



Statement Before the
House Committee on Foreign Affairs
Subcommittee on the Western Hemisphere, Civilian Security, and
Trade

*“Made by Maduro: The Humanitarian Crisis
in Venezuela and U.S. Policy Responses”*

A Testimony by:

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Dear Mr. Chairman, Ranking Member, distinguished committee members of the committee, thank you for the opportunity to share my thoughts about Venezuela. My interpretation of the Venezuelan Constitution holds that Mr. Juan Guaidó is the rightful and constitutionally-mandated interim president of Venezuela, and I will refer to him as such in my remarks.

I was born in a free Venezuela that was a modern, sophisticated, and increasingly middle-class country.

Venezuela has the largest proven oil reserves in the world and among the largest reserves of natural gas. The country is also blessed with minerals, such as gold and uranium, beautiful beaches and part of the Amazon Rainforest. And more importantly, it has significant human capital.

The country was on its way to becoming one of the leading nations in the hemisphere. Instead, it is facing one of the worst humanitarian, economic, political, and institutional crises in the region's history. And these disasters are all man-made.

How did we get here?

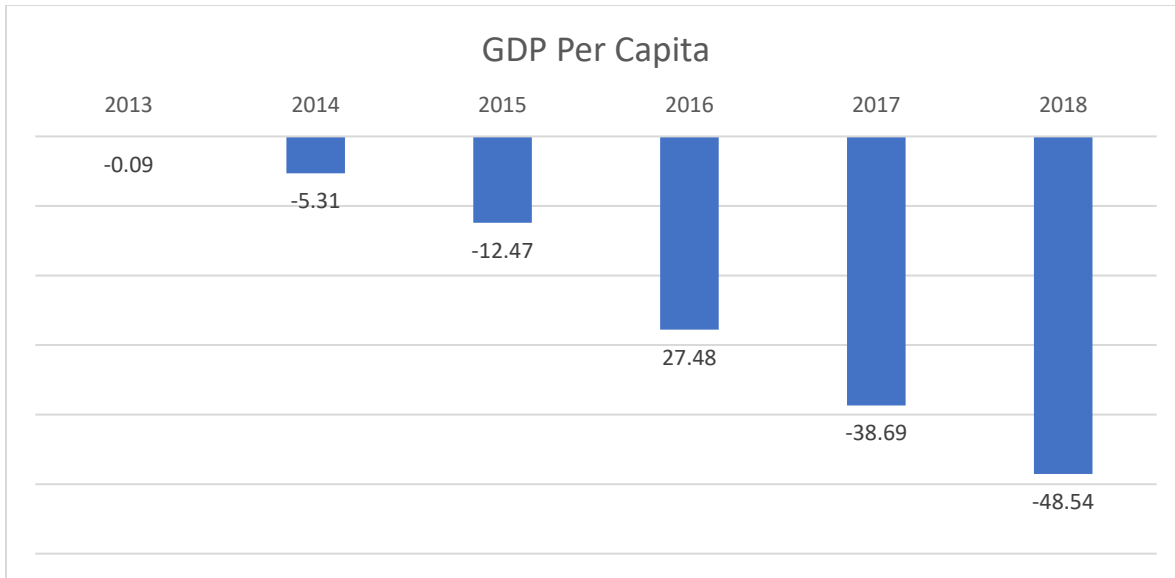
Two of the most notable architects of this disaster are presidents Hugo Chávez and Nicolás Maduro.

Over time, Chávez's government progressively became authoritarian, populist, militaristic, repressive, incompetent, and highly corrupt.

At first, everything seemed to be working, mostly because the price of oil increased steadily to more than \$100 in 2012. With those resources, the regime started both spending and borrowing massive amounts of money. The immense oil revenues and loans funded multiple popular social programs, but they also fueled corruption. When Chávez died, his Vice President Maduro got stuck with extravagant bills to pay and collapsing oil prices.

