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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 successive blackouts since March 2019 have worsened conditions considerably.

Interim Government Challenges Maduro Regime

Since January 2019, the democratically elected, opposition-controlled National Assembly and its president, Juan Guaidó, have sought to establish an interim government. Three months later, the United States and 53 other countries (including most of the European Union [EU] and 15 Western Hemisphere countries) recognize Guaidó as interim president of Venezuela and view the National Assembly as Venezuela's only democratic institution. Despite their backing, Maduro remains in power.

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.

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 others into the country on February 23, 2019, would encourage military officers to abandon the Maduro regime. According to *Foro Penal*, National Guard troops acting on Maduro's behest and armed civilian militias (*colectivos*) killed at least five individuals (four indigenous people) and injured hundreds as they blocked aid from entering the country. While that aid remains blocked, both Guaidó and Maduro have agreed to allow the Red Cross to begin providing large-scale assistance by mid-April 2019.

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

Since 2018, the Maduro regime has arrested and tortured many of those it perceives as threats, including military officers and opposition politicians. A February 2019 Amnesty International report documents serious human rights abuses committed against some of the 900 individuals detained in January 2019. The regime recently arrested Guaidó's chief of staff and barred Guaidó from seeking office for 15 years. The Supreme Court may also remove Guaidó's legislative immunity from prosecution.

International Response

The international community remains divided over how to respond to the multifaceted crisis in Venezuela. Russia, Cuba (which has provided military support), Turkey, and other countries support Maduro. Russia and China have blocked efforts at the U.N. Security Council to recognize the Guaidó government and provided medical aid to Maduro. Russia has also supported Venezuela's struggling oil industry and sent military personnel and equipment, prompting U.S. condemnation.

The Lima Group of Western Hemisphere countries 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 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. 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 humanitarian assistance to the people of Venezuela at Guaidó's request. The United States pre-positioned 400 tons of emergency supplies (food, hygiene and medical kits) on Venezuela's borders with Colombia and Brazil.

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 ability of the government and 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. The Administration has also sanctioned 7 individuals and 23 companies engaged in a currency smuggling scheme, a Russian bank, a Venezuelan bank and its subsidiaries, and a Venezuelan gold company and its president.

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 following developments in Venezuela and overseeing U.S. policy responses. Many Members of Congress have pledged to support the Guaidó government, but not authorized the use of U.S. military force. 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) requires a strategy on how U.S. agencies are supporting countries sheltering Venezuelans. The Administration's FY2020 budget request asks for \$9 million in democracy aid and the authority to transfer up to \$500 million to support a democratic transition or to respond to a crisis in Venezuela.

On March 25, 2019, the House passed 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; and H.R. 1102 (Wasserman-Schultz) to require the State Department to assess the threat posed by Russian-Venezuelan security cooperation.

Other legislative initiatives on Venezuela include H.R. 549 (Soto), to make certain Venezuelans 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. 1004 (Cicilline), to prohibit the use of U.S. military forces in combat operations in Venezuela. In the Senate, a joint resolution, S.J.Res. 11 (Merkley), to prohibit the unauthorized use of U.S. Armed Forces in Venezuela has been introduced. 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*.

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