



Updated May 3, 2019

Venezuela: Political Crisis and U.S. Policy

The political situation in Venezuela is at a stalemate. High-level military leaders did not back interim President Juan Guaidó's April 30, 2019, call for an uprising against the regime of Nicolás Maduro. Clashes between pro-Guaidó protesters and security forces have resulted in at least four deaths and hundreds of injuries. Guaidó hopes sustained protests and strikes, combined with international pressure, will compel Maduro to leave office.

Background on the Political and Economic Crisis

Venezuela remains in a deep crisis under Maduro's authoritarian rule. Maduro, leader of the United Socialist Party of Venezuela (PSUV), was narrowly elected in 2013 after the death of populist President Hugo Chávez, who had served since 1999. Most Venezuelans and much of the international community considered Maduro's May 2018 reelection illegitimate. Maduro has used the courts, security forces, and electoral council to quash dissent. According to the human rights organization *Foro Penal*, the regime held 790 political prisoners as of mid-April 2019.

Maduro's regime has mismanaged the economy and engaged in massive corruption, exacerbating the impact of a decline in global oil prices and collapsing oil production on the country's economy. According to the International Monetary Fund, Venezuela's economy contracted by 18% in 2018. Inflation may exceed 10 million percent in 2019.

Shortages in food and medicine, declines in purchasing power, and a collapse of social services have created a humanitarian crisis. According to household surveys, the percentage of Venezuelans living in poverty reached 87% in 2017. U.N. officials estimate that some 7 million people are in need of humanitarian assistance. Health indicators, particularly infant and maternal mortality rates, have worsened. Previously eradicated diseases like diphtheria and measles have returned and spread. In March 2019, U.N. agencies estimated that at least 3.7 million Venezuelans had left the country, 3 million of whom were in Latin America and the Caribbean. Migrant flows could increase, as recent electrical blackouts 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. The United States and 53 other countries (including most of the European Union [EU] and 15 Western Hemisphere countries) now 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. In mid-January, Guaidó

announced he was willing to serve as interim president until new presidential elections are held. Buoyed by a massive turnout for protests he called for, Guaidó took the oath of office on January 23, 2019. Under Guaidó's leadership, the National Assembly has since enacted resolutions declaring Maduro's mandate illegitimate, establishing a framework for a transition government, drafting a proposal to offer amnesty for officials who support the transition, and creating a strategy for receiving humanitarian assistance.

Guaidó's supporters have organized two high-profile efforts to encourage security forces to abandon the regime, neither of which has succeeded. On February 23, they sought to bring emergency supplies donated from the United States and others positioned on the Colombia- and Brazil-Venezuela borders into the country. Security forces loyal to Maduro killed seven individuals (four indigenous people) and injured hundreds as they prevented the aid convoys from crossing the border. While that aid remains blocked, both Guaidó and Maduro agreed to allow the International Committee of the Red Cross to begin providing aid.

On April 30, 2019, Guaidó and Leopoldo López, a former political prisoner and head of the VP party who had been released from house arrest by pro-Guaidó military officials, called for a civil-military rebellion against the Maduro regime. Forces loyal to Maduro violently put down pro-Guaidó demonstrations and attacked several journalists. The regime took several media outlets off the air and blocked social media. As the day ended, López sought refuge in the Spanish Embassy.

Many observers regard the military's participation as essential for the opposition's transition plan to work. For now, however, aside from the former head of the national intelligence agency, the military high command appears to remain loyal to Maduro. Many military leaders have enriched themselves through corruption, drug trafficking, and other illicit industries. Some military leaders may fear that they could face prosecution for human rights abuses under a new government, even though the opposition has proposed amnesty for those who join their side.

Human Rights Concerns

Human rights abuses have increased as security forces and civilian militias have violently quashed protests and detained and abused those suspected of dissent. In 2017, security forces committed serious human rights violations during clashes with protesters that left more than 130 killed and thousands injured. The regime has arrested and tortured many of those it perceives as threats, including military officers and opposition politicians. It has arrested Guaidó's chief of staff and barred Guaidó from seeking office for 15 years. Analysts predict increasing repression as Maduro has called for López and other opposition leaders' arrest. Some fear Guaidó could also face arrest or exile.

International Response

The international community remains divided over how to respond to the crisis in Venezuela. Russia, Cuba (which has provided some military and intelligence support), Turkey, and other countries support Maduro. Russia and China have provided aid to Maduro and blocked efforts at the U.N. Security Council to recognize the Guaidó government. Russia has supported Venezuela's struggling oil industry and sent military personnel and equipment, prompting U.S. condemnation. Russia condemned Guaidó's "failed coup" and opposes what it views as U.S.-backed regime change.

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.

Recent U.S. Policy

Since recognizing the Guaidó government on January 23, 2019, the United States has coordinated its efforts with Interim President Guaidó and encouraged other countries to recognize his government. The Trump Administration has 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. In addition to increasing humanitarian aid to countries sheltering Venezuelans, the Administration has pre-positioned assistance for the Venezuelan people in Brazil, Colombia, and Curaçao. As the situation in Venezuela deteriorated, the State Department withdrew its remaining diplomatic personnel on March 11.

President Trump has repeatedly asserted that "all options are on the table" to address the Venezuela situation, including using U.S. military force. On April 30, National Security Adviser John Bolton publicly identified three Maduro officials, including the defense minister, who he says had pledged to back Guaidó's uprising. On May 1, Secretary of State Michael Pompeo said that U.S. "military action was possible" if Maduro does not step down. Statements threatening U.S. military action have accompanied denunciations of Cuba and Russia's support of the Maduro regime. President Trump has threatened additional sanctions on Cuba over Venezuela.

Targeted Sanctions. In 2015, President Obama issued Executive Order (E.O.) 13692, authorizing targeted sanctions against individuals who inhibit democratic processes, commit violence or human rights abuses, or engage in corruption. The Trump Administration has imposed sanctions on 74 Venezuelan officials pursuant to E.O. 13692. They 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; and governors. The United States also has imposed sanctions on 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 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 regime from benefitting from Venezuela's oil revenue. Secondary sanctions are being applied to entities and individuals doing business with the Maduro regime. Some observers are concerned that the stronger economic sanctions are worsening the humanitarian situation.

Humanitarian Assistance. The United States is providing assistance and helping to coordinate and support the regional response to the Venezuelan migration crisis. The United States has committed to providing more than \$213.3 million since FY2017 for Venezuelans who have fled to other countries and for the communities hosting them.

Congressional Action. The 116th Congress is following developments in Venezuela and overseeing U.S. policy responses. 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 transition or 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 humanitarian aid; 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. On April 9, 2019, the House Committee on Foreign Affairs ordered reported H.R. 1004 (Cicilline) to prohibit the use of U.S. military forces in combat operations in Venezuela.

Other initiatives introduced include H.R. 549 (Soto)/S. 636 (Menendez), to make certain Venezuelans in the United States eligible for Temporary Protected Status; H.R. 2204 (Waltz), to prohibit federal contracting with persons who have business ties to the Maduro regime; S.J.Res. 11 (Merkley), to prohibit the unauthorized use of the U.S. military in Venezuela; and S. 1025 (Menendez), to, among other measures, provide humanitarian assistance to Venezuela and support its democratic transition and reconstruction.

Also see CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions*, and CRS In Focus IF11029, *The Venezuela Regional Migration Crisis*.

Clare Ribando Seelke, Specialist in Latin American Affairs

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.