

Venezuela's Crisis Is Now a Regional Humanitarian Disaster

A Comprehensive Framework for the United States, Regional Countries, and the International Community to Address Venezuela's Growing Humanitarian Crisis

By Moises Rendon and Mark L. Schneider

MARCH 2018

THE ISSUE

- Venezuela has been subjected to an unprecedented man-made humanitarian crisis, including extreme food and medicine shortages, thousands of children dying of malnutrition, and malnourished people contracting formerly eradicated diseases.
- While Venezuela's dictatorial regime has repeatedly rejected humanitarian aid from the outside, the country's humanitarian, economic, social, and institutional collapse, along with fierce political repression, have caused 1.2 million Venezuelans to flee the country over the past two years, with hundreds of thousands more and possibly millions expected to flee in the future.

OUR RECOMMENDATIONS

- Encourage the United States and other like-minded countries to provide leadership on the diplomatic and assistance fronts to help respond to this crisis.
- Work to build consensus within the international community on the urgency of the Venezuelan humanitarian crisis and to agree on steps to address the crisis, including convening a high-level task force.
- Develop a comprehensive policy response that includes immediate relief efforts on Venezuela's border with Colombia and within Venezuela using innovative mechanisms due to the current limited humanitarian access.
- Provide immediate technical assistance to help estimate the level of need and identify available resources.
- Support and engage civil society and local actors, including nongovernmental organizations (NGOs), the private sector, and entrepreneurs, as well as the Venezuelan diaspora community, to help limit the suffering of the Venezuelan people.
- Encourage host countries to grant temporary protected status to Venezuelans and create a broader burden-sharing arrangement in the region for processing those seeking refuge, following the recent guidelines by the UN High Commissioner for Refugees (UNHCR).
- Support the use of innovative technology tools, such as blockchain and digital currencies, to facilitate distribution of aid within and beyond Venezuela.

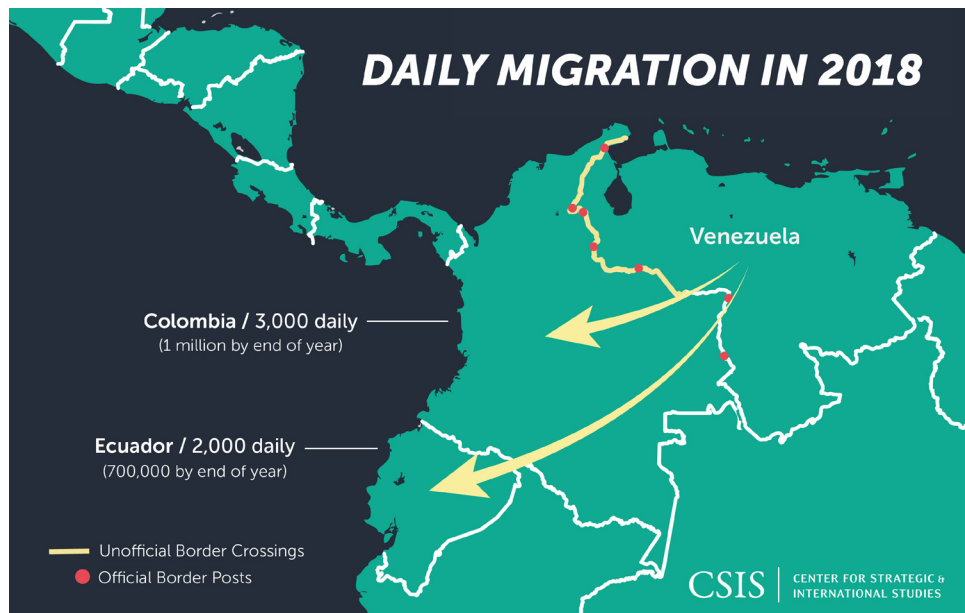


Three CSIS researchers traveled to the Venezuelan-Colombian border in February 2018 to assess the impact of the unprecedented Venezuelan humanitarian, economic, and security crisis.

