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Venezuela: Political Crisis and U.S. Policy

Venezuela, under the authoritarian rule of Nicolás Maduro, remains in a deep economic and humanitarian crisis worsened by the Coronavirus Disease 2019 (COVID-19) pandemic. Maduro has consolidated power over all of Venezuela's institutions since claiming victory in the 2013 election following the death of President Hugo Chávez (1999-2013). His United Socialist Party of Venezuela (PSUV) took control of the National Assembly, the last independent branch of government, in January 2021. The PSUV and its allies won 19 of 23 gubernatorial elections in flawed elections held in November.

Maduro has quashed dissent and resisted international pressure to step down since his reelection in a May 2018 presidential vote widely condemned as fraudulent. In the meantime, support for opposition leader Juan Guaidó, the former National Assembly president once regarded as interim president by the United States and nearly 60 other countries, has dissipated. The Biden Administration and Congress continue to recognize the interim government led by Guaidó, in part to prevent Venezuelan assets abroad from coming under Maduro's control.

Political Situation

Maduro has used security forces, buoyed by corrupt courts, to quash dissent. His government has rewarded allies, particularly in the security forces, with income earned 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 29, 2021, the government held 251 political prisoners, according to Foro Penal, a Venezuelan human rights group. The U.N. Office of the High Commissioner for Human Rights has documented thousands of extrajudicial killings and other abuses by security forces. In November, the International Criminal Court opened an investigation into crimes against humanity in Venezuela.

The Venezuelan opposition has been weak and divided, with many of its leaders in exile. Guaidó challenged Maduro's authority in 2019; his 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, labor and civic groups, and business leaders to form a Unity Platform to negotiate with Maduro officials. The Unity Platform seeks better human rights, humanitarian, and electoral conditions; Maduro's team seeks sanctions relief and international recognition. Mediated by Norway, the negotiations began in Mexico in September, but Maduro suspended them after the United States extradited a top ally, Alex Saab, from Cape Verde to stand trial for money laundering. Should the talks resume, the opposition may be

in a weaker position than before, since rifts within the opposition hurt its performance in the November elections. In those elections, corrupt courts disqualified an opposition candidate who was on the verge of becoming governor of the state of Barinas.

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 prices and production on the country's economy. The International Monetary Fund (IMF) estimates that Venezuela's economy contracted by 74% from 2014 to 2020 and forecasts a 5% contraction for 2021.

Shortages in food and medicine, declines in purchasing power, and a collapse of social services have created a humanitarian crisis. According to a May 2021 survey by a group of Venezuelan universities, the National Survey of Living Conditions (ENCOVI), 94% of Venezuelans live in poverty, with 77% in extreme poverty, and 60% have moderate to severe food insecurity. In April 2021, the Maduro government allowed the World Food Program to launch a school lunch program; it aims to reach 1.5 million children. Health indicators, particularly infant and maternal mortality rates, have worsened. Previously eradicated diseases such as diphtheria and measles have returned.

According to data from Johns Hopkins University (JHU), Venezuela reported 5,193 deaths from COVID-19 (as of December 6, 2021), but experts maintain the actual number is much higher. The pandemic has strained Venezuela's hollowed-out health system. According to JHU, 34.6% of Venezuelans were fully vaccinated as of December 6. Venezuela has used Russian and Cuban vaccines and has received Chinese vaccines both bilaterally and through the COVID-19 Vaccines Global Access (COVAX) Facility.

As of November 2021, U.N. agencies estimated 6 million Venezuelans had left the country (with 27 million remaining). Some 4.9 million migrants fled to other Latin American and Caribbean countries. Migrants have faced obstacles keeping jobs and accessing health care during the pandemic; they are vulnerable to human trafficking and other abuses. In 2021, Colombia and Peru began granting temporary protective status to Venezuelan migrants.

