

**Testimony of AA/LAC Marcela Escobari
before the Senate Foreign Relations Committee
on September 15, 2022 entitled
“Assessing U.S. Policy Towards Venezuela.”**

Chairman Menendez, Ranking Member Risch, and distinguished members of the committee, thank you for the opportunity to testify on USAID’s work and discuss our vision for a free and democratic future in Venezuela.

Venezuela’s humanitarian crisis is a man-made disaster, and the Venezuelan people’s continued suffering is a direct result of the corruption, incompetence, failed policies, and repression of the Maduro regime. Despite the pressure from democratic nations and the Venezuelan people, the regime has doubled down on its security apparatus and enriching cronies. Maduro seems to be betting that, with most Venezuelans too focused on feeding their families to protest, he can outlast the international community and whitewash his image.

We must retain a sense of urgency and sharp awareness of the human toll of this man-made tragedy. And we must use our diplomatic and economic tools to support the Venezuelan people and their desire for a democratic transition.

USAID responds to the Venezuelan crisis every day. First, we provide humanitarian assistance to those in the country and to those who flee – often at great personal risk – to escape the regime. Second, we support the integration of Venezuelans into host communities to minimize the potentially destabilizing impact of this crisis on the rest of the region.

And third, we provide support for a peaceful democratic transition. We draw attention to the regime’s criminal behavior to mobilize the international community, to hold the regime accountable for its crimes, provide alternatives to regime disinformation, and to provide Venezuelans with an avenue for justice. We seek the revival of Venezuelan democracy and support citizens’ democratic aspirations, including their fight for free and fair elections, with a focus on presidential elections in 2024.

Economic Crisis: Maduro’s mismanagement has led to the worst economic contraction in the region’s history.

The Maduro regime is responsible for the country’s economic implosion. According to the IMF, Venezuela’s economy contracted from \$352.2 billion in 2012 to \$46.5 billion in 2021, a decline of 86.8%.¹ Even if the economy were to grow by the regime’s estimate of 10% in 2022 – and that is unlikely – the decline would still be 85.5%. Not only is Venezuela’s economic contraction without comparison in modern history, but Maduro has managed to destroy almost

¹ <https://www.imf.org/en/Countries/VEN#countrydata>; GDP, current prices (Billions of U.S. dollars)

all lawful sources of value creation. As much as 21% of Venezuela's GDP is generated by criminal activity like smuggling, corruption, and black markets.²

The distortions to the economy caused by the Maduro regime have also led to the most unequal country in the Americas.³ Recent GDP gains are concentrated among the wealthy while the number of vulnerable people in need of humanitarian assistance has increased from 7 million in 2020⁴ to 7.7 million today.⁵ The regime's decision to stop enforcing many import and exchange controls and the de facto dollarization of the Caracas economy have benefitted its criminal allies and portions of Venezuela's private sector, but most Venezuelans continue to see their purchasing power decline in the face of rising costs and an inadequate supply of electricity, water, and health services.

Jobs are scarce. Venezuela has the lowest level of labor participation in the entire region – only 53.8% of people of working age participate in the labor market, of which 60% are in the informal sector. Nearly 9 million Venezuelans between 15 and 64 years of age are without work.⁶

In this de facto dollarized economy, where prices are similar to those in the U.S., health care workers, teachers, and others without access to dollars are the ones who suffer. The monthly pension is 130 Bolívares, equivalent to just about 50 cents a day.⁷ A defunct health system and high inflation mean that most people cannot afford the cost of basic medications, leading to a rise of preventable diseases. The infant mortality rate has risen to a level not seen in 30 years; and in a survey conducted in Venezuela's poorest neighborhoods, 42% of children showed signs of stunting or wasting, an indication of a growing crisis of malnutrition across the country.⁸ No wonder millions of Venezuelans see leaving the country as their only option.

