

## **CHAPTER II**

### **THE POWER EXPANSION OF THE UNITED STATES TO LATIN AMERICA'S VENEZUELA**

In this chapter, the writer will describe the power expansion of the United States in Latin America, especially in Venezuela. In the previous chapter, the writer has mentioned the foreign policy that has released related to the sanction towards Venezuela administration. It shows that the United States has a dominant role since the administration of Obama until the current president, Trump. Both president have different policy, the era of Obama focuses more on the idea of "Pivot to Asia" while Trump focuses more on the idea of "American First."

#### **A. The Influence of the United States in Venezuela**

The behavior of the United States in the world economics and its role is significant. The United States has maintained, defended, and expanded its economic liberal to serve its national and security interest. The United States also has an ability as a system maker and privilege taker as a major power. During the Cold War, the United States has used its pattern of security in Western Europe, Western Germany, and Japan in order to support economic growth. Even after the Cold War, the United States has collaborated with many countries, including Asian countries with political agreements that can satisfy both actors involved to fulfill their national interest needs. Since the United States take a dominant position after the Cold War, the military improvement has been recognized by international. China and Russia also have the capability to compete in the international field, yet the United States still continues its command as a dominant actor. Superpower countries certainly tend to have "system maintenance" responsibilities in which its system is an international political

order or world economy. The United States has embraced with the obligations, but sometimes unconsciously not consistent even though it still can maintain a particular sector such as agriculture and textile. The United States dollar also becomes an important thing for the world economic wave since it collaborated with the International Fund in countering economic distress, such as the debt crisis of Venezuela in the 1980s, the crisis in Mexico in 1994, and the crisis in Asia in 1997-1998. It takes a prominent role in managing the flow of world economics (Mastanduno, 2008).

Related to the relation between the United States and Latin America, the United States started showing their interest in Latin America in the late 1980s, the Cold War era. At that time, the United States focused on three priorities. The first is opening markets by making agreements such as the Caribbean Basin Initiative (1983), the Andean Trade Preference Act (1991), and the North American Free Trade Act (1993). The second is strengthening democracy which began by President George Walker Bush in the adoption of Resolution 1801 in the Organization of American States in gaining support for democracy in the region. The third is stemming the wave of illegal drugs (Charlene Barshefsky and James T.Hill Chairs, 2008). Since a long time ago, the United States always shows their interest in Latin America countries including Venezuela as the country which has big reserve crude oil.

Generally, the influence of the United States in Latin America countries is broadly in matters of politics, economics, and cultures. The power to intervene in those aspects in a country such as Venezuela has really affected the dynamics of Venezuela since they have currently struggled politically and economically. Not only that, the influence of the United States makes Venezuela's position getting worse. A couple of time since the era Obama until Trump, Venezuela has many times being imposed sanctions related to the conflict that happened.

The United States also accused the President of being incapable of managing the domestic tension, which caused much separation into several parties.

The beginning of the United States diplomatic relations started in 1835 after some Latin America countries gained their independence from Spain. In 2009, the early of Obama's administration, he met Chavez for the first time in Trinidad and Tobago in order to strengthen diplomatic relations. However, the peak of both countries relations stands out when Venezuela was under power transition after the death of Chavez and being replaces by his vice, which is participating in a general election.

As the goal of the United States, the embassy of the United States in Venezuela becomes in charge in maintaining the relationship between both countries in cooperation and mutual understanding through the economic, promotion of commercial exchange, people-to-people ties, education, sport, arts, and cultural activity. Moreover, the governments of both the United States and Venezuela seek to improve their bilateral relationship in order to face challenges, mutual interest, and beyond. Among these are: 1.) Respect for democratic institutions and the rule of law, 2.) Respect for human rights, 3.) Reducing the transit of illicit narcotics, 4.) Promotion of shared economic prosperity, 5.) Promotion of bilateral commercial ties, 6.) Promotion of greater hemispheric integration (U.S Virtual Embassy, 2019).

In the cultural aspect, the United States also take a prominent role in matters of influencing the ideology and politic values of Venezuela itself. It began when the United States intention is to expand not only the territory but also its political ideology. During the 1980s, the United States approached Latin America countries by shifting the foreign policy rather than supporting the authoritarian leaders. By promoting the liberal economic policies and showing the intention of national security towards them, the United States

does not hastily directly influence them by democratic model. In 1982, President Ronald Reagan formed the National Endowment for Democracy and some associated group such as the National Democratic Institute for International Affairs (NDI) and the International Republican Institute (IRI). The administration wanted to combat the ideology of communism and totalitarianism that existed and promote democratic values. Some agencies such as National Endowment for Democracy and the associated group also help to promote the United States democracy. While the other agency, the U.S Agency International Development (USAID), helps to provide aid including political aid for many parts of the world. The function of USAID is to help countries transition to democracy and strengthen its democracy and to capitalize on certain parts to spread freedom and opportunity. Moreover, the USAID also established supporting body called the Office Transition Initiatives (OTI) to help to promote democracy and to assist countries transforming from authoritarianism to democracy and from violence to peace (in charge of to provide the needs as fast, flexible, and stable). The Office Transition Initiative has been operated for several years in Venezuela. The result of the role of these agencies was succeed brought Latin America leaders to promote neoliberal economic policies as well as the foreign policy of the United States, such as President Carlos Andreas in Venezuela, President Alberto Fujimori in Peru, and President Gonzalo Sanchez in Bolivia. Even though they are committed to the policy, but inequality and unemployment remain strong that makes them became the most unstable and fragile countries among other Latin America countries and the world at the time (Gill, 2018). The role of the United States in the transition of Venezuela from authoritarian to democracy is a huge transformation for the Venezuelan political system. The United States has influenced not only economically but also politically. It means their interest has been achieved.

