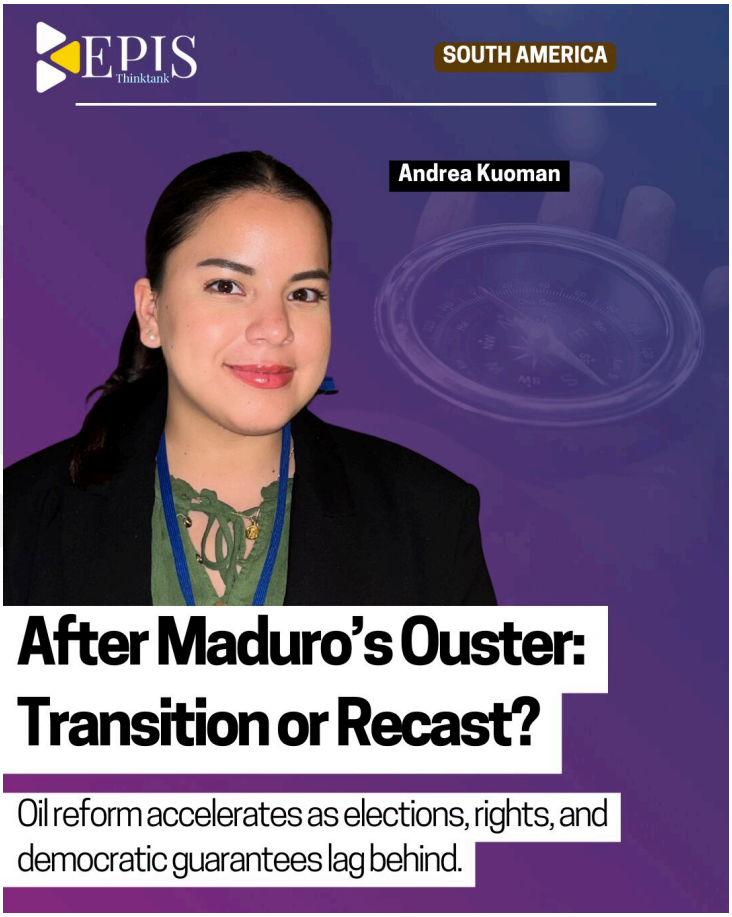
After Maduro's Ouster: Transition or Recast?

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After Maduro's Ouster: Democratic Transition or Market-Authoritarian Reconfiguration in Venezuela

Roughly one month after Nicolás Maduro was removed from power in a U.S.-led military operation, Venezuela has entered a period marked less by clarity than by the speed of political change. Developments have progressed at a pace that many Venezuelans, accustomed to institutional volatility and periodic political rupture, regard as atypical. As articulated in a research bulletin on Latin American multilateralism, this term is characterised by

a surge in development, accompanied by a proliferation of contradictions (Bonilla & Quiliconi 2026). The future trajectory of events remains ambiguous, as it is not yet possible to delineate with precision the eventual outcomes.

This perception of acceleration transcends mere description, offering a unique and nuanced understanding of the phenomenon. In the context of transition studies, the initial post-shock periods frequently serve as critical junctures, determining whether reforms will consolidate into a new order or be assimilated into a new equilibrium that preserves the status quo. In their seminal work, O'Donnell et al. (1986) advanced the notion that transitions are inherently uncertain, influenced by the strategic actions of hardliners and softliners. These actors, through the deliberate manipulation of sequencing and timing, seek to safeguard their core interests. The Venezuelan case, however, is described by its complexity: the head of state was removed, yet the state apparatus largely remained in place (Vigil, 2026) and external actors are overtly managing what is typically a sovereign function, the management of resource revenues through U.S. legal and financial instruments.

This leads to the central question: Is Venezuela moving toward a democratic transition (McCoy, 2026) or toward a reconfiguration of power that prioritises economic openness while maintaining limited political freedoms? The question, therefore, is no longer abstract; it is empirically testable. The empirical test is against what has already happened on three planes (economic, political-institutional and social) and against what has not yet happened (credible electoral planning, dismantling of coercive controls and legally durable guarantees).

