuela targeted individual members of the Venezuelan regime to punish them for their crimes. With the new sanctions, the entirety of Venezuela was targeted as Venezuela's access to U.S. financial markets were restricted. It looked like the Trump administration would increase the pressure on Venezuela by complementing existing individual sanctions with "sectoral" sanctions, including a potential embargo on U.S. oil imports from Venezuela. This sanction would be especially painful for Maduro, as the United States remained the largest purchaser of Venezuelan oil which imports valued at \$11.7 billion in 2017. Yet, the sanction was not implemented as the collateral damage on the Venezuelan people, who at this point were already suffering from the country's economic downfall, would be too high. Ultimately, the newly implemented sanctions limited the access of the Venezuelan government and the stated-owned oil and gas company PDVSA to the U.S. financial system in August 2017.

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<sup>195</sup> Camilleri, "Evolution or Revolution," 191.

<sup>196</sup> Bureau of Western Hemisphere Affairs, "Bilateral Relations Fact Sheet."

<sup>197</sup> Camilleri, "Evolution or Revolution," 191.

While the direct impact of this new sanction was minimal, it would later on severely limit Venezuela's options to stave off the debt default.<sup>198</sup>

During the remainder of Trump's presidency, his administration continued to add new economic sanctions against Venezuela. In March 2018, Venezuelan transactions through cryptocurrency was prohibited. Two months later, the barring of the purchase of Venezuelan debt or accounts receivable with the Venezuelan government was implemented.<sup>199</sup> In January 2019, a new sanction was implemented by the Secretary of the Treasury against all persons who were operating in the security, defence, finance, gold and oil sectors of Venezuela. This sanction would expand to all individuals active for the Venezuelan national oil company *Petroleos de Venezuela* and the Central Bank of Venezuela.<sup>200</sup> On August 5<sup>th</sup> of 2019, President Trump added a new sanction which blocked all property and interests in property of the Government of Venezuela that were in the United States or that were in the possession or control of any American individual.<sup>201</sup> The U.S. Treasury Department had imposed financial sanctions of a total of nearly 150 Venezuela-linked individuals for terrorism, drug trafficking, and/or committing antidemocratic actions, human rights violations, or corruption.<sup>202</sup> In the early 2019, imports of Venezuelan crude oil averaged roughly 500.000 barrels a day. This made the South American country one of the top five suppliers of foreign oil to the United States. After the newly imposed sanctions, the United States does no longer import any oil from Venezuela. U.S. investment in the Venezuelan petroleum industry has descended rapidly as well. Besides the newly imposed sanctions, the poor business environment has significantly reduced these investments.<sup>203</sup>

The United States also attacked Venezuela on a political level. In August 2017, Venezuela was suspended for an indefinite time from the Southern Common Market. In many other international organisations, Maduro's government was expelled and replaced by members of Guaidó supporters. Organisations in which Guaidó's government is represented are the Organization of American States (OAS) and the Lima Group.<sup>204</sup> Since January 2019, the U.S. State Department has revoked more than 1.000 visas. Targets of these visa revocations included those of current and former Venezuelan officials and their families.<sup>205</sup>

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<sup>198</sup> Camilleri, "Evolution or Revolution," 192.

<sup>199</sup> Seelke, "Venezuela, Background and U.S. Relations," 19-20.

<sup>200</sup> Bureau of Western Hemisphere Affairs, "Bilateral Relations Fact Sheet."

<sup>201</sup> *Ibid.*

<sup>202</sup> Seelke, "Venezuela, Background and U.S. Relations," 19.

<sup>203</sup> Bureau of Western Hemisphere Affairs, "Bilateral Relations Fact Sheet."

<sup>204</sup> *Ibid.*

<sup>205</sup> Seelke, "Venezuela, Background and U.S. Relations," 19.

On March 12, 2019, diplomatic ties between Maduro's government and the United States disbanded after the U.S. had suspended its embassy operations in Caracas. This does not mean there was no contact between the two states, as the U.S. maintains formal diplomatic relations with both Maduro as Guaidó through its accredited Ambassador to the United States. In August that year, a Venezuelan Affairs Unit was opened in the Colombian capital of Bogota.<sup>206</sup>

