

# BLOCKADE AND PLUNDER

Questions & answers about the coercive  
unilateral measures against Venezuela

Lorena Giménez

**Sures**  
ESTUDIOS y DEFENSA en **DERECHOS HUMANOS**

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*For us in the OPEC, the sanctions imposed to two of our founders and top oil producers to the international market are sanctions for all of us. If these two countries are taken out of the equation, it would affect the entire OPEC.*

**Mohammed Barkindo**  
**Secretary General of OPEC**





## WHAT ARE THE UNILATERAL COERCIVE MEASURES?

The term “Unilateral Coercive Measures” (UCM) generally refers to economic, commercial or other measures taken by a State, outside the auspices of the United Nations Security Council (UN), to force a change in policy of another state. They are acts of interference that violates the sovereignty and self-determination. It is a mechanism to pressure decision-making, against their principles and interests.

## ARE THERE DIFFERENCES BETWEEN SANCTIONS AND UNILATERAL COERCIVE MEASURES?

From a legal point of view, a sanction is the consequence or effect of an action that infringes a law or legal norm. The sanction seeks to achieve: 1) forced compliance with the respective legal duty; 2) compensation for damages, established in general, when the former is not possible, and 3) a punishment, when the act is already serious; punishment that materializes through a penalty. The defining nature of a legal sanction is enforceability.<sup>1</sup>

The international law established in Chapter VII of the United Nations Charter the legal basis for the Security Council to adopt sanctioning measures that do not involve the use of armed force, with the aim of maintaining or restoring international peace and security. In this regard, since 1966 the Security Council has established 30 sanctioned regimes<sup>2</sup>. Currently, there are 14 ongoing sanctions regimes, which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each one of them establishes a Committee, chaired by a non-permanent member of the Security Council<sup>3</sup>.

1 Legal Encyclopedia: <http://www.encyclopediia-juridica.biz14.com/d/sanci%C3%B3n/sanci%C3%B3n.htm2>

2 Rhodesia del Sur, South Africa, ex-Yugoslavia (2), Haiti, Irak (2), Angola, Rwanda, Sierra Leona, Somalia y Eritrea, Eritrea and Ethiopia, Liberia (3), Democratic Republic of Congo, Côte d'Ivoire, Sudan, Lebanon, Democratic People's Republic of Korea, Iran, Libya (2), Guinea Bissau, Central African Republic, Yemen and Mali, as well as against Al-Qaida and the Taliban.

3 UN Security Council Sanctions Committee <https://www.un.org/securitycouncil/es/sanctions/information>

Unilateral coercive measures refers to the unilateral imposition of economic, commercial or other measures adopted by a State to destabilize and subsequently force a change of policy or government in another State. These do not have the support or sponsorship of the international community. Thus, their use has been widely rejected by multilateral and regional organizations, particularly due to the direct negative impact it has on the full enjoyment of human rights in the affected State.

In this regard, the Vienna Declaration and Program of Action, adopted by the World Conference on Human Rights in 1993, urged States to:

Refrain from any unilateral measure not in accordance with international law and the Charter of the United Nations that creates obstacles to trade relations among States and impede the full realization of the human rights set forth in the Universal Declaration of Human Rights and in international human rights instruments, in particular the rights of everyone to a standard of living adequate for their health and well-being, including food and medical care, housing and the necessary social services.

In addition, human rights treaty bodies and a series of UN studies<sup>4</sup> have outlined the legal limitations regarding the imposition of unilateral coercive measures with respect to the essential

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4 Such as the working paper “The adverse consequences of economic sanctions on the enjoyment of human rights” (E / CN.4 / Sub.2 / 2000/33); Thematic study of the Office of the United Nations High Commissioner for Human Rights on the impact of unilateral coercive measures on the enjoyment of human rights, including recommendations on actions aimed at ending such measures; COMMITTEE ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS, general observation #8 of 1997 about the relation between economic sanctions and the relationship between economic sanctions and respect for economic, social and cultural rights (E / C.12 / 1997/8).

rights for dignity and survival. While a number of statements and resolutions<sup>5</sup> have drawn attention to the need to address the negative impact of these measures on human rights.

#### SINCE WHEN IS VENEZUELA, SUBJECT TO AN ECONOMIC BLOCKADE?

In December 2014, the US Congress approved Act 113-278 “Venezuela Defense of Human Rights and Civil Society Act of 2014” and Executive Order 13692 (or “Obama Decree”) issued on March 9, 2015, when Venezuela was declared a “Unusual and extraordinary threat to US national security”. By doing so, punitive measures were formally issued against individuals, properties and / or related assets of the Venezuelan Government. Actions carried out by the Office of Foreign Assets Control (OFAC).

From that moment on, the US has “led” Venezuela’s economic blockade issuing since 2015 seven (7) additional executive orders (13692, 13808, 13827, 13835, 13850, 13857, and 13884), with their respective extensions and restrictions targeting natural and legal persons. These legal instruments set down the US foreign policy line of action against Venezuela, while establishing a road map for other States under its sphere of influence, to adopt similar coercive measures.

