

Venezuela's 2018 Presidential Elections

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On May 20, 2018, Venezuela held presidential elections that were boycotted by the Democratic Unity Roundtable (MUD) coalition of opposition parties and dismissed as illegitimate by the United States, the European Union (EU), and 14 Western Hemisphere nations (the Lima Group). According to the official results, President Nicolás Maduro of the United Socialist Party of Venezuela (PSUV) won reelection for a second six-year term with 67.7% of the vote amidst relatively high abstention (46% of voters participated). Maduro's main opponent, Henri Falcón, former governor of Lara state, rejected the results. The election triggered new U.S. sanctions. The Maduro government rejected those sanctions and expelled the top two U.S. diplomats in Caracas; the U.S. State Department responded reciprocally.

Unfair Electoral Process

Although many prominent Venezuelan opposition politicians had been imprisoned, barred from seeking office, or forced into exile by late 2017, some MUD leaders still sought to unseat Maduro through an election. Those leaders negotiated with the PSUV to try to obtain guarantees, such as a reconstituted electoral council (CNE) and international observers, to improve conditions for the 2018 elections. The CNE ignored those negotiations and the MUD declared an election boycott, but Henri Falcón (Progressive Advance party) broke with the coalition to run. If elected, Falcón promised to accept humanitarian assistance and dollarize the economy.

Venezuela's presidential election proved to be minimally competitive. President Maduro and the PSUV's control over the CNE, courts, and constituent assembly (which has assumed most legislative functions) weakened Falcón's ability to campaign. State media promoted government propaganda. There were no internationally accredited election monitors. The government coerced its workers to vote and placed food assistance card distribution centers next to polling stations.

The elections took place within a climate of state repression. Security forces and allied armed civilian militias have violently repressed protesters and imprisoned government critics. In early May, the government held more than 330 political prisoners, including Joshua Holt, a U.S. citizen.

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Results

According to the CNE, voter turnout was much lower in 2018 (46%) than in 2013 (80%), as many heeded the MUD's calls to boycott. Independent monitors reported lower figures. The CNE reports that Maduro received 67.7% of the votes, followed by Falcón (21%) and Javier Bertucci, a little-known evangelical minister (10.8%). Falcón and Bertucci cited fraud and refused to accept the results.

Post-election Challenges for Maduro

Despite reelection, President Maduro faces threats to his control over Venezuela. Domestic challenges include hyperinflation (estimated at 13,000% in 2018), a worsening humanitarian crisis, failing public services, dissent within the military, and a collapsing oil industry led by a dysfunctional state oil company, *Petróleos de Venezuela, S.A* (PdVSA). Both the Venezuelan government and PdVSA are in default. Bondholders or companies could move to seize PdVSA's assets or sue for the payments they are owed. Without the patronage oil revenue formerly provided, the military may grow restive. In March 2018, arrests of high-level military officials signaled dissent within the forces.

Maduro also faces increasing international isolation. The EU did not recognize the election results and pledged to consider further measures against the government. (It already has imposed targeted sanctions on several Venezuelan officials.) The Lima Group countries did not recognize the election results, removed their ambassadors from Caracas, and increased financial oversight of Venezuelan-linked transactions. Some countries may join Canada in imposing targeted sanctions on Venezuelan officials.

U.S. Policy

In the wake of elections that the U.S. deemed illegitimate, the Trump Administration has sought to increase pressure on the Maduro government to hasten a return to democracy in Venezuela, but it could have limited influence on events unfolding in the country. The Administration has ratcheted up targeted sanctions on Venezuelan officials accused of corruption, antidemocratic actions, or human rights abuses under Executive Order (E.O.) 13692 and on Venezuela-linked individuals and entities for drug trafficking. It is helping other countries establish similar sanctions regimes. The Administration has issued three executive orders to date restricting the government and PdVSA's ability to access the U.S. financial system (E.O. 13808), barring U.S. purchases of Venezuela's new digital currency (E.O. 13827), and, after the election, prohibiting U.S. purchases of Venezuelan debt (E.O. 13835). It also has called for Venezuela to be suspended from the Organization of American States and for the U.N. Security Council to address the crisis.

Many U.S. policymakers would like to see a humanitarian corridor established to channel aid into Venezuela, but President Maduro has refused humanitarian assistance. As a result, the Trump Administration plans to provide \$21.4 million in humanitarian assistance to Venezuelans who have fled to neighboring countries and \$18.5 million in bilateral aid to support Colombia's response to the influx of Venezuelans.

The Administration is conducting "an active review" of the imposition of new sanctions that potentially would limit or prohibit petroleum trade with Venezuela, the source of 95% of the country's export earnings. Some analysts maintain that oil sanctions could hasten the regime's demise, whereas others caution that such sanctions could inflict further suffering on the Venezuelan people. Assistant Secretary of State John J. Sullivan reportedly said that the United States does not "want to damage the country in a way that makes it difficult to repair after democracy is restored."

Congress may take further action on Venezuela. Some Members of Congress have called for increases in U.S. democracy aid, which totaled \$15 million in FY2018 (P.L. 115-141). Congress also may consider

authorizing humanitarian aid to Venezuela and neighboring countries, as well as overseeing humanitarian funding. In December 2017, the House passed H.R. 2658 (Engel), which would authorize humanitarian assistance for Venezuela; a similar Senate bill, S. 1018 (Cardin), was introduced in May 2017. Some Members have called for an adjustment to legal permanent resident status for certain Venezuelans in the United States, H.R. 2161 (Curbelo).

For additional information, see CRS In Focus IF10230, *Venezuela: Political and Economic Crisis and U.S. Policy*; CRS Report R44841, *Venezuela: Background and U.S. Relations*; CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions*; and CRS In Focus IF10857, *Venezuela's Petroleum Sector and U.S. Sanctions*.

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