As of December 2020, the United States recognizes Interim President Juan Guaidó and considers the Venezuelan National Assembly, which he currently leads, to be the only legitimate federal institution. Besides the United States nearly sixty other countries have recognised Guaidó as the legitimate leader of Venezuela. The United States works with Guaidó and his team on a number of areas of mutual concern, including humanitarian, health and migration issues. Other aspects in which the United States offers support are security, anti-narcotrafficking initiatives, and reestablishment of the rule of law.<sup>207</sup> Through the assist of the Guaidó Interim Government and democratic organisations within and outside Venezuela, the United States supports the protection of human rights, the promotion of civil society, the strengthening of democratic institutions, and transparency and accountability in the country. During the period of 2014 to 2019, the United States has committed approximately \$58.6 million in bilateral democracy assistance to Venezuela.<sup>208</sup> Furthermore, the United States Agency for International Development (USAID), provided \$507 million to help in the Venezuelan regional crisis in the period 2017-2019, existing of \$260 million for humanitarian assistance and \$247 million for development assistance.<sup>209</sup> The Venezuelan governments of Maduro believes that this economic aid is not part of a humanitarian action, but of a covert operation which breaks the territorial sovereignty of Venezuela.<sup>210</sup>

Besides financial harming Maduro and his government, the Trump administration attacked them through the court of law. Maduro has been sanctioned by the Office of Foreign Assets Control, and in 2020 the Department of Justice charged him with offenses related to narco-terrorism and drug trafficking. The U.S. Department of State's Bureau of International Narcotics and Law Enforcement posted a \$15 million reward for information to bring him to

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<sup>206</sup> Bureau of Western Hemisphere Affairs, "Bilateral Relations Fact Sheet."

<sup>207</sup> *Ibid.*

<sup>208</sup> *Ibid.*

<sup>209</sup> Teresa Welsh, "Just 2% of US aid to Venezuela reached the country, report finds," *Devex*, April 30, 2021, <https://www.devex.com/news/just-2-of-us-aid-to-venezuela-reached-the-country-report-finds-99800>.

<sup>210</sup> "U.S. aid to Venezuela was not aligned with humanitarian principles, audit finds," Reuters, last modified April 30, 2021, <https://www.reuters.com/world/americas/us-aid-effort-venezuela-was-not-aligned-with-humanitarian-principles-audit-finds-2021-04-30/>.

justice.<sup>211</sup> In March 26 of 2020, the Department of Justice charged Maduro and 14 Venezuelan officials, including Chief Supreme Court Justice, Minister of Defence, and the Vice President of the Economy, with offenses related to corruption, drug trafficking, narco-terrorism, among other criminal charges.<sup>212</sup>

As of so far, the conflict between the United States and Venezuela has remained a diplomatic conflict. The conflict between the two countries has remained cold, as the United States has not used military intervention. However, during Trump's time in office, there were several moments in which a military conflict seemed a possibility. In August 2017, President Trump told the press that he was considering a 'military option' on Venezuela. This idea was promptly rejected by most of Washington's closest partners in Latin America. Nonetheless, Trump would raise the issue of military intervention again the following month in a meeting with Latin American leaders during the UN General Assembly. Trump's enthusiasm of military intervention raised concerns in Latin America. Some feared that Trump's position around Venezuela was driven by the desire to be rid of an ideological enemy, including through regime change if necessary.<sup>213</sup> Both Trump's deep unpopularity in Latin America and his administration's own unilateral tendencies and shallow foreign bench, resulted in isolation on the international stage as other countries in the western hemisphere began excluding the United States. One example of this was the United States exclusion from the Lima Group, an ad hoc bloc of 15 hemispheric nations who were critical of Venezuela. As a result, while the Trump Administration had shown commitment in its use of unilateral tools to pressure Venezuela, it had failed in matching these tools with a similar effective approach to multilateral diplomacy.<sup>214</sup> In March 2018, fear of U.S. military action in Venezuela rose once again among the Lima group as Trump replaced his Secretary of State and the National Security Advisors with former CIA Director Mike Pompeo and former Ambassador John Bolton. Incoming National Security Advisor Bolton, in particular, has a reputation for his sceptical outlook on multilaterals and his willingness to advocate for the pre-emptive use of military force against hostile governments. Furthermore, both Pompeo and Bolton voiced concerns about Venezuelan ties to the Iranian government and Hezbollah. At the same time, prominent members of the Venezuelan community in the U.S. and the influential republican senator Marco Rubio started openly to suggest the removal of Maduro and his government by

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<sup>211</sup> Bureau of Western Hemisphere Affairs, "Bilateral Relations Fact Sheet."

<sup>212</sup> *Ibid.*

<sup>213</sup> Camilleri, "Evolution or Revolution," 194-195.