The most evident and rapid transformation has occurred in the political economy of oil. Within a span of under two weeks, Venezuela's legislative body adopted a sweeping hydrocarbons reform. The package lowers tax rates, increases executive discretion through the oil ministry, and grants private producers long-requested authority over marketing and revenue management. This represents a notable shift away from the long-standing reliance on the state oil company (Parraga, 2026). The acceleration signifies a leadership perspective that perceives time as a limited resource, a period for stabilising rents, reassuring markets and consolidating international agreements before domestic political dynamics alter the status quo.

The recent reform has resulted in a change in operational primacy, with PDVSA (Petróleos de Venezuela, S.A.) relinquishing its authority over key aspects of its operations. In contrast, the oil ministry has been granted the authority to approve and modify contracts, while the National Assembly has lost its power to approve contracts (Parraga, 2026). These legal design choices are consistent with an urgent bid to revive production and attract capital. However, they also exemplify a classic tension in transitions: economic liberalisation can be used to generate growth and legitimacy while

simultaneously concentrating discretionary power in the executive and its coalition.

2.1 U.S. licensing and custodial revenue control

The economic opening must be understood as a phenomenon that cannot be explained solely in terms of domestic policy. It is closely linked to U.S. sanctions licensing and a custodial architecture for oil revenues.

First, the U.S. Treasury issued General License 46, which authorizes broad categories of transactions involving Venezuelan-origin oil by "established U.S. entities" but only if contracts are governed by U.S. law with dispute resolution in the United States and if monetary payments to blocked persons are routed into "Foreign Government Deposit Funds" (Office of Foreign Assets Control, 2026a). The aforementioned license stipulates the obligation to report on exports to destinations outside the United States, including the identification of parties and payments to the Venezuelan government. This mechanism effectively internationalizes U.S. compliance expectations across portions of the trade.

Second, Executive Order 14373 provides a clear definition of "Foreign Government Deposit Funds" as Venezuelan sovereign property held by the U.S. in a custodial capacity. This definition offers protection from creditor attachment and establishes conditions for disbursements, contingent on determinations made by Marco Rubio, the Secretary of State (The White House, 2026). This framework positions the regime as a means to advance U.S. foreign policy and diplomatic objectives. This is not a typical sanction relief measure; rather, it constitutes a partial externalization of fiscal sovereignty.

Thirdly, the General License 47 (similarly to the 46) authorizes otherwise-prohibited transactions necessary for the export and supply of U.S.-origin diluents to Venezuela (including dealings with the government and PDVSA) provided that contracts are governed by U.S. law and disputes are resolved in the United States. The sanctions encompass essential support services, including payments, shipping, insurance, and port services. However, they exclude non-commercial transactions such as debt swaps, gold, and Venezuelan state crypto. Additionally, the sanctions prohibit links to Iran, North Korea, and Cuba, as well as blocked property beyond the license and blocked vessels. Periodic transaction reporting to U.S. agencies is also mandatory (Office of Foreign Assets Control, 2026b). This integration of oil output recovery within U.S. licensing conditions is a strategic measure.

In practice, these instruments influence domestic political incentives because oil revenue serves as a primary stabiliser of salaries, imports and patronage. According to reports, the United States returned the remaining portion of an initial $500 million oil sale to Venezuela (Holland, 2026). The U.S. has emphasized that expenditures are managed under agreed procedures and framed as benefiting the Venezuelan people. The release

of fiscal oxygen in tranches has been demonstrated to result in the inherent integration of leverage into governance structures.

2.2 Oil wealth, democracy, and the risk of "stabilization without liberalization"

Academic research provides a theoretical foundation for the proposition that economic recovery alone may not necessarily lead to democratisation. According to Ross's (2001) influential empirical work, there is a negative correlation between oil wealth and democratic development, with higher levels of oil income typically linked to lower levels of democracy. This correlation can inhibit democratic transitions through multiple mechanisms, including rent distribution, repression capacity and reduced taxation accountability. In the case of Venezuela, it can be argued that the country's oil revenues played a pivotal role in the institutional restructuring that occurred, leading to the weakening of constraints and the facilitation of a competitive authoritarian regime under the Chavismo political movement.