Migration Crisis: Massive out-migration will continue, pressuring Venezuela's neighbors

The Maduro regime has generated a humanitarian crisis that has inflicted tremendous costs and instability throughout the region. The mass exodus of more than 6.8 million Venezuelan refugees and migrants since 2014 is second only to the 7 million who have left an active war in Ukraine.⁹ There are nearly 2.5 million Venezuelan refugees and migrants residing in Colombia alone.¹⁰ With the entire region recovering from an economic contraction caused by the pandemic, refugee and migrant populations can become an easy scapegoat for growing resentment and frustration. The international community cannot relent in the face of the

² Transparency Venezuela: <https://transparenciave.org/economias-ilicitas/a-estimate>

³ Venezuela's GINI coefficient is 56.7%. <https://www.proyectoencovi.com/encovi-2021>

⁴ <https://crisisresponse.iom.int/response/venezuela-bolivarian-republic-crisis-response-plan-2020>

⁵ <https://crisisresponse.iom.int/response/venezuela-bolivarian-republic-crisis-response-plan-2022>

⁶ <https://thinkanova.org/wp-content/uploads/2022/05/ANOVA-Policy-Brief-Notas-Sobre-Distribucio%CC%81n-1.pdf>

⁷ <https://efectococuyo.com/la-humanidad/condenados-a-muerte-temprana-pension/>

⁸ <https://www.frontiersin.org/articles/10.3389/fsufs.2021.638042/full>

⁹ <https://data.unhcr.org/en/situations/ukraine>

¹⁰ Distribución de Venezolanos en Colombia, Migración Colombia, February 2022;

https://www.r4v.info/sites/default/files/2022-08/2022.08.R4V_R%26M_Map_Eng%28note%29.pdf

Venezuelan crisis given the prospect of continued migration flows, and the human suffering it represents.

The Maduro regime is the root cause of the Venezuelan migrant crisis. So long as Maduro continues to undermine all democratic institutions and exert full control over the population, the outflow will continue. Yet, the Maduro regime continues to exert control over a weakened population and undermine all democratic institutions.

Governance Crisis: The Maduro regime continues to instill fear and repression, while cutting off avenues for accountability.

The Maduro regime is characterized by coercion, corruption, and censorship. Maduro has sealed off virtually every opportunity for citizens to exercise their basic rights by continuing Chavez' work of co-opting democratic institutions like the courts and electoral council; persecuting political opponents and civil society leaders; muzzling the media; and controlling the military and police through bribery, surveillance, and arbitrary arrests. Since 2014, the regime has locked up over 15,000 political prisoners and 11 of them have died in state custody. In 2021 alone, regime security forces carried out 1,414 extrajudicial executions.¹¹ Currently, there are 245 political prisoners in Venezuela. These prisoners are denied due process and, in many cases, subjected to torture. The United States welcomes the opening of an investigation by the Prosecutor of the International Criminal Court into crimes against humanity in Venezuela, which is a State Party to the Rome Statute. Evidence of such crimes – compiled by the OAS Panel of Independent Experts, the UN Fact Finding Mission, and Venezuelan human rights defenders – continues to mount, and the Maduro regime must be held to account.

Bottom line: the situation is dire, and conditions for Venezuelans continue to deteriorate. The combination of worsening humanitarian conditions on the ground, massive migrant flows into the region and a hardened regime call us to redouble our efforts to address the Venezuelan crisis.

USAID response: Our commitment is to the Venezuelan people.

USAID's resolve remains strong. Our work focuses on promoting democracy, human dignity, and basic freedoms, and on delivering humanitarian support to those most in need. We will continue to stand with the people of Venezuela in their pursuit of justice and prosperity.

Humanitarian Assistance inside Venezuela: Since 2018, USAID has provided over \$315 million in humanitarian assistance inside Venezuela.

