Venezuela: Political Crisis and U.S. Policy

Venezuela remains in a deep crisis under the authoritarian rule of Nicolás Maduro of the United Socialist Party of Venezuela (PSUV). Maduro, narrowly elected in 2013 after the death of populist President Hugo Chávez (1999-2013), began a second term in January 2019 that is widely considered illegitimate. Despite U.S. and international pressure on him to leave office and a worsening economic and humanitarian crisis, Maduro remains firmly in power. His party now controls a de facto National Assembly seated on January 5, 2021.

Since January 2019, the United States has recognized Juan Guaidó, president of the democratically elected, opposition-controlled National Assembly elected in December 2015, as interim president. Guaidó, once recognized as Venezuela’s leader by more than 55 countries, has been losing international and Venezuelan domestic support. Although the Biden Administration and many in Congress support Guaidó, some are calling for a new strategy for Venezuela.

Political Situation

Maduro, reelected in May 2018 in an election widely deemed to be fraudulent, has used the Venezuelan courts, security forces, and electoral council to quash dissent. Security forces have detained and abused Maduro’s opponents, including military officers and opposition politicians. As of March 8, 2021, the government held 321 political prisoners. The U.N. Office of the High Commissioner for Human Rights documented thousands of extrajudicial killings and other abuses committed by security forces that it described as crimes against humanity. Electoral authorities convened December 2020 legislative elections boycotted by the opposition; plagued by irregularities; and rejected by the United States, the European Union (EU), and most Latin American countries.

The Venezuelan opposition is weak and divided, with many of its leaders in exile. Although Guaidó challenged Maduro’s authority in 2019, his support has since faded. After Norway-led negotiations stalled in mid-2019, the Maduro government increased persecution of Guaidó’s supporters. Since March 2020, restrictions put in place to combat the spread of the Coronavirus Disease 2019 (COVID-19) have limited Guaidó’s ability to convene protests. Guaidó also lost support after reports emerged that he condoned a plan that ended in a botched raid against Maduro in May 2020. Guaidó and other opposition legislators now face prosecution by judicial authorities, who assert the legislators no longer have immunity since their legislative terms ended in January 2021.

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 global oil prices and production on the country’s economy. The Economist Intelligence Unit estimates Venezuela’s economy has contracted by more than 75% since 2014. Economic conditions deteriorated further in 2020 because of gasoline shortages, COVID-19, and U.S. sanctions. Nevertheless, Maduro has rewarded allies, including the military, with income siphoned from state industries and illegal gold mining, drug trafficking, and other illicit activities.

Shortages in food and medicine, declines in purchasing power, and a collapse of social services have created a humanitarian crisis. According to a 2019-2020 household survey, the percentage of Venezuelans living in poverty increased to 96% in 2019 (80% in extreme poverty). A February 2020 World Food Program (WFP) assessment estimated that 9 million Venezuelans were food insecure. Maduro continues to block the establishment of a WFP program in the country, preferring to provide food aid through a program tied to support for his government.

Health indicators, particularly infant and maternal mortality rates, have worsened. Previously eradicated diseases such as diphtheria and measles have returned and spread.

The government reported 1,400 deaths from COVID-19 (as of March 9), but experts maintain the actual number is much higher. The pandemic could decimate Venezuela’s hollowed-out health system. A June 2020 Maduro-Guaidó agreement to allow the Pan-American Health Organization to address COVID-19 in Venezuela has expanded to include vaccine purchasing and distribution.

As of February 2021, U.N. agencies estimated 5.5 million Venezuelans had left the country. Some 4.6 million of those migrants fled to other Latin American and Caribbean countries. Migrants have faced obstacles maintaining jobs and accessing health care during the pandemic. Colombia recently announced an initiative to provide 10-year temporary protective status to Venezuelan migrants.

International Response

The international community remains divided over how to respond to the crisis in Venezuela. The United Kingdom and some Western Hemisphere countries still recognize Guaidó as interim president, although EU countries have not labeled him as such since January 5, 2021. The United States, EU, Canada, and 11 Western Hemisphere countries that are parties to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) have imposed targeted sanctions and travel bans on Maduro officials. The EU and most Western Hemisphere countries oppose military intervention to oust Maduro. The EU and some Latin American countries endorsed 2019 negotiations led by Norway, but those efforts did not prove successful.
Russia, Cuba (which has provided military and intelligence support), Turkey, Iran, and a few other countries support Maduro. Russia and China have provided aid to Maduro and blocked efforts against him at the U.N. Security Council. Russia has supported Venezuela’s struggling oil industry, helped Venezuela skirt U.S. sanctions, and sent military personnel and equipment. China continues to purchase Venezuelan oil and provides 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. Although the Trump Administration initially discussed the possibility of using military force in Venezuela, it ultimately sought to compel Maduro to leave office through diplomatic, economic, and legal pressure.

U.S. efforts to date have failed to dislodge Maduro and enable the convening of free and fair elections, raising questions for the Biden Administration about whether to intensify, roll back, or otherwise change U.S. policy. Biden Administration officials aim to focus on supporting the Venezuelan people and engaging in multilateral diplomacy to press for a return to democracy and to hold corrupt and abusive Maduro officials accountable for their actions. As part of efforts to support the Venezuelan people, on March 8, 2021, the Biden Administration designated Venezuela as a beneficiary country for Temporary Protected Status (TPS) for 18 months. On January 19, 2021, the Trump Administration had ended removals of Venezuelans eligible for Deferred Enforced Departure (DED). U.S. officials also are reviewing the humanitarian impacts of U.S. sanctions.

Diplomacy. In recent years, the United States has encouraged countries to recognize the Guaidó government, sanction Maduro officials, hold the Maduro government responsible for human rights violations, and provide humanitarian aid. U.S. officials have denounced Cuban, Russian, and Iranian support of Maduro.

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 of the Maduro government and state oil company, Petróleos de Venezuela (PDVSA), (E.O. 13808); prohibiting transactions using cryptocurrency (E.O. 13827); or purchasing 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. Assistance. The United States is providing assistance and helping to coordinate the regional response to the Venezuelan migration crisis. From FY2017 to FY2020, the United States provided $1 billion to Venezuela and countries sheltering Venezuelans. As of December 2020, the United States had provided nearly $13.7 million for the COVID-19 response in Venezuela. Since FY2018, USAID also has provided $125 million for democracy, development, and other health programs in Venezuela.

Congressional Action. The 116th Congress supported the Trump Administration’s efforts to promote a restoration of democracy in Venezuela without the use of military force and provide humanitarian assistance to Venezuelans. Some Members expressed concerns about the humanitarian impact of broad U.S. economic sanctions.


For FY2021, the Administration requested $200 million in democracy aid to support a democratic transition in Venezuela and $5 million in global health assistance. The Consolidated Appropriations Act, 2021 (P.L. 116-260), provided not less than $33 million in Economic Support Funds for democracy programs in Venezuela and an unspecified amount of humanitarian support for countries sheltering Venezuelan refugees. H.Rept. 116-617 accompanying the FY2021 NDAA (P.L. 116-283) required a briefing for certain committees on the contents of the report required by P.L. 116-94, as well as an update on the crisis in Venezuela and its regional implications.

Congress is likely to provide input to the Administration on sanctioning human rights abuses, corruption, and antidemocratic actions by the Maduro government and its backers. The 117th Congress may examine new policy approaches by the Biden Administration and further legislative options, such as additional sanctions against the Maduro government and its foreign enablers or humanitarian assistance to Venezuelans.

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.*

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