



Venezuela in Limbo: U.S. Intervention, the Geoeconomics of Oil, and Competing Claims to Power

On 3 January 2026, the administration of Donald Trump launched a full-scale military operation against Venezuela, toppling President Nicolás Maduro. Overnight airstrikes struck Caracas, marking the largest US intervention in Latin America since Panama in 1989. Maduro and his wife were detained by US forces and transferred to New York to face a 2020 narcoterrorism indictment. Speaking at Mar-a-Lago, Trump announced that the United States would “run the country” during a transitional period and that American oil companies would move in to revive Venezuela’s energy sector.

While the intervention appeared sudden, it followed decades of deteriorating relations dating back to Hugo Chávez’s rise in 1999 and Venezuela’s socialist realignment away from US influence. Tensions deepened after Maduro assumed power in 2013, with his rule widely criticised as authoritarian. By 2019, the UN estimated over 20,000 extrajudicial killings and documented the erosion of democratic institutions.

Pressure escalated in 2025 when Trump accused Maduro of large-scale narcotrafficking, placed a \$50 million bounty on him, and designated groups such as Tren de Aragua as terrorist organisations. US naval operations intensified in the Caribbean and Pacific, seizing oil tankers and targeting alleged trafficking networks. In December, Washington formalised its stance through the so-called “Trump Corollary,” asserting US dominance over the Western Hemisphere and explicitly legitimising the use of military force to secure strategic energy and mineral resources.

SPHERES OF INFLUENCE

Beyond oil and regime change, the intervention reflects a broader assertion of hemispherical dominance. By claiming exclusive political, economic, and military authority over the Western Hemisphere, Washington is signalling to China and Russia that their presence in Latin America will not be tolerated. Yet this logic carries global consequences. If the US insists on excluding rivals from its region, it implicitly legitimises similar claims elsewhere, weakening its opposition to Chinese action against Taiwan and reframing Russia’s claims over Ukraine as demands for recognised spheres of influence. Venezuela thus risks becoming a precedent for a world divided into rival zones enforced by force rather than norms of sovereignty.

OIL, SANCTIONS AND GEOECONOMICS OF INTERVENTION

Oil lies at the core of the crisis. Venezuela holds the world's largest proven reserves, over 300 billion barrels, and oil revenues account for nearly 60 percent of state income, largely through PDVSA. Despite this, production has remained far below potential due to sanctions, underinvestment, and infrastructure collapse. Markets reacted swiftly to the strikes, with analysts warning of upward pressure on Brent crude if facilities were damaged, though longer-term US control could increase supply and weigh on prices.

The intervention has also unsettled broader commodity markets. Gold surged to record highs as investors sought safe havens, while silver prices climbed sharply, driven by supply constraints and its role as both an industrial input and geopolitical hedge.

A DIVIDED WORLD AND THE QUESTION OF VENEZUELA'S FUTURE

International reactions have been sharply polarised. Russia and China voiced support for Venezuela, while regional powers including Mexico, Brazil, Colombia, and Cuba condemned renewed US interventionism. In contrast, Israeli Prime Minister Benjamin Netanyahu publicly welcomed the move.

Domestically, uncertainty prevails. Venezuela's defence minister has called for resistance against what he termed a foreign invasion, while the country's top court appointed Vice President Rodríguez as interim leader. A key question now is sanctions relief. As seen in Syria, sanctions may be eased following the installation of a cooperative government, though likely in phases and tied to political compliance and the exclusion of Chinese and Russian influence.

Whether the intervention brings stability or prolonged conflict remains unclear. What is evident, however, is that Venezuela marks a decisive return of overt US interventionism in the Western Hemisphere, driven not only by oil, but by power, precedent, and the reassertion of dominance in a fragmenting global order.