



Updated December 2, 2022

Venezuela: Political Crisis and U.S. Policy

Venezuela, under the authoritarian rule of Nicolás Maduro, remains in a deep economic and humanitarian crisis. Maduro has consolidated power over all of Venezuela's institutions since his 2013 election after the death of President Hugo Chávez (1999-2013). Maduro's United Socialist Party of Venezuela (PSUV) took control of the National Assembly after flawed parliamentary elections in December 2020; the PSUV and allies also won 19 of 23 gubernatorial races in November 2021 state-level elections.

Maduro has quashed dissent and resisted U.S. and international pressure to step down since his reelection in a 2018 presidential vote widely deemed fraudulent. Domestic and international support for opposition leader Juan Guaidó, the former National Assembly president once regarded as interim president by nearly 60 other countries, has dissipated. Opposition parties, organized since 2021 under a Unitary Platform that includes Guaidó's party among many others, resumed negotiations with Maduro officials in November 2022 to create better conditions for presidential elections due in 2024. The Biden Administration and other donors have offered limited sanctions relief to the Maduro government if those negotiations lead to improved humanitarian conditions and political and human rights.

Political Situation

Maduro has used security forces, buoyed by corrupt courts, to quash dissent. His government has rewarded allies, particularly in the security forces, by allowing them to earn income from illegal gold mining, drug trafficking, and other illicit activities. Those forces have detained and abused Maduro's opponents, including military officers, opposition politicians, and civic leaders. As of November 22, 2022, the government had imprisoned 268 political prisoners, according to Foro Penal, a Venezuelan human rights group. The U.N. Office of the High Commissioner for Human Rights has documented, and the International Criminal Court is investigating, extrajudicial killings and other grave crimes committed by Venezuela's security forces.

The Venezuelan opposition has been weak and divided, with many of its leaders in exile. Guaidó challenged Maduro's authority in 2019, but Guaidó's support has since faded. After Norway-led negotiations stalled in mid-2019, the Maduro government persecuted Guaidó's supporters. In April 2021, Guaidó called on opposition parties and civil society to form a Unity Platform. In late November 2022, the Unity Platform announced the resumption of Norway-mediated talks with Maduro officials that had been suspended since October 2021. The two sides also announced an agreement to establish a \$3 billion U.N.-administered fund for humanitarian programs supported, in part, by Venezuelan assets frozen abroad. The Biden Administration issued a new license for Chevron to begin limited operations in Venezuela after talks resumed. It is

unclear whether Maduro will make significant concessions without significant U.S. sanctions relief.

Economic and Humanitarian Crisis

By most accounts, Maduro's government has mismanaged the economy and engaged in massive corruption, exacerbating the effects of a decline in oil production. Between 2014 and 2021, Venezuela's economy contracted by 80%, according to estimates by the International Monetary Fund (IMF). According to a February 2021 Government Accountability Office report, sanctions imposed by the United States in response to Maduro's authoritarian actions, particularly sanctions targeting Venezuela's oil industry, contributed to the economic crisis. Since 2021, hyperinflation has abated and higher oil prices driven by Russia's invasion of Ukraine appear to be driving a nascent economic recovery.

Well before the Coronavirus Disease 2019 (COVID-19) pandemic, Venezuelans were facing a lack of food, medicine, health care, and access to social services. In 2022, an estimated 7.7 million Venezuelans required humanitarian assistance, according to the U.S. Agency for International Development. Food insecurity remains a challenge, mainly due to the price of food rather than a lack of availability. Many households do not have reliable access to potable water, and interruptions in electrical service and gas supplies are common. With a collapsed health system, overall health indicators, particularly infant and maternal mortality rates, have worsened. Previously eradicated diseases such as diphtheria and measles also have become a major concern, along with COVID-19.

As of November 2022, U.N. agencies estimated that more than 7.1 million Venezuelans had left the country (with 26.9 million remaining). Some 6 million of these migrants fled to other Latin American and Caribbean countries, but a record 187,700 arrived at the U.S. border in FY2022. Migrants have faced obstacles keeping jobs and accessing health care; they are vulnerable to human trafficking and other abuses. In 2021, Colombia and Peru began granting temporary protected status to Venezuelans.

International Response

The international community, once divided on policies toward Venezuela, has coalesced behind support for Maduro-opposition negotiations.

In 2019, the United States, European Union (EU), Canada, and most Western Hemisphere countries recognized Juan Guaidó as interim president. They exerted economic and diplomatic pressure on Maduro to leave office. Other countries, including China, Russia, Cuba, Turkey, and Iran, have supported the Maduro government. Russia has supported the oil industry in Venezuela, helped Venezuela

skirt U.S. sanctions, and sent military personnel and equipment to the country. China has continued to purchase Venezuelan oil and provided Maduro surveillance equipment and technology. Turkey has purchased Venezuela's illegally mined gold. Since May 2020, Iran has shipped gasoline to Venezuela in exchange for gold,

As sanctions and diplomatic isolation have failed to dislodge Maduro and as domestic support for Guaidó has waned, most countries, save the United States and the United Kingdom (UK), no longer recognize the Guaidó government. The EU, Canada, the UK, and the United States have issued joint statements, including most recently in November 2022, pledging to review sanctions if restarted negotiations yield improved conditions for the Venezuelan people. Colombia, long a staunch Guaidó supporter, has restored diplomatic relations with the Maduro government, as have most neighboring countries. Most of Venezuela's neighbors now back a negotiated solution to the crisis.

