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A FOREIGN MILITARY INTERVENTION OF VENEZUELA: A COST-BENEFIT ANALYSIS AND ENTRY-EXIT STRATEGY

(UNDER A GAME THEORY APPPROACH)

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EXECUTIVE SUMMARY:

Under the premises referred to below, it is clear that the expected benefits for the Trump Administration, the US govt and the nation of the United States of America, of a military intervention of Venezuela would more than offset the expected costs, given the Venezuelan case does not resemble those of the Middle East, implying a rapid entry and exit strategy in the Venezuelan case, and limited maintenance costs of military bases and minimal presence of troops in the territory. The latter, in order to mitigate the risk associated with initial conditions of instability, specifically the risk of a military coup by military and displaced politicians against a newly established Civic-Military Governing Board; and also involving an Agreement between the US Government and the Governing Board of Venezuela, including the threat of immediate military intervention in the event of destabilization attempts by internal military groups. Expected benefits include: eradicating socialism in America and South America, nowadays financed by the narco-tyranny of Maduro; eliminating risks of US national security and hemispheric security; and in gratitude from the Venezuelan nation to the USA for its decisive role in the liberation of Venezuela, taking first place of participation in the process of privatization of subsoil and oil in Venezuela, so as to guarantee the independence of the United States from crude oil imports from the Middle East and the Eastern Hemisphere as well as to restore the historic alliance between the United States of America and Venezuela.

I. **EXPECTED COSTS**:

As a reference, we expect the costs of a military intervention of Venezuela for the US govt to reach some large multiple of those of Operation Just Cause in Panama – e.g. 20 times the deaths and number of wounded and 20 times the financial costs or USD$ 6.5 billion, after taking into account accumulated inflation[i].

Major hypotheses behind expected costs:

H1: Only 5%-10% of Venezuelan military will wear their uniforms and attempt to repel foreign troops, as around 90%-95% of the military are against the narco-tyranny but inaction remains their best strategy.

Why is it possible that 90% of the military detest Maduro and still not undertake a military coup against him?

		Military	
		Military coup against Maduro	**Inaction (doing nothing)**
Military	**Military coup against Maduro**	40 , 40	0 , 39
	Inaction (doing nothing)	39 , 0	20 , 20

	Expected probability % of the military	ρ **undertaking** a coup against Maduro	(1-ρ) **not undertaking** a coup against Maduro
EBC	Expected benefit of the coup	40*ρ	0*(1-ρ)
EBI	Expected benefit of inaction	39*ρ	20*(1-ρ)
EBC> EBI	The expected benefit of the coup must be greater than that of inaction so that it takes place	40*ρ + 0*(1-ρ) > 39*ρ + 20*(1-ρ) 40*ρ - 39*ρ > 20*(1-ρ) - 0*(1-ρ) **ρ>**	**95,24%**

Although around 90% of the military detest Maduro, it is still optimal on an individual level to do nothing against him if there is only, say, 5% willing to betray. The reason is, the pay to cooperating with the coup when the other does not is **0** (note here it is not required to assume that the pay is negative - torture or death), while the pay of not cooperating when the other does cooperate is **39** (very high).

Clearly, the social optimum is that the military coup indeed takes place (80 = 40 + 40), instead of not occurring (40 = 20 + 20); but, there is a coordination failure that prevents the pursuit of the individual optimum from translating into the achievement of the social optimum as well (i.e. there is a coordination failure that prevents the coup from taking place).

For the average soldier to dare to join the coup, he must wait, practically, not for a few but for almost all of his colleagues to join (**ρ> 95.24%**). Therefore, in practice, he is inhibited from doing so. The latter is even clearer when one takes into account the role of civilian and military intelligence and counterintelligence: the Sebin, DGCIM and Cuban G2, which basically make impossible a fluent transfer of information for coordination to take place (basically, they make impossible to know if those promising to cooperate with the coup will add up to 95.24% in practice).

Military inaction without foreign military intervention (not to strike) implies the permanence of the Maduro narco-regime, but military inaction with foreign military intervention (not wearing the uniform the day of the invasion and not repelling foreign troops) implies its end. The magic of foreign military intervention is that it makes coordination between the Venezuelan military unnecessary, as on the day of the intervention they will not have to communicate with each other, since everyone will know what to do: simply, do not wear the uniform that day.

