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Research Report

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SWP Comment

NO. 54 OCTOBER 2021

On Words and Votes in Venezuela

The Talks Between the Conflict Parties and the Elections in November

Claudia Zilla

Regional and local elections are to be held in Venezuela on 21 November. After several years of election boycotts opposition forces are taking part in the elections again. In addition, since August this year they have participated in a dialogue with envoys of President Nicolás Maduro in Mexico. While many Venezuelans are struggling to merely survive, the two conflict parties are seeking to extend their room for manoeuvre. The international community should support the dialogue and election process and dose pressure on and incentives for the Maduro regime giving priority to the needs of society.

Venezuela, the country with the world's largest oil reserves, is currently suffering from petroleum and electricity supply bottlenecks and is now the poorest country in Latin America and the Caribbean. According to data compiled by ECLAC, the UN Economic Commission for the region, the Venezuelan economy shrank by 30 per cent between 2019 and 2020, the seventh successive year of negative economic growth. Hyperinflation, which began in 2017, dropped between 2019 and 2020 from 9,585 to 2,969 per cent. Over that period, however, the purchasing power of the minimum wage fell by about 70 per cent. With strong recourse to the US dollar and cryptocurrencies the government and population are trying to escape from the devaluation of the bolivar. Dollarization of the economy, however, devalues remittance transfers by the Venezuelan diaspora that in any case have declined since the out-

break of the coronavirus pandemic. Unequal access to foreign currency intensifies social differences.

Over 5.4 million people out of a 2016 population of around 30 million have left Chavismo-ruled Venezuela. In view of a dramatic socio-economic situation this mass emigration may also have had easing effects, but they pale in significance against the repercussions of the pandemic, the decline in remittance transfers and the consequences of US sanctions.

The development and regime issues, both national in origin, are here closely intertwined. Venezuela, in the 1980s an island of democracy in South America, has been under authoritarian rule since 2015 at the latest. Despite state terror the government is unable to fully control its territory. Gangs are challenging the state's monopoly on the use of force, as are FARC dissidents from neighbouring Colombia.



The Negotiation Process in Mexico

The August Memorandum of Understanding

On 13 August 2021 Venezuela's government and opposition forces agreed in Mexico City to initiate an "integral and incremental process of dialogue and negotiation". Its aim, as laid down in a memorandum of understanding, is to establish "clear rules for political and social coexistence" in compliance with the national constitution.

For one, the declaration consists of a seven-point agenda involving the realization of: 1. Political rights for all; 2. Guarantees and a timetable for elections under (international) observation; 3. Lifting of the sanctions and restoration of the (government's) power of disposal over (foreign) assets; 4. Respect for the constitution and the rule of law; 5. Social and political coexistence, renunciation of violence and reparation for the victims of violence; 6. Protection of the national economy and social welfare for the Venezuelan people; 7. Guarantees for the implementation, follow-up and review of what is agreed.

For another, it outlines details of the planned procedure. For the negotiations, the premise applies: nothing is agreed until everything has been agreed. On certain issues, however, partial agreements are permissible if their implementation is urgently needed or is feasible before the talks are concluded. The two delegations each consist of nine members with "endeavours to include women". Six of the 18 persons who signed the memorandum of understanding are women, four on the government and two on the opposition side. There is also to be a consultation mechanism for exchanging with other political and social actors.

Several countries are accompanying the negotiation process. Mexico is the host and Norway, represented by the diplomat Dag Nylander, the mediator. Neither country recognized the Venezuelan interim government of Juan Guaidó and both continued to maintain diplomatic relations with the Maduro government. Norway also has

experience in the moderation of peace processes and was involved in previous Venezuelan dialogues. The talks are assisted by the Netherlands, which bolsters the opposition, and Russia, which sides with the government. Other states are to be invited by Norway to establish a "group of friends of the process".