<sup>214</sup> *Ibid.*, 195.

force.<sup>215</sup> In April 2018, the next Summit of the Americas in Lima was held. As Trump had made the decision to skip the summit, Vice President Mike Pence attended in his place. The vice president's attendance proved successful, as the United States for the first time joined 15 Lima Group members in issuing a shared declaration on the situation in Venezuela. In the declaration, the countries proclaimed that the planned Venezuelan elections would lack "legitimacy and credibility". Furthermore, Pence promised neighbouring Colombia a commitment of \$16 million to help with the assistance of Venezuelans refugees crossing the border.<sup>216</sup>

On the last day of his presidency, Trump enforced a memorandum on 'deferred enforced Departure for Certain Venezuelans.' With this order Trump made it possible of the next administration able to "(..) defer for 18 months the removal of any national of Venezuela, or alien without nationality who last habitually resided in Venezuela, who is present in the United States as of January 20, 2021".<sup>217</sup> The deportation of Venezuelans on United States soil was to eliminate the "(..) national security threat to the safety and well-being of the American people".<sup>218</sup>

#### 4.4 Results of U.S. Policy

The U.S. response to the emergence and rise of Chávez is one of the most polemical subjects among scholars of Venezuela. For some, the United States became the revolution's most important enemy, or at least as a source of counterproductive provocations. For others, The United States has been passive, hesitant, almost naïve actor, unwilling or unable to act decisively to block Chávez's excesses, letting one risk after another develop collectively into a serious threat.<sup>219</sup> The U.S. response to Venezuela has evolved over time.<sup>220</sup> According to Javier Corrales and Carlos A. Romero, the U.S. policy towards its southern neighbour fluctuated widely over a decade. While the U.S. government at fist adopted a policy of ignoring the new Chávez government, it later became overly obsessed with it. The authors

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<sup>215</sup> Ibid, 196.

<sup>216</sup> Ibid, 195.

<sup>217</sup> Donald J. Trump, "Memorandum on Deferred Enforced Departure for Certain Venezuelans," January 19, 2021, <https://trumpwhitehouse.archives.gov/presidential-actions/memorandum-deferred-enforced-departure-certain-venezuelans/>.

<sup>218</sup> Trump, "Memorandum on Deferred."

<sup>219</sup> Corrales, *Coping with Midlevel Security Threats*, 41.

<sup>220</sup> Ibid, 41.

describe Venezuela as a mid-level security threat to the United States and its regional interest.<sup>221</sup>

#### 4.5 Conclusion

The United States and Venezuela have enjoyed good relations before Hugo Chávez was elected president. The United States and Venezuela had strong economic ties; the U.S. was Venezuela's biggest trade partner while the U.S. imported most of their oil from the South American country. The economic interest of the U.S. has played an important role in Washington's foreign policy towards Venezuela. In later years, U.S. main interests became that of national security for issues like drug trafficking, terrorism, money laundering, intellectual property, and human rights. Furthermore, the attack by Chávez and later Maduro on the Venezuelan democracy raised concern in Washington. During the period of 1999-2020, the United States government has implemented a many deal of sanctions to advance their interests in the region. The four different governmental administrations dealt with Venezuela in a different way. President Bill Clinton generally ignored Venezuela and actively tried to avoid confrontation whit Chávez. President George W. Bush initially did the same, as its full attention was focused on the War on Terror in the Middle East. When Chávez rhetoric attacks on the United States became too difficult to ignore, Bush stance towards Venezuela became hostile. The United States openly criticised Chávez' government on the international stage, hoping to find support among other countries. Furthermore, the United States issued a ban of the trade of weapons to Caracas and grew its military presence in the area. Under Obama's presidency, Washington punished Venezuela with economic sanctions and issued a travel ban for Venezuelan officials. Donald Trump's administration increased the pressure on Maduro's government by issues a great number of economic sanctions. Both the Venezuelan officials and the Venezuelan oil industry were targeted. The United States and 44 other nations recognize Interim President Juan Guaidó and considers Maduro's government illegitimate. On several occasions, Donald Trump mentioned a military intervention in Venezuela, to the shock of the world community.

The United States foreign policy towards Venezuela has been based on soft power and economic and diplomatic hard power. While Donald Trump talked about military invasion, this has not happened and is unlikely to happen in the near future. The United States treats

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<sup>221</sup> Ibid, 41-42.

Venezuela as one of the rogue states. The United States seeks support from the international community, especially Latin American countries, in dealing with Chávez and later on Maduro.