H2: Although ousting Maduro and his narco-tyranny will prove an easy task, an immediate civil war will take place once the regime collapses, as the guerrillas, FARC-ELN, paramilitary, and so-called *colectivos* armed with military weapons will enter into anarchy (i.e. they will defend their territories).

This could imply a 6 month-urban and rural civil war, involving foreign troops, Venezuelan troops (already liberated from the narco-tyranny), the police, etc. Specifically, would be within shanty towns and ghettos in the case of *colectivos*, and the frontier with Colombia in the case of the guerrillas (FARC-ELN). Thus, not only American troops but Colombian troops as well should be involved.

H3: Venezuela will first have an internationally supported de facto government (a Civic-Military Governing Board) before having a State (professional Armed Forces, Police, Justice System, and an Identity and Electoral System).

Therefore, the de facto govt will have to be initially sustained by foreign states (foreign troops), until it achieves the fundamental objectives of a new Rule of Law, professional Armed Forces and Police, a new Justice System, and an Identity and Electoral System; in short, a Republic and a free market economy.

H4: Given H3, the exit strategy of foreign troops would have to involve ending first the urban-rural civil war (aprox 6 months) and leaving military bases within the Venezuelan territory so as to minimize the probability of a military coup from groups trying to take advantage from the instability conditions that will prevail until a complete purging and re-professionalization of the Armed Forces, the Police and the Justice System takes place (minimum presence of troops, 4 military bases, 10 year-presence agreement).

H5: The de facto Civic-Military Governing Board on the first day must establish a new Constitution of Venezuela, inspired on the structure and spirit of the Constitution of the United States of America in terms of defining the following:

(i) The Power of the Nation (Legislative).
(ii) The Executive Power (Executive).
(iii) The Judicial Power (Judicial).
(iv) The limits of the Power of the State (Executive and Judicial) as well as a Bill of inalienable rights of the individual and, finally,
(v) An amendment mechanism.

H6: As, by definition, free, fair and competitive elections would be impossible before Venezuela having its own Nation-State again (professional Armed Forces, Police, Justice System, and an Identity and Electoral System), the established Civic-Military Governing Board will initially have to appoint directly from a selective group of Venezuelans including professionals, professors, etc., both Representatives and Senators to legislate within the new Constitution of Venezuela, which could not be amended until the first nationally elected Congress is sworn in.

The directly appointed legislators would swear in promising legislate in favor of establishing a new rule of law (i.e. a Republic in which exclusively the law rules, instead of a majority), a free market economy and a small but vigorous new Venezuelan State.

H7: The duration of the Civic Military Government Board and the Congress appointed by it will be 4 years or until the previously stated objectives are reached, whichever less. And each and every one of the members will be forbidden to participate in the next two elections to Congress and the Presidency of the Republic under the new Identity and Electoral System.

H8: A privatization process across all major civilian assets of the State in order to relocate State resources to the provision of public and legal order will take place within those 4 years.

H9: A process of debt restructuring and international support will take place in the repudiation of odious or illegitimate debt issued by the narco-tyranny.

H10: The Civic Military Government Board of Venezuela from the very beginning will count on immediate access to financing sources from multilateral entities both for balance of payments purposes and for the recovery of the State and networks. The latter, specifically to allocate resources towards re-institutionalization and the recovery of infrastructure (electricity network, water system, domestic gas, telecommunications, Internet, roads, highways, ports and airports, all of them to be recovered by the private sector under a bidding scheme).

II. EXPECTED BENEFITS:

Expected benefits include: eradicating socialism in America and South America; eliminating risks of US national security and hemispheric security; and, finally, taking first place of participation in the process of privatization of subsoil and oil in Venezuela.

II.1 Eradicating socialism:

The removal of the narco-regime in Venezuela will certainly help eradicate socialism in America and South America, as although the government of Cuba and the so-called Foro de São Paulo are the intellectual actors, the executors and financiers are to be found within the narco-tyranny of Maduro. Maduro and Diosdado are certainly behind the infiltration of supposedly spontaneous protests along Latin America, Spain and the US.