The extant literature does not provide sufficient evidence to conclude that oil-led recovery necessarily leads to authoritarian consolidation. Notwithstanding, it does offer a compelling caution that aligns with our theoretical framework. Specifically, it emphasizes that if economic openness fosters the resurgence of rent flows while maintaining coercive controls and electoral manipulation, stabilisation can become the cornerstone of a "market-authoritarian" equilibrium rather than a democratic transition (Ross, 2001).

This present article emphasises a social "thaw" which is defined by the erosion of fear, a return of debate and a renewed civic voice. The existing evidence lends support to certain aspects of this claim; nevertheless, it also necessitates a critical caveat: the presence of reappropriated public space is observed to coincide with a coercive legal environment that continues to structurally incentivize self-censorship and selective punishment.

3.1 Civic mobilization and the return of "transition" discourse

One of the most salient indicators of societal reactivation is the resurgence of university-centered protest and deliberation. The Universidad Central de Venezuela (UCV) has once again emerged as a symbolic focal point for democratic mobilization. According to reports, students, relatives of detainees, activists and various civil society groups gathered on campus to demand greater transparency in judicial proceedings, guarantees that past injustices will not be repeated and the full release of individuals imprisoned for their political activities (Efecto Cocuyo, 2026).

Moreover, at the UCV forum on "Descifrando la Transición Venezolana," Venezuelan scholars voiced their opposition to the notion of premature triumphalism. The historian Elias Pino Iturrieta advanced the argument that the notion of transition "in these moments" was essentially "speaking of

nothing" because the conditions, particularly the restoration of guarantees violated by authoritarianism had not been met (Efecto Cocuyo, 2026).

Furthermore, the author and expert on the Bolivarian Revolution, Corrales (2026), posited January 3 as an inflection point, not yet a transition, cautioning that "normalisation" of the prevailing "pre-transition" phase could result in an outcome that deviates from democratic principles. It is crucial to underscore that these transitions are initiated by political liberalisation and the provision of credible guarantees, which remain unfulfilled.

3.2 Political prisoners: releases, conditionality, and credibility shocks

The release of prisoners has been identified as a key social and political indicator. According to the human rights organization Foro Penal (2026), 383 verified releases of political prisoners have been documented since January 8 (as of February 6). Nevertheless, there are numerous sources that demonstrate that such "releases" frequently occur in a state of opacity and may leave legal cases open, thereby creating what some advocates have described as conditional freedom (Vidal, 2026).

One episode offers a particularly salient illustration of this fragility. On February 8, Reuters (2026a) reported the release of opposition leader Juan Pablo Guanipa alongside other figures. Nonetheless, within hours released, according to the Associated Press, Rodríguez's government issued a public declaration asserting a renewed arrest order, as authorities sought court approval to place Guanipa under house arrest (Garcia Cano, 2026). This development occurred after he was reportedly seized by armed men. The prosecutors alleged a violation of the terms of his release, yet they did not provide clear details regarding the nature of this alleged violation. This episode undermines the credibility of an opening because it signals that coercive actors can reassert control rapidly and that political liberalisation is not yet institutionally protected.

3.3 Media freedom and self-censorship: evidence cuts against a clean "thaw"

The assertion that self-censorship is waning must be examined with discernment. A report by the Knight Center for Journalism in the Americas (2026), a preeminent regional press freedom monitor, asserts that "one month after January 3, Venezuela's information space shows no signs of recovery." The report delineates the implementation of sustained administrative controls, sanctions, warnings and state-sponsored deterrence measures aimed at impeding the dissemination of information. IPYS (2026) (Instituto Prensa y Sociedad de Venezuela) identified the ongoing detention of at least one journalist, Rory Branker (at the time of writing), and contended that releases were driven by situational considerations rather than systemic reforms to practices that criminalise journalism. Consequently,

the public sphere may be undergoing a resurgence, albeit within a state of exception and within a coercive apparatus that remains capable of selective punishment.