## 5. Comparing Containment Policy with U.S. Venezuela Policy

### 5.1 Introduction

The objective of this thesis is to look at the United States foreign policy towards Venezuela in the period 1999-2020 and compare it with the containment policy of the Cold War. The previous chapters mainly served to provide context. Chapter two, *United States Containment Policy*, explained the U.S. policy of containment and how it was differently implemented by the different presidential administrations during the Cold War. Chapter three, *Developments of Venezuela 1999-2020*, provided the reader with an overview of the main developments of in Venezuela during the presidencies of Hugo Chávez and his successor Nicolás Maduro. In chapter four, *United States foreign policy towards Venezuela*, the different policies implemented in the period 1999-2020 by the United States regarding Venezuela are listed. In this chapter, the findings of the previous chapters are used to make a comparison between the U.S. foreign policy of containment used in the Cold War with the more recent U.S. foreign policy towards Venezuela in the period 1999-2020. To make an adequate comparison, this chapter is divided in two parts. In the first part, the similarities between the containment and the Venezuela policies are listed. The second part focuses on the differences between the two policies.

### 5.2 Similarities

The United States foreign policy towards Venezuela shows resemblance with the containment policy in a number of ways. So were both policies created to protect American economic interests. The policies themselves relied strongly on economic power in the form of economic sanctions. Both policies implemented political coercion tactics to pressure the targeted nations. Last, the United States used in both cases economic support and foreign aid to serve American interests.

#### 5.2.1 Economic Interests

The United States foreign economic interests played a significant role in both its Venezuela policy as in the containment policy. One of the main foreign interests of the United States in Venezuela are economical. As is mentioned in the chapter 4, *United States foreign policy*



towards *Venezuela*, the United States and Venezuela have held a close economic relationship before Hugo Chávez came in power in 1999. In this year, Venezuela imported American goods valued around \$5,4 billion and exported and exported \$11,3 billion worth of goods to the U.S. Through this, Venezuela was after Mexico and Brazil the United States biggest trading partner in Latin America. The most imported Venezuelan product to the U.S. market was oil, predominantly crude oil. During this time, Venezuela was the biggest exporter outside of the Middle East, which made the South American country one of the more reliable oil supplier. Similar strong economic ties were present in the Latin American countries which were targeted during the Cold War. The United States imported copper and copper-based products from Chile, sugar from Cuba, and fruit (predominantly bananas) from Guatemala. Meanwhile, these countries also served as a sales market for American made goods (chapter 2).

Besides trade interests, United States business interests also influenced its foreign policy. Many American owned multinationals are located in Latin America. In the early 2000s, United States businesses have invested heavily in the Venezuelan oil industry. American petroleum companies like Exxon, ConocoPhillips and Chevron Texaco owned many oil facilities in the South American country (chapter 3). It was no different during the Cold War. In the 1970s, Chile's economy was largely under control of American copper industries and the International Telephone and Telegraph. In 1950 Guatemala, The United Fruit company was the biggest landowner and owned all Guatemalan railroads and its major port. Meanwhile in pre-revolution Cuba, United States investors owned large amounts of property on the Caribbean island (chapter 2).

After these American interests were compromised, it greatly influenced the attitude of the United States and its policies towards these countries. Both in Venezuela and in the Latin American countries, socialist reforms directly damaged American interests. In chapter 3, *Developments of Venezuela 1999-2020*, it is described how Chávez' economic nationalism damaged American oil industry in Venezuela. The most notorious economic reform implemented by Chávez was the nationalisation of the Orinoco Oil Belt in 2007. With this reform, American oil multinationals were forced to give 60% of their ownership to the Venezuelan oil company *Petróleos de Venezuela*. Many big American oil companies like Exxon and ConocoPhillips refused to these demands and left the country. The nationalisation of American companies has greatly damaged American economic interests and soured relations between the two countries. A similar development took place in the Latin American countries during the Cold War. As is shown in chapter 2, United States Containment Policy,

the nationalisation of American industry was an important reason for escalation. In Guatemala in 1952, President Árbenz expropriated land owned by an American company under the Agrarian Reform Act. With this law, many American multinationals in Guatemala were hit, especially The United Fruit Company, who lost almost a third of its total owned land. In Chile, President Allende nationalised Chile's copper industry, largely owned by American companies, without any form of compensation. In Cuba, Castro increased taxes on all U.S. imports and nationalised all American-owned properties. In these three cases, American economic interests were badly damaged by the nationalisation of American owned industry and property. The nationalisation was followed by an increasing hostile attitude of the United States.

