



Venezuela in Crisis: A Way Forward

By Dan Restrepo

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Venezuela has collapsed. And the international community, including the United States, has a responsibility to respond to that collapse in ways that will limit adverse impacts on the Venezuelan people and on regional stability. The international community must also work together to take steps to support the restoration of Venezuelan democracy and help rebuild the troubled country.

Venezuela's profound crisis

A combination of remarkable incompetence, misguided ideology, and systemic corruption have reduced a once prosperous and resilient democracy to a wellspring of suffering and the source of one of the largest mass migrations ever in the Western Hemisphere.¹ More than two decades of expropriations and state takeover of the economy has led to economic collapse. The International Monetary Fund projects that the Venezuelan economy will contract by 18 percent in 2018 under the weight of 1,370,000 percent inflation and with the prospect of 10,000,000 percent inflation in 2019.² Despite having the largest proven oil reserves in the world,³ mismanagement has led oil production—the heart of Venezuela's economy—to plummet. Today, Venezuela is producing approximately 1.4 million barrels of oil per day, compared with a production peak of nearly 3.5 million barrels per day in 1998.⁴ The energy sector is so decimated that the country now faces regular, widespread power outages.⁵

As a result of a number of misguided policies, Venezuela's agriculture sector has also imploded.⁶ Today, the country faces severe food shortages:⁷ The average Venezuelan lost an estimated 24 pounds in 2017.⁸ Empty store shelves have become the rule, and authorities are using access to food rations as a form of social and political control.⁹ The country's health care system has collapsed to the point that previously eradicated diseases such as malaria and diphtheria have re-emerged, and infant and maternal mortality are on the rise.¹⁰

The depths of Venezuela’s crisis, however, transcend the humanitarian misery being inflicted on the country’s people. The dictatorship of Nicolás Maduro has unleashed a brutal wave of repression upon anyone who voices disagreement with its policies. More than 12,000 people have been arbitrarily detained or imprisoned since 2012, while 8,292 have been victims of extrajudicial executions; more than 289 have been subjected to documented cases of torture; and more than 200 have been killed by Venezuelan security forces while protesting.¹¹

Venezuela’s democratic institutions have been systematically hollowed out to such an extent that most of the countries of the Western Hemisphere dismissed the country’s last presidential election, earlier this year, as illegitimate.¹² The Lima Group, an ad hoc group of countries representing more than 90 percent of the non-U.S. population in the Americas, has repeatedly denounced “the loss of democratic institutions and the rule of law” in Venezuela.¹³

Corruption is endemic, with Venezuela ranking 169th out of 180 countries assessed in Transparency International’s latest Corruption Perceptions Index.¹⁴ The extent of corruption and criminality is laid out in extensive detail in InSight Crime’s report, “Venezuela: A Mafia State?”¹⁵ Two examples of high-level corruption provide a sense of the scale of Venezuela’s problem. The former vice president under the Maduro regime, Tareck El Aissami, is alleged by the U.S. government to have amassed a fortune of almost \$3 billion despite a career in the public sector.¹⁶ And former senior officials of Venezuela’s state-run oil company were recently implicated in a multibillion-dollar corruption scheme by authorities in Andorra.¹⁷

The combination of economic collapse and state-led repression has pushed more than 2.3 million Venezuelans to flee their homeland during the past three years alone.¹⁸ Another 1 million Venezuelans are likely to leave the country in the coming 12 months—a pace that shows little sign of slowing.¹⁹

Venezuelan refugees are placing a significant strain on the country’s neighbors. In the past year, Colombia—Venezuela’s neighbor most affected by the refugee crisis—has provided temporary residency and work authorizations to nearly 1 million refugees.²⁰ But Colombia has begun to show increases in anti-immigrant sentiments, particularly in border communities.²¹ Despite receiving far fewer Venezuelan refugees than Colombia—approximately 100,000—Brazil has seen multiple xenophobic incidents,²² and Ecuador and Peru have declared states of emergency.²³

The need for more international action

The growing frustration that various, international diplomatic efforts have yet to resolve the crisis in Venezuela has led to increased talk of the potential need for armed intervention to depose Maduro and facilitate humanitarian relief.²⁴ Any such intervention would

of course require a meaningful international coalition;²⁵ clear international and domestic legal justification and sanction; and the will and resources to persist in what would almost certainly be a yearslong commitment. It is difficult to conceive of a situation where these conditions might be met. Even if they could, such an undertaking would present enormous risks and costs²⁶ that would render action implausible and inadvisable in all but the most extreme circumstances.

