

**THE IMPLEMENTATION AND IMPACT OF SMART SANCTIONS BY
THE UNITED STATES TO VENEZUELA IN 2017-2021**

UNDERGRADUATE THESIS



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FACULTY OF PSYCHOLOGY AND SOCIO-CULTURAL SCIENCES
UNIVERSITAS ISLAM INDONESIA**

2022

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THE UNITED STATES TO VENEZUELA IN 2017-2021**

UNDERGRADUATE THESIS

Submitted to the International Relations Study Program
Faculty of Psychology and Socio-Cultural Sciences

Universitas Islam Indonesia

To partially fulfil the requirements to obtain a

Bachelor's Degree in International Relations



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**PROGRAM STUDI HUBUNGAN INTERNASIONAL
FAKULTAS PSIKOLOGI DAN ILMU SOSIAL BUDAYA
UNIVERSITAS ISLAM INDONESIA**

2022

VALIDATION PAGE

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Defended in Front of the Board of Examiners
In International Relations Study Program
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Universitas Islam Indonesia

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2 August 2022

Validated by

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Providing this declaration falsely is considered a breach of academic integrity.

Tuesday, 2 August 2022



Shufiah Dearesta Ananda

DEDICATION PAGE

I dedicate this research to:

My father, Bambang Hermanto and my mother, Umamah Turriyamah. My Parents who from earliest stage of my life never forgot to give their love until now. Without their help, prayers, motivation and hope of you both, the author could not have reached this point on life. All the things that the author have achieved are thanks to the prayers of my father and mother. Hopefully one day I can make you proud and happy in this world and the hereafter, and Allah SWT can repay all the kindness of you, ayah dan ibuk.

To my brother, Bagustian Iskandar, who always give his hand in whatever situation I have in this life, who always put his smile, who always have my back and teach me how to have fun in this world. The man who first introduce me to book and and literature. Thank you, Mamas.

To my sister-in-law, Khotijah Muslih, Kak ijah thank you for your support and ear during my silliest to lowest moment. I'm grateful you came into our family and I have the cutest nephew, Albi and Azka. I hope you well.

Last, I would like to dedicate this thesis for myself. Shufi, thank you for believing in yourself.



MOTTO PAGE

“Take one step toward Me, I will take ten steps toward you. Walk toward Me, I will run toward you.”

(Allah SWT)

“In Nihil Ab Nihilo Quam Cito Recidimus.”

From Nothing into nothing, how swiftly we return

(Cruel Beauty, Rosamund Hodge)

“Mata airmu ada di sini, mata airmu diri sendiri. Temukan makna hidupmu sendiri. Menarilah dengan bayangan sendiri.”

(Mata Air, Hindia-Natasha Udu-Kamga)

المعهد الإسلامي
الاستاذ الأندلسي

FOREWORD

Praise be to Allah, the Most Gracious and Most Merciful, for all the blessings, gifts, and graces that He has given, so the writer can complete this thesis well. The author realizes that the birth of this simple work cannot be separated from the help and support that is always given by various parties, so that researchers are able to complete the study with good results. Therefore, on this occasion, with all humility, the author would like to express her gratitude and gratitude for various forms of support and assistance in the form of moral and material. Countless experience and knowledge that the author gained during the process of writing this thesis. For that, the authors would like to thank:

1. Allah SWT who has given grace and guidance to the author so that she is able to complete her thesis in the midst of the saturation of the pandemic situation.
2. The Chancellor of the Islamic University of Indonesia, Mr. Fathul Wahid, ST., M.Sc., Ph.D.
3. Mr. Dr. H. Fuad Nashori, S.Psi., M.Sc., Psychologist as Dean of the Faculty of Psychology and Socio-Cultural Sciences, Islamic University of Indonesia.
4. Mr. Hangga Fathana, S.IP., St., M.A as the Head of the International Relations Study Program at the Islamic University of Indonesia. Thank you for your guidance and spiritual advice to me during four years of study. I remember you said 'Banyak jalan menuju tuhan, kita tinggal pilih yang mana jalan kita' these words help me get through and get closer to the Almighty.

5. Mrs. Karina Utami Dewi, S. IP., M.A. as my thesis advisor. Who helps me during this tough time, guiding me online and offline to complete my thesis. Miss, Karin. Thank you for helping my growth here in UII to be one of memorable lessons I have. May Allah Bless you.
6. All lecturers of the International Relations study program, Faculty of Psychology and Socio-Cultural Sciences, Islamic University of Indonesia, who have been patient and gave the writer valuable lessons at every opportunity. Thank you for being a good example for writers during lectures and God willing, the knowledge that you and Mrs. provide will be useful in the future for writers. May Allah give you health so that you can always share knowledge for the nation, state and religion.
7. Mbak Diah Jaedi and Mayang Kesya, who have helped in in international relation department. Thank you for your help and support.
8. Ayah and Ibu, who always give me support, love, and also understand what I dream. Thank you for always being the parent I am most proud of, without your support, my journey in college and completing my final project would be even more difficult and full of obstacles.
9. My Brother and Sister-in-law, Bagustian and Khotijah. Thank you for supporting me and shower me with laugh all this time.
10. My pupus, my cat, Snowy Schnee. Snowy, I love you. Thank you for exist in this uncertain world, thank you for being there for me whenever I cry so hard in my room. I hope you don't get tired of me. I love you Snowy.
11. To Winda Khofifah and Nabila Dianja Zain, Win and didi, your existence in my life is very important to the point where I couldn't thank you enough

for being there to support me during my hard time, my silliest, and annoying situation. The main friend-supporter of my life. I hope you both healthy and have prosperous life. Be happy.

12. To my sister who helped me during my earliest stage of life in Jogja, Kak Dewi Laraswati Ariani. Thank you kak dewi for sharing your laugh, story, and moment with me both in Jogja and Batam. Im grateful I've met kak Dewi in my life. I pray you always be happy kak dew, cheers!
13. To Cerlang Wilfrid Dianris, thank you for sharing and introduce me to many things in this world I had not seen before. Thank you for your many lessons, I'm grateful we know each other and thanks to kak dewi!
14. To mba Riliana Saputri, Mba ana thank you for giving me your ear and showing me your support on my lowest point in my life. I hope you well and be happy all the time.
15. To my small-fam of Granada, Safira Tazki, Muhammad Hanafi, and Thoby Za. Thank you so much for being there for me when I was at my lowest, happiest, silliest, craziest, and lemot, moment in Granada. Thank you for accepting me as I am today. Your presences made my life meaningful, I hope one day we can meet each other, the way we cried at 1 am in my room like in Realejo. Im grateful you three came into my life. Toast to our fall/winter time together!
16. To my Granada family, I could not mention your name one by one. You know who you are. Thank you for our time in Granada, it's memorable and I couldn't thank you enough for trusting me to be in your presence.

17. To my high school gang-gang, Monyet geprek. Kelvin Alexander, Steven Chen, Nuri Nandini, Fajar Rahmad, Witra salsabila, Cindy Angelia, Sahira Jati, Surya San, Andra Farel, Yeremia Zalukhu. Thank you for your presence and moments of us together, I couldn't thank you enough for that. We have silly moment together and have our own way to show love to each other. I hope we grow old together. Cheers!
18. To Bayu setyawan, Dewita Putri Maharani, Della Putri Permatasari, Akmal Maulana. Bayu, Tata, Della, and Akmal thank you for spending your time with me during uni life, and help me get through uni life. I hope you well and healthy
19. To my IR IP (international program) Family, thank you, thank you for adding spieces into my life. It means a lot to me,
20. To my Junior high school friend, Adinda Putri Natasya. Thank you for your ear and help. To show me your support when I was failed to go to German and being there for me when I got my chance to Granada. I hope you are blessed by God Almighty.
21. To my fellow IR 2018, thank you and thank you for being good friend and supportive.

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LIST OF ABBREVIATIONS

PdVSA	:	Petroles de Venezuela S.A.
OFAC	:	Office of Foreign Asset Control
UN	:	United Nations
U.S.	:	United States of America
COVID	:	Coronavirus
UNHCR	:	United Nations High Commissioner for Refugees
GDP	:	Gross Domestic Product
FRED	:	Federal Reserve Bank
CFR	:	Federal Code of Regulation
BCV	:	Banco Central de Venezuela



ABSTRAK

Pelanggaran hak asasi manusia, penurunan ekonomi serta krisis kemanusiaan di Venezuela oleh pemerintah Nicolas Maduro menjadi latar belakang terjadinya penjatuhan sanksi tertarget oleh administrasi Trump kepada pemerintah Venezuela. Amerika Serikat menjatuhkan sanksi tertarget kepada pemerintah Venezuela bertujuan untuk mencapai kebijakan luar negeri mereka yaitu mengembalikan kembali nilai-nilai demokrasi, ingin merubah rezim Maduro, serta membantu rakyat Venezuela dalam prosesnya. Administrasi Trump untuk memutuskan, menggunakan konsep Smart Sanction dalam implementasi sanksinya. Penelitian ini menawarkan analisis empiris yang komprehensif dari sanksi tertarget tersebut. Penelitian ini bertujuan untuk mengidentifikasi dampak sanksi AS di Venezuela sebagaimana dengan tujuan AS dan melihat kesuksesan implementasi Smart Sanction yang digunakan administrasi Trump terhadap Venezuela. Sesuai dengan rumusan masalah "Bagaimana Penerapan dan Dampak dari Smart Sanctions oleh Amerika Serikat terhadap Venezuela Selama Pemerintahan Donald Trump Tahun 2017-2021?". Hal ini akan mengungkapkan peran Smart Sanctions sebagai instrument kebijakan luar negeri AS untuk memenuhi tujuan tersebut dan melihat bagaimana sanksi tersebut berhasil dalam implementasinya di Venezuela.