### **5.2.2 Economic & Political Sanctions**

A noteworthy similarity between the foreign policy towards Venezuela and the containment policy can be found in its execution. The main strategy of the United States to pressure the Venezuelan government in changing its behaviour has been through economic and political sanctions. In the period 1999-2020, the U.S. government imposed a great number of economic sanctions. These economic sanctions were very diverse. In 2006, President Bush made it illegal for American companies to sell military equipment and defence articles to Venezuela. In 2015, President Obama froze the assets of high placed individuals within the Venezuelan government. Under the Donald Trump administration, economic sanctions in Venezuela increased dramatically. Under Trump, Venezuela could no longer access the American market. Furthermore, the Trump administration expanded the list of Venezuelans individually targeted with economic sanctions. All property and interest of the Venezuelan government located or in possession of the United States were taken and all individuals working in the sectors of security, defence, economy, finance, oil and gold in Venezuela were sanctioned (chapter 4). Many of these sanctions have been implemented or are still in effect for Cuba. Under President Kennedy, the U.S. has banned almost all US exports to Cuba. New economic sanctions continued to be introduced during and after the Cold War, leading to a complete economic embargo. The economic sanctions have wreaked havoc on the Cuban economy. The Cuban government estimated that the now more than 50 years of stringent trade restrictions has resulted in a loss of approximately \$1.126 trillion (chapter 2).

On a more specific level, the sanctions implemented show similarities. The biggest economic sanction implemented by Trump was the embargo of all Venezuelan oil to the

United States market in 2019. With this sanction, Venezuela could no longer export its largest export product to the United States (chapter 4). This sanction especially damaged Maduro's regime as the Venezuelan economy had become almost entirely dependable on its oil revenue (chapter 3). During the Cold War, similar embargos were implemented by the U.S. against socialist states. In 1962, the United States government imposed an embargo on Chilean copper, which was Chile's largest export product at the time. A similar embargo was imposed on Cuban sugar, the most imported Cuban product by the United States (chapter 2).

Besides these economic sanctions, the United States has implemented political hard power in both policies. A key element of the United States policy towards Venezuela was through political pressure in cooperation with allied states. Both the Obama and Trump administration have tried to create a shared foreign policy with the other countries of the OAS (chapter 4). During the Cold War, a similar strategy was used in its containment policy of Guatemala. In 1953, President Eisenhower made a proposal in the OAS in which an anti-Communist resolution drafted, specifically targeting the Guatemalan government (chapter 2). The United States also used diplomatic sanctions in its policies. In 2017, President Donald Trump revoked more than 1.000 visas of current and former officials of the Venezuelan government and their families (chapter 4). A similar action was taken by President Kennedy during the 1960s, who implanted a strict travel restriction for Americans who wanted to travel Cuba. Several years later, the travel restrictions were changed to a travel ban (chapter 2). Another form of political power showcased in both policies is by political isolation. In 2017, the United States acknowledged interim president Guaidó as the legitimate leader of Venezuela. Consequentially, all diplomatic activity in the U.S. embassy in Caracas was seized (chapter 4). This policy is once again comparable to the containment of Cuba, which also ended all diplomatic ties with Castro's government in 1960 (chapter 2).

### **5.2.3 Economic Aid**

Another form of policy that has both been part of the United States' policy towards Venezuela and its containment policy is economic support and foreign aid. In the U.S. foreign policy towards Venezuela, foreign aid is a common strategy. Through the assistance of the Guaidó Interim Government and democratic organisations inside and outside Venezuela, the United States supports the protection of human rights, the promotion of civil society, the strengthening of democratic institutions, and transparency and accountability in the country. During the period of 2014 to 2019, the United States has committed approximately \$58.6

million in bilateral democracy assistance to Venezuela. Furthermore, USAID has provided the country with \$247 million for development assistance and \$260 million for humanitarian assistance (chapter 4).

During the Cold War, economic support and foreign aid have been a crucial part of containing communism. The most well-known example of a containment policy where economic support was the core of its policy is the Truman Doctrine. Truman saw economic support as the best weapon to block the appeal of communism. Part of the Truman doctrine was the Marshall Plan. With this plan, Western Europe received \$13 billion in credits and grants to reconstruct itself and facilitate an economic revival. While the main goal of foreign aid was to make communism less appealing by increasing the standard of living of the people of Western Europe, it also served to spread its own influence and values, resulting in the integrating of western European countries into an alliance of capitalist democracies. Another historical event of foreign aid during the Cold War is the Berlin Airlift, in which the United States provided supplies to, the by the Soviet Union blockaded, West Berlin (chapter 2). Although humanitarian aid is primarily executed to support local population, it also serves U.S. foreign interests. The Marshall Plan and the Berlin Airlift both invented in order to strengthen, or at least keep, U.S. influence in Europe. It can be argued that the U.S. humanitarian aid has a similar function.