BACKGROUND

Resembling a country at war, Venezuela is enduring an unprecedented man-made humanitarian crisis, causing a mass exodus of its people. Extreme food and medicine shortages, hyperinflation, rampant crime in every city, thousands of children dying of malnutrition, constant electric blackouts, looting, and repression have caused **1.2 million** Venezuelans to flee the country over the past two years. Almost 90 percent of Venezuela's population has dropped below the poverty line, and the middle class has virtually disappeared. Unable to eat more than one meal a day, the average Venezuelan has lost **24 pounds** in the past year. Seeing people of all ages picking food out of trash has become a common sight on the streets of Venezuelan cities and towns.

The public health crisis is shocking. Secretary General Luis Almagro of the Organization of American States (OAS) said in a public address at CSIS in February 2018 that newborns in Syria have a better chance of survival than those born in Venezuela today. As malnourished people contract formerly eradicated diseases, they cannot turn to previously high-quality medical facilities. Pharmacies have a shortage of approximately 85 percent of drugs, and hospitals receive less than a tenth of the basic supplies and medicines they need to operate. The departure of vast numbers of skilled doctors and nurses has created a significant brain drain in Venezuela's health sector. The medical professionals remaining in the country are working under extreme conditions, while their salaries are not enough to buy food for their own families. For a rising number of ill Venezuelans, the only hope of finding medical treatment is simply packing up and leaving the country.



The all but total collapse of the economy in Venezuela comes after a decade of historically high oil prices that served to mask deeply flawed macroeconomic policies. The International Monetary Fund is estimating **13,000 percent** hyperinflation in 2018, and the gross domestic product has contracted by nearly 50 percent over the past four years. The oil industry, which represents 95 percent of Venezuela's exports, is in full crisis mode—currently producing only 1.5 million barrels per day (a 30-year low). Meanwhile, Nicolás Maduro's administration is running out of money as large debt payments loom: Venezuela owes over \$7 billion for the rest of this

Newborns in Syria have a better chance of survival than those born in Venezuela today. —Secretary General Luis Almagro, Organization of American States

Fast Facts

- 300,000 Venezuelan children are at risk of dying from malnutrition, alerts the Venezuela office of Caritas, a Catholic humanitarian organization.
- The average Venezuelan has lost **24 pounds** in the past year due to lack of food.
- **1.2 million** Venezuelans have fled the country over the past two years.
- 50,000 people are crossing daily on average to Colombia to meet their basic needs, and an estimated 3,000 are staying in Colombia.

year to international bond holders. Despite desperate attempts to receive unauthorized and unconstitutional external assistance (e.g., loans from China and Russia without approval by the elected national assembly), and the creation of a digital token “Petro” to avoid international sanctions, default is all but inevitable. In addition, enforcement actions against Venezuela, including seizures of oil-related assets abroad, are just a matter of time.

VENEZUELA’S HUMANITARIAN CRISIS HAS BECOME A REGIONAL CRISIS

The UN High Commissioner for Refugees (UNHCR) has **recently stated** that nations receiving and/or already hosting Venezuelans should allow them access to their territory and adopt all protections they would provide to refugees. Neighboring Colombia has borne the brunt of the exodus with the daily influx hitting a high of 91,000 people early in February. Many of these individuals cross the border in a desperate search for food and medicine and then return to Venezuela. Many have no resources to purchase anything but are looking for humanitarian handouts. On the Simon Bolivar International Bridge in Cúcuta, which divides Colombia from Venezuela, people from all walks of life come together seeking to cross: desperately thin mothers carrying their malnourished children, seniors in wheelchairs hoping to see a doctor, and children crossing alone to gather basic goods for their families. Roughly 40 percent of those crossing are under 18 years of age. Voluntary responses over recent months in Cúcuta, such as those by **Catholic Bishop Victor Ochoa**, the **Scalabrini International Migration Network**, the Colombian Red Cross, the **International Organization for Migration**, and the Colombian government, are extraordinary and desperately needed but still insufficient.

Venezuela’s collapse is putting rising pressure on the Colombian national, regional, and municipal governments, particularly along the country’s 1,300-mile border with Venezuela. Although the two nations have a history of friendly and mutually supportive formal,



91,000 people crossed the Colombia-Venezuela border in only one day early in February 2018. Most of the people crossing are looking to acquire food, medicine, and money to send home, and many return home the same day. The photo shows the Simon Bolivar International Bridge on February 14, 2018, taken by CSIS staff who traveled to the border.