4.1 Constitutional deadlines versus political realities

A fundamental tenet of the argument is the notion of institutional urgency, which asserts that constitutional deadlines must not be disregarded. Article 233 of the 1999 Venezuelan Constitution stipulates that in the event that the president becomes "absolutely absent" during the initial four years of their term, a new election by universal, direct suffrage shall be conducted within thirty consecutive days. The executive vice president shall assume the interim role, pending the election and inauguration process (Organization of American States, 2011).

In essence, the constitutional text, when interpreted strictly, suggests a significantly more constrained temporal framework. The crux of the matter lies in the growing disparity between constitutional form and political feasibility. The prospect of conducting credible elections within a span of thirty days hinges on the establishment of functional and trustworthy electoral authorities, the provision of security guarantees and the implementation of observation arrangements that have yet to be publicly instituted. In the UCV forum, Alarcón advanced the argument that an election "with guarantees" can take six to nine months, cautioning that delay increases the risk that the temporary arrangement becomes normalized (Efecto Cocuyo, 2026).

This discrepancy gives rise to a contest over the very meaning of legality itself, a domain in which incumbent actors can strategically delay under the pretext of technical necessity, while their opponents interpret this delay as a form of entrenchment.

4.2 The state of external commotion: legal concentration of power

This situation is further exacerbated by the decree of "Estado de Conmoción Exterior" (State of External Commotion), issued as Decree No. 5.200 and associated with Official Gazette publication following January 3. A specialized legal analysis by the Knight Center for Journalism in the Americas (2026) emphasizes that the decree possesses the rank and force of law, has a duration of 90 days, is subject to extension and serves to broaden the scope of executive authority while obligating civil and military authorities to collaborate in its implementation. The decree's text, as circulated, includes directives such as mobilisation of the armed forces and militarisation of critical infrastructure, including the oil sector (Acceso a la Justicia, 2026) — moves that are structurally inconsistent with an open civic environment if applied expansively.

Concerns have been voiced regarding the extent to which Decree 5.200 increases the involvement of armed forces in public security operations.

The primary implication of this phenomenon is not merely the existence of emergency powers; it is the assertion that emergency legality can function as the procedural conduit through which a post-shock period is transformed into a new authoritarian equilibrium, particularly if elections and judicial reform are delayed in the interest of stability.

4.3 "Stability first" sequencing and an undefined roadmap

The external strategy serves to reinforce the incentives for delay. The Knight Center for Journalism in the Americas (2026) posits that, absent a determination to regulate Venezuelan oil sales, the U.S. plan appears to be an improvisation with no publicly articulated timeline for elections or democratisation even a month after the raid.

According to Reuters (2026b), the Secretary of State has delineated a three-phase plan, which includes (1) stabilisation, (2) economic recovery and (3) reconciliation, followed by transition during engagement with interim authorities. Nonetheless, the specifics and deadlines remain to be elucidated. This perspective is consistent with the assertion that the United States has accorded precedence to economic and political stability, collaborating with the prevailing regime with the exception of Maduro (Bonilla & Quiliconi, 2026). Concurrently, it has cautioned that the attainment of stabilisation without the establishment of a credible democratic transition is not viable (McCoy, 2026).

The absence of a public "day after" roadmap is not merely a communications issue. From a strategic perspective, this dynamic gives rise to a state of inertia, characterised by a concentration of executive authority, a restrained approach to liberalisation and a tendency to delay action, particularly in scenarios where economic indicators show signs of improvement and the urgency of immediate crises diminishes (Vigil, 2026).

One month after the end of Maduro's term, Venezuela's trajectory can be interpreted as a contest between a democratic transition, in which liberalisation is institutionalised and culminates in truly competitive elections and a market-authoritarian reconfiguration in which economic openness and selective humanitarian measures generate legitimacy and investment, while the coercive and electoral core remains intact. So far, the evidence suggests a reconfiguration rather than a true transition. Economic measures, such as hydrocarbon reforms and market-oriented signals, are moving faster than political guarantees. Emergency governance still shapes public life and repression remains reversible, as shown by Guanipa's recent arrest. External influence is focused mainly on the oil sector through US-managed revenue mechanisms and OFAC licenses, instruments that tend to prioritise stability and production over political pluralism unless democratisation benchmarks are clearly defined and enforceable.

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