### **5.3 Differences**

Although the U.S. foreign policy towards Venezuela and the containment policy has certain similarities, there are also actual demonstrable differences. First, the international system in which the two policies are conceived are drastically different. The position of both the United States and Venezuela in the global order has had a major impact over the design and implementation of the U.S. foreign policy. Next, the foreign interests of the United States' shifted from those of the Cold War. Last, the two foreign policies are especially different in their use of military hard power.

#### **5.3.1 New International System**

While the Venezuela policy of the past 21 years may show a certain overlap with the containment policy of the Cold War, the context in which these policies were created and executed are radically different. After the end of the Second World War, the international

order has drastically changed in a short period of time. At the end of the war, the United States and the Soviet Union emerged as the two dominant powers in the world. During the following Cold War, these two superpowers struggled for international control. The world was divided in two spheres of influence based on ideology of capitalism and communism. The policy of containment was created and implemented by the United States to contain the spread communism and with it, Soviet influence (chapter 2). The world in the period 1999-2020 is completely different. With the fall of the Soviet Union in 1991, the United States became the world's only major power. With no rival close to reaching their level of power, the United States could assert themselves as the world's hegemon. A new international order was formed, based on freedom, liberalism and democracy. The United States became its leader (chapter 2).

With the fall of the Soviet Union, the multipolar order came to an end and American hegemony began. In this new global system, several states rejected the American led liberal order. These 'rogue states' are considered as a threat by the leadership of United States (chapter 2). Soon after Hugo Chávez became president of Venezuela, the relation between his country and the United States became hostile. Chávez and his successor Maduro are blamed for socialist policies and a hostile attitude towards the United States, as well as support for guerrillas and a lack of drug control (chapter 3).

Venezuela as a rogue state is in a completely different position than the smaller states targeted by United States containment policy during the Cold War. Venezuela is an isolated threat to the international stability. Meanwhile, socialist governments within the American sphere of influence during the Cold War were regarded as part of the greater threat of communism. For Washington policymakers, the rise of socialist governments during the Cold War was a far more pressing issue with far greater consequences. Meanwhile, Venezuela is considered a much smaller threat. Isolated from the international community, it can do little to threaten the United States itself. In such a situation, the cost of a foreign policy should be as low as possible (chapter 2).

Another aspect that is different in the international community is the United States' relation with its allies. During the Cold War, the United States had a much stronger influence on its allies. Since the end of the Cold War, U.S. allies are more critical about U.S. policy. Countries in the Lima community were wary when the United States stepped up its sanctions against Venezuela. When President Donald Trump spoke of military intervention in Venezuela, the Lima countries rejected this notion, leading to the isolation of the United States (chapter 4). With containment policy, strong military action was done to show the

world, but especially the countries in U.S. sphere of influence, that they would not tolerate this.

### **5.3.2 Shifting Interests**

The United States' foreign policy is based on defending its foreign interests. Although U.S. containment and foreign policy makers toward Venezuela share the aim of economic interests, the same is not the case for the many other foreign interests that influenced its creation. The by Kennan proposed policy of containment, the goal of his policy was to counter Soviet expansive tendencies by containing Soviet influence within its borders. The United States put great pressure on Guatemala, Chile, and Cuba in an attempt to prevent, or when that failed, overthrow left wing governments for the fear that the Soviet Union would gain influence in the Western hemisphere. During the period 1999-2020, the Soviet Union no longer exists and the ideology of communism has lost much of its adherents. Therefore, the purpose of containment policy has been achieved (chapter 2).

The main reason for the United States to intervene in socialist or communist states was for fear of the domino effect. This theory was based on the idea that if one state fell to the influence of communism, other states in that region would follow. The main reason the United States entered the Vietnam War was for fear that if a communist government in Vietnam was able to establish itself, it would spread its influence throughout the Southeast Asian region. A same reason was applied for U.S. intervention in Latin American countries (chapter 2). Venezuela considers itself a socialist state, based on the Bolivarian socialism (chapter 3). For the United States however, ideology has become of a lesser concern (chapter 4).