International Response

The international community is divided on policies toward Venezuela, potentially hindering the effectiveness of efforts to restore democratic processes. The United States has encouraged other countries to sanction Maduro officials, hold the Maduro government responsible for human rights violations, and provide humanitarian aid to Venezuelans. The United States, European Union (EU), Canada, and 11

Western Hemisphere countries that are parties to the Inter-American Treaty of Reciprocal Assistance have imposed targeted sanctions and travel bans on Maduro officials. The United Kingdom and some Western Hemisphere countries still recognize Guaidó as interim president, although EU countries have not recognized him as such since January 2021. The EU, Canada, and the United States have issued joint statements pledging to review sanctions if negotiations yield improved conditions for the Venezuelan people. The EU sent observers to monitor the November elections; Maduro expelled them before their mission was to end.

Other countries, including China, Russia, Cuba, Turkey, and Iran, support Maduro. Russia and China have blocked anti-Maduro initiatives at the U.N. Security Council. Russia also has supported Venezuela's oil industry, helped Venezuela skirt U.S. sanctions, and sent military personnel and equipment to the country. China continues to purchase Venezuelan oil and has provided surveillance equipment and other technology. Since May 2020, Iran has shipped gasoline to Venezuela in exchange for gold.

Recent 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 a similar, though less publicly confrontational, policy toward Venezuela.

Biden officials have sought to support the Venezuelan people while engaging in multilateral diplomacy to press for a return to democracy and hold corrupt and abusive Maduro officials accountable. As part of its efforts to support the Venezuelan people, on March 8, 2021, the Biden Administration designated Venezuela as a beneficiary country for Temporary Protected Status (TPS). Biden Administration officials reviewed and maintained U.S. targeted and sectoral sanctions on Venezuela.

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

- **Individual sanctions** for terrorism; drug trafficking; and those who have committed 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, *Petróleos de Venezuela* (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 from Venezuela. On December 1, 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 is providing assistance and helping to coordinate the regional response to the Venezuelan migration crisis. From FY2017 to FY2021, the United States provided \$1.65 billion in humanitarian aid to Venezuela and countries sheltering Venezuelans. Over that period, U.S. democracy, development, and health support related to the Venezuela crisis totaled some \$323 million.

Congressional Action. Congress has supported U.S. efforts to promote a return to democracy in Venezuela without the use of military force and to provide humanitarian assistance to Venezuelans. The 117th Congress has continued close oversight of U.S. policy toward Venezuela through hearings, legislation, and letters to the Administration.

In March 2021, the Senate Foreign Relations Committee reported S.Res. 44, which would denounce fraudulent legislative elections in Venezuela. Also in March, the Senate Homeland Security and Governmental Affairs Committee reported S. 688, which would prohibit contracting with persons who have business operations with the Maduro government. In July, the House passed its version of the FY2022 foreign aid appropriations bill, H.R. 4373, which would provide \$50 million for democracy programs in Venezuela (up from \$33 million in FY2021) and would ensure humanitarian assistance to countries hosting Venezuelan migrants. The Senate Appropriations Committee's version of the bill, S. 3075, would provide the same funding for Venezuela.

Oversight has focused on the Biden Administration's approach to sanctions, negotiations, and humanitarian relief for the Venezuelan people. Many Members of Congress praised the March 2021 designation of TPS for Venezuela. Although some in Congress support continued pressure on the Maduro government, others favor a more targeted approach, arguing that broad sanctions have not prompted political change but have hurt the Venezuelan people. Some Members have advocated for an end to any sanctions that have worsened the humanitarian crisis, whereas others have called for more targeted sanctions relief.

See also CRS Report R44841, *Venezuela: Background and U.S. Relations*; CRS In Focus IF11029, *The Venezuela Regional Humanitarian Crisis and COVID-19*; CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions*; and CRS In Focus IF11216, *Venezuela: International Efforts to Resolve the Political Crisis*.

Clare Ribando Seelke, Acting Section Research Manager

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