The purpose here is not to incriminate anyone in the United States or elsewhere, but we cannot rule out the fact that political factors of the Democratic Party in the United States and the PSOE and Podemos in Spain are linked through intermediaries with the Venezuelan narco-regime.

It is in the interest of the Republican Party to help their colleagues from the political center to execrate radical socialists from the Democratic Party. Yet, this cannot be done only within the US if Americans want to feel safe from socialism. This must be done under a hemispheric approach, which implies putting an end to the narco-tyranny of Maduro, which sustains the communist regime in Cuba and elsewhere in Latin America, at the expense of the Venezuelan people.

II.2 **Eliminating risks of US national and hemispheric security**:

By far, it is the drug trafficking and terrorism industry that poses the greatest risk to the average American citizen. The Maduro narco-regime (or more precisely that of Chávez since 2005), has entirely opened the borders of Venezuela to the Colombian guerrillas of FARC and ELN, in addition to participating and providing protection for drug trafficking with fundamental destination the United States, and essential purpose the destruction of its future: the American youth.

If it had not been for Hugo Chávez's intervention in year 2005, FARC and ELN would probably have disappeared with Plan Colombia. However, since Chávez and now with Maduro, Venezuela has given refuge to terrorists from FARC and ELN and, lately, from allied groups in the war against the US such as Hezbollah with presence on Margarita island and the city of Maracay in Venezuela.

A military strategy in the northeast and southwest of Venezuela, involving American and Colombian troops, could finally lead to the end of the old guerrillas of FARC-ELN and, hence, to the end of the historical war against drug trafficking and guerrillas that has been fought by Colombia for so many decades.

Therefore, a military intervention of Venezuela could be not only the end of the Maduro narco-regime but also of the Colombian guerrillas as well, destroying what remains of leftist armed influence in the region. Moreover, it would also mean the gradual weakening of the Cuban and Nicaraguan regimes, which would bring peace to the Americas, and health to the youth of the United States plagued by drugs coming from Latin America under the auspice of the Venezuelan narco-regime.

II.2 **Taking first place of participation in the process of privatization of subsoil and oil in Venezuela**:

It is not possible to recover the Venezuelan oil industry (and Venezuelan economy) in the hands of a looted state, which has been taken over by drug traffickers and different mafias. Furthermore, the new State, which should be small but vigorous, should focus on the provision of public and legal order. Therefore, it must free up resources and transfer ownership from the State (politicians and military) to the private sector (citizens).

Thus, a large privatization process across all civilian State assets must take place.

Our proposal, which should be clear and transparent to Venezuelan citizens is that, in gratitude to the people of the United States of America for its decisive role in the liberation of Venezuela, US nationals and corporations, if interested of course, must be treated as having first place of participation in the process of privatization of subsoil and oil in Venezuela under fare terms.

This, as we understand it, would be in the interest of both civilians and the military across all the United States of America, as it would finally guarantee the independence of the US economy from crude oil imports from the Middle East or the Eastern Hemisphere in general. Furthermore, the return of US oil investments in Venezuela for export to the US would also restore our historic alliance between the United States of America and Venezuela.

It must be remembered that, just as the United States of America under the Monroe doctrine stood up for Venezuela at the beginning of the 20th century at the time of the naval blockade by Great Britain, Germany and Italy, Venezuela stood up in support of the United States and the allies in the provision of petroleum during World War II, the war after which the US shines among all nations.

We need you again.

We count on you to help us regain our freedom.

Count on us as soon as we are free again.

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[i] According to *Fact Sheet for the Honorable Andrew Jacobs, Jr., House of Representatives* (https://www.gao.gov/assets/90/88923.pdf), the Estimated Incremental Cost of Operation Just Cause in Panama was aproximately USD$ 163.6 million, or given accumulated inflation during the last 21 years around USD$ 338.65 millions of 2020. These costs include:

- Prior to the actual invasion costs – e.g. practice missions, dependent evacuation, etc.
- Operations and maintenance costs such as the deployment and redeployment of active and reserve forces, medical supplies, and other personnel-related activities.
- Military pay and allowances such as immanent danger pay, family separation allowances, and quarters allowances.
- Procurement to replace aircraft and vehicles lost during the invasion and costs for ammunition.