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Venezuela: Political Crisis and U.S. Policy

Political and Economic Crisis

Venezuela has been in a deep crisis under the authoritarian rule of Nicolás Maduro of the United Socialist Party of Venezuela (PSUV). Maduro was narrowly elected in 2013 after the death of populist President Hugo Chávez, who had served since 1999. Maduro's regime has exhibited high levels of corruption and economic mismanagement, which have exacerbated the impact of a decline in global oil prices on the country's economy. According to the International Monetary Fund, Venezuela's economy contracted by 18% and inflation exceeded 1.37 million percent in 2018. Nevertheless, Maduro has used the courts, security forces, and electoral council to repress political opposition and quash dissent. According to the Venezuelan human rights organization *Foro Penal*, the regime held 892 political prisoners as of early March 2019. Most Venezuelans and much of the international community considered Maduro's May 2018 reelection illegitimate.

Shortages in food and medicine, declines in purchasing power, and a collapse of social services have created a humanitarian crisis in Venezuela that is affecting the entire region. According to household surveys, the percentage of Venezuelans living in poverty increased from 48.4% in 2014 to 87% in 2017. Health indicators, particularly infant and maternal mortality rates, have worsened. Previously eradicated diseases, such as diphtheria and measles, have returned and spread. As of January 2019, United Nations (U.N.) agencies estimated that at least 3.4 million Venezuelans (1 in 10) had left the country, 2.7 million of whom were in Latin America and the Caribbean. Migrant flows could increase, as a massive, nationwide blackout that began on March 7 worsened conditions considerably.

Interim Government Challenges Maduro Regime

Since January 2019, the democratically elected, opposition-controlled National Assembly and its president, Juan Guaidó, have garnered domestic and international support for their efforts to declare Maduro's second term illegitimate and establish an interim government. The United States and 53 other countries (most of the European Union [EU], 15 Western Hemisphere countries, Australia, and Japan) have recognized Guaidó as interim president of Venezuela. They view the National Assembly as Venezuela's only democratic institution.

The National Assembly elected Guaidó as its president on January 5, 2019; he is a 35-year-old industrial engineer from the Popular Will (VP) party of Leopoldo López (under house arrest). In mid-January, Guaidó announced he was willing to serve as interim president until new presidential elections are held. He called for protests on January 23, 2019, the 61st anniversary of the ouster of another dictator. Buoyed by massive turnout, Guaidó took the oath of office on that day. Under Guaidó's leadership, the National Assembly has enacted resolutions declaring that President

Maduro's mandate is illegitimate, establishing a framework for a transition government, drafting a proposal to offer amnesty for officials (including the military) who support the transition, and creating a strategy for receiving humanitarian assistance.

Many of Guaidó's supporters had hoped that these actions, which culminated in a large-scale effort to have Venezuelan civilians bring assistance from the United States and other donors into the country on February 23, 2019, would encourage military officers to abandon the Maduro regime. In anticipation, the Maduro regime erected barricades at the border with Colombia, closed the border with Brazil, and halted air and sea traffic from three neighboring Dutch Caribbean islands. According to *Foro Penal*, National Guard troops and armed civilian militias (*colectivos*), killed at least five individuals (four indigenous people), and injured hundreds as they blocked most aid from entering the country from February 22-23. The aid remains blocked. With the Maduro regime willing to use force to restrict the arrival of assistance, Guaidó has limited room to maneuver.

For now, the military high command remains loyal to Maduro. Many military leaders have enriched themselves under Maduro through corruption, drug trafficking, and other illicit industries. Others may fear that they will face prosecution for human rights abuses and other crimes should a new government take office.

Human Rights Concerns

Human rights abuses have increased as security forces and *colectivos* have quashed protests, detained and abused those suspected of dissent, and used violence against civilians. In August 2017, a U.N. Office of the High Commissioner for Human Rights report documented human rights violations perpetrated by Venezuelan security forces against protesters during clashes that left more than 130 killed and thousands injured. The International Criminal Court (ICC) is examining the regime's serious human rights violations; the Lima Group, a group of Western Hemisphere countries that formed in 2016 to coordinate regional efforts to hasten a return to democracy in Venezuela, has urged the ICC to investigate the regime's recent denial of access to international assistance as a crime against humanity. Since 2018, the Maduro regime has arrested and tortured many of those it perceives as threats, including military officers and opposition politicians accused of involvement in alleged coup attempts. A February 2019 Amnesty International report documents serious human rights abuses among more than 900 individuals arbitrarily detained in January 2019.

International Response

The international community remains divided over how to respond to the multifaceted crisis in Venezuela. Russia, Cuba, Turkey, and other countries support Maduro, and Russia and China have blocked efforts at the U.N. Security

Council (UNSC) to recognize the Guaidó government. Russia also blocked a U.S.-backed UNSC resolution that Venezuela should allow the entrance of humanitarian assistance. The Lima Group and the EU support the Guaidó government but oppose any military intervention to oust Maduro. An International Contact Group on Venezuela, backed by the EU and several Latin American countries, is pushing for internationally observed elections to be held and humanitarian assistance to be allowed into Venezuela through a negotiated, political process.