Kata Kunci: Smart Sanctions, Amerika Serikat, Venezuela, Kebijakan Luar Negeri

ABSTRACT

The human rights abuses, economic downturn, and humanitarian crisis in Venezuela by the government of Nicolas Maduro are the backdrop for the Trump administration's targeted sanctions against the Venezuelan government. The United States imposed targeted sanctions on the Venezuelan government to achieve their foreign policy of restoring democratic values, wanting to change Maduro's regime, and helping the Venezuelan people. The Trump administration decides using the Smart Sanction concept in its sanction implementation. This study offers a comprehensive empirical analysis of these targeted sanctions. This study aims to identify the impact of US sanctions on Venezuela and the US goals and see the successful implementation of Smart Sanctions used by the Trump administration against Venezuela. Following the formulation of the problem "How was the Implementation and Impact of Smart Sanctions by the United States against Venezuela during the Donald Trump administration in 2017-2021?". This will reveal the role of Smart Sanctions as a US foreign policy instrument to meet these objectives and see how these sanctions are successful in their implementation in Venezuela.

Keywords: Smart Sanctions, United States of America, Venezuela, Foreign Policy

CHAPTER I

INTRODUCTION

1.1 Background

For nearly fifteen years, the United States has imposed sanctions in response to injustices, human rights abuses, terrorist activities, and drug activity in Venezuela. During the Obama administration, the United States imposed sanctions as a form of policy tool related to Venezuela's lack of cooperation in tackling drugs, counter-terrorism, and those who violate the human rights of people opposing the socialist government of the South American nation (AP News 2014). This continued into the Donald Trump administration. The United States is quite firm in responding to undemocratic matters in Venezuela. This is evident from the imposition of sanctions in the form of targeted sanctions such as sectoral sanctions, sanctions against Venezuela's national oil management company PdVSA (Petróleos de Venezuela S.A.), and sanctions against people associated with Nicolas Maduro's government both inside and outside Venezuela.

As of 2021, the United States has imposed sanctions on at least 166 Venezuelans or individuals related with Maduro, revoking more than 1000 individual and family visas (Federation of American Scientist 2021). President Trump signed an executive order imposing economic sanctions on the Venezuelan government to step up his campaign to remove President Nicolas Maduro from office. The Trump administration was expanding the reach of Venezuela's sanction targets under its "maximum pressure" campaign. In the first year of his administration, Trump imposed 46 sanctions, which is more than double the 20

sanctions imposed in Venezuela by the Obama administration (Bartlett and Ophel 2022).

The imposition of sanctions was the United States' response to protests in Venezuela in 2017, in which citizens protested the arrest of several members of the opposition group, the cancellation of a dialogue meeting between the opposition and Nicolas Maduro, and the election of a constituent assembly. Protests led to clashes with police during four months of demonstrations which killed at least 120 people (DW 2017b). Then, in the 2018 Venezuelan presidential election, the elected president, Nicolas Maduro, was re-elected for a further two terms. The United States Government does not see Nicolas Maduro as the legitimate holder of Venezuela's legitimacy. The Trump administration publicly demonstrated its alignment with opposition leader and national assembly president Juan Guaido who declared himself president in January 2019 (BBC 2019).

The opposition believes that Maduro's 2018 re-election was fraudulent. Since then, the United States government has imposed economic sanctions aimed at increasing pressure on the Nicolas Maduro regime to step down from the presidency. From a policy perspective, the United States sanctions on Venezuela target the achievement of the following, namely to cut off Venezuela's state funding sources, prevent Maduro and his circle from harming the Venezuelan nation, and to provide sanctions to those who are considered responsible for actions that could damage the democratic process, commit acts of violence, harm and violate human rights (Lee, Timura, and Toussaint 2019).

According to the official website of the United Nations High Commissioner for Refugees, more than 4 million Venezuelans have fled Venezuela to escape

violence, threats of lack of food, medicine, and insecurity (UNCHR 2019). Unstable political developments have forced many men, women and children to seek refuge in neighboring countries. Venezuela, which was previously vulnerable to hyperinflation that took place on a national scale, is increasingly vulnerable to the humanitarian crisis that is occurring, along with the imposition of multiple sanctions given by President Trump. Not only that, but the United States has stated that it will also impose economic sanctions on countries that have bilateral relations with Venezuela. Early in 2020, the government of Nicolas Maduro ordered the lock down of Venezuela to protect the the country from the threat of Covid-19, doubling the problem for Venezuela. A desperate economic situation and a deteriorating health care system left the country unprepared for a covid-19 crisis (Blofield, Hoffmann, and Llanos 2020). With the emergence of Economic Sanctions imposed by the United States on Venezuela, the country's suffering was exacerbated.

The imposition of economic sanctions is a well-known and widely accepted method by states and international organizations that allows one country to influence the policies of another. Over time, economic sanctions have developed in their implementation. To maintain and restore international peace and security, the United Nations issued the Actions Regarding Threats to Peace, Breach of Peace, and Acts of Aggression. The United Nations, in the UN Charter Article 41 of Chapter 7, states:

“The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the Members of the United Nations to apply such measures. These may

include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations.” (United Nation 1945).

To avoid war, the security council will impose economic sanctions related to international peace and security issues.

The scope of sanctions can be increasingly narrowed such that they don't target all countries but focusing on economic state administrative sanctions. The United States is one of the countries in the world that is actively imposing sanctions. At this time, sanctions have become an automatic response to avoid 'War' on crises involving many actors. International attention has turned to the use of targeted "Smart" sanctions to minimize unintended human consequences and focus on coercive pressure on decision-makers in the target country. There has been a shift from targeted sanctions toward Smart Sanctions in policies that are often used by the United States. In American political discourse, these sanctions are set up to separate the sanctioned people of their countries and minimize the suffering of civilians (Masters 2019).

This research focuses on the use of smart sanctions by the United States against Venezuela during the Trump administration, namely from 2017 to 2021. The implementation of smart sanctions and goals, and the impacts and success of the smart sanctions in achieving these goals will be analyzed. The Trump administration is seen as breaking records in the history of United States sanctions as US sanctions became more frequent than ever under this administration. As Venezuela struggles with a protracted financial and humanitarian crisis, US sanctions against the country have become controversial. This has sparked debate

about whether increased US sanctions in recent years have exacerbated the country's existing economic problems.

1.2 Research Question

Based on the general description of the research background, the research question is:

"How was the Implementation and Impact of Smart Sanctions by the United States against Venezuela during the Donald Trump administration of 2017-2021?"

1.3 Research Purpose

This research has the following objectives:

1. To investigate the impact of sanctions imposed by the United States on Venezuela in 2017-2021; and
2. To investigate and examine the success of using Smart Sanctions as given by the United States to Venezuela.

1.4 Research Scope

This study will focus on the analysis of smart sanctions used by the United States government when imposing sanctions on Venezuela. This analysis will include whether these sanctions have impacted on Venezuela and whether the implementation of Smart Sanctions has been successful in this case. The author has limited the research years from 2017 to 2021 due to the focus of the investigation being on the four years of the Trump administration, which gave more sanctions than any other previous presidential administration. These sanctions included sanctions for individuals, corporations, asset freezing, and visa revocation among

others. From the results obtained, this study will conclude the direction and goals of President Donald Trump's policies in Venezuela, the impact of the sanctions received by Venezuela in the fields of geography, economy, politics, and humanities, as well as whether the implementation of smart sanctions was successful in pursuing the goals desired by the United States.

1.5 Literature Review

Studies related to United States Sanctions in Venezuela can be seen in various journals and theses, including the journal prepared by Kristen DeWilde, Emily Kyle, Patricia Liverpool, Sabrina Ruchelli, Jenna Smith, and Brian Yeh. The Trump administration recognized Juan Guaido as Venezuela's interim president in early January 2019 and rejected Maduro's claim to legitimacy as Venezuelan president. Trump consequently imposed a series of economic sanctions targeted to weaken the Maduro regime. Some data from the journal of Dewilde and colleagues show that Trump imposed several economic sanctions and visa revocations designed to pressure the Maduro government. An example of these includes sanctions on the Venezuelan oil sector, including the state-owned oil company Petroleos de Venezuela, S.A. (PDVSA). This was done because the government is very dependent on the oil sector. The journal prepared by Dewilde and her colleagues provides a coherent explanation with a description of the series of sanctions given based on the date and form. The study by DeWilde and colleagues focused more on the increasing range of sanctions the Trump administration imposed after the US showed support for Juan Guaido as Venezuela's interim president (DeWilde et al. 2019).

A study of the economic and humanitarian crisis in Venezuela by Harris Jones describes the historical factors contributing to the crisis. This situation in Venezuela has developed over the years but has recently received increasing attention as the economic crisis has now led to humanitarian and political crises. The focus of Jones's thesis discussion is on the determination of the cause of the crisis, whether it be bad policy decisions or the drastic drop in oil prices, or a combination of both. Jones' clear and coherent discussion presented attractively in easy-to-understand language indicates that today's crisis in Venezuela is the result of harmful policy decisions that were not well prepared for a slowdown in oil prices. A limitation of Jones' study is that he didn't explain the involvement of other countries that are not supportive of the Maduro regime and the role of international organizations and their solutions (Jones 2019).

Another case with the discussion of Harris Jones, Kumajaya, and Rachmat Setiawan, through which they argued that the humanitarian crisis that occurred in Venezuela makes Venezuela need assistance in various forms. However, in their writing, Kumajaya and Setiawan explained the factors that became Venezuela's reasons for refusing humanitarian assistance from the international community for the humanitarian tragedy in their country. This study is viewed as using a constructivist approach wherein a precarious situation and crisis Venezuela refuses international assistance due to avoiding the hegemony of a foreign country in its government and because of the influence of the sense of vulnerability factor, namely the potential for politicization where the Venezuelan national transparency index is still inadequate. The discussion about the refusal of international humanitarian assistance to Venezuela is a "counter-attack" discussion claiming that

the international sphere is not assisting Venezuela. Both authors provide a clear and complete picture of the Venezuelan Government's reasons to reject humanitarian assistance with a suitable approach. However, the author does not explain why Venezuela is willing to accept China, Russia, and Iran (Kumajaya and Setiawan 2020).

