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Venezuela Changes Leadership-What is Next?

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Abstract: The U.S. invaded Caracas on January 3, 2026. Maduro was captured and flown to New York City to be prosecuted. The White House announced that America was prepared to run Venezuela, and U.S. oil companies were taking control of the Venezuelan oil industry**.**

Under Chavez and Maduro, the economy imploded. Opposition leaders and over did eight million Venezuelans left the country. The operation to remove Maduro appeared to be a textbook case of planning and execution. Many Venezuelans hoped it was a turning point after years of misery. Maduro presided over a corrupt clique, backed by the army, which was still in place. Many in the opposition feared the "new" order was like the old one, just with a different leader.

The White House stated that U.S. oil firms were expected to take control of the Venezuelan oil industry which possessed the world's largest oil reserves. This would be a daunting task given poor condition of the oil infrastructure and both the time and money required. Most experts estimated this to take years and cost billions.

Venezuelan oil production was declining for years with outdated facilities and a poorly trained workforce. The U.S. Oil companies' entrance was positioned as necessary to save the industry. For the U.S. oil companies, the return to Venezuela presented a massive challenge. Most oil executives were skeptical about the stability of a country where the industry was in disarray after more than two decades of mismanagement and corruption.

The White House indicated the U.S. was entitled to some of the oil proceeds as reimbursement for the actions of Venezuela. These revenues included the sale of oil extracted from drilling as well as oil proceeds from tankers seized in the Caribbean.

Key Words: Corruption, Economic Collapse, Invasion, Leadership Change, Oil Production, Regime Change

Hugo Chavez was elected President in January 1998. After Chavez's death Nicolas Maduro became President on April 14, 2013 (BBC News 2013).

The U.S. argued Venezuela's President Nicolás Maduro was an illegitimate leader presiding over a narco-cartel and rigging the 2024 Venezuelan election (Editorial Board 2026)**.**

The U.S. invaded Caracas on January 3, 2026. Maduro was captured and flown to New York City to be prosecuted. The White House announced that America was prepared to run Venezuela, and U.S. oil companies were taking control of the Venezuelan oil industry (Editorial Board 2026)**.**

Under Chavez and Maduro, the economy imploded. Opposition leaders and over eight million Venezuelans left the country. The operation to remove Maduro appeared to be a textbook case of planning and execution. Many Venezuelans hoped it was a turning point after years of misery (Editorial Board 2026).

Maduro presided over a corrupt clique, backed by the army, which was still in place. Many in the opposition feared the "new" order was like the old one, just with a different leader. No mention was made of Edmundo González Urrutia, who was widely seen as the true winner of the heavily rigged 2024 presidential race, nor a timeline for elections to select a successor to Maduro (Editorial Board 2026).

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U.S. forces did not remain in the country to insure an orderly transition. Maduro's government remained in charge of the country. Skeptics were concerned about the existing government cooperating with Washington or behaving much differently from Maduro. Marco Rubio, Secretary of State, and Peter Hegseth, Secretary of War, were charged with overseeing the country until a safe, proper, and judicious transition was possible (Reuters 2026).

Comments on possible military intervention drew comparisons to past invasions of Iraq and Afghanistan which accomplished little and ended badly (Reuters 2026).

The sale of Venezuelan oil was to be used to pay for the U.S. occupation .Similar references were made about the US invasion of Iraq during the 2003 Iraq war. The Iraq war ended up costing the US at least $2 trillion (Reuters 2026).

The move to oust Maduro created an opportunity for U.S. oil companies to return Venezuela (Eaton, C., Vyas, K., and Uberti, D. 2026),

Venezuelan oil production was declining for years with outdated facilities and a poorly trained workforce. The U.S. Oil companies' entrance was positioned as necessary to save the industry. The White House implied that U.S. oil majors were prepared to spend billions to upgrade the overall infrastructure in Venezuela and elevate the oil industry with the latest technology and create huge profits for Venezuela. For the U.S. oil companies, the return to Venezuela presented a massive challenge. Chevron was the only major U.S. oil company still operating in the country and it was the country's largest foreign investor. Most oil executives were skeptical about the stability of a country where the industry was in disarray after more than two decades of mismanagement and corruption (Eaton, C., Vyas, K., and Uberti, D. 2026).

At the current $60 per barrel, it was not profitable to drill for oil. In addition, global supplies were expected to continue rising and depress the price of oil (Eaton, C., Vyas, K., and Uberti, D. 2026).

Venezuela produced approximately 900,000 barrels of oil a day this year, with Chevron pumping about one-third of the production. The type of crude Venezuela produced was thicker than most oil on the global market. For refiners from the U.S. Gulf Coast to China refined Venezuelan oil was more profitable than other grades of crude, thus making attractive for fuel makers if available (Eaton, C., Vyas, K., and Uberti, D. 2026),

Other than Chevron most U.S. petroleum executives were cautious about entering the country given the country's history of nationalizing oil assets in the 1970s and the 2000s. ConocoPhillips and Exxon Mobil were among the U.S. oil giants that left Venezuela in 2007, after their assets were seized. Conoco sued Venezuela for more than $20 billion while Exxon demanded $12 billion. In the end they were awarded a fraction of their damage. The White House indicated that the U.S. was entitled to some of the oil proceeds as reimbursement for the actions of Venezuela. These revenues included the sale of oil extracted from drilling as well as oil proceeds from tankers seized in the Caribbean (Eaton, C., Vyas, K., and Uaberti, D. 2026).

Oil companies faced an almost insurmountable task of jump-starting the moribund energy industry. Tens of thousands of trained professionals fled the country under Maduro's authoritarian rule. Was the U.S. prepared to finance rebuilding the overall infrastructure in the country and the crumbling oil industry? Venezuela needed an economic stabilization plan to attract outside investment for these initiatives. Laws must be passed to permit the operation of private energy companies and the protection of their property rights. As a starter, more than $160 billion in debt must be refinanced and all outstanding claims by foreign companies must be settled before U.S. oil giants were prepared to return (Eaton, C., Vyas, K., and Uberti, D. 2026),

Can an interim government provide the security and stability required for foreign oil companies to return to Venezuela? U.S. oil companies were not willing to return without a stable economic and political environment as well as guarantees and incentives to enter a highly unstable environment with numerous obstacles. In addition, those companies whose operations were nationalized by the government expected reimbursement for past claims. It was not just the oil industry that required an upgrade. The infrastructure of the entire country required an upgrade after years of neglect. The process was expected to cost tens of billions and take years to implement.

The U.S. executed a plan to capture Maduro, but what came next were many questions with few answers. A caretaker government without direct U.S. involvement was a recipe for disaster.

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