In 2019, a report prepared by the UN Special Rapporteur on the negative impact of unilateral coercive measures on the enjoyment of human rights, noted that the US for more than a decade have been applying an increasing number of economic sanctions to Venezuela and have included it in a “blacklist” for various reasons. For instance, since 2005, the US have issued each year a directive stating that Venezuela has failed to make considerable efforts to fulfill its obligations under international

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5 Resolution “Human rights and unilateral coercive measures” presented by the Non Align Movement (NAM) and adopted annually in the Human Rights Council (A/HRC/37/2) Report of UN Special Rapporteur on the negative impact of the unilateral coercive measures on the enjoyment of human rights A/HRC/42/46.

agreements to combat illegal drug trafficking and human trafficking.

#### WHY APPLYING AN ECONOMIC BLOCKADE AGAINST VENEZUELA?

Since the election of Hugo Chávez as president in 1998, the US has defined a “regime change” policy for Venezuela, considering the political and socio-economic model promoted by the government - with sovereignty, independence and social justice perspective- constituted a threat for the domination and control scheme designed for the region. This strategy led the Government of George W. Bush to finance and support the coup d'état of April 2002 against President Hugo Chavez<sup>6</sup>.

Trump's administration has exacerbated these measures, with the open intention to overthrow the government of President Nicolás Maduro. Idea expressed repeatedly by himself and different spokespersons. Pointing out the most expedited way to withdraw the UCM is by handing over the Presidency to the Deputy Juan Guaidó or to a government that they consider has been “democratically elected”.

#### WHICH COUNTRIES HAVE APPLIED UCM AGAINST VENEZUELA?

In addition to the measures imposed by the US (62), the governments of Canada (2), United Kingdom (2), Switzerland (1), Panama (1) and the European Union (4) have imposed measures against Venezuela, as well as similar acts of interference in internal affairs matters.

Therein, it prohibits any transaction, acquisition or trade in military weapons and technological equipment intended for the surveillance of telecommunications and internet by the Bolivarian Republic of Venezuela. In addition, it replicates the list of over 110 people designated by the US, which includes senior executives and popular election officials, who are imposed

6 SANCTIONS AND BLOCKADE, Crime against humanity, Ministry of People's Power for Foreign Affairs of the Bolivarian Republic of Venezuela [http://mppre.gob.ve/wp-content/uploads/2018/10/Reporte\\_Venezuela\\_Sanciones.pdf](http://mppre.gob.ve/wp-content/uploads/2018/10/Reporte_Venezuela_Sanciones.pdf)

bans and restrictions on their movement, transactions and financial services.

#### WHAT IS THE ECONOMIC BLOCKADE AGAINST VENEZUELA?

The United States is the country with the largest number of UCMs, imposing an economic, financial and commercial blockade against the Venezuelan State. It has imposed measures against Petróleos de Venezuela (PDVSA), 43 of its vessels, 2 airplanes, as well as 109 private and public companies, including six (6) state banks, including Central Bank of Venezuela, holder of the Venezuelan international reserves and monetary authority. In addition, the measures have included the confiscation of CITGO, the main subsidiary of PDVSA and all the properties of the Government of Venezuela in US soil, prohibitions on the purchase of debt bonds, freight movements, financial transactions, purchase of supplies and diluents for gasoline, among others.

Additionally, OFAC has listed 123 individuals as “Special Designated National”, (SDN), including the President, members of the executive boards of State-owned enterprises, as well as representatives in international financial institutions. The measures besides banning them from entering the US, and to their assets, in case they had them, further complicate the access to financial transactions and markets. The blockade also affects trade routes. Since the US dominates the commercial routes and main shipping companies, they have prevented the arrival of essential goods to Venezuela, not only those coming from the US, but from any other country within its sphere of influence.

#### WHAT IS THE OFAC?

The Office of Foreign Assets Control (OFAC) established in 1950 under the pretext of regulating the activities of US companies and foreign governments in the US, is an agency within the US Department of Treasury in charge of dictating unilateral coercive measures. Since the objective is to prevent what it could be considered an intromission in their economy, national

security or political interests, the measures focus in prohibiting business, imposing fines or preventing people from accessing the US and / or to their properties within their jurisdiction.

The measures are in force through an Executive Order issued by the President. It has rank of a law and renew annually. Congress has the power to renew or limit its action, but not to repeal them. OFAC has a significant influence in the achievement of US government's foreign policy initiatives and it is closely related to the President of the United States, as well as to the State Department and the Office of Terrorism and Financial Intelligence.

Currently, OFAC has UCM on: 1) Belarus, 2) Burundi 3) Cuba 4) Central African Republic, 5) Iran, 6) Iraq, 7) Lebanon, 8) Libya, 9) Nicaragua, 10) Somalia , 11) Sudan and Darfur, 12) South Sudan, 13) Syria, 14) Ukraine, 15) Yemen, 16) Zimbabwe, 17) Venezuela.