The chief negotiator for the government is the psychiatrist Jorge Rodríguez, President of the National Assembly since 2020. His opposite number is the lawyer Gerardo Blyde, former mayor of Baruta and election campaign leader of the largest opposition alliance, the "Table of Democratic Unity" (Mesa de la Unidad Democrática, MUD). The various opposition forces — political parties, trade unions, members of civil society and former members of the armed forces — are now also to be found under the name "United Platform" (Plataforma Unitaria) that Guaidó presented to the public at an April 2021 press conference as a kind of opposition relaunch.

Changed Negotiation Context

Attempts at dialogue between the conflict parties were undertaken in 2001 and 2002/2003 before and after an unsuccessful coup against President Hugo Chávez and based on the initiative of the business association Fedecámaras and of members of the so-called Boston Group in the National Assembly respectively. In 2003 and 2016 regional governmental organizations like the Organization of American States (OAS) and the Union of South American States (UNASUR) sought to mediate. Negotiation processes were launched in the Dominican Republic in 2017 and in Norway and Barbados in 2019 and in both cases broke down. There are no indications that the present talks might be crowned with any kind of success, but the government and opposition in their respective positions are currently so weakened that both hope cooperation will enable them to extend their room for manoeuvre.

On the one hand, US and European sanctions have seriously limited the Maduro

government's access to urgently needed financial resources. Venezuela's oil exports have slumped, state assets abroad have been either frozen or transferred to the interim Guaidó government and financial investments and bank accounts of leading members of the regime have been blocked.

On the other, the balance sheet of the interim government set up in January 2019 under Guaidó's leadership looks extremely insubstantial. Maduro is still firmly in control and the humanitarian situation has deteriorated. There are increasing allegations of corruption in connection with Venezuelan assets controlled by the opposition abroad. The opposition also operates beyond the bounds of Venezuela's system of political institutions. The National Assembly elected in 2015 under semi-competitive conditions, controlled by the opposition and serving as the basis for the democratic legitimization of Guaidó's interim government, has been dissolved. Its legislative period ended with the election of a new parliament in 2020 – an election the opposition largely boycotted. Its international support is also waning due to a lack of institutional backing and tangible achievements. The presidents of Brazil, Chile and Colombia, who sided ostentatiously with Guaidó, now face serious domestic challenges.

The EU lacks a sound regional anchorage for its initiatives such as a Latin American governmental organization or group of states with which it could cooperate sustainably on Venezuela. And in the United States Donald Trump, who maintained a sharp, confrontational rhetorical stand against the Maduro regime, is no longer in office and his successor Joe Biden faces inter alia the disastrous consequences of the US involvement in Afghanistan. Few resources for Venezuela remain in either the regional or the international community, due in part to the Covid pandemic. In general, however, the negotiations have met with a positive response. The US and the EU have promised to review their sanctions against the Maduro regime if progress is made in the dialogue process. Even OAS

Secretary-General Luis Almagro, who is alleged to be on a personal crusade against Maduro and Chavismo, welcomed the talks and offered institutional assistance. At the OAS Venezuela has been represented by Guaidó's interim government since 2019.

Society Sceptical but in Favour of Dialogue

Amidst a multifaceted permanent crisis and increasingly decoupled from society, Venezuela's government and opposition forces need a new project in order to develop perspectives for the Venezuelan people. According to an August 2021 Datincorp opinion poll, 63 per cent are "totally dissatisfied" with the performance of the Maduro government and only 12 per cent are "very satisfied" with it. In Guaidó's case, the corresponding figures are even worse: about 77 and 3 per cent respectively. Few if any Venezuelans still have confidence in the state's civil and military institutions. The rating for the National Assembly is just under 4 per cent and for the armed forces slightly over 2 per cent.

In this context, Venezuelans expect very little from the negotiation process and yet a majority is fundamentally in favour of it. According to a Datincorp survey, nearly 51 per cent welcome the fact that talks are being held and about 39 per cent are opposed to the idea. With regards to the subjects, 58 per cent say that the economic crisis and public services should head the agenda, followed by the pandemic (nearly 20 per cent) and the political crisis (about 16 per cent). A substantial majority of over 67 per cent would also be in favour of focussing the talks on overcoming the socio-economic crisis if that were to lead to presidential elections not being held in 2022 (and no opportunity to get rid of Maduro). That shows where the priorities of Venezuelan society lie: first comes survival and then comes the regime issue.