Thus, current literature contains several articles related to United States sanctions on Venezuela, the crisis in Venezuela, and the response of the Venezuelan government. In contrast to these previous studies, the analysis in this study will complement previous research and writings that have not discussed the implementation and impact of Smart Sanctions by the United States in Venezuela during the Trump Administration in 2017-2021. This research will attempt a different analysis, in which the author will specifically and thoroughly examine the impact of US Sanctions in Venezuela from 2017-2021 by looking at the condition of Venezuelan Government and whether the implementation of Smart Sanctions has been successful in achieving the goals of the US in Venezuela.

1.6 Conceptual Framework

Concept of Smart Sanctions

The conceptual framework that will be used in this study is the Economic Sanctions model, namely Smart Sanctions. Smart Sanctions or Targeted Sanctions are one of the Economic Sanction models which have been developed with a new sanction mechanism. The principle of the sanction is simple. Instead of targeting the entire country, smart sanctions target only the leaders or an individual. The concept of Smart Sanctions was introduced, in a large part, as a response to the UN

Security Council imposed Economic sanctions on Iraq in 1990 and 1991, following the invasion of Kuwait. This research will use the concept of Smart Sanctions which has been described by David Cortright and George A Lopez in their book entitled *Smart Sanction: Targeting Economic Statecraft*, 2002.

David Cortright is an American scholar and director of policy studies at University Notre Dame and George A. Lopez is a founding faculty member of Kroc Institute at University of Notre Dame whose research focuses on economic sanctions and human rights. Both of them were asked to assist the UN to investigate the UN sanctions on Iraq and also to assess the impacts of the sanctions. The meaning of Smart Sanctions is to find the method of effective economic pressure to convince the target for objectionable policies (Cortright and Lopez 2002b). That is, by changing the material incentives of the strong proponents and the arguments that emerge, these supporters will ultimately pressure the targeted government to make concessions. Economic sanctions play an important supporting role in determining outcomes.

Smart Sanctions are used as a focal point and are designed with humanitarian aspects in mind: they aim to not to harm civilians. The two key features of smart sanction implementation are to reduce the humanitarian impact in the targeted country and enhance political effectiveness (Cortright and Lopez 2002b). Smart Sanctions can be used to increase the cost of non-compliance with the target regime. They are intended to target individuals, companies and organizations or to restrict trade with key commodities. These sanctions hinder the leaders' ability to offer important supporters rental opportunities.

To assess effectiveness, sanctions are usually applied as a combination of types. The distribution of sanctions is as follows: financial sanctions, commodities, travel bans, and weapons embankments. First, targeted financial sanctions are imposed sanctions such as freezing financial assets and capital, blocking financial flows, and withholding credit, loans, and non-humanitarian assistance. The second type of sanction relates to commodities. This could take the form of boycotting certain commodities, such as oil, diamonds, and wood products. The third is travel restrictions, which are individual travel restrictions that can deny access to visas, airlines, or countries. The fourth type of sanction affects arms and takes the form of restrictions or prohibitions on buying or selling weapons (Cortright and Lopez 2002b).

According to (Cortright and Lopez 2002a, 7) to see the political effectiveness of Smart Sanction can be categorized with three questions that illustrate it: : 1) Did the sanctions help the target regime to believe in and comply with at least part of the sender's demands?; 2) Did the sanctions contribute to successful and enduring bargaining and lead to a negotiated settlement; and 3) Did the sanctions help isolate or weaken the regime's military power?. Following to that categorization, it is very important to see that these sanctions is effective or not. The essential ingredient of sanctions is not whether these sanction in the form of comprehensive or targeted, whether they are seriously enforced or not, in which compliance from the target country, regime or entities ultimately determines effectiveness or sanction. The experience of the past decade confirms that sanctions have no chance of succeeding without credible enforcement effort and concerted international cooperation. Both

sanction in the form of comprehensive or targeted, their political impact depends on the sender's effective implementations.

Smart Sanctions also provide an opportunity to cooperate with hegemonic actors in the international system. These sanctions do not impose excessive humanitarian costs or threaten profitable trade relations with target countries, and, thus, targeted sanctions are a more humane policy tool. However, even cleverly designed sanctions aimed at political elites can sometimes hurt those with less power. Smart sanctions do not target the civilian population but can affect actors, such as the leaders and ruling elites, who oppress the civilian population. Such sanctions are considered effective or "Smart" if they place coercive pressure on the targeted object or the elite (Cortright and Lopez 2002b). But it must be kept in mind that Smart Sanctions can still inadvertently exacerbate human rights conditions in the target country. Analysis of this can help us understand why the humanitarian costs of targeted sanctions can have mixed results and help us identify the specific conditions in which smart sanctions improve or worsen human rights conditions, be it economic or civilian.

The imposition of economic sanctions by the United States against Venezuela during Trump administrations from 2017-2021 will be analyzed using the Smart Sanctions model. This model is considered appropriate for this study because the author aims to determine the impact of United States sanctions on Venezuela in 2017-2021 and if the implementation of smart sanctions was successful in achieving the US objectives in Venezuela. Smart Sanctions have been deemed suitable for understanding and explaining the type of sanctions the United States used on Venezuela during the Trump administration. Maximum yield describes the process

by which sanctions affect outcomes. Therefore, the purpose of this study is to analyze the sanctions Trump imposed by focusing on explaining impacts and the success of the sanctions.

1.7 Hypotheses

The hypotheses of this study are based on the researcher's question of, "How was the implementation and impact of Smart Sanctions by the United States against Venezuela during the Donald Trump administration of 2017-2021?" America feels that imposing specific sanctions can promote the restoration of democracy in Venezuela lost during the political and economic instability of Maduro's reign. Smart Sanctions focus on putting pressure on those decision-makers responsible for abusive, undemocratic human rights violations while trying to minimize the humanitarian impact on the civilian population in the target country. The Smart Sanction concept has been very helpful to the author in understanding the impacts and successes of the sanctions imposed by the United States.

The hypotheses of this study are as follows:

1. The United States sanctions have had an impact on political effectiveness, and the economic and humanitarian crisis that exists in.
2. Some Sanctions have been successful while others have not been, according to the categorizations of Cortright and Lopez.

1.8 Research Methodology

1.8.1 *The Type of Research Methodology*

The methodology used in this research was a qualitative research method through a literature study with a descriptive analysis approach. This method was carried out with case studies using theory to analyze and answer the research questions. This method was chosen as it provides an in-depth understanding; the qualitative method is a research process that produces descriptive data in the form of written words from the data obtained during the research (Moleong 2018). In this study, data were obtained from two sources: primary and secondary data. Primary data sources included official reports issued from official government agencies, such as UNHCR, UN, the US Department of State, & the US Treasury Department. Meanwhile, secondary data were obtained from literature, such as books, articles, journals, and credible news sources. The data obtained from the observations was analyzed by multiplying information from various sources and then comparing information to find actual results or data. Some of the underlying reasons for the author choosing the qualitative research method are:

1. The desire to understand how the imposition of US economic sanctions on Venezuela occurred;
2. The desire to build causal arguments regarding the impact of implementing Smart Sanctions, in particular in the case of the sanctions imposed the the United States against Venezuela; and
3. The desire to determine if the US was successful in achieving its overall goals.

The following section outlines explanations of the methods used in this research.

1.8.2 Subject and Object of Research

There are two subjects in this study—first, the United States government, specifically Donald Trump's administration, and second, the Venezuelan Government under the administration of Nicolas Maduro. The object of this research is the United States' implementation of Smart Sanctions.

1.8.3 Method of Data Collection

The method that the researcher used to collect data in this research was the literature study method. This data collection method was used to obtain the required information from various sources, such as books, scientific journals, scientific papers, news analysis, and expert thoughts. The data found was used as a strong basis in the description of the research analysis.

1.8.4 Research Process

1. Pre-Research

Before conducting the research, the researcher investigated Venezuela's current issues and what obstacles Venezuela faced during 2017-2021. The initial stage of qualitative research is the literature review. During this stage, the literature review was used to find the novelty of the thesis to be produced and to prove that the main issue of the thesis had never been discussed before or, if it had, that the variables used differ from other studies.

2. Retrieval of data

The next stage of research of this type is collecting secondary data from books, journals, journal articles, official reports from the related countries, and verifiable news from various official websites. The data collected was used as

supporting material for discussions or arguments from the author, as well as to strengthen evidence of the research thesis writing.

3. Data Analysis

Following data retrieval is an in-depth analysis of the various kinds of data obtained in order to answer the formulated problems. Data analysis was carried out by observing the study's initial hypotheses alongside the facts and data obtained to determine the suitability of the argument and the problem formulation. From here it was concluded whether the initial hypotheses in the research were proven or contradicted by the conducted research, accompanied by transparent data.

1.9 Thesis Outline

Chapter I discusses the standard features of research writing: the background, problem formulation, literature review, research scope, research objectives, conceptual framework, hypotheses, and research methodology in regards to the United States Sanctions on Venezuela between 2017-2021.

Chapter II discusses the relationship between Venezuela and the United States, explaining the data related to the sanctions that the United States has imposed categorized in terms of success and impact. In addition, the reasons and objectives leading to the United States eventually imposing sanctions on Venezuela are discussed. Given Venezuela's undemocratic condition and numerous residents, it is not easy to meet their daily needs. This affects the economy which then causes people to demonstrate against the Maduro regime. This is what initiated the aggressive imposition of sanctions by the Trump administration on Venezuela.

Chapter III analyzes the sanctions imposed by the United States on Venezuela using the Smart Sanction concept by looking at the categories of success

of the concept and the impacts of the concept, according to the theories of Cortright & Lopez. Then, the results of the United States sanctions on Venezuela, in terms of their impact, are discussed along with whether the implementation of the Smart Sanctions imposed by the United States was successful in achieving the United States' overall goals in Venezuela.

Chapter IV summarizes the research results and gives recommendations and suggestions.



CHAPTER II

U.S. SANCTIONS ON VENEZUELA

This chapter is divided into three sub chapters. The first sub-chapter details the relationship between the United States and Venezuela during the Donald Trump administration period of the Nicolas Maduro regime. The second sub-chapter details the sanctions imposed by the United States, including individual sanctions and those on commodities, the central bank, and people involved in the Maduro regime. The intended purpose of the sanctions imposed by the United States is also explained. Finally, the third sub-chapter details the post-implementation situation of the US sanctions in Venezuela.