First, we will continue to provide humanitarian relief inside Venezuela. U.S. assistance is managed end-to-end by humanitarian organizations and is not bolstering the Maduro regime. USAID and other donors are working with a strong and committed humanitarian community in Venezuela. We work in close coordination with the UN and NGOs that are providing life-saving hot meals in community kitchens; food kits to vulnerable households in communities and

¹¹ <https://lupaporlavidia.org/informe-ano-2021-lupa-por-la-vida/>

schools; health care through mobile units; including the prevention and treatment of acute malnutrition, and guidance to mothers on healthy feeding practices.

Our assistance relies on the expertise of Venezuelan organizations that know their country best and understand where the needs are greatest.

The United States is the largest humanitarian donor for Venezuela and in FY21 alone, USAID provided \$138 million in humanitarian assistance for Venezuela. But we know the need is far greater than what we provide. Only 14% of the United Nations' 2022 request for Venezuela has been filled.¹² We will continue to work with other donors to increase total commitments from the international community.

Regional Support for Venezuelans: USAID provides support for Venezuelans in transit and helps them integrate into host communities.

Second, USAID will continue our humanitarian support for Venezuelans throughout the region and will step up our work on the integration of Venezuelans into host communities.

Humanitarian assistance is the first thing a Venezuelan encounter when they cross into a neighboring country, often in a precarious and vulnerable state. Venezuelans walking from the border town of Cucuta, in Colombia, to Lima, Peru is the equivalent of walking from New York to Utah. USAID provides meals and cash transfers that have proved life-saving.

As Venezuelans begin to integrate into host communities, they are desperate to earn a living and provide for their loved ones. In an effort to manage these dramatic flows, several countries have adopted generous policies that welcome Venezuelans and incorporate them into the labor force. Colombia has led the way with its decision last year to provide temporary protected status (TPS) to more than 2.4 million Venezuelans. Migrants who are successfully integrated can access the health system, can send their kids to school, are accountable to the justice system, and can get jobs. They pay taxes and contribute to the economic and social fabric of their host communities.

USAID is committed to working with Venezuela's neighbors to help them shoulder the high and unanticipated costs of attending to almost 6 million Venezuelans and turning migration into an engine of growth. In Colombia, for example, we have worked alongside the government and the private sector to register Venezuelans and connect them to social services and jobs. In Peru and Ecuador, USAID support focuses on helping migrants gain legal status and enter the formal labor market.

One of my top priorities as Assistant Administrator is to help advance a more cohesive, regional approach to migration. This approach involves three parallel strategies: addressing the root causes driving people to leave their homes; expanding legal labor pathways for migrants; and

¹²<https://app.powerbi.com/view?r=eyJrljoiZmE0MTNkNWU0YjYwOC00ZDI0LTkyYjgtMWVlYmNiMjAyNTU1liwidCI6ImU1YzY3OTgxLTY2NjQtNDZlNC04YTBlLTk1NDNkMmFmODBiZSIsImMiOiJh9&pageName=ReportSection4e3bdbea6d35032e8f1>

promoting sustainable integration of migrants into host communities. We saw progress toward this vision at the Summit of the Americas, where twenty-one countries supported the Los Angeles Declaration on Migration and Protection and many announced concrete commitments to address migration in a more humane, safe, and orderly way. We applaud and support the Government of Ecuador's new registration process for all migrants, including the over 500,000 Venezuelans in Ecuador, that paves the way to their regularization. Implementing policies that allow migrants to live and work in the countries where they arrive isn't just virtuous; it's also smart policy. Colombia's GDP is predicted to grow by \$2.5 billion over the next decade as a result of the TPS program.¹³ Pro-integration policies have the potential to turn this human tragedy into an economic boon for host communities by leveraging migrants' talent, determination and creativity.