There is, however, a great deal that the United States and the international community can and must do to come to the collective protection of the Venezuelan people. Measures short of the use of force must be attempted and exhausted in order to:

- Address the refugee crisis
- Hold to account and further isolate the Maduro regime
- Prepare for contingencies

Address the refugee crisis

To date, the international community's response to the Venezuelan refugee crisis has been inadequate. The U.N. High Commissioner for Refugees (UNHCR) has raised approximately half of the resources it has identified as necessary to address this emergency,²⁷ and it is likely that the UNHCR significantly underestimated the cost of needed resources. According to one estimate, the total cost of dealing with the next 1 million Venezuelan refugees may be as much as \$5 billion.²⁸ The \$95 million that the United States pledged to provide during fiscal year 2017 to help with Venezuelan refugees²⁹ and the \$25.5 million that all actors pledged to the UNHCR for Venezuela³⁰ will not be nearly enough.

In the coming months, there will almost certainly be more refugees flowing out of Venezuela. Regime durability will generate more migration, as the regime follows the Cuban model of using out-migration as a pressure relief mechanism.³¹ Regime collapse—from the application of either internal or external pressure or a combination of the two—would similarly increase migration pressures, at least in the short term, as violence would likely rise as regime factions seek to preserve a criminal status quo. Given these dynamics, it is imperative that the United States and the rest of the international community establish a more robust response to the refugee crisis.

To exercise meaningful leadership in response to the Venezuelan refugee crisis, the United States should:

- **Immediately halt the deportation of any Venezuelan immigrant.** While rightly denouncing the brutal repression and humanitarian crisis facing the Venezuelan people, the United States has simultaneously been deporting undocumented Venezuelans back to their native country.³² As a matter of enforcement policy, these deportations must cease immediately.
- **Provide Temporary Protected Status (TPS) to all Venezuelans currently in the United States.** It is not enough to merely alter U.S. immigration enforcement priorities, especially when the level of state collapse and political turmoil in Venezuela easily satisfies the requirements for a TPS designation “that there exist extraordinary and temporary conditions in the foreign state that prevent aliens who are nationals of the state from returning to the state in safety.”³³
- **Revise recently announced refugee admission caps and give the additional slots to Venezuelans.** The United States recently announced the lowest refugee admission cap since 1980.³⁴ This misguided decision should be revisited; the cap should at the very least be doubled, with the increased number dedicated to the admission of Venezuelan refugees.

These three steps would demonstrate real concern for Venezuelans fleeing repression and state collapse, as well as provide the United States with two things it currently lacks in rallying international support: credibility and moral authority.³⁵

To that end, efforts to address the Venezuelan refugee crisis cannot be limited to unilateral U.S. actions. Instead, with U.S. support and cooperation, the international community should:

- **Immediately meet the UNHCR’s identified funding needs.** Countries should meet these estimates through an increase in U.S. financial support to the UNHCR and additional funding from other capable partners, including Canada and the European Union.
- **Increase funding for Venezuela’s affected neighbors, especially Colombia.** Countries should also seek ways to leverage international financial institution resources, particularly those of the Inter-American Development Bank, to share the responsibility of providing support to Venezuela’s neighbors in South America and the Caribbean as they work to accommodate record numbers of refugees.
- **Provide recognized travel credentials to Venezuelans forced to flee without documents.** Many Venezuelans have been forced to leave home without access to passports, as the Maduro regime has long denied passports as a means of exercising control over

the population.³⁶ The international community should credential Venezuelan refugees in a way that countries throughout the Americas—including the United States—as well as other potential refugee resettlement countries will recognize.

Hold to account and further isolate the Maduro regime

The events transpiring in Venezuela and imperiling tens of millions of Venezuelans are not happening by accident: They are the result of willful actions by key figures in the Maduro regime. Those individuals must be held to account and must be isolated to the fullest extent possible.

As with the refugee crisis, efforts to increase accountability and isolation are both areas in which the United States should demonstrate meaningful leadership through domestic action and the encouragement of multilateral action.