Arduous Start to Negotiations

Three rounds of talks have been held in Mexico so far. As expected, there has been no breakthrough yet. Initially, it is merely a matter of building up mutual trust and establishing a *modus operandi*.

The first round led to the aforementioned August memorandum of understanding. The second was held at the beginning of September and resulted in a further joint declaration and two partial agreements, in the first of which the conflict parties underscored Venezuela's claim to sovereignty over Guayana Esequiba, an area that has been Guyanan territory since an 1899 ruling by an international commission of lawyers that Caracas has never recognized. For the government and opposition to proclaim such a nationalist consensus can hardly be seen as progress in the negotiations, but as a ritual of reaching an understanding it might nonetheless trigger confidence-building effects.

In the second partial agreement, the conflict parties made a compromise to give priority to provision for the population, with a special focus on healthcare and food supplies. A six-member coordinating body (with three members from each side) is to be set up to deal with these issues. Another four-member group is to undertake a critical review of "sanctions over-compliance" by third parties in the financial system, the aim being to identify and secure resources required to relieve the humanitarian catastrophe.

The third round of negotiations, held at the end of September, was more contentious. A number of events had led to the government delegation first calling its participation into question and then delaying it. They included the decision by Colombia to fulfil a US request for the extradition of the Colombian entrepreneur Alex Saab, who is accused of, *inter alia*, money laundering in connection with Maduro government food and social construction programmes. The Maduro government had announced on 14 September that Saab was to take part in the negotiation process as a

full member of its delegation. Saab is seen as a Maduro straw man allegedly in charge of financial transactions and foreign trade. He had since June 2020 been held in custody in Cape Verde, Africa, where the constitutional court now also consented to his extradition to the United States.

The Maduro government was further irritated by a speech the Norwegian Prime Minister Erna Solberg made to the UN General Assembly on 22 September in which she expressed concern about the human rights situation in Venezuela. But the dust was settled when the Norwegian mediator Nylander issued an official statement affirming his impartiality in the negotiation process.

The modest results, more declaratory in nature, of the third round included an undertaking by the conflict parties to pursue a gender-sensitive approach and establish consultation and participation mechanisms for exchanges with civil society. Xenophobic attacks on Venezuelans in Chile were also condemned.

Regional and Local Elections

Concessions with Restrictions

On 21 November elections are to be held for the executives and legislatures at regional and local levels. Opposition participation will give the elections a degree of democratic legitimation and slightly alleviate the Maduro regime's poor reputation in Venezuela and abroad. At the same time the opposition might, by taking part in the elections, challenge Chavismo and attain at least a limited institutional representation.

It was split on the boycott issue in the December 2020 National Assembly elections. The most important opposition parties decided not to take part and the ruling PSUV (Partido Socialista Unido de Venezuela) gained a parliamentary majority of about 90 per cent as a result. The "Table of Democratic Unity" is now in favour of participating, albeit not unconditionally; it demands a realistic chance of obtaining offices and mandates.

Concessions made by the Maduro government encouraged this change of mind on the part of the opposition forces. The most important concession was that the National Electoral Council (Consejo Nacional Electoral, CNE), until then under government control, had been made more balanced ideologically by means of new appointments. On 4 May 2021 the National Assembly, elected in the previous year and Chavismo-dominated, appointed five CNE members (four men and one woman), of whom three are considered to be close to the government and two close to the opposition. The new composition, in which the Maduro government retains a majority and the chair of the Electoral Council (but that is acceptable for much of the opposition), was a result of lobbying by civil society and international actors.

Since last year President Maduro has repeatedly ordered the release of political prisoners and “pardoned” other victims of political persecution who had not yet been imprisoned. That said, the pro-opposition Electoral Council Vice-President Enrique Márquez complains that the office of the Comptroller General of the Republic is not prepared to revoke its arbitrarily imposed political participation bans in view of the forthcoming elections. Many citizens could only stand for election if their rights were restored.