Photo: Moises Rendon/CSIS.

informal, and family ties, the sudden appearance of large numbers of impoverished and desperate Venezuelans in local parks and streets has begun to generate some backlash. Invasion of public places by homeless Venezuelans not immunized against formerly eradicated diseases like measles and diphtheria has increased public health alarms. However, preventing people from crossing the border is not an option for Colombia, even if the authorities tighten the seven official border stations.

The UN High Commissioner for Refugees has recently stated that nations receiving and/or already hosting Venezuelans should allow them access to their territory and adopt all protections they would provide to refugees.

Most people already sneak across the more than 280 informal trails crisscrossing the border.

Of the 50,000 citizens who are crossing daily on average to Colombia to meet their basic needs, many also are fleeing with a clear fear of persecution. A Venezuelan woman responsible for cooking at one of the Cúcuta bishop's eight emergency feeding centers said that her 22-year-old son had been shot by the Venezuelan national guard when he wouldn't give them his delivery motorcycle. Protesting his death drew warnings from local authorities, and unable to support her two small grandchildren, she fled to Colombia with her daughter. The two now send money back to her daughter-in-law and grandchildren.

The Maduro regime is aware of the humanitarian crisis, but it has consistently refused offers of humanitarian aid from international organizations, neighboring countries, and the Catholic Church, claiming that these organizations are attempting an imperialist intervention. The Venezuelan people continue to protest the regime and flee their home country, but in the end, they must wait for support from the outside to bring humanitarian, economic, and political relief.

THE ROLE OF THE UNITED STATES AND THE INTERNATIONAL COMMUNITY

The United States, through the U.S. Agency for International Development, has recently provided its first commitment of **\$2.5 million** in international assistance for Venezuelan refugees who have migrated to Colombia. While this is a much-needed and welcomed start, much more remains to be done. Assisting Colombia with technical and financial support to cope with an overwhelming flow of migrants and refugees, especially at its border, is urgent. The United States, Canada, the European Union, regional countries, multilateral institutions, and the global community need to organize joint efforts with civil society, the private sector, and Colombian public institutions in a rapid and comprehensive response to Colombian **president Juan Manuel Santos's** recent appeal for support.

NEXT STEPS: ADDRESSING THE HUMANITARIAN CRISIS IN VENEZUELA AND THE OUTFLOW OF MIGRANTS AND REFUGEES

- The United States should continue and enhance its diplomatic and aid leadership to respond to Venezuela's humanitarian crisis. Because of the political and economic influence in international organizations, like in the United Nations, the United States is in a unique position to push for the funds and mobilization needed.

- The United States, along with the Lima Group, and other like-minded countries should convene a high-level meeting to define a concrete plan of action in the next several weeks on first steps to address the humanitarian crisis in Venezuela. The outcome of this meeting should include the creation of a task force, with active engagement of the private sector and multilateral institutions.
- A comprehensive policy framework to address Venezuela's migrant and refugee crisis is needed. Conceptualizing two response phases is crucial: "Initial Relief" and "Fostering Stability," depending on the priority, precedence, and appropriateness of tasks. The United States, Canada, other Latin American countries, as well as the European Union and the United Nations, have worldwide experience in dealing with these crises, and drawing on those lessons learned is key. Under an initial response, supporting and engaging local actors is essential to limit the suffering of the people at the border. Those efforts, including by nongovernmental organizations (NGOs) and other groups like the Diocese of Cúcuta, which have helped feed the increasing influx of refugees, should be strengthened. The role of faith-based organizations has been fundamental; international donors should find ways to support their efforts to mitigate the effects of malnutrition and the rapid spread of diseases.

The United States should provide diplomatic and aid leadership to respond to Venezuela's crisis.

- An initial policy response should include granting temporary protected status to Venezuelans in neighboring countries and worldwide to avoid their falling into an undocumented netherworld and to facilitate access to visas and temporary work permits. Latin America has traditionally offered sanctuary to those fleeing regional dictatorships, and that process should continue. There also needs to be emergency establishment of UNHCR mechanisms to process formal claims for political asylum. Helping migrants and refugees move quickly from being dependent on aid to being active contributors to their families and the host country economy is key to making the process sustainable for international and domestic actors. Many Venezuelan migrants have technical

and professional backgrounds. Revalidating their diplomas in the host countries would facilitate the process as well.