In 1999, the country owed \$37 billion, and by 2016 was more than \$150 billion in debt.

In the last 20 years, free market mechanisms were dismantled, and draconian price and currency exchange controls were imposed. The private sector was rapidly suffocated. Hundreds of private companies, both national and foreign, were expropriated and lands seized.



Source: [IMF](#), own estimates (for 2018 a GDP decline of 15 percent is assumed)

When Maduro took over in 2013, he continued and intensified the path set by his predecessor and mentor Chávez. Today, Venezuela suffers under a non-traditional dictatorship; it is a full-blown kleptocratic mafia state. The regime is involved in a wide range of illicit activities, including drug trafficking, massive corruption, and money laundering, as demonstrated in the indictments brought by U.S. prosecutors and cited in the justifications for multiple sanctions issued by the U.S. Department of the Treasury. Non-state actors, such as armed colectivos, the ELN, dissident FARC members, and other mafia groups operate in a completely lawless environment.

Complicit in a wide range of smuggling and trafficking activities, Maduro's inner circle has helped to dismantle the country's institutions and rule of law. Seventy-five public officials, including former Venezuelan vice president Tareck El Aissami, and Venezuelan citizens have been targeted by U.S. and international sanctions for corruption and drug trafficking activities. Venezuela is in many ways a failed state, threatening the security and stability of its neighbors and the region.

Here are some [quick facts](#) about the situation on the ground:

- The average Venezuelan has lost 24 pounds in the last year;
- Previously eradicated diseases have emerged again, such as malaria and measles;
- About 300,000 children are at risk of dying due to malnutrition;
- A baby born today in Venezuela has a lower chance of survival than one in Syria;
- There are reports of Venezuelans breaking into zoos in search of food out of desperation;
- In 2019, the IMF predicts inflation could reach 10 million percent;
- In the past four years, GDP has been cut in half, rivaling the Great Depression in the 1930s of the United States;
- Since Maduro took office, oil production has collapsed from 2.8 million barrels/day to 800,000 barrels/day today;
- The poverty rate today is 90 percent, up from 27 percent in 2007;

- More than 3 million people have fled Venezuela in the last few years, and the UN expects 2 million more by the end of this year.

I can't even begin to scratch the surface of the full catastrophe and the dire situation that Venezuelans are living in. The conditions inside of the country, are similar to a war-like scenario, except there is no war.

This is not just a humanitarian crisis, but also a matter of regional security; the Venezuelan exodus is expected to reach more than 5.3 million by the end of this year. Maduro's regime has moved from a dictatorial regime that violates civil liberties to a mafia state that actively participates in illegal activities.

And this takes me to the now legitimate interim government, led by Juan Guaidó.

The Importance of Recognizing Interim President Juan Guaidó

It is important to emphasize that [interim President Guaidó](#) did not proclaim himself as president, as has been reported. After January 10th of this year, Maduro lost any legitimacy left to continue in office. The presidential elections held last May were not only unfree and unfair, but also illegally called by the illegitimate constituent assembly and organized by an unconstitutionally-named national elections council. This is why more than [50 countries](#), together with the legitimate National Assembly and Supreme Court, did not recognize the results.

The Venezuelan Constitution prepared for a moment such as this. When this situation happens, articles 233, 333 and 350 of the Venezuelan Constitution indicate that the National Assembly will preside over the government on an interim basis –until free and fair elections can be held. This is why the overwhelming majority of Venezuelans and more than 50 countries have recognized Guaidó, who became president of the national assembly on January 5, as interim president of Venezuela.

It was not only essential politically to recognize Juan Guaidó as legitimate president of Venezuela, but it was in fact the only alternative left according to the Venezuelan Constitution. The next step should be supporting the path he has announced to restore the country's democracy: stop Maduro's usurpation of power, set up Guaidó's provisional government, and then host free and fair elections.