However, the current condition since Trump became a president is not different from the previous administration. The sanctions imposed on Venezuela remain the same and even getting worse in addition to the fact of the economic downfall that makes Venezuela struggle to run its system properly since everything needs financial support. In this matter, as a partner country that has been tied a close relation for a long time, the position of the United States seems been replaced by China. In 2014, in the era of Obama, economic growth did not show a significant advance. The United States focused more on the importing matter and ignored the fact that exporting is way beneficial to increase the economy. While China economic growth has increased by the support of exporting lead them to be the top of trader countries list as can be seen below.

Chart 2.1 Trade Flows



Source: The Economist

The power competition between both of the United States and China is not only in the economic sector, but also in the ideological, political, and military sector. Both countries

relation is probably because of the security dilemma that happened between them. They also influential actors in Latin America, especially in Venezuela. Since Chavez nationalizing all companies that run by the United States in Venezuela, their relation became worse until today. Venezuela seems to decline the existence of economic power of the United States because many times being imposed sanctions. On February 2019, The US launched its most punishing economic action against Venezuela by sanctioning the state-owned oil giant PDVSA, which remained the main source of income for the Maduro regime. It was the hardest action ever taken against the Maduro regime and will soon block \$7 billion in assets and eliminate \$11 billion in revenues in Caracas in 2019, according to John Bolton National Security Advisor. This was because the United States wants to maintain its dominant role towards the three authoritarian countries; Cuba, China, and Russia because these countries are the supporters of Venezuela. The United States wants to see how far these countries will influence Venezuela against the States (Kempe, 2019). This action was intended due to the fact that China' power shifted the United States power's existence and shows the intention of the United States to be recognized its power in Latin America, especially in Venezuela as a partner country even though both the United States and Venezuela were in the tension until now.

## **B. The U.S Foreign Policy Towards Venezuela: Comparison between Obama and Trump**

As many countries approved that the United States is one of the superpower countries which is succeeded escaping from the struggle by gaining so much power increasing their economic and military power after experiencing the impact of World War I, World War II, and Cold War. The condition after the post-cold war, the United States has struggled with the issue of terrorism that threatens its security. Especially for developed

countries, the terrorist seems interested in seeking attention by meddling the wave of political of those countries. The activities of terrorist make the United States concern about the country's stability. In rapid action, the United States announced new domestic institution, the Department of Homeland Security (DHS) officially in order to run anti-terrorist defense strategy and to ensure domestic violence which becomes a source of instability (Magyar, 2004). Since the United States is committed to combat terrorism, they certainly need to increase their military power as a form of defence from any violent actions that might ruin the political flow as what happened in 9/11 action, the controversial terrorist action which impacted to the social life of American people at the time because they feel threatened and unsecured.

The administration of both Obama and Trump are similar but still have a different point in leading the United States to get their interests. It can be distinguished by the way both presidents release a policy to the partner-countries in terms of bilateral relations related to the economic and political interests. The similarity between Obama and Trump lies on the way they leave all political strategies of Bush, which means they do not adopt the style of President Bush at all because they have their own.

Obama was known as president with the strategy of "The Leading from Behind." It means the United States does not need to be an aggressive country in order to put their interest to other countries. Obama has learned from Bush who makes the United States remains as interventionist by other countries by looking to the case that happened in Iraq and Afghanistan as a proof how massive the power of the United States used at the time.

Practically, the United States foreign policy has completely changed. The changing policy is not completely easy to be well implemented since it may result in some proactive and

contradictive towards the policy. It always happened in each administration. The previous administration which led by Bush, it focuses more on all matters that related to the Middle East countries. However, Obama focuses on Asia which is known as the term “Pivot to Asia.” Obama has seen the potential in Asian countries which economically developed.

Furthermore, this policy emphasizes the intention of Obama to end the policy that has been implemented in the previous administration. There are two main reasons the president change their interest in Asian countries. The first, the power of China has been increased rapidly in terms of political and economic. The economic growth that brought China to become an influential country makes them become an aggressive country especially in spreading power in South East Asia countries. The second, to decrease the expenditure in the military aspect since the United States has spent much money to provide military, especially in a weaponry reservation to combat terrorist in Middle East countries. Meanwhile, in the Trump administration, he was known as a doctrinal leader who is capable of stimulating others in viewing certain thing. Before he was chosen as the new leader, he promised to make “America Great Again” as what he said on his campaign by emphasizing the term “American First.” He also belittles the North Atlantic Treaty Organization (NATO) existence that caused controversial respond from International forum. As the country that supports the security needs of European countries, Trump stated that the United States had spent much to cover all the needs. On the other side, the tension between President Trump and NATO became worse when another controversial issue comes up. The statement of Trump was considered humiliation because he supports the idea of disunity of European countries (Cipto, 2018).

Even though Trump’s administration has similarity with Obama’s, He once repeals the actions of Obama related to



climate change foreign policy. Since both presidents have a different background, in which Obama has political background while President Trump is a businessman, obviously they have different glasses of perspective. In Obama's administration, he was actively leading the action and combat climate change. While Trump thinks objectively with the background of a businessman and tries to repeal what Obama has done by increasing the production of oil natural gas and coal without putting the idea of protecting the environment. It was what mostly businessman does in the way of viewing profit and loss. Despite that perspective, Trump's policies were encountered resistance from state and local governments. Even though the President is a powerful one to determine some policies, it cannot be directly approved. The United States constitutional system disseminates power by two different branches, the federal governments, and state governments. Any new regulations must be approved by all parties (Farber, 2018).

In conclusion, the United States was lead by two different power in a different era and had a different policy in focusing country's interests, but its power is still prominent and remains strong in Latin America, especially Venezuela. Through policies, the United States can also influence Venezuela's foreign policy in terms of political and economic development.