The American foreign policy towards Venezuela is created to protect different foreign interests. As the world's hegemon and greatest power in the Western hemisphere, the United States benefits from stability in the region, rogue states like Venezuela, destabilise the international world order and create regional tensions. The United States accuses Venezuela for issues like drug trafficking, terrorism, money laundering, intellectual property, and human rights. The U.S., holds the responsibility to neutralise, contain, and eventually transform these rogue states into constructive member of the international community (chapter 4).

### **5.3.3. Military Hard Power**

The most notable difference in the implementation of containment policy and the foreign policy towards Venezuela is the different approach to hard power. Although both policies are primarily based on hard power like economic sanctions and diplomatic coercion, the foreign policy towards Venezuela lacks any form of military power. In all cases of containment policy described in this thesis, all have some sort of military element in them. President Truman sent military aid to all who wanted to fight against communist forces. In Latin America, military power was essential to the success of the containment policy. In both Chile and Guatemala, the CIA executed covert operations that led to coups overthrowing the socialist governments in place. To overthrow Castro's government in Cuba, the United States sent an army of Cuban exiles to the Bay of Pigs. This military operation would fail catastrophically, and socialist government of Cuba remains in place till this day. The most violent operation within the policy of containment is the war in Vietnam. Instead of planning a coup or sending natives to fight, many American soldiers fought and died in the war (chapter 2).

Meanwhile, in the 21 years of socialist rule in Venezuela, no military hard power has ever been used by the United States. All United States presidents have refrained themselves from using the enormous military strength of the U.S. army or the covert operations of the CIA to overthrow the regimes of Hugo Chávez or Nicolás Maduro. There were several instances in which military intervention in Venezuela seemed probable. In 2003, Hugo Chávez accused the United States of being responsible for the coup of 2002 (chapter 3). No proof of U.S. intervention was provided and the United States President George W. Bush denied any U.S. involvement. In 2017, Donald Trump made public that he considered a military operation on Venezuela. This suggestion was received negatively in the United States and by the Lima Group. Although military intervention was mentioned multiple times by Trump and his cabinet, nothing came of it (chapter 4). An argument could be made that without the threat of the Soviet Union looming over the conflict, the United States has a much harder time legitimising the use of military force.

### **5.4 Conclusion: A different policy with many similarities**

At first glance, the U.S. Venezuela policy appears to share many similarities with the containment policy of the Cold War. Both policies are partially designed to protect the foreign economic interests of the United States. When these economic interests were endangered, the



United States responded by putting pressure on the foreign governments with the aim of changing their behaviour. The ways the Venezuela policy and the containment policy were implemented are also similar. Both economic hard power and diplomatic hard power are central in the execution of both foreign policies. In addition, soft power in the form of economic aid has been used both during the Cold War and in Venezuela to strengthen U.S. influence.

Although the United States policy towards Venezuela has implemented elements that are equivalent to that of the containment policy, it is clearly not the same policy. The key difference between the two policies is that the international system is entirely different. The containment policy was implemented during the Cold War. In this period, the world was a multipolar order, with the United States and the Soviet Union as the two rivalling great powers. The foreign interests and the policy execution of the United States were strongly intertwined with its rivalry with the Soviet Union. During the period Chávez took over the power in Venezuela, the international system was drastically shifted. With the fall of the Soviet Union in 1991, the United States had become the world's hegemon. In this new system, rogue states like Venezuela became an isolated threat to the United States. During the Cold War, countries in conflict with the United States were often seen as part of a greater (Soviet) threat. With the Soviet threat gone, certain foreign interests were replaced by others. The main objective of the policy of containment, was to counter Soviet expansive tendencies by containing Soviet influence within its borders. After the fall of the Soviet Union, the main purpose of this policy became obsolete. Meanwhile, as the greatest power in the region, new interests like retaining stability in Latin America became more important to the United States. The new international order and the shifted interests directly influenced what type of power was used in its foreign policy. The most notable difference in the implementation of the policies is the use of military power. While military hard power was very prominent in the containment policy, no military hard power has been used in the U.S. policy towards Venezuela. With Venezuela being a minor threat, the United States had less reason to use military force in Venezuela than during the Cold War.

The policy of containment is a cohesive, yet diverse foreign policy as it was differently interpreted and executed by the U.S. presidents and their administrations. While some elements of the containment policy have been re-deployed against Venezuela, the situation in which this occurs varies widely. Still, many Cold War tactics remain useful, as many elements of containment policy were reintroduced in a new policy targeting Venezuela. Economic sanctions and diplomatic coercion remain a useful 'low cost' or 'cheap' form of



hard power to change a country's behaviour. So far, the United States has used military force to overthrow the government of Maduro. Foreign policy towards Venezuela has not produced the desired results, as Venezuela detrained further in an authoritarian state. If the situation in Venezuela does not improve, the United States may feel compelled to use military containment tactics again.