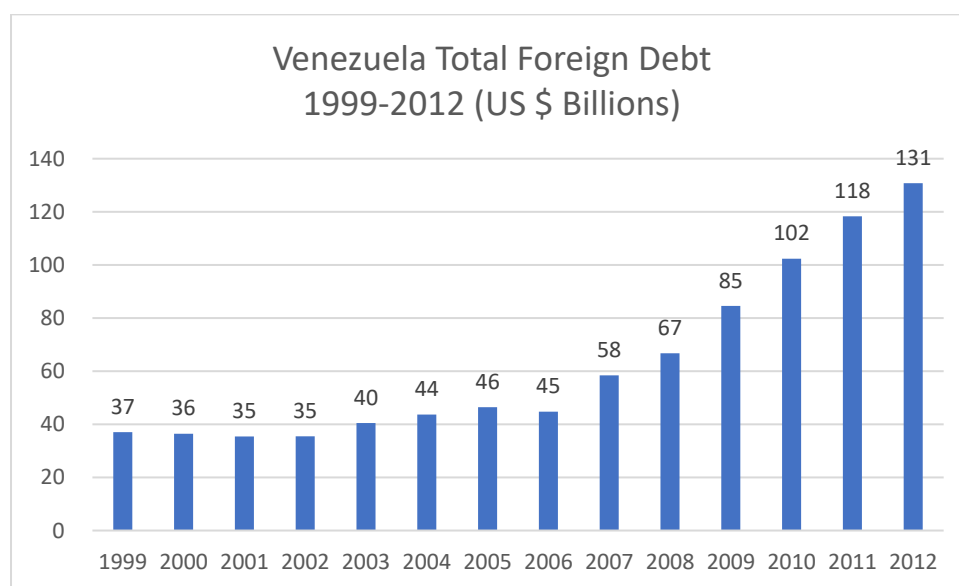
The events this past Saturday, February 23, proved once again that the regime does not care that its own people face starvation and is not willing to leave power, even if it means committing crimes against humanity. The rejection of humanitarian aid, including with the use of force, has been part of Maduro's policy and has been systematically enforced for many years.

The United States together with the Lima Group and other countries should continue supporting President Guaidó's calls in providing more humanitarian aid.

The Role of Cuba, China, and Russia:

Venezuela has not been a truly sovereign nation for years. The presence of Cuban state actors in different sectors in Venezuela, including in the intelligence, military, and property registration offices, violates the Venezuelan Constitution and international law.

China's influence in Latin America is neither transparent nor market-oriented, and no country has felt the consequences more than Venezuela. Through loans and outbound direct investments, China has poured funding into Venezuela at the cost of Venezuela's citizens and long-term success. China has propped up the Maduro regime, lending nearly 70 billion dollars and possessing large oil fields in the Orinoco Belt, where most of Venezuelan oil is. Furthermore, any transactions since January 2016 are invalid since under the Venezuelan Constitution, no external debt or other financial obligation can be assumed without the approval of the National Assembly—which did not occur.



Source: [ECLAC](#)

As I have written before, there are four main issues that should concern the United States regarding China's role in the Maduro-ruled Venezuela: (1) China is propping up Maduro's undemocratic and repressive narco-regime; (2) China's investments fail to bring long-term benefits to Venezuela; (3) Chinese loans and agreements are not transparent and in some cases are illegitimate; and (4) China's agreements create energy and security concerns.

Russia's influence in Venezuela, on the other hand, is driven both by economic and foreign policy objectives. Through its state-owned oil company, Rosneft, it has acquired exploration rights (again without approval of the National Assembly) and receives crude oil as payment for loans. Additionally, it has taken a substantial share in refineries in the US, previously owned by PDVSA. Both the Russian government and Rosneft have given Venezuela approximately \$17 billion in loans and credit lines since 2006. Russia's anti-U.S. foreign policy objectives are further demonstrated by the periodic visits of Russian strategic bombers in Venezuela.