Successful integration of Venezuelans will require sustained investment, policy harmonization and regional coordination. Despite around 20% of Venezuela's population having already fled the country, the net outflow will continue as long as, based on income, more than 94.5% live in poverty.¹⁴ While humanitarian aid and the potential use of frozen assets can provide critically needed short-term assistance in Venezuela, in the long run a democratic transition away from kleptocracy, intimidation, and ineptitude is the only sustainable path.

Support toward a Democratic Transition: USAID helps Venezuelans reassert control over their country's future.

While we believe deeply in our humanitarian work and our support for integrating Venezuelans into host communities in South America, we know that these efforts are addressing symptoms of Venezuela's crisis and not the root cause. Our central goal is to help Venezuelans restore their democracy and reclaim control over their country's future.

USAID will work in three areas to promote opposition unity and press for improved electoral conditions.

First, USAID will continue to provide support to the Interim Government of Venezuela and the Venezuelan opposition. USAID assists the democratic opposition as they work to turn the public's widespread resentment toward the Maduro regime into pressure for democratic change. The opposition has chosen primaries as the vehicle to reunify and regain momentum, and USAID will support them in that process. The 2021 subnational elections revealed the value of competing even in unfree elections. Despite the Maduro regime employing its usual tactics to manipulate the electoral playing field, non-regime candidates won a majority of the overall vote. In the state of Barinas, the opposition won the governor's election twice by remaining unified, ultimately defeating Maduro loyalist Jorge Arreaza by an even wider margin than it had won the

¹³ <https://www.elespectador.com/mundo/america/registro-de-migrantes-del-estatuto-temporal-arranco-con-fuerza/>

¹⁴ https://assets.website-files.com/5d14c6a5c4ad42a4e794d0f7/6153ad6fb92e4428cada4fb7_Presentacion%20ENCOVI%202021%20V1.pdf

original election in November. With 75% of Venezuelans planning to vote in presidential elections regardless of the conditions,¹⁵ there is a real potential for change.

Second, USAID supports democratic civil society and independent media organizations in holding the regime accountable. USAID supports the generation and wide dissemination of unbiased, fact-based information to help citizens make sense of the man-made catastrophe unfolding in their country, where disinformation and lies are the currency of the regime. These efforts increase public scrutiny on the regime and expose ways in which it uses electoral institutions to push its advantage. The world would know much less about the scope and scale of the regime's neglect and malfeasance, if not for the work of watchdog and media organizations supported by USAID.

USAID will also continue to support human rights defenders that tirelessly document the regime's repression, advocate for political prisoners and their families, and – in the absence of an independent and functioning justice system – are obliged to seek recourse outside the country. Human rights organizations are providing verifiable data, evidence and fact patterns to international organizations like the United Nations Fact Finding Mission and the International Criminal Court, so that they can unmask the pariah regime's crimes against humanity and seek to hold it accountable.

We are focused on presidential elections in 2024 and legislative and regional elections in 2025 as windows of opportunity for Venezuelans to advance a peaceful transition. We have no illusions about the prospects for free and fair elections and we are preparing for the possibility that the regime could subvert, postpone, cancel, or not recognize the results of elections. But the Venezuelan people want elections, the opposition has collectively decided to participate, and preparing for and participating in elections is a way for the opposition to rebuild unity and regain momentum. Constitutionally required elections are a problem for Maduro: If he goes too far in preventing a competitive process, he further erodes the international legitimacy he so desperately craves. A unified opposition and mobilized citizenry are currently the best hope for regaining the upper hand and increasing the pressure for Maduro and his cronies.

Overcoming Venezuela's humanitarian and migration crises is only possible via a democratic transition. We remain fully committed to using U.S. foreign assistance so generously appropriated by this Congress to relentlessly pursue that goal.

USAID stands with the courageous people of Venezuela as they press on to end repression and man-made suffering, restore dignity and democracy, and build a better future for themselves and their children.

¹⁵<https://elestimulo.com/destacados/2022-05-28/jose-virtuoso-75-de-los-venezolanos-quiere-votar-en-unas-presidenciales/>