2.1. Relations between the U.S. and Venezuela

Following the election of Donald Trump as president of the United States of America in 2017, United States foreign policy began to pay more attention to the Maduro regime. There were increasing episodes of sanctions on individuals and commodities within the Maduro regime in Venezuela. For Trump, this was the only way to deal with foreign challenges. In mid-2017, when Trump imposed his first sanctions, Venezuela was already facing a severe economic crisis in Latin America. The country's GDP was declining rapidly (Banco Central de Venezuela, n.d.), crude oil production was falling (22 percent lower than production in March 2013) (OPEC 2017).

Nicolas Maduro has served as president of Venezuela since 2013, but his presidency has been debated since 2019. Maduro's regime is known for its cronies

who often engage in corruption and human right abuse. This is contrary to the principles of democracy in the United States. As data shows, Venezuela is in a complex economic crisis. The country was hit by the hyperinflation that began in 2016, one year before the Trump administration imposed these sanctions during the country's ongoing socio-economic and political crisis (Hanke 2018). According to the Federal Reserve Bank (FRED), Venezuelan Bolívar had reached an inflation rate of 255 percent in 2016 and continued to increase in subsequent years (Federal Reserve Economic Data 2018).

Finally, in 2019 Trump issued a statement recognizing the Venezuelan National Assembly's Juan Guaido as Venezuela's interim president, stating that undemocratic election fraud had occurred. This was emphasized in the following official statement:

*"Today, I am officially recognizing the President of the Venezuelan National Assembly, Juan Guaido, as the Interim President of Venezuela."
(U.S. Embassy & Consulate in Ecuador 2019)*

Nicolás Maduro held rigged legislative elections on December 6. As many as more than 50 countries have issued or joined public statements condemning the election as unfree and unfair. Hyperinflation, state intervention in the economy including physical insecurity, corruption, labor rights abuses, and a volatile regulatory framework make Venezuela a particularly challenging climate for the US and multinational corporations. Furthermore, at the beginning of 2020, Venezuela's situation was made worse by the Covid-19 pandemic. Police strictly enforced the COVID-19 quarantine and arbitrarily detained and prosecuted dozens of journalists, health workers, human rights lawyers, and political opponents who criticized Nicolás Maduro's government (Human Right Watch 2020).

Maduro has often taken actions to stay in power. Maduro replaced judges on the Supreme Court and formed a New National Constituent Assembly with those loyal to him, empowering them to write a constitution in favor of Maduro (Szuchman 2019). Trump's policies, however, have been criticized on a large scale because of the crisis caused by the COVID-19 pandemic and the hardships of the underprivileged people living in sanctioned countries.

The actions taken by Maduro and his circle prompted the United States to respond to the human rights abuses in Venezuela. This response can be seen through the official condemnation of human rights violations and verbal criticism by high-ranking US officials such as Secretary of State Mike Pompeo, who responded to humanitarian aid from the US being rejected by Venezuela. *"There are more sanctions to be had. There is more humanitarian assistance, I think, that we can provide..."* (Kelly 2019).

2.2 Sanctions from the U.S. on Venezuela

The sanctions policy under the Trump administration has often been criticized for its significant increase in sanctions episodes for Venezuela. The Donald Trump administration found only one way to meet this international challenge: the imposition of economic sanctions (Coates 2019). It is essential to look at the list of Trump sanctions episodes because to look on the reasons behind the Trump administration imposing sanctions on the Maduro regime, and what goals the United States was trying to achieve.

2.2.1 List of Sanctions from the U.S. to Venezuela

The Venezuelan Sanctions Program imposed by the United States represents the implementation of various legal authorities. First, some of these powers consist of executive orders from the President. Second, public laws passed by congress were subsequently codified by OFAC (Office of Foreign Assets Control) and then published by the Federal Code of Regulation (CFR) and posted on the Federal Register (U.S. Department of Treasury, n.d.).

Early in his term, President Trump stepped up sanctions against the Maduro regime, moving beyond Individual Sanctions. He began to choose targeted sanctions specifically, such as the revocation of visas, financial sanctions, travel restrictions, commodity sanctions, an Arms embargo, and sanctions targeting elites. He combined elements of targeted and selective sanctions with alternative measures. Five months after his inauguration, in May 2017, his administration, through the U.S. Treasury Department, announced the block listing of the chief justice of the supreme court, Maikel Moreno, and seven close members of Maduro's 'circle' (DW 2017a). The sanctions were imposed because the U.S. accused them of abusing power when there was upheaval and violence in Venezuela.

During the administration period of 2017 to 2021, there were seven executive orders imposed by Trump. Of those seven executive orders, one executive order had previously been issued during the Obama administration, namely Executive order 13692, issued in 2015. This executive order was used again by Trump in January 2021 as the basis for individual sanctions against President Maduro, his wife Cecilia Flores, his son Nicolas Maduro Guerra, Venezuelan government officials, Venezuelan army leaders, and other individuals

(Congressional Research Service 2021). Executive Order 13692 contains restrictions on asset blocking, travel restrictions, and visas. This was done to narrow the movement of people connected to Maduro.

Sanctions are an essential part of US policy towards Venezuela. The United States foreign policy towards Venezuela is quite strict in regards to imposing sanctions due to the many violations of human rights and undemocratic values. In August 2017, Trump issued executive order 13808 restricting the trading of Venezuelan bonds by the Venezuelan government in US financial markets, followed by a ban on US financial institutions from engaging in buying or trading with the Venezuelan oil company PdVSA (Petroles de Venezuela) (Congressional Research Service 2021). Prohibiting and closing access to the American stock money market was to minimize the impact on US interests and the Venezuelan people. This sanction dedicated to the Venezuelan government, PdVSA, and the people around Maduro.

In January 2018, the U.S. Treasury Department imposed sanctions on four senior military officers on the grounds of corruption and continued repression in Venezuela since the previous year's Venezuelan Constituent Assembly election (U.S. Department of Treasury 2018a). In March 2018, Trump issued his second executive order, executive order 13827, prohibiting all forms of financial transactions or gifts in digital currency, be it digital currency, digital coins, or digital tokens issued by, for, or on behalf of the Venezuelan government (Trump 2020).

Two months after executive order 13827, Trump sanctioned Venezuelan government official Diosdado Cabello Rondon and three other individuals for a network of corruption under executive order (U.S. Department of Treasury 2018b).

Trump again used his power to issue executive order 13835, with this executive order prohibiting transactions related to the purchase of Venezuelan debt, namely trade receivables. This sanction pledge guaranteed to only target individual or entities within the Venezuelan government.

In November 2018, Trump signed an executive order barring any of American citizen from dealing with individuals or entities involved in the sale of 'Corrupt or deceptive' gold, taking hundreds of millions of dollars from the emergency food aid system in Venezuela's humanitarian crisis, and helping Maduro evade oil sanctions. There were at least 26 people sanctioned by executive order 13850 (Congressional Research Service 2021). Trump's targeted sanctions were becoming harsh for Venezuela, given the escalation to the signing of the three executive orders issued in 2018. The Trump administration coined the term "Troika of Tyranny", stated by Ambassador National Security Adviser John R. Bolton, regarding the administration's policies in Latin America ("Remarks by National Security Advisor Ambassador John R. Bolton on the Administration's Policies in Latin America" 2018). Bolton used this term to describe the group of dictators in Latin America, especially those in Nicaragua, Cuba, and Venezuela, who oppress ordinary people. The United States used all its power to increase 'pressure' on the leaders of these three countries, specifically targeting those who were corrupt and enriching themselves ("Remarks by National Security Advisor Ambassador John R. Bolton on the Administration's Policies in Latin America" 2018). This statement had an implied meaning of what the goals of United States policy were and how they would be implemented.

In January 2019, Trump issued his fifth executive order, order 13857. In this executive order, the United States recognizes interim President Juan Guaido as the legitimate president of Venezuela. It changed the definition of the target of the sanctions that previously contained 'Government of Venezuela' to ensure that the Maduro regime remained the focus of U.S. sanctions. (U.S. Department of Treasury, n.d.). In February 2019, Trump again sanctioned Venezuelan security officials and the head of the Venezuelan state oil company (PdVSA), Manuel Quevedo, and three top Venezuelan intelligence officials, Rafael Bastardo, for illegal elections and the extrajudicial killings carried out in the nighttime attacks on Maduro's behalf (Sullivan and Lambert 2019).

As the social and political economy in Venezuela worsens, many civil societies have found it difficult to access health and food. Mike Pence, the vice president of the United States, distributed humanitarian aid to Venezuela but it was refused. As a result, he announced four individual sanctions against Venezuelan officials who participated in the blockade of humanitarian aid during the humanitarian crisis (Ingber 2019). Venezuela began to give wind to both Russia and China. In addition, the United States also threatens third parties not to do business with countries that America prohibits, or those parties must bear the punishment by participating in sanctions (Irfan, Nawaz, and Jamil 2021).

In August 2019, executive order 13884 was signed. This letter contained the freezing of the Maduro government's property and interests in the United States, as well as allowing targeted financial sanctions and visa restrictions outside the United States for those in Maduro's circle. Overseas companies working with PdVSA,

several ships and planes were sanctioned, along with five individuals (Congressional Research Service 2021).

The pressure on Venezuela did not just end. In March 2020, the Department of Justice stated that Maduro and fourteen government officials were involved in terrorism, drug sales, and other human rights violations by using cocaine as a weapon against the United States (The United States Department of Justice 2020). The United States has offered 15 million dollars for anyone who can arrest or convict Nicolas Maduro (Faiola, Zapotosky, and DeYoung 2020). Russia and China are the two major countries that still recognize Maduro as Venezuela's legitimate president.

As of January 19, 2021, Trump had imposed financial sanctions on 113 individuals and eight entities under executive order 13692. By the end of his term on January 20, 2021, the Treasury Department had sanctioned at least 166 Venezuelans, and the Department of State had revoked nearly 1000 individual visas.