U.S. Policy

The United States traditionally had close relations with Venezuela, a major U.S. oil supplier, but friction increased under the Chávez government and has intensified under the Maduro regime. U.S. policymakers have had concerns about the deterioration of human rights and democracy in Venezuela and the lack of bilateral cooperation on antidrug and counterterrorism efforts. In the wake of the May 2018 elections, the Trump Administration has increased sanctions on the Maduro regime and assistance for neighboring countries sheltering Venezuelan migrants.

The United States has coordinated its efforts with Interim President Guaidó and encouraged other countries to recognize his government. On January 10, 2019, the U.S. State Department condemned Maduro's "illegitimate usurpation of power." President Trump recognized Guaidó as interim president of Venezuela on January 23 and has encouraged other governments to do the same. The Administration has since blocked the Maduro regime's access to revenue from Venezuela's state oil company and imposed targeted sanctions (visa bans and financial sanctions) on Maduro officials and their families. President Trump and Vice President Mike Pence have repeatedly asserted that "all options are on the table" to address the Venezuela situation, including using U.S. military force.

On January 24, 2019, Secretary of State Michael Pompeo announced that the United States would provide \$20 million in additional humanitarian assistance to the people of Venezuela at Guaidó's request. The United States pre-positioned roughly 400 tons of emergency supplies (food, hygiene and medical kits) on Venezuela's borders with Colombia and Brazil as of mid-February 2019.

As the situation in Venezuela has deteriorated, the State Department announced that it had withdrawn its remaining diplomatic personnel on March 11 and urged all Americans to leave the country the following day.

Targeted Sanctions. In 2015, President Obama issued Executive Order (E.O.) 13692, authorizing targeted sanctions against individuals who inhibit democratic processes or institutions, commit violence or human rights abuses, or engage in corruption. The Trump Administration has imposed sanctions on 73 Venezuelan officials pursuant to E.O. 13692 (in addition to 7 officials sanctioned by President Obama). These officials include Maduro and his wife, Vice President Delcy Rodríguez; PSUV First Vice President Diosdado Cabello; Supreme Court members; the leaders of Venezuela's army, national guard, and national police; four state governors; and other security officials.

Financial sanctions also have been imposed on some 22 individuals and 27 entities for drug trafficking.

Broader Sanctions (Including Oil Sanctions). The Administration has issued executive orders restricting the government and the ability of Venezuela's state oil company, *Petróleos de Venezuela, S.A. (PdVSA)*, to access the U.S. financial system (E.O. 13808), barring U.S. purchases of Venezuela's new digital currency (E.O. 13827), and barring U.S. purchases of Venezuelan debt (E.O. 13835). On November 1, 2018, President Trump signed E.O. 13850, creating a framework to sanction those who operate in Venezuela's gold sector or are deemed complicit in corrupt transactions involving the government. On January 28, pursuant to E.O. 13850, the Administration imposed sanctions on PdVSA to prevent Maduro and his government from benefitting from Venezuela's oil revenue.

Humanitarian Assistance. The United States is providing assistance (funded mostly through global humanitarian accounts) and helping to coordinate and support the regional response to the Venezuelan migration crisis. Including additional support announced on February 25, 2019, the United States has committed to providing more than \$195 million since FY2017 for Venezuelans who have fled to other countries and for the communities hosting Venezuelan refugees and migrants.

Congressional Action. The 116th Congress is closely following developments in Venezuela and overseeing U.S. policy responses through hearings and other actions. Congress provided \$17.5 million for democracy and rule of law programs in Venezuela in the FY2019 Consolidated Appropriations Act (P.L. 116-6); the joint explanatory statement (H.Rept. 116-9) also requires a strategy on how U.S. agencies are supporting countries sheltering Venezuelan migrants and refugees. Members of Congress have pledged to support the Guaidó government but have not authorized the use of U.S. military force.

Other legislative initiatives on Venezuela include H.R. 549 (Soto), to make certain Venezuelans residing in the United States eligible for Temporary Protected Status. A similar bill, S. 636 (Menendez), has been introduced in the Senate. Other initiatives include H.R. 854 (Mucarsel-Powell), to require a U.S. strategy to provide humanitarian assistance to Venezuelans and authorize \$150 million in U.S. humanitarian assistance for Venezuelans in FY2020 and FY2021; H.R. 920 (Shalala), to restrict arms transfers to the Maduro regime; H.R. 1004 (Cicilline), to prohibit the use of U.S. military forces in combat operations in Venezuela; and H.R. 1102 (Wasserman-Schultz) requiring the State Department to assess the threat posed by Russian-Venezuelan security cooperation. In the Senate, a joint resolution, S.J.Res. 11 (Merkley), to prohibit the unauthorized use of U.S. armed forces in Venezuela also has been introduced. For background, see CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions*; CRS In Focus IF11029, *The Venezuela Regional Migration Crisis*; CRS Insight IN11037, *Venezuela Oil Sector Sanctions: Market and Trade Impacts*; and CRS Report R44841, *Venezuela: Background and U.S. Relations*.

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