

Chevron's exit puts Maduro on a collision course with reality

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"Sanctions are most effective when coordinated and applied multilaterally with allies, and poorly designed or implemented sanctions policies often fail to achieve their intended effects."
– Jonathan Hackenbroich

The recent decision by the U.S. government to revoke Chevron's license, along with those of other oil companies operating in Venezuela, has unleashed a geopolitical and economic storm that reshapes the conflict between Nicolás Maduro and the international community. More than a mere sanction, this move is a strategic maneuver that places Maduro's regime at a crossroads with no easy exits, testing the resilience of the coalition that sustains him—composed of the military leadership, business federation *Fedecámaras*, and multinational oil corporations—amid a crisis with uncertain consequences.

Since the Biden administration eased some sanctions in 2022 in an attempt to encourage democratic reforms, Maduro's regime has played a double game: promising changes while tightening its grip on the repressive apparatus. The revocation of General License 41 makes clear that Washington's patience has run out. Ignoring the Barbados agreements and failing to comply with commitments made to special envoy Richard Grenell have convinced the Trump administration that the only path to democratic progress is through the reactivation of a "maximum pressure" policy.

Economic collapse as a pressure tactic

Chevron is not just another oil company—it has been a key player in Venezuela's fragile economic stability. Its departure severs a crucial flow of foreign currency that had helped keep the devaluation of the *bolívar* somewhat under control. Estimates suggest that Chevron injected around \$200 million per month into the economy—a sum that will vanish overnight, with devastating effects. The parallel exchange rate is already showing signs of volatility, and an inflationary surge seems inevitable as the regime turns to money printing to cover its fiscal deficit. In this scenario, Maduro faces his worst nightmare: an economic crisis with no viable response.

Without Chevron and other multinational oil firms, Maduro's options narrow drastically. Seeking alternative investors in Russia, China, or Iran faces two significant hurdles: the deterioration of Venezuela's oil infrastructure and the growing international scrutiny over sanctions evasion mechanisms.

Last week, the U.S. sanctioned dozens of individuals and oil tankers in China, the United Arab Emirates, India, and other jurisdictions for allegedly helping to finance Iran and its support for militias attacking the U.S. and its allies.

While Asian black-market buyers continue purchasing Venezuelan crude at steep discounts, they operate on increasingly thin margins. Without technical assistance from Western oil companies, the country's production capacity will plummet.

The risks of a strangulation strategy

The Trump administration's strategy aims to push Maduro's regime into a state of extreme weakness, raising the costs of remaining in power. But the risk of an uncontrolled collapse remains a looming possibility. Democratic forces, led by María Corina Machado with Edmundo González Urrutia as the legitimately elected president, must align internal pressure with a thorough assessment of the political and social impact of a total economic breakdown. Recent history in Venezuela shows that economic crises, rather than translating into effective pressure on the regime, have fostered apathy and despair among a population forced to focus on daily survival.

Maduro has proven resilient, clinging to power amid severe crises by relying on his security apparatus and the systematic use of state terrorism to quash popular resistance. However, the balance of power could shift if the crisis directly impacts the coalition that sustains him. Without the cash flow from oil exports, the military and Maduro's inner circle may begin to reconsider their loyalty to the Maduro-Cabello duo—especially if their financial stability is no longer guaranteed.

A point of no return

Washington's message is clear: no real concessions, no economic relief. But Maduro's room to maneuver is shrinking. Negotiating a democratic transition would weaken him politically, while resisting at all costs would put him on a path toward progressive collapse with unpredictable consequences.

For the Trump administration and the international community, the challenge is to prevent the economic crisis from escalating into an even greater humanitarian catastrophe. Pressure must continue, but it must be paired with a clear transition strategy to steer the political process without completely dismantling the economy.

Venezuela has reached a turning point. The decisions made in the coming weeks will not only determine Maduro's fate but also shape the course of a nation that has endured more than two

decades of crisis. The regime must recognize that repression and evasion are no longer enough to hold onto power. At the same time, democratic forces, the Trump administration, and the international community must coordinate a strategy that leads to genuine transition, avoiding yet another cycle of frustration and stagnation.

The objective is clear: freedom and democracy.