#### WHAT IS THE IMPACT OF THE ECONOMIC BLOCKADE AGAINST VENEZUELA ON THE OIL INDUSTRY?

In the first quarter of 2015, when the first effects of the UCMs against Venezuela began to be felt, the oil activity calculated at constant dollars of 1997 amounted 16,165 million dollars, which was slightly higher than what was observed in the fourth quarter of 2014. However, a drop below 16 billion dollars was observed in the third quarter, when it reached 15,842 million and in the fourth quarter, when it fell to 15,306 million. In 2016, a similar fall was observed, which culminated with a fourth quarter to 13,440 million dollars. In 2017, the quarter started at 13,418 million and ended in the fourth quarter with 10,586 million.

By the third quarter of 2018, the last reported period, the oil GDP barely reached 8,723 million<sup>7</sup>. By that time, the impact of Executive Order 13808 of August 24, 2017 are thoroughly demonstrated, when payments to PDVSA debt holders were

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<sup>7</sup> <http://www.bcv.org.ve/estadisticas/manufactura>

inhibited, as well as the explicit prohibition issued in executive order 13827, of prohibiting the renegotiation or restructuring of Venezuelan State and PDVSA debt, and the repatriation of CITGO profits. By January 2019, oil production was 1.3 million barrels per day, and in April, same year fell to less than 800 thousand, directly affecting the Venezuelan people<sup>8</sup>.

#### WHAT IS THE IMPACT OF THE ECONOMIC BLOCKADE AGAINST VENEZUELA IN THE INTERNATIONAL FINANCIAL SYSTEM?

In July 2017, after the issue of the first formal financial UCMs, Citibank, a US private financial company, decided untimely, without prior notice, to close Central Bank of Venezuela and Bank of Venezuela accounts. This arbitrary action immediately translated into a temporary difficulty of the State to pay imports and other financial commitments.

In November 2017, pursuant US Congress Act 113-278 and Executive Order 13808 (August 24, 2017), Citibank also refused to receive the Venezuelan State funds for the payment of 300,000 doses of insulin, to a private foreign company with accounts in that financial institution.

Also in November, the European Union received USD 1,650,000,000 that the Venezuelan government had canceled for the purchase of food and medicine. However, what seems more serious is that during the same month the financial blockade was extended, not only for imports, but also for receiving payment for services and products generated by the Venezuelan State. Venezuela is prevented from obtaining profits from its economic activities render to other States or foreign companies.

Another example of this financial blockade was Wells Fargo Bank, a US private financial company, which withheld and canceled the payment of \$ 75,000,000 made by the Brazilian government to Venezuela for electricity service. Similar case

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8 <https://www.efe.com/efe/america/economia/la-produccion-petrolera-de-venezuela-se-desploma-hasta-732-000-barriles-dia/20000011-3949117>

with the Venezuelan state-owned oil company CITGO, located in US soil, which it has been unable to transfer its earnings since 2017 to the Venezuelan State. Furthermore, in 2019 the administration was arbitrarily transferred to a group of people outside the national government.

Likewise, pursuant of Executive Order 13808 of August 24, 2017, which explicitly prohibited the transactions with Petro, a cryptocurrency Bitfinex, the largest Bitcoin digital private exchange platform, based in Hong Kong, announced that it will not trade with Petro, in order to avoid being exposed to reprisals or sanctions by US government. In the US, contractors and personnel “wherever they are” are prohibited from making transactions with this currency.

These few examples illustrate on how the economic, financial and commercial blockade continues being imposed against Venezuela.

#### WHAT IS THE IMPACT OF THE ECONOMIC BLOCKADE ON THE FULL ENJOYMENT OF VENEZUELAN HUMAN RIGHTS?

The economic, financial and commercial blockade imposed by the United States against Venezuela generates a large impact on the economy of our country, its social development and, above all, on the possibility of the State to import goods of basic goods, including food, medicines and health services supplies.

Venezuela imports most of the medicines it requires to guarantee the life and health of its inhabitants. In that regard, 34% of medicines are imported from US, 7% Spain and 5% Italy. Therefore, 46% comes from countries that have applied unilateral coercive measures to Venezuela<sup>9</sup>.

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9 SURES. Especial Reporto on unilateral coercive measures and economic, comercial and financial blockade against Venezuela: and its impact on human rights <https://sures.org.ve/publicaciones/informes/informe-especial-medidas-coercitivas-unilaterales-y-bloqueo-economico-financiero-y-comercial-contra-venezuela-impacto-en-los-ddhh/>



In relation to food, 45% of its imports (33% US and 12% Canada) are from countries that maintained an open confrontation and have applied the greatest amount of economic sanctions against Venezuela<sup>10</sup>.

Likewise, given the control that US has over main shipping companies and trade routes, along with the explicit restrictions in imports (industrial inputs and financial transactions, among others) increases the difficulties for transporting goods to Venezuela. An example is the unilateral coercive measure issued against ships carrying food to Venezuela or oil exported from Venezuela to the world. Undoubtedly, the UCMs imposed by US and its allies have a direct negative impact on the enjoyment and full exercise of human rights and, moreover, substantially limit the ability of the Venezuelan State to fulfill its obligation to guarantee and protect them.

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<sup>10</sup> Idem.



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