Table 1. Sanctions Episodes Under the Trump Administration ¹

Executive Order	Title	Related	Year
13808	Imposing Additional Sanctions with Respect to the Situation in Venezuela	Human rights violations; responsibility for deepening the humanitarian crisis in Venezuela; invalid stance of the Constituent Assembly, which had democratically seized power; corruption; oppression, persecution and violence against political oppositions.	August 2017

¹ Trump re-implement executive order number 13692 in January 2021 from Obama administration released on March 2015. Blocking the property and suspending entry of certain person contributing to the situation in Venezuela related for terrorism, drug trafficking and who committed human right violation.

13827	Taking Additional Steps to Address the Situation in Venezuela	Prohibiting transactions using Cryptocurrency	March 2018
13835	Prohibiting Certain Additional Transactions with Respect to Venezuela	Public Corruption; Public economy mismanagement at the expense of Venezuelan people and their prosperity; Political repression; undermining democratic order with unfair election, Humanitarian & public health crisis in Venezuela	May 2018
13850	Blocking Property of Additional Persons Contributing to the Situation in Venezuela	Blocking assets, and prohibiting certain transactions with anyone designated by the Minister of Finance to operate in the economic sector or conduct corrupt transactions with the Maduro government	November 2018
13857	Taking Additional Steps to Address the National Emergency With Respect to Venezuela	Recognizing the oath-taking of interim President Juan Guaido including the state and Government of Venezuela, any political subdivisions, institutions or apparatus thereof, including the Central Bank, PDVSA, and any person who has acted for, or purports to act on behalf of, any of the above, including as a member of the Maduro regime.	January 2019
13884	Blocking Property of the Government of Venezuela	Among other things, blocking property of the Venezuelan Government, which is defined similarly to how the term is defined under the E.O. 13857, and authorizes individuals and entities that provide certain support for people blocked under the E.O. 13884	August 2019

Source: Own analysis based on (U.S. Department of Treasury, n.d.).

2.2.2 U.S Interest in Venezuela

When looking at a country's foreign policy, there are always goals that the sending country wants to achieve against the target country. The imposition of sanctions is intended to have an economic, political, or social effect. Sanctions are imposed to bring about a change in the policies of the target regime. Of course,

sanctions must be effective if they are to be smart (Cortright and Lopez 2002b). The sending country can block and even criticize the target country for negative behavior or behavior that interferes with the policies of the sending country. It could be that the intentions and goals of the sending country are in the form of regime change, strong emphasis on freedom of speech or religion, ideological values, encouraging democratic values, and/or stopping the sale of weapons and illegal drugs.

The Trump administration's foreign policy in Venezuela was firmly trying to overthrow and even change the Maduro Government with various powers, and the Trump administration was willing to use Economic Sanctions as an economic strategy to overthrow Maduro from the presidency. This is the primary goal of the United States. Maduro and the people in his circle have been subject to targeted sanctions on individuals and entities, such as revocation of visas, travel bans, and financial sanctions, such as asset freezes. This has narrowed the movement of Maduro and his regime.

Economic objectives exist, and they often shape and sometimes determine the direction of US foreign policy. Indeed, economic goals sometimes clash directly with the broader ideological vision of what the US supposedly stands for. When Hugo Chavez died and was succeeded by Nicolas Maduro in 2013, Maduro inherited his political ideology, Chavismo. After Maduro's promotion, mismanagement of the national oil company PdVSA that began during Chavez's time continued and caused a crisis in Venezuela's oil market. The dependence on oil between the two sides, America and Venezuela for three decades is one of the reasons the United States continues to exert its influence in Latin America since the

transition from a democratic country to a socialist one. That this understanding and ideology is not in harmony with the United States' economic path endangers the capitalist economic system created by the West (Sawka 2019).

Before United State suspended diplomatic operation in Venezuela, Venezuela was their largest trading partner. Historically, US export to Venezuela included from oil sector, petroleum, crude oil, machinery, and organic chemical. This relation creates interdependence in term of economic objective from both parties. Bilateral trade between both countries reached \$1.3 billion dollar in 2020 but down from \$2.3 billion in 2019. (U.S Department of State 2022).

United States ideology has long championed a liberal democratic vision of how society should operate (Thomas 2018). The United States adheres to a vision that champions individual rights and freedom of government. Promoting and supporting democracy in a socialist country is fairly difficult given the model of government that Maduro has run to date. The U.S. has said that imposing sanctions shows support for democracy and democratic institutions, condemns non-democratic behavior, and could restore functional democracy in Venezuela. This was implemented with the Trump Administration proceeding with executive order 13892 Relating to Antidemocratic Action, Human Rights Abuses, and Corruption (U.S. Department of Treasury, n.d.).

Human rights in Venezuela have declined under Nicolas Maduro. This is evident from cases of persecution of political opponents and protesters by state officials, as well as Maduro's circle of corruption. The situation worsened at the beginning of 2020 when the COVID-19 pandemic began as many Venezuelans had limited access to food, public health, and medical assistance. This prompted many

to flee from oppression, causing the biggest migration crisis in Latin America. The government used the COVID-19 emergency to arbitrarily oppress those who dissented and detain and try dozens of political opponents, journalists, and health workers (Human Right Watch 2020). Sanctions target the government and those involved in human rights violations. It is hoped that through sanctions human rights violations will be suppressed and they violators will be brought to justice.

2.3 What happened after the implementation of sanctions

Venezuela was once the most significant economic power in Latin America, but it is now in a dire situation amid a consistent economic downturn since 2014. To understand the impact and likely success of the sanctions, we must first understand that since Trump's presidency took office in 2017, there have been significant changes. Targeted sanctions were imposed more frequently by the Trump administration, until he finally stepped down from presidency in January 2021. Venezuela's condition after the implementation of targeted sanctions can now be seen.

Venezuela is a country with a high level of dependence on oil. Dependence on oil and the dominance of other state-owned companies means sanctions on Venezuela have the same effect as comprehensive sanctions. The effects of the United States imposing sanctions on the state oil and gas company PdVSA in 2017 and 2019 had far-reaching effects on oil production and exports. Petroleum accounts for 99 percent of Venezuela's export earnings (OPEC, n.d.). Executive Order 13808 of 2017 imposed financial sanctions that froze assets in oil production services and equipment purchasing. Then, further sanctions in 2019 made it difficult

for PdVSA to sell and obtain oil from other countries. After the imposition of financial sanctions on PdVSA, Venezuela's monthly oil production fell by 50% between August 2017 and January 2019 (Congressional Research Service 2020). The effect of financial sanctions on the prohibition of PdVSA must also be understood from the context of the influencing domestic factors. These financial sanctions cost Venezuela an economic loss of \$16.9 million annually (Rodriguez 2019). The US also implemented targeted financial sanctions against the Venezuelan gold mining commodity company Minervan due to its involvement with criminal and military groups that benefited the Maduro regime financially.

The decline in income undoubtedly affected the domestic economy and civil society. Venezuela's economy has slumped since Maduro first took office in 2014 and has increased worsened yearly. Inflation arose due to currency instability, economic mismanagement, and corruption during the ongoing social and political-economic crisis. Since the United States began imposing various targeted sanctions, the hyperinflation that began in 2017 has continued to increase, with the annual inflation rate reaching 2.960% in 2020 (Iyer and Rodriguez 2021).

Sanctions on executive orders for blocking and freezing assets cost Venezuelan assets held abroad. Their loans were taken over by Citibank and Deutsche Bank, worth \$1.4 billion in Venezuelan government gold. Under the United States Sanctions, Banco Central de Venezuela (BCV) is prohibited from conducting any transactions with other banks. This gold reserve is used as a form of guaranteeing the bank's financial operations to increase liquidity to repay loans and avoid losing gold (Pons and Armas 2019).

In addition, the United States has recognized Juan Guaidó as interim president and influenced some other countries to participate in this recognition. He is the rightful owner of transferred funds or goods purchased by the Venezuelan government. The access of Venezuelan banks to other banks has been primarily abolished, which affects domestic conditions in which access to credit is needed to import goods, such as food, medicine, and other essential items. Also, since the sanctions were imposed, Venezuela has been limited to diesel as fuel. This fuel is needed for vehicles and generators, resulting in frequent economic damage and power outages (Weisbrot and Sachs 2019b).

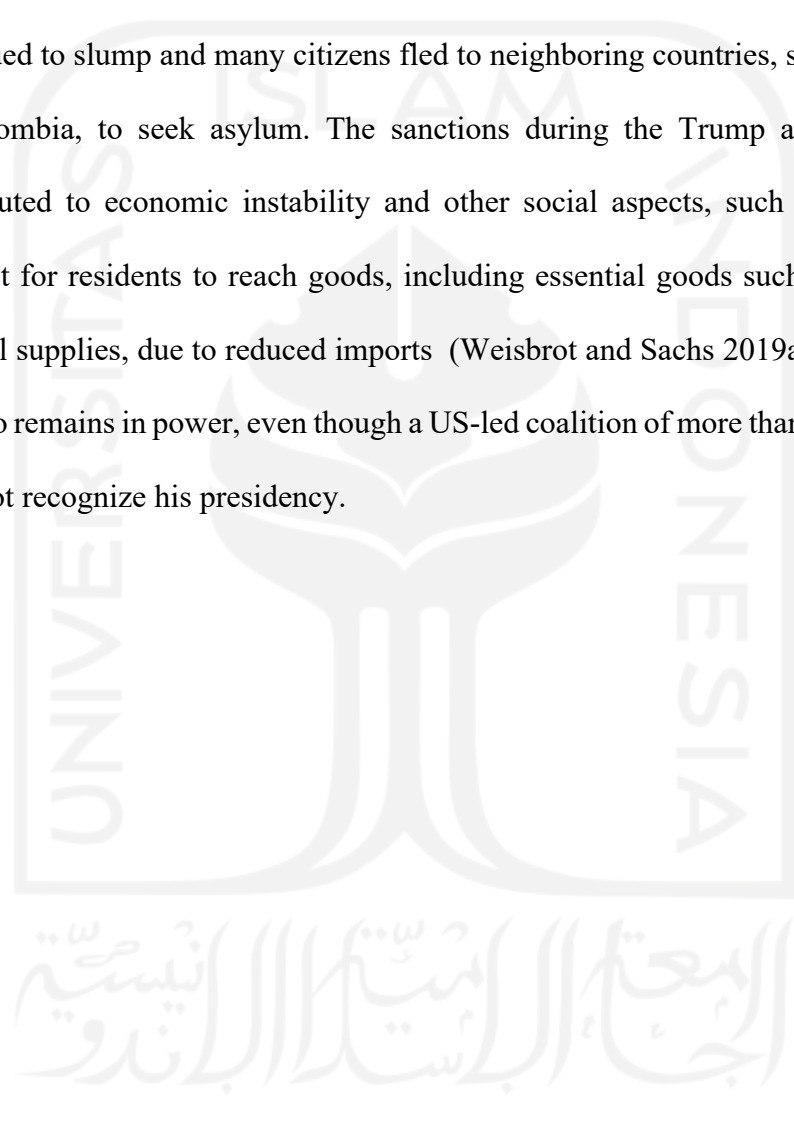
Based on data compiled by the National Survey (ENCOVI) of conditions for the years 2019-2020, 79.3% of the Venezuelan population is unable to access food. The same data indicates that 96% of households are in poverty and 79 % in extreme poverty, where their income is not enough to buy food (ENCOVI, n.d.).