## 6. Conclusion

As stated in the introduction, the research question of this thesis is: *What was the United States foreign policy towards Venezuela during the period 1999-2020 and how does this policy compare with the containment policy of the Cold War?* To answer this question, this thesis has been divided in four chapters. The first three chapters serve to provide context, which has been used to make a comparison between United States policy towards Venezuela and containment policy. The chapter *United States Containment Policy* describes the origins and the implementation of the United States containment policy. The chapter *Developments of Venezuela 1999-2020* lists the most important developments of Venezuela in the period 1999 until 2020. The chapter *United States foreign policy towards Venezuela* describes the U.S. foreign policy towards Venezuela developed during the period 1999 until 2020.

As it is shown in chapter 2, it is difficult to give a clear definition of containment policy. George Kennan introduced the concept as a policy of containing Soviet expansionism and influence abroad, but never gave a clear set of policies to achieve this. During the Cold War all presidents implemented containment as their main foreign policy, but the interpretation and execution differed from each other. The containment policy of the United States was both predominantly executed through economic and diplomatic hard power. Common non-military policies used within the containment policy were economic support (Marshall Plan), economic sanctions, and diplomatic pressure. Most notable instances of a demonstration of military hard power of the containment policy were military intervention and the execution of coups. After the fall of the Soviet Union, the policy of containment became obsolete. Yet, many strategies used with containment policy were later reintroduced in a new policy dealing with rogue states, of which Venezuela is considered one.

In chapter 3, the situation of Venezuela from 1999 until 2020 is described. Under the guise of the Bolivarian Revolution, Hugo Chávez and his successor Nicolas Maduro have spread their version of socialism in the form of nationalisation, social programs, and anti-neoliberalism, throughout the country. In the 21st century Venezuela was a country plagued with social unrest and economic crises. Meanwhile, the regimes of Chávez and Maduro have constantly used an anti-American rhetoric, blaming many of the domestic problems to the United States. The situational context in the state of Venezuela where Chávez and Maduro exercised their leadership, is very different from that of the socialist states during the Cold War. With the fall of the Soviet Union, the United States remained the sole hegemon in the

world, with its power uncontested. In the American led liberal order, Venezuela stands almost isolated against the most powerful country in the world.

Chapter 4 describes how the United States foreign policy towards Venezuela has changed during the period of 1999 until 2020. Where president Clinton mostly tried to avoid conflict with Venezuela by ignoring Chávez provocations, later presidents took a more aggressive stance against the regime. President Bush was the first president who tried to contain Chávez influence on the international stage by putting political pressure on him. President Obama introduced the first economic sanctions against the oil industry, the most wealth generating sector in the Venezuelan economy. He also directly targeted higher Venezuelan officials through economic and diplomatic sanctions. President Trump would extend the sanctions of Obama and even add new ones. He also publicly proclaimed the Maduro government illegitimate and acknowledges his rival Guaidó as the leader of Venezuela. During this 21-year period, the United States has so far only implemented soft power and non-military hard power policies. President Trump made suggestions for military intervention, but this has never happened.

In chapter 5, the similarities and the differences between the United States foreign policy towards Venezuela and the containment policy are listed. The Venezuela policy shows similarities with certain containment policies. Both policies are created to secure similar economic foreign interests. The implementation of the Venezuela policy and containment also show similarities, as both policies implement hard power in the form of economic sanctions and diplomatic pressure, and soft power in the form of economic aid. Besides these similarities, the policies are also very different. As the international system has changed from a multipolar order to a United States hegemony, this greatly influenced United States foreign policy. Foreign interests like the containment of communist influence were replaced with interests like regional stability. Military hard power, which was a central part of containment policy, has not been used by the United States in dealing with Venezuela.

This research was conducted to answer the question how the United States policy towards Venezuela is comparable with the containment policy of the Cold War. The containment policy is very diverse, as it has been interpreted and executed differently by the numerous American presidential administrations. Certain elements of this policy are still used in the foreign policy towards Venezuela today. However, the foreign policy focused on Venezuela is not a continuation of the Cold War policy. The world order has greatly shifted since the Cold War. The interests and the execution of the policy in the region derive from the

context of the international order. Certain elements of containment are no longer suitable and thus are no longer part of the foreign policy towards Venezuela in the period 1999-2020.

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