

## **Nicolás Maduro and Cuba bet on Joe Biden as the new US president**

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Nicolás Maduro's regime and Cuba have a lot at stake in the upcoming United States presidential election on November 3rd. Its result is of great interest for the future of both regimes. They bet that Donald Trump will not be reelected, because his second term would be a significant threat to the existence of Venezuelan criminal enterprise.

There is no doubt that four more years of the current policy of maximum pressure from the US government would lead to two inevitable results: the return of democracy to Venezuela and the liberation of one of the key centers of the international crime network that opposes the values of Western civilization. Maduro is in a too weak situation to continue being attacked by Trump's maximum pressure policy.

For instance, Venezuela's foreign exchange earnings from oil exports have decreased to such an extent that in May 2020, just \$33 million entered the country's coffers, according to our independent calculations using data from the Central Bank of Venezuela. This translates into a 75% drop compared to the previous month and 84% compared to January. On the other hand, oil production continues to plummet. According to its internal report, a week ago, the state oil company, PDVSA, produced just 350,000 barrels per day.

The most significant drop in crude oil production was registered in the Orinoco oil belt, which boasts the country's highest pumping capacity. On average, production decreased by 50% (184,000 barrels per day) compared to April. The causes include the increase in oil inventories, unsold crude oil due to the decrease in exports, and reduction in the customer portfolio and the stoppage of drilling activity, which caused the drop from 25 drilling rigs to 2 in May. Interestingly, the lack of this equipment delays the recovery of field production capacity, as the risk of well/reservoir depletion is very real. Consequently, Maduro is doomed to the scenario of continued low oil and gas production if Trump's maximum pressure policy is maintained.

To make matters worse, the COVID-19 pandemic has affected remittances from Venezuelans abroad. They have had to leave the country to provide a decent living standard for their families due to the socio-economic crisis. Venezuela is going through hyperinflation, currency devaluation, and a constant fall in GDP.

A recent study by the American think tank Inter-American Dialogue estimates that "remittance flows are reaching more than 2.7 million families, which is equivalent to more than 35% of Venezuelan households. In fact, given the country's economic situation, remittances now represent 5% of Venezuela's GDP". Thus, remittance flows are now the second most important source of currency after oil exports.

The World Bank indicates that the current economic global recession is severely affecting migrants' ability to send money to their countries of origin. It also estimates that remittances worldwide will fall by 20%, representing the steepest decline in recent history. For its part, the United Nations Economic Commission for Latin America and the Caribbean, known as ECLAC, points out that "if remittances from family members who migrated are reduced, the poverty situation of those who receive them in their countries of origin will increase".

These two realities have generated a sharp reduction in the supply of foreign exchange in the Venezuelan economy, which has been dollarized. Therefore, Maduro will have to rely increasingly on illegal activities to maintain the criminal apparatus that supports him, and the people's repression will worsen due to the hunger derived from the lack of foreign exchange. The negative connotations are accentuated when one considers the public service crisis and the lack of gasoline. So, Maduro and Cuba recognize that they can no longer endure the maximum pressure policy that Trump has exercised so far to restore democracy in Venezuela.

A second term of the Republican Party could complete the consolidation of the conditions necessary for the fall of the transnational criminal enterprise in Venezuela, namely organizations such as the Sao Paulo Forum or the Puebla Group, and those that sponsor terrorism. This situation is akin to that brought about by President Ronald Reagan in his second term, when he asked the Soviet leader Mikhail Gorbachev to tear down the Berlin Wall (1987). Two years later, the Iron Curtain fell and the Soviet Union was no more.

For this reason, Chávez's successor, chosen by Cuba, and the island's regime have their sights on Joe Biden being elected President of the United States this November. They know that the Democratic Party will be less likely to fight for the restoration of democracy in Venezuela. Furthermore, they understand that according to the foreign policy agenda developed by Barack Obama during his presidency (2009–2017), a new Democratic administration would be more focused on human rights and climate change than the defense of democracy. Such an administration would de facto, without a doubt, end up strengthening international criminal regimes and Venezuela organizations that fight against liberal democracies.