Public services have collapsed, unemployment has soared, and the local currency, the bolívar, is almost worthless because of inflation. Coronavirus is one of the concerns that has been thought to have intensified socio-economic and political conditions in Venezuela. The reason for this is that the pandemic resulted in restrictions on mobility and increased unemployment and many households needed help. The situation made it difficult for residents to get assistance from the government and make transfers in foreign currency due to United States sanctions. Chronic fuel shortages, which became worse in 2020, and the lockdown imposed due to COVID-19 are the main contributing factors (BBC 2021b).

Although the United States sanctions do not explicitly mention limiting imports of food and medicine, Venezuela's economy relies on oil revenues as a

source of currency so that private and public companies can import the goods they need. It must be noted that the United States sanctions have contributed to the dramatic decrease in Venezuela's imports: the value of public imports decreased by 46% in 2019 and 50% in 2020.

Even after Trump stepped down as president, Venezuela's economy continued to slump and many citizens fled to neighboring countries, such as Brazil or Colombia, to seek asylum. The sanctions during the Trump administration contributed to economic instability and other social aspects, such as making it difficult for residents to reach goods, including essential goods such as food and medical supplies, due to reduced imports (Weisbrot and Sachs 2019a). Until now, Maduro remains in power, even though a US-led coalition of more than 50 countries does not recognize his presidency.



CHAPTER III

ANALYSIS OF THE IMPLEMENTATION OF SMART SANCTIONS BY THE U.S. IN VENEZUELA

The previous chapter detailed the list of sanctions that the United States has imposed on Venezuela, the intended purpose of the United States in imposing these sanctions, and the condition of Venezuela after the imposition of the targeted sanctions by the United States. This chapter discusses the analysis of the Smart Sanction concept in the implementation of targeted sanctions by the United States on Venezuela during the Trump administration 2017-2021. The explanation of Smart Sanctions in this chapter is divided into two sub-chapters. The first subsection explains the impact of using Smart Sanctions in the United States' targeted sanctions on Venezuela from two perspectives, namely the political impacts and the humanitarian impacts. The second subsection discusses the success of the implementation of Smart Sanctions across four categories, namely commodities, finances, arms, and travel sanctions. Following this, the results obtained by the two countries during the implementation of the Smart Sanctions are described.

3.1. Political Effectiveness and Humanitarian Impacts of US Sanctions in Venezuela

3.1.1 Political Effect

According to (Cortright and Lopez 2002a, 7) the criteria for seeing the political effectiveness of sanctions canis relatively simple but pragmatic. The; the following three questions illustrate this: 1) Did the sanctions help the target regime

to believe in and comply with at least part of the sender's demands?; 2) Did the sanctions contribute to successful and enduring bargaining and lead to a negotiated settlement; and 3) Did the sanctions help isolate or weaken the regime's military power?

The impact of the political change from the United States sanctions can be seen in executive order 13857 on January 23, 2019, which officially recognized the Venezuelan government opposition leader Juan Guaidó as interim President, making the United States the first country to officially recognize the legitimacy of Guaidó's government and reject Nicolás Maduro's presidential claims. This was done with the aim of ousting Maduro from power. The United States also encouraged other countries and international organizations to recognize Juan Guaidó and imposed targeted economic sanctions to weaken Maduro's regime (Galbraith 2019). After the official statement from the United States, the President of Russia, Vladimir Putin, on January 24, 2019, became one of the superpowers to give support to Maduro. Putin expressed support for Venezuela's legitimate authorities and said that it happened because of provocations from abroad and internal political crisis (President of Russia 2019).

With the Due to the political repercussions of the sanctions, the targeted sanctions have failed to provide a political transition, and the power struggle between Juan Guaidó and Nicolás Maduro has not ended. The Trump administration was unable to topple Maduro and his regime from Venezuela. US sanctions against the Maduro regime have been unsuccessful as Maduro continues to control Venezuela despite Guaidó being recognized by more than 50 countries since January 2019 (BBC 2021a).

The sanctions have, at least, slightly improved the value of democracy in Venezuela. In 2019, representatives from Maduro's side, along with the United States staff and members of the Venezuelan government opposition, agreed to negotiations in Barbados and Oslo to discuss the general election dispute and the United States sanctions. These negotiations did not have optimal results for any of the three parties. Maduro sought relief from the sanctions of the United States so that Venezuela would have the popularity to compete politically; on the other hand while, the opposition focused on electoral conditions and the chance to take over power. The United States was reluctant to ease sectoral sanctions on PdVSA and new sanctions were announced in August 2019, which gave Maduro a reason to stop negotiations (Ramsey et al. 2021).

There appears to be some evidence of the impact of the US sanctions on the Maduro regime. Targeted economic sanctions have limited the financing of the Maduro regime's anti-democratic activities and human rights violations through the reduction of petroleum revenues from the national oil company PdVSA and illegal mining. The reduction in revenues has burdened and narrowed the movement of people in the regime's circle (Rendon 2019).

However, the The Trump Administration frequently used "maximum pressure" against the Maduro regime in attempts to overthrow and isolate it. The State Department announced a \$15 million reward for anyone with information about Nicolas Maduro and a \$10 million reward for information on any of Maduro's closest people, for example, the President of the Constituent Assembly, Diosdado Cabello Rondon, the retired general, Hugo Barriar, and National Minister of Industry, Tareck Zaidan El Aissami Maddah, and so on. Rewards were given for

offered for information on these people because they facilitated the delivery of narcotics from Venezuela (The United States Department of Justice 2020). In 2020, Venezuela was also affected by the Coronavirus pandemic. This reduced the opportunity for a political transition of the Maduro regime because, during the pandemic, Maduro had considerable control and strength because as a result of the lockdown order. The space for people to move was smaller and this widened Maduro's power.

The data described are in accordance with the statements of Cortright and Lopez. First, there was no fulfillment of the demands of the targeted regime (Cortright and Lopez 2002a). Until today, the target regime has not experienced any changes in government structure, and Maduro is still standing. The goal of the United States was, and still is, to re-establish democratic values and human rights. Trump provided a moderately coercive episode of targeted sanctions and maximum pressure, but that was unable to get the Maduro regime to stop selling arms and trafficking drugs trafficking; all it did was narrow the circle.

Second, in terms of the question of whether sanctions contributed to successful and enduring bargaining and lead to a negotiated settlement (Cortright and Lopez 2002a). the answer is no. The process of bargaining and negotiations did occur between the three parties - the United States, the Venezuelan opposition government opposition led by Juan Guaido, and the Maduro government - however, it did not go well and a bright spot was not met. The process was stopped because Trump, represented by his state staff John Bolton, rejected Maduro's demands to ease sectoral sanctions on Venezuela, and then Trump's side added further sanctions in August, causing Maduro's side to stop negotiations.

Third, in terms of whether sanctions helped isolate or weaken the regime's military power (Cortright and Lopez 2002a). There was some success. The sanctions imposed by Trump from 2017 to 2021 did isolate the Maduro regime from foreign funding as a result of freezing all Venezuelan government assets in Maduro's name were frozen and travel visas were revoked. It appears that Nicolas Maduro and his circle are more diplomatically isolated as a result of these sanctions.

3.1.2 Humanitarian Impact

In the Smart sanction concept, the severe humanitarian impact was seen in the case of targeted sanctions in Iraq. The rest of the humanitarian impacts did not appear detrimental to the community (Cortright and Lopez 2002a, 6). The economic collapse has caused a humanitarian crisis in Venezuela, and the humanitarian impact of the sanctions shows a link between sanctions and poverty. Use the impact on poverty by civilizing the people in it. Not only that, since the Trump administration imposed economic sanctions in 2017 until Trump finally stopped in 2021, the Maduro regime still has no sanctions but instead has forced Venezuelans to leave Venezuela to seek asylum. In order to avoid violence, insecurity, and the threat of lack of food and medical and other public facilities, there are at least 6 million refugees and migrants from Venezuela with 250,000 asylum seekers; this is the second-largest external refugee crisis in the world (UNHCR, n.d.).

Venezuela has faced been facing a desperate humanitarian crisis for more than four years since these sanctions were introduced. The Maduro regime still stands while the humanitarian crisis grows, which has led to the questioning of the morality and efficacy of Trump's targeted sanctions. According to the ENCOVI

survey in 2019-2020, it is seen that 79.3% of people in Venezuela do not have enough income to buy food (ENCOVI, n.d.).

The United States sanctions may not have explicitly mentioned sanctions on imports of essential goods, but there are import barriers to food, which has hindered more than 50% of food consumption. This has resulted in the a continued increase in malnutrition across the last six years, with more than 2.5 million people experiencing severe food insecurity (Douhan 2021). In 2017-2019 the infant mortality rate in Venezuela was around 21 deaths per 1,000 lives births (Statista, n.d.).