U.S. Policy

The U.S. government ceased recognizing Maduro as Venezuela's legitimate president in January 2019. The Trump Administration discussed using military force in Venezuela but ultimately sought to compel Maduro to leave office through diplomatic, economic, and legal pressure. The Biden Administration has maintained most sanctions, but U.S. officials also met with Maduro twice in 2022, negotiated an October 2022 U.S.-Venezuela prisoner swap, and issued a license in late November to allow Chevron to restart some operations in the country.

In July 2022, the Administration announced an 18-month extension of the temporary protected status for Venezuelans announced in March 2021. U.S. officials began new policies in October 2022 aimed at addressing a significant rise in apprehensions of Venezuelans at the Southwest border. (See CRS Insight IN12040, *New Immigration Policies Related to Venezuelan Migrants*). Those policies could change, however, due to ongoing legal challenges.

Sanctions and Indictments. Sanctions are key parts of U.S. policy toward Venezuela. They include the following:

- **Individual sanctions** for terrorism, drug trafficking, antidemocratic actions, human rights violations, or corruption (see Executive Order [E.O.] 13692; P.L. 113-278; P.L. 114-194)
- **Financial sanctions** restricting access to U.S. financial markets by the Maduro government and state oil company PdVSA (E.O. 13808); prohibiting transactions using cryptocurrency issued by the Maduro government (E.O. 13827); and prohibiting the purchase of Venezuelan debt (E.O. 13835)
- **Sectoral sanctions** blocking assets and prohibiting unlicensed transactions with PdVSA, Venezuela's central bank, and the state gold mining company, among other entities (E.O. 13850)
- **Sanctions on the Maduro government** blocking assets in the United States and prohibiting transactions with that government unless authorized as part of efforts to aid the Venezuelan people (E.O. 13884).

In March 2020, the Department of Justice indicted Maduro and 14 top officials for narco-terrorism, drug trafficking, and other crimes. U.S. agencies have worked with partner countries to combat drug trafficking, money laundering, and illicit mining in Venezuela. In December 2021, the Treasury Department designated two Revolutionary Armed Forces of Colombia (FARC) dissident groups that operate in Venezuela as foreign terrorist organizations.

U.S. Assistance. The United States has been providing assistance and helping coordinate the regional response to the Venezuelan migration crisis. From FY2017 to FY2022, the United States provided \$1.94 billion in humanitarian aid to Venezuela and countries sheltering Venezuelans. U.S. democracy, development, and health support for the Venezuela crisis totaled \$323 million through FY2021 (the last year complete figures are available).

Congressional Action. In March 2022, Congress enacted the FY2022 Consolidated Appropriations Act (P.L. 117-103), which includes \$40 million for democracy programs in Venezuela (\$7 million more than the FY2021 allocation). The act directs U.S. agencies to continue providing support to other countries hosting Venezuelans. The explanatory statement directs USAID to address violence against Venezuelan women and child migrants and requires a report on how the U.S. government can repatriate illegally stolen assets to the people of Venezuela.

Congress is considering the Administration's FY2023 request of \$55 million for Venezuela. The FY2023 State and Foreign Operations appropriations bill reported by the House Appropriations Committee (H.R. 8282) would provide \$50 million in funds for Venezuela, including democracy funding. The Senate-introduced version, S. 4662, would provide \$40 million.

Oversight has focused on the Administration's approach to sanctions and negotiations. While some in Congress support continued pressure on the Maduro government, others assert that broad sanctions have hurt the Venezuelan people. Whereas some Members of Congress expressed support for U.S. talks with Maduro, others opposed those talks and introduced legislation that would prohibit U.S. imports of Venezuelan oil (H.R. 6942, H.R. 7012, H.R. 7023, H.R. 7207, S. 3798). Among other bills, H.R. 6539 and S. 688 (reported by the Senate Homeland Security and Governmental Affairs Committee in March 2021) would prohibit contracting with persons who do business with the Maduro regime. H.R. 6539 and S. 1417 would establish a fund to help repatriate frozen Venezuelan assets in the United States to the Venezuelan people.

See also CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions*; CRS Report R44841, *Venezuela: Background and U.S. Relations*; and CRS In Focus IF11029, *The Venezuela Regional Humanitarian Crisis and COVID-19*.

Clare Ribando Seelke, Specialist in Latin American Affairs

IF10230

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.