To those ends, the United States should:

- **Unseal any pending indictments against regime officials for drug trafficking and money laundering offenses in the United States.** The U.S. Department of Justice is currently investigating and pursuing criminal prosecutions against several prominent regime officials.³⁷ It is likely that the thing regime officials most fear is facing criminal prosecution in the United States. The prospect of facing justice in the U.S. court system should be made as real as possible for central regime figures. Publishing detailed indictments that outline the magnitude of the alleged criminal activities of regime leaders would serve to further isolate and delegitimize them on the international stage.
- **Ban U.S. entry and access to the U.S. financial system for regime figures and their families.** During the past 10 years, the U.S. Department of the Treasury has sanctioned 88 Venezuelan officials.³⁸ Using the Global Magnitsky Act,³⁹ as well as Venezuela-specific authorities, the United States should increase the pace of such sanctions. The United States should also explicitly expand these sanctions to include those who most benefit from the Maduro regime's ill-gotten gains—the families and close associates of senior regime officials.
- **Expand targeted sanctions to Cubans involved in repression in Venezuela.** It is no secret that the Maduro regime is closely advised by Cuban military and intelligence officials.⁴⁰ Those officials should be identified and singled out for denial of entry into the United States and access to the international financial system. Although the effects of such sanctions would largely be symbolic, there is value in exposing the Cuban officials who are complicit in the brutal repression of the Venezuelan people.

Yet, efforts to isolate and hold to account the Maduro regime cannot be limited to unilateral U.S. efforts. The international community, with U.S. support and cooperation, should:

- **Open a formal International Criminal Court (ICC) investigation into regime figures responsible for crimes against humanity in Venezuela, and bring charges against them based on the recent referral by six countries in the Americas.** Last month, Argentina, Canada, Colombia, Chile, Paraguay, and Peru formally referred allegations of crimes against humanity by the Maduro regime to the ICC.⁴¹ Instead of attacking the court,⁴² the United States should find ways to support the formal investigation and prosecution of Maduro regime officials responsible for clear violations of international law, just as it has supported past ICC efforts in Africa and the work of other international tribunals.⁴³
- **Ban entry and deny access to financial systems throughout the Americas and across the globe to key regime officials and their families.** Other countries have been slow to follow the United States' lead in sanctioning individual regime officials. Although Canada, Argentina, and the countries of the European Union have done so to a limited extent,⁴⁴ this practice should be widespread throughout Latin America and the Caribbean, as well as Europe, and should also deny access to the families of key regime figures. The United States should help facilitate this measure by providing technical assistance to banking, law enforcement, and migration authorities throughout the region to enhance sanctions capacity across the Americas.

Prepare for contingencies

As the United States and the international community wrestle with the refugee crisis and seek to hold regime leaders to account, they must also prepare for foreseeable contingencies. To that end, international actors must be prepared for all possibilities that might arise in Venezuela—from positive, peaceful change to potential further collapse and chaos.

When Venezuela has a government committed to improving conditions for all Venezuelans, it will be imperative that the international community is ready to help. International actors should not wait until change happens to rally support—rather, they must help incentivize change. To do so, the United States and the international community should:

- **Establish and fund, at least partially, a multilateral reconstruction and humanitarian relief fund.** The people of Venezuela, as well as factions within the regime, need to have hope that a better future awaits them after the Maduro regime. Without such hope, it is highly unlikely that Venezuelans in the country will generate the kind of internal pressure needed to complement external pressures and effect change. A clear commitment of support from the international community can help stoke confidence and eliminate any dangerous lags in assistance when change comes.

Although it is difficult to contemplate because of the human suffering it implies, the situation in Venezuela could further deteriorate. To prepare for such an outcome, the United States must:

- **Engage in responsible contingency planning.** As it does for other areas in crisis around the world, the U.S. military must ensure that it has an up-to-date, adequate evacuation plan for U.S. embassy personnel and U.S. citizens in Venezuela if the situation on the ground necessitates it. It must also prepare for the possibility of a border confrontation, at scale, between Venezuelan and Colombian armed forces, so as not to be forced into improvising a response with unpredictable consequences.

Conclusion

Not every crisis has a solution that the United States can provide, whether working alone or in concert with the international community. The United States and the international community, however, have yet to deploy all the peaceful tools at their disposal. The crisis unfolding in Venezuela demands that these countries exhaust these strategies to come to the assistance of the Venezuelan people—both those who have been forced to flee their country and those who continue to suffer under intolerable conditions.

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