In terms of health, people in Venezuela face a shortage of medicines and health facilities, infrastructure in hospitals is inadequate, and many health workers are underpaid and fear for their safety. As migration escalates due to tightened sanctions, many professionals in the health sector and other sectors are leaving Venezuela. The impact of sanctions on the humanitarian crisis in Venezuela has sharply reduced the country's ability in the oil sector, namely PdVSA's ability to produce oil - the country's primary, and almost only, source of income.

Sanctions are not the primary or direct cause of Venezuela's economic and social problem impact, but they have exacerbated them contributed to its increase. Venezuela's economic downturn occurred began long before the Trump administration, imposed sanctions, and was mainly due to state intervention in the market, high dependence on oil revenues, corruption, and economic mismanagement. These factors have often caused This often makes Venezuela to lose investments and slowed economic development in the country.

The data described above are relevant to the statements of Cortright and Lopez. It should be noted that the sanctions targeted in targeted smart sanctions do not have a 'cost.' However, sanctions inevitably cause social pain akin to a 'pinch.' They have the nature of instruments used to produce economic and social disturbances. Even if sanctions are carefully targeted at decision-making elites, ordinary people may still feel experience difficulties; political leaders often shift the pain from sanctions to those who are vulnerable, such as ordinary people or political opponents. This is often seen when commercial and financial transactions are carried out, with the result usually being, the expansion of criminal networks and black-market activity (Cortright and Lopez 2002a, 6).

3.2 Discussion on the Implementation of the Sanctions

Evaluating the efficacy of certain types of targeted sanctions is challenging. It is difficult to evaluate specific actions because financial sanctions, commodity restrictions, travel sanctions, and arms embargoes are usually used together. However, some recent UN observations concerning each of these policies has provided some insight into the effects of each and the issues surrounding them (Cortright and Lopez 2002a, 11)

Targeted financial sanctions broadly include asset freezing and financial restrictions for individuals and governments. In the case of Venezuela, the Trump administration took quite strict steps with the financial sanctions, which can be seen in the implementation of several executive order sanctions, including: executive order number 13827, namely the prohibition of the Maduro government from conducting cryptocurrency transactions; executive order 13850, namely the

blocking of assets and prohibition of certain transactions with anyone appointed by the Minister of Finance to operate in the economic sector or carry out corrupt transactions with the Maduro government; and, executive order 13884, namely the blocking of property and suspension of the entry of Certain Persons Contributing to the Situation in Venezuela. The sanctions were successful, in part because they were able to block the individual assets of Maduro and his isolated circle, and of the government. Maduro's assets, including his son, Maduro JR, and his family's assets, have been frozen and Americans have been barred from doing business with him (Goodman 2019).

Donald Trump imposed a freeze on all Venezuelan government assets in the United States, not only barring US companies from dealing with the Venezuelan government, but also opening the door for possible sanctions against foreign companies or individuals known to be assisting him. All property and interest belonging to the Venezuelan Government, located in America Unions, were blocked and could not be transferred, paid for, exported, withdrawn, or shared (Spetalnick and Rampton 2019). This has resulted in aid for the humanitarian crisis in Venezuela not being sufficient to deal with obstacles from the regime. Since the COVID-19 pandemic hit, Venezuela has needed about \$760 million in aid but has only received \$140 million. The Maduro government often commits human rights violations that prevent state and humanitarian organizations from helping to provide funds (Rendon and Sanchez 2020).

The data described above are relevant to the statements of Cortright and Lopez. The financial sanctions have partially limited Maduro's ability to finance his regime's anti-democratic activities, and these human rights abuses have also

weighed on his inner circle. The regime's control over state institutions and assets is slipping, along with public confidence in the regime. However, Venezuela is still supported by cooperation and financial assistance from American oppositions, namely China and Russia.

Commodity sanctions imposed by the Trump administration on Venezuela include those on the state oil company PdVSA and the gold-mine Minervan. These sanctions include executive order 13808, which prohibits PdVSA's financial access to the American market, and executive order 13850, which states that all property and interests in PdVSA property are blocked subject to the United States jurisdiction. Companies or individuals are prohibited from making transactions with these companies. In 2019, the finance department also sanctioned a bank in Russia for helping PdVSA channel oil sales revenue, then sanctioned Venezuelan state-owned gold sector company, Minerva, for carrying out illegal operations in support of Maduro, and also sanctioned a shipping company, owned by Cuba, that transported oil to Cuba (Congressional Research Service 2021).

The purpose of the United States taking steps to impose sanctions on PdVSA was to overthrow the Maduro regime in Venezuela and block opportunities for corruption. The sanctions also limit Maduro's ability to finance illicit activities and pay military officials. However, until now, sectoral sanctions have not been able to bring down Maduro. The data described above are in line with the statements of Cortright and Lopez. The case of Venezuela is almost the same as the targeted sanctions in Iraq, as both countries have a high degree of dependence on oil. An essential component of trade restrictions, particularly in the case of Iraq, is the energy embargo. Iraq is particularly vulnerable to sanctions because of its heavy

dependence on oil exports. Oil exports in Iraq were cut off by the blockage of a significant pipeline and US naval alternation in the Persian Gulf, which caused economic unrest (Cortright and Lopez 2002a, 12–13).

However, these sanctions have not disrupted the Maduro regime and its human rights violations and corruption continue to this day. Such sanctions can cut off international customers' exports and funding, causing severe economic and social unrest; however, these sanctions could restrict the funding of Maduro and his circle as they could not take wealth from the company.

The weapons sanctions by the United States on Venezuela can be seen in section 40A of the Arms Export Control Act. The Secretary of State has annually stated, since 2006, that Venezuela does not "cooperate fully with United States counter-terrorism operations" (22U.S.C.2781). The most recent decision was made in May 2020. As a result, since 2006, the US has banned all commercial arms shipments and sales to Venezuela. This law issued in 2006 was reused by the Trump administration after observing the conditions in Venezuela when Maduro took office (Congressional Research Service 2021).

Arms embargoes have been enforced frequently but rarely in cases of other sanctions imposed by the United Nations. The arms embargo is the most ineffective UN sanction in decades. Enforcement of these sanctions is still weak, which means that the success of the arms embargo does not stem from the lack of sanctions. For Smart Sanctions, Cortright and Lopez believe the lack of success is due to poor enforcement and inadequate implementation. The purpose of this sanction is the same as other sanctions - to change attitudes toward leaders who want to carry out

harmful policies. In principle, the arms embargo is a tool to limit violent conflicts that is applied to oppressive parties (Cortright and Lopez 2002a, 15).

An arms embargo is one of the many examples of Smart Sanctions. They are implemented to limit the supply of weapons while avoiding vulnerable consequences for civilians. However, arms embargoes are often just symbolic; they are implemented so as to be seen to be ‘doing something’ to deal with a crisis, but little effort is made with enforcement and compliance. These sanctions can only be effective in reducing violence if they are accompanied by practical steps and effective implementation (Cortright and Lopez 2002a, 16).

As of January 22, 2021, more than 1000 people, including Maduro’s family members and 166 Venezuelans connected to them, were sanctioned by the United States government by revoking their visas (Congressional Research Service 2021). The United States Treasury Department imposed travel sanctions and revoked visas. It detained private jets of people close to Maduro, including his wife, Cilia Flores, the Venezuelan Defense Minister Vladimir Lopez, Vice President Declay Rodriguez, and the Defense Secretary. A 20-million-dollar Gulfstream private jet belonging to Rafael Sarria, the president of the National Constituent Assembly and an influential figure in the government, was also detained (BBC 2018).

According to Cortright and Lopez, travel sanctions in smart sanctions include travel restrictions on individuals, be it visa bans, airline sanctions, or sanctions throughout the country concerned. Travel sanctions have a limited economic effect but are sufficient to limit or counteract. Travel restrictions are also included in the comprehensive sanctions imposed by the United Nations. These sanctions can reduce state revenues in the case of government flights and limit the

movement of elites who would usually travel abroad. The impact may not be immediately apparent, but these sanctions can contribute to the isolation and weakening of the targeted regime over time. However, it should also be noted that such sanctions could worsen humanitarian cases if the country relied on foreign aid in times of need (Cortright and Lopez 2002a, 13).

The data described above is relevant to the statements of Cortright and Lopez. Cortright and Lopez have explained that assessing and evaluating the effectiveness of specific sanctions is quite challenging. Each targeted sanction, namely financial sanctions, commodity sanctions, travel sanctions, and arms sanctions, are usually implemented in combination with one another.

Table 2. Analysis of Smart Sanctions by Type

No	Smart Sanctions by type	Definition	Analysis
1	Financial Sanction	Forms of targeted sanctions with asset freezes and financial restrictions on individuals, state or government entities	Individuals and governments who are subject to asset freezing, asset blocking and prohibition of transacting in United States dollars, are prohibited from conducting transactions in the stock market and the United States money market including digital currencies such as crypto. Financial sanctions were able to isolate the assets of Maduro, his family and his circle resulting in a loss of overseas assets worth \$1.4 billion of Venezuelan gold at Citibank and Deutsch bank.
2	Commodities Sanctions	Boycotts of certain commodities (oil, timber, or diamonds) on individual, state or government entities	Prohibition of transactions from the oil sector at Venezuela's national petroleum company, PdVSA and the illegal gold mine, Minervan. This limited Maduro's ability to finance illicit activities and pay military officials. Venezuela had no access to import goods and to do trade sanction on oil, export and distribution.

3	Travel Sanctions	Travel sanctions include restrictions on individual travel through visa bans, sanctions on designated airlines, or country or region-wide sanctions.	The travel sanctions have helped isolate Maduro, his family and Venezuelan government entities. Nearly 1000 individuals have had their visas revoked by the United States government and sanctions were put on the private jets of Venezuelan MPs.
4	Arms Sanctions	An arms embargo is a prohibition that applies to trade or activities related to military goods.	The implementation of the arms embargo is still not effective because law enforcement of this sanction has been weak. As Cortright and Lopez have explained, these sanctions are seen as symbolic in dealing with a crisis with little enforcement and compliance efforts.