Much the same applies to political parties that were banned or whose executive committees were dismissed by the Supreme Court on account of alleged “irregularities” and replaced by authorities loyal to the regime (a process that is described as party intervention or imposition of preventive tutelage). In June 2021 the Electoral Council reinstated the MUD opposition alliance, which had been declared illegal in 2018. Other political forces that also suffered from state intervention have yet to regain their autonomy, however, and breakaways from the ruling party are also still awaiting official recognition.

After long refusing to do so, Maduro has opened up his country for international humanitarian aid, fulfilling an important

demand of the opposition and civil society organizations. In April 2021 he met in Caracas the Executive Director of the World Food Programme, which at the end of July was finally able to start operations in Venezuela. But NGOs are still subject to severe restrictions in the country and human rights activists face a constant threat of violence.

In the international community opposition participation in the elections is welcomed in much the same way as the dialogue process. There were positive reactions to an invitation by the CNE to observe the electoral process in November. After not having accompanied elections in Venezuela for 15 years the EU is now sending an election observation mission led by the Portuguese MEP Isabel Santos (S&D). That was made possible by an administrative agreement with the EU delegation signed by the CNE in Caracas on 28 September.

Big Task “Unity”

In a political context strongly polarized by the regime issue the government and the opposition are both resolved to maintain the greatest possible level of unity and cohesion, and both are finding that a difficult task. On 8 August 2021 the PSUV held “open primary elections” for executive offices at regional (23 gobernaciones) and local (335 alcaldías) levels. For the first time, not only party members but the entire electorate was entitled to vote. The government claimed that 3.5 million people went to the polls. In a country where the borderlines between ruling party, government and state have long coalesced, voting was almost a national celebration. In the PSUV disputes between individual leaders, the UBCH (Unidades de Batalla Hugo Chávez) basis organizations and the party leadership or the President in Caracas are far from uncommon. Due to the primaries, however, internal conflicts were more readily apparent, as were allegations of vote-buying and manipulation in the selection of candidates.

The opposition forces, under enormous time pressure, are for their part keen to

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agree on joint candidates so that parties are not in competition with each other and are able instead to offer a single alternative to Chavismo. But splits in their ranks are today greater than in the past. Various surveys suggest that turnout in November will be 40 to 50 per cent. The opposition is estimated to have more societal support than Chavismo, but the latter has a stronger tradition of mobilization and may be able to get a larger share of its voters to the polling station. So one of the challenges the opposition faces is, after years of election boycotts, in clearly unfair conditions and the pandemic, to convince its supporters to vote this time round.

On 10 October a countrywide “electoral drill” (simulacro electoral) was held and all voters were invited to participate. The aim of the exercise, according to a CNE statement, was to test all election processes, including electronic voting, at the technical, logistical and operational level.

Venezuela and the International Community

A shortage of resources has prompted the Maduro regime to seek dialogue in Mexico, take the plunge and risk a partial handover of power in regional and local elections. It is fairly unlikely to permit a clear electoral victory for the opposition or opposition access to executive offices in important regions. Yet it could be beneficial for democracy if opposition forces were to gain (limited) access to state institutions. Dialogue and negotiations between the conflict parties might also be conceivable within the institutional framework. Sadly, it is no less conceivable that the Maduro regime's current readiness to compromise will soon be exhausted. What is relevant for the opposition's considerations, however, is not only what the government does but also its own ties with Venezuelan society, which have grown weaker.

If the election results were to become a bone of contention between government and opposition, further negotiations might be in jeopardy, but the future of negotiations also depends on whether the two parties to the conflict build confidence, exercise discretion and abide by partial agreements.

For the Maduro government, easing of international sanctions and access to funding will be an important milestone in the dialogue process. So how the international community doses pressure and incentives will be of enormous importance. Measures of this kind must be calibrated with the opposition forces but without losing sight of the most urgent needs of the Venezuelan people. Priority must be given to ending violence, securing the release of political prisoners and alleviating the humanitarian crisis. The time has not yet come for regime change, for justice or for the prosecution of political injustice.

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