The 'Day After' in Venezuela

(CSIS' Venezuela's Postcrisis Recovery and Reform [Framework](#))

The path to restoring Venezuela's democracy and stability will undoubtedly be long and arduous. Venezuela will require international support to relieve the suffering of its people. Extensive and immediate political, economic, and institutional reforms, backed by significant international humanitarian aid and technical and financial assistance, will be essential for the stabilization and recovery of Venezuela. The priority, precedence, timing, appropriateness, and execution of such tasks will be essential.

[First, initial stability and recovery efforts will be needed.](#) The National Assembly must begin coordinating with international organizations to facilitate the provision of humanitarian aid to the Venezuelan people. Second, the National Assembly must develop a strategy for addressing the security situation the country currently faces. This means working with the military—once it has been brought under the control of the National Assembly—and the international community to address the threats posed by non-state actors such as colectivos and drug cartels.

Only once the humanitarian and security situations in Venezuela have been stabilized and Guaidó is widely recognized in his role as interim president of Venezuela, will the National Assembly be able to begin its final task: holding elections under an independent Electoral Council. When Venezuela has a legitimate, democratically-elected administration, it will face the challenges of institutionalizing long-term social programs, establishing the foundation for long-term economic development, developing legitimate and transparent security institutions, restoring law and order, rebuilding Venezuela's institutions, providing transitional justice, and integrating the Venezuelan diaspora as it returns home.

The role of the private sector during a 'Day After' scenario will be essential to help rebuild Venezuela. One of the challenges will be restoring trust while incentivizing private investments to return to the country. As with resolving today's crisis, Venezuela won't be able to do this alone. The actions and support of the United States and the international community will determine whether and how rapidly Venezuela's economy will recover and once again be able to provide jobs, services and opportunity to its people.

I want to turn now to where we go from here to get to the 'Day After':

Military Intervention

A military intervention would be catastrophic.

Let me be clear, the threat of military involvement is a worthwhile strategy when it exists only as a threat or political language. However, actual boots on the ground or military activity in Venezuela could send the country deeper into chaos. There are FARC and ELN members, gangs, and other paramilitary groups operating in this lawless environment. All of these groups are operating in a state of peace right now. But as soon as foreign military action comes to Venezuela, they will panic, and it will cause even greater security concerns. Furthermore, the international community does not support military intervention.

We have not yet exhausted all peaceful policy options. Saturday was the first time it was attempted to bring humanitarian aid into Venezuela. This happened because of the recognition of Juan Guaidó as the interim president of Venezuela and because he, together with the National Assembly, urgently requested aid.

What should be Next for the United States and the International Community?

There is consensus today within the international community that there is no more time to waste in Venezuela. The path to limit the suffering of Venezuelans and help Venezuelans restore their democracy could be accelerated if the following steps are taken in the short-term:

1. Provide much-needed humanitarian assistance within Venezuela; again, Saturday was the first time this was attempted, and the planning and execution needs to be improved moving forward;
2. Help Guaidó's government get off the ground by recovering the Republic's assets from Maduro's control and transferring them to Guaidó and the National Assembly;
3. Recognize the new ambassadors appointed by Guaidó's interim government and revoke diplomatic visas to regime members and their families;
4. Similarly, revoke other visas to regime officials and their families;
5. Back the National Assembly's amnesty law for current and former military officials who decide to help restore the country's democracy and let humanitarian aid in;
6. Increase pressure on Maduro and his inner circle with individual sanctions, especially by countries who have not imposed sanctions yet;
7. Prohibit any further international agreements or oil payments to the Maduro regime, and transfer those payments to Guaidó's interim government.

There is no silver bullet to resolve Venezuela's crisis. However, from a humanitarian and international law perspective, the provision of humanitarian aid needs to be the top priority. The more the United States works together with the OAS and Lima Group (which Venezuela formally joined yesterday), the more chances we will have to find a peaceful resolution to this crisis.

Thank you, Mr. Chairman, I yield my time.