- No nation alone can handle the sudden, massive numbers of migrants and refugees that Colombia has faced in recent months. Creating a broader burden-sharing arrangement in the region for processing those seeking refuge, providing immediate humanitarian aid, and helping refugees to settle in the host country is essential. For this goal, strengthening local capacity in cities like Cúcuta is the most urgent and immediate requirement. Empowering multilateral agencies like the UNHCR to help manage relief resources and assist in an ordered relocation of refugees and migrants is urgent. Other multilateral agencies like the UN International Children's Fund, the International Organization for Migration, and the Red Cross should be encouraged to work together with UNHCR.
- The United States and other donor countries should provide immediate technical assistance to help estimate the level of need and identify available resources. Multilateral institutions like the Inter-American Development Bank and the World Bank, in conjunction with the private sector, can help build urgently needed, stable infrastructure and provide equipment to local NGOs, even if temporary. International partners like the Pan American Health Organization should undertake urgent measures to control and prevent epidemics and support the Colombian government's health system. Supporting the health system, private and public, both for emergency health needs and to assist those with chronic diseases, like cancer and HIV, is essential to save lives.
- The United States and other international partners can also strengthen civil society engagement on health and food security within and beyond Venezuela. Supporting organizations, physicians' groups, and



Venezuelan refugees and migrants eating at one of the meal distribution centers run by the Diocese de Cúcuta. Photo: Moises Rendon/CSIS.

independent groups that are able to carry out surveys and derive current data on the health system is critical. Many of these same groups are willing to engage in under-the-radar distribution of life-saving help and technology, which can assist these efforts to succeed. The Venezuelan diaspora, mostly in the United States, Spain, Colombia, and Panama, now estimated at 4 million, should be engaged to help strengthen both on-the-ground civil society engagement and longer-term reconstruction efforts.

IMPLEMENTING BLOCKCHAIN AND DIGITAL CURRENCIES TO FACILITATE DISTRIBUTION OF AID

- A broader set of actors should be engaged, including entrepreneurs and the private sector. Driven by hyperinflation and encouraged by highly subsidized electricity, Venezuela is one of the most active places for cryptocurrency mining. While the **Petro**, a digital token recently launched by the Venezuelan regime and **sanctioned** by the U.S. government, is a misguided and illegal attempt to avoid international sanctions, other digital currencies should be encouraged, as

their use inside and at the border could help make transactions easier. Digital currency applications can also facilitate the entry of remittances into the country, now Venezuela's second most important source of revenue after the oil sector. The use of **blockchain**, the underlying technology behind digital currencies like Bitcoin, should be supported as well. **Finland**, which like many European countries has recently seen a large influx of asylum seekers, is using a cryptographic ledger, a 2-in-1 identification and payment card with the help of blockchain technology, to help them get on their feet faster. In addition, the humanitarian aid community should be encouraged to use innovative technology tools, such as **blockchain**, to facilitate transparent distribution of aid.

The root cause of the humanitarian crisis is clear: it is the result of the failed 19-year Chavismo experiment in "twenty-first century socialism." The end result of the disastrous cocktail of policies, originally put forth by former president Hugo Chávez, has culminated in total economic and institutional collapse. No respite will come from the Venezuelan constitution, since Maduro has disregarded its provisions in his destruction of the rule of law and hand-picked a supreme court to ratify those actions. Maduro has completely consolidated power at all levels and branches of government, including with the illegitimate Constituent National Assembly, whose

The humanitarian aid community should be encouraged to use innovative technology tools, such as blockchain, to facilitate transparent distribution of aid.

supposed objective was to redraft the constitution. The early national elections announced for this spring, under a regime-dominated electoral council, if held, will be neither free nor fair.

The international community needs to unify and act now to put sufficient pressure on the Maduro regime, forcing a transition that can bring humanitarian relief to the population and start a national reconstruction process. In the absence of international deterrence, the humanitarian crisis will continue to destroy lives inside Venezuela and spur millions more to flee the country. ■

Moises Rendon is an associate fellow and associate director of the Americas Program at the Center for Strategic and International Studies (CSIS) in Washington, D.C. Mark L. Schneider is a senior adviser with the CSIS Americas Program.

CSIS BRIEFS is produced by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s). © 2018 by the Center for Strategic and International Studies. All rights reserved.

Cover photo: Moises Rendon/CSIS