

## Political Risk Alert (20 July 2019)

### **Venezuela: Peace talks will continue but face steep obstacles**

**Event:** Opposition leaders said on July 14 that they would continue talks with the government beyond the three-day dialogue initiative supported by Oslo that ended in Barbados on July 11.

**Significance:** While there is moderate optimism among European, Latin American and Caribbean countries about a negotiated solution to Venezuela's crisis, the United States remains sceptical. The US position strengthens more hawkish but domestically unpopular elements in the opposition that support a military intervention to remove President Nicolas Maduro.

**Analysis:** The Norwegian government has sponsored three rounds of discussion since May 2019, each of which has brought together a small group of representatives of Maduro and opposition leader Juan Guaido. There is secrecy around the substance of the negotiations and Oslo has urged both parties to exercise caution in public statements.

The Norwegian initiative complements multilateral efforts to foster a basic agreement between Maduro and Guaido to end the political impasse. The talks are backed by the International Contact Group (ICG) comprising eight European countries (France, Germany, Italy, Netherlands, Portugal, Spain, Sweden and the United Kingdom), as well as the EU as a separate entity, and five Latin American countries (Bolivia, Costa Rica, Ecuador, Mexico and Uruguay). The ICG is seeking to negotiate the acceptance of fresh elections, including the necessary conditions for a free and fair contest, and a humanitarian aid corridor.

The Lima Group supports Norway's intervention. Formed in 2017 by the Organization of American States (OAS) as an initiative to hasten a resolution of the Venezuelan crisis, the Lima Group has recently called for the inclusion of Cuba and Russia in dialogue efforts. Both of these countries have been supportive of Maduro and are seen as having a pivotal role to play in convincing him to make concessions.

US Special Representative on Venezuela Elliott Abrams attended the Barbados meeting earlier this month, but emphasised in a press conference that Washington believes that Guaido does not need to negotiate because Maduro will soon have insufficient domestic support to hold on to the presidency. However, this US position, which was echoed by senior White House figures over social media during the Barbados discussions, is disconnected from realities on the ground in Venezuela, where Guaido has led three separate efforts to seize power through protest and a military uprising without dislodging Maduro.

While achieving no discernible shift in domestic power dynamics, US scepticism empowers more radical voices in Guaido's coalition who oppose any negotiated solution and favour military intervention to remove Maduro. This includes former Mayor of Caracas Antonio Ledezma, who

has openly rebuked Guaido for entertaining the Barbados talks, and Maria Corina Machado, leader of the Vente Venezuela party, who penned an open letter to Colombian President Ivan Duque denouncing any compromise with Maduro.

Calls for external military intervention are not widely echoed within Venezuela. According to a recent poll by the Andres Bello University (UCAB), only 20% of those still in Venezuela back the idea. This contrasts with support for military action as displayed on social media by diaspora groups and others no longer living in Venezuela, which is much higher. The same poll suggests that two-thirds of those eligible to vote would participate if new elections were held now. However, most Venezuelans remain unconvinced by either the government or the opposition. The majority perceive themselves as 'independent', indicating continuity with a persistent trend of non-alignment with either the government or the opposition.

The fractured nature of the opposition, also a long-running theme in Venezuela, has forced Guaido to try and placate irreconcilable divisions within his alliance. The result has been contradictory steps and multiple strategic errors. A common routine has been for Guaido to adopt a belligerent posture before reverting back to negotiation. Most recently, the opposition has set pre-conditions for moving forward the current negotiations, including the release of political prisoners and Maduro's disqualification from any new presidential contest. However, their capacity to extract these concessions is constrained by their weak domestic position and lack of a united opposition front.

Ongoing threats to prosecute Maduro and members of his administration for crimes against humanity, including an investigation by the International Criminal Court, make it unlikely that Maduro and senior government figures will willingly depart unless guaranteed some sort of amnesty and safe passage.

The case against granting impunity to the Maduro government was strengthened with the release of the report of the UN High Commissioner for Human Rights Michelle Bachelet on July 4. Her report was a searing indictment of the government, cataloguing egregious human rights violations including arbitrary detentions, extrajudicial killings, torture, political manipulation of food distribution, economic mismanagement and corruption. Following the release of the report, and the death in custody of Navy Captain Rafael Acosta Arevalo, the US Treasury imposed sanctions on the Military Counterintelligence Directorate.

The Bachelet report was criticised by the Maduro government for minimising the impact of US sanctions, the focus of increasingly heated debate. A recent report links US sanctions to a fall of 797,000 barrels per day (b/d) in oil production, valued at 16.9 billion dollars annually, depriving Venezuela of dollars for imports and raising the prospect of famine. OPEC cites Venezuelan oil production down to 734,000 b/d.

Supporters of sanctions maintain that economic crisis had already set in. However, whichever perspective is taken, the situation in Venezuela is catastrophic, with the outflow of people -- put at 4 million and expected to double next year -- creating an accumulation of pressures for

receiving countries.

The only forces capable of forcing Maduro to concede the presidency and allow new elections are the Venezuelan military and external actors, including Cuba and Russia. They will want to see safe passage for Maduro and guarantees of personal and national interests in any post-Maduro scenario. It is unlikely Guaido will be able to carry the hawks and diaspora sentiment along with him if this is conceded in talks.

**Looking ahead:** Maduro is willing to concede fresh National Assembly elections, but not a new presidential contest, a sticking point in talks that will only be overcome if the military convinces him that he has to relinquish power. Opponents of any form of compromise with Maduro will step up their campaign to discredit dialogue efforts but amid a worsening humanitarian crisis, it will become morally and politically difficult to hold out for Maduro's departure.

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