Source: Own analysis based on Cortright and Lopez's Explanation

The table above contains a brief analysis of the implementation of smart sanctions by type used by the Trump administration against Venezuela in 2017-2021. The explanations provided in the table are in accordance with the statements of Cortright and Lopez. The targeted sanctions, namely financial sanctions, commodity restrictions, travel sanctions, and arms embargoes, are usually implemented in combination with one another (Cortright and Lopez 2002a, 10).

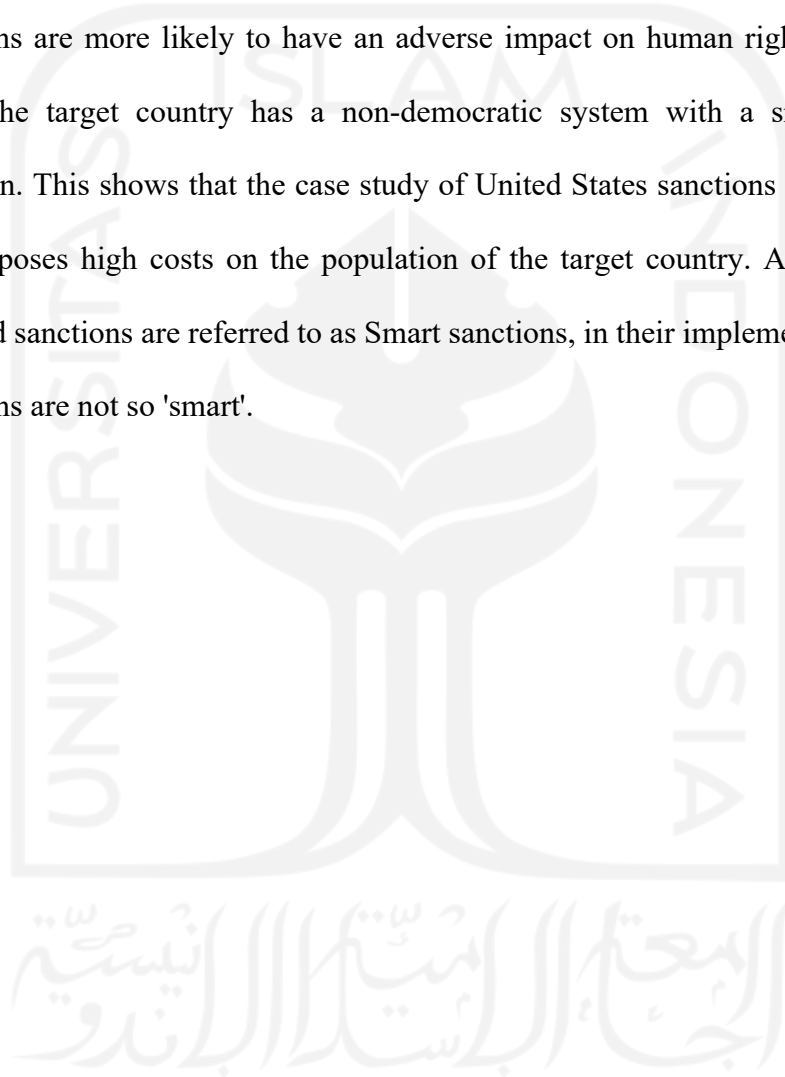
For the four types of sanctions, namely commodity, financial, travel, and weapons, of the four forms of sanctions imposed by Trump on Venezuela, it was found that in their implementation they were neither effective nor successful. The impact of the implementation of smart sanctions described by Cortright and Lopez even though it propose to reduce the impact of humanitarian dan enhance the political effectiveness, it was not working on U.S. and Venezuela smart sanction case. Seeing the impact that sanctions have on the situation in Venezuela adds to the 'pinch' for the economic downturn, humanitarian crisis and political instability there. Sanctions impacted Venezuela, but their condition are not entirely from the

sanctions, but also from several influencing variables. Venezuela's economy continues to decline, but not purely as a result of sanctions. Other variables, such as Venezuela's socialist ideology, a corrupt Venezuelan government, mismanagement of the economy, high dependence on crude oil exports, and the COVID-19 pandemic, have also had an impact.

The sanctions implemented by the United States also did not improve human rights in Venezuela, there was no regime change on Maduro's, value of democracy had not been seen since Maduro keep his illegal activity on mining and drugs trafficking, Trump intention to protect Venezuela most valuable asset PDVSA became a disaster where this intention actually harmed many civil societies, where they lacked the funds to buy and obtain essential goods and basic needs as well as adequate health facilities. Although some countries do not recognize Maduro's sovereignty, Venezuela has allowed China, Iran, and Russia to make deals to improve trade and diplomatic relations. These countries are oppositions of the United States. Regardless of the political pressure from foreign policies, there is no apparent regime change. Maduro still holds power in Venezuela even though many countries do not support his legitimacy.

The most crucial element of success is not whether the sanctions are comprehensive or well-targeted but whether they are seriously enforced or not. Compliance ultimately determines the effectiveness of the sanction (Cortright and Lopez 2002a, 9–11). To see whether the sanctions are successful or not, this can be seen from the form of compliance of the target country, where the target country fulfills and adheres to the values or goals of the sending country, sending sanctions to the target country. From this case study, the final result is that the non-compliance

was not achieved by the United States because the sanctions were not effective. Smart sanctions shouldn't pose a massive humanitarian problem, but that's what happened in Venezuela. Smart sanctions with a wider scope are more likely to have an adverse impact on human rights conditions in target countries. The leader is likely to intensify the suppression to prevent this situation from arising. Smart sanctions are more likely to have an adverse impact on human rights conditions when the target country has a non-democratic system with a small winning coalition. This shows that the case study of United States sanctions on Venezuela still imposes high costs on the population of the target country. Although these targeted sanctions are referred to as Smart sanctions, in their implementation smart sanctions are not so 'smart'.



CHAPTER IV CONCLUSION

4.1 Conclusion

The problems of political instability, economic decline, and humanitarian crisis existed in Venezuela long before the United States imposed targeted sanctions on Venezuela. The United States is concerned about injustices, human rights abuses, fraudulent elections, corruption, and the illegal activities that harm many Venezuelan civilians. Venezuela has also been hit by hyperinflation that has weakened the currency's value there. This problem has caused the Venezuelan population to suffer because they cannot access food for themselves or their families. Many public sectors have weakened or are unavailable, and many of Venezuelans are migrating from Venezuela.

However, in 2017 when Trump ascended to the presidency, responding to what was done by the Maduro regime, the Donald Trump Administration began to impose targeted sanctions and direct foreign policy with maximum pressure on Venezuela as a response to the actions of the Maduro regime. Sanctions particularly targeted the Government of Nicolas Maduro and his circle. Trump is believed to have used Smart sanctions. The scope of sanctions can be narrowed so that they do not target all countries but focuses on economic state administrative sanctions. This concept is designed to increase the cost of compliance with the target regime while minimizing additional damage to civil society and suppressing humanitarian crises. However, in this implementation, have smart sanctions been more more efficient and increased the success rate of sanctions?

Based on this, this study aimed to answer the research question, "How was the implementation and impact of Smart Sanctions by the United States against Venezuela during the Donald Trump administration 2017-2021?" This question has been answered using one of the concepts of economic sanctions, namely Smart Sanctions. Explained by Cortright and Lopez, this concept serves to see the political effectiveness and humanitarian impact as well as to see the four categories of sanctions by Cortright and Lopez and whether each has succeeded in bringing about change following the goals of the sending country to the target country or regime.

From this concept, it is expected that the results of the targeted sanctions against the Maduro government and its circles are complex. America's goals of restoring justice and human rights and overthrowing the Maduro regime have not yet achieved a political transition, but, as expected, Trump's sanctions have worsened the economic and social crisis and repression against the opposition and the general population has intensified. While the sanctions did not cause the economic crisis in Venezuela, they have contributed to a deep decline and a further deterioration of the quality of life of the Venezuelan people. The United States believed that imposing sanctions on Venezuelan oil would damage Venezuela's economy and force it to align its interests with those of the United States. On the contrary, it only encouraged Venezuela to look to China, Russia, and Iran as new sources of its economic dependence.

The international economic sanctions imposed by the United States on Venezuela sought to change the direction of Venezuela's national policy through pressure and to maintain democracy and guarantee human rights at home and in the region. However, the economy has been damaged, and, although sanctions are not

the main culprit, they have exacerbated the damage and caused additional damage to the civilian population, as well as the internal political situation, increasing polarization between supporters of the Government and the opposition. The non-compliance is not achieved because the sanction is not effective. The impact of economic sanctions on humanitarian conditions and political condition are not getting better as expected as U.S. Interest on Venezuela. Impact of sanction obscured by several disturbing variables, such as economic mismanagement, inflation, high dependence on oil, high corruption cases, and Maduro's lack of interest in stopping the bleeding within his country. The implementation and impact of Smart Sanction by U.S. to Venezuela is not effective because the overall interest of U.S. have in Venezuela have not made Venezuela comply to demands of the sender's country. The case studies show that Smart Sanctions still impose high costs on the target country's population.

4.2 Recommendation

Based on the explanation of the conclusions above, the author realizes that in this study, there are still many shortcomings. Hence, as a follow-up to this research, the author provides suggestions and recommendations for further researchers to conduct research related to how to implement smart sanctions where sanctions cannot be considered a total failure. They can be helpful if used with the cooperation of the international community. Unilateral sanctions do not work. However, multilateral will do. The US should collaborate with its allies and other international financial institutions. Moreover, the United States should also check in advance whether the sanctioned country is very dependent on the US, whether

its income is dependent on oil or not or will not succeed. Many countries with sanctions have good trade or diplomatic relations with other countries, such as Venezuela, Russia, and China.

Based on the conclusions above, the author realizes that this study still has many shortcomings. Hence, as follow-up research, the author suggests and recommends further researchers to investigate how to implement smart sanctions in such a way that avoids total failure. This research would be helpful if used in cooperation with the international community. Unilateral sanctions do not work. However, multilateral will. The US should collaborate with its allies and other international financial institutions, and moreover, it should also check in advance whether the sanctioned country is very dependent on the US. Whether the country's income is dependent on oil or not will play a big part in determining success. Many countries being sanctioned have good trade or diplomatic relations with other countries, such as Venezuela, Russia, and China.

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