

Global Americans

High Level Working Group on Inter-American Relations and Bipartisanship

2019

The Venezuelan Refugee Crisis: Regional Responsibility

Introduction

In 2017, with support from the Ford Foundation, Global Americans convened a working group of high-level former policymakers, civil society and business leaders and scholars to discuss bipartisan and cross-regional ways to build on the past two decades of inter-American relations. The initial set of policy topics addressed by our High-Level Working Group on Inter-American Relations and Bipartisanship are closely connected, and they reflect a long-standing hemispheric and bipartisan consensus that has helped to promote U.S. and hemispheric economic, diplomatic and security interests.

In April 2018, our group, representing civil society, academia, and the policymaking and business communities in the U.S., Latin America and the Caribbean, published an initial series of papers laying out members' consensus opinions on the topics of:

- Economic integration and trade
- Combatting organized crime and narcotics trafficking
- Greater U.S.-Latin America collaboration on anti-corruption
- Expanding and improving education exchanges in the Americas
- Extra-hemispheric actors

Now in its second phase, the group is producing a further three papers on the topics of:

- The Venezuelan refugee crisis
- A comprehensive strategy for addressing climate change in the Caribbean
- The role of Latin America in global geopolitics

The collapse of Venezuela under the Hugo Chávez regime, followed by Nicolás Maduro's government, is a complicated, tragic issue with many facets. In this paper our group focuses on how the countries of the Americas, as well as the international community, must work together to address what has quickly become one of the worst refugee crises in modern times.

Convinced that the countries of the Americas will be able to solve this shared challenge only through collaboration and with the assistance of the broader international community, the members of our high-level working group lay out a series of recommendations on how to best deal with what must be viewed as a long-term resettlement project. While the future of Venezuela itself has become a charged political issue, we believe the international community can—and must—come together to address the Venezuelan refugee crisis. In this paper, we lay out a strategy for long-term integration, addressing country-by-country legal recommendations for major receiving countries; the role of international donors in institution building; the role of the United States; and the crucial issue of addressing rising xenophobia in the region.

The Venezuelan Refugee Crisis: Regional Responsibility

Executive Summary

The scale of the growing Venezuelan migrant population is dizzying, rivaled in contemporary times only by the refugee crises triggered by the Syrian civil war and the massive out-migration caused by the genocide against the Rohingya in Myanmar.

Over 4 million Venezuelans have fled the country since 2015. At the current rate of more than 200 Venezuelan fleeing the country per hour, there will be more than 5 million Venezuelan refugees by the end of 2019 and more than 7 million by the end of 2020. Countries in Latin America and the Caribbean currently host the vast majority of these refugees.

A pattern is emerging across the region: over-burdened host countries, originally receptive to Venezuelan refugees who share a common language and overlapping histories and cultures with their own citizens, are beginning to run out of resources to cope with the burgeoning diaspora.

The international community doesn't have to agree on the internal politics of Venezuela to work together on this pressing issue, but it is the responsibility of the international community to step in with significant financial aid and assistance in institution building before conditions degenerate still further. Already, regional economies and job markets are beginning to feel the strain. If the Venezuelan diaspora isn't properly brought into local economies and societies—an effort that will require significant outside resources—the region is at risk of falling victim to the xenophobia that has fueled divisive populism in much of the developed world in recent years, including in some nations of the Americas—in recent years.

While the future of Venezuela itself has become a charged political issue, we believe the international community can come together to address the Venezuelan refugee crisis. In this paper, we lay out a strategy for long-term support and inclusion, with recommendations including, but not limited to:

- Coordinating the international response under the oversight of United Nations Special Representative Eduardo Stein;
- Developing an enhanced role for the international donor community;
- Establishing a role for China in the response to the crisis;
- Combatting xenophobia;
- Using asset seizure laws to recover stolen and illicitly held funds from members of the Maduro regime to help fund the regional response.

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The Venezuelan Refugee Crisis: Regional Responsibility

Report

Meet Mariela. Born on Margarita Island, by 2013 Mariela was an electrical engineer and computer scientist living in downtown Caracas and applying to graduate school in the United States. She was admitted to Columbia University in the City of New York in March 2014, which coincides with the beginning of the current economic and political crisis in the country. By the time she left for Columbia in August, she knew she wouldn't be returning any time soon.

Much of Mariela's time at Columbia was dedicated to getting a job that would allow her to stay in the United States. Without an H1 visa, she would have to return to Venezuela. Through a mixture of hard work and good luck (Mariela herself is the first to admit this), she has since found a stable job that has not only helped her with an H1 visa, but is now helping her secure a green card. Thousands of Venezuelan students in the United States haven't been so lucky. Today, Mariela has a hard time picturing going back, despite the fact her parents still live on Margarita Island:

"My parents have had to close their business. They've lost 30 pounds each, but for them, it's not realistic to leave. What would they do if they came to the United States? Work in a supermarket? Our island is almost exclusively old people now, because anyone who could get out has already done so.

I don't think I have a plan to go back immediately. I don't want to jeopardize all of the hard work I've put in here. I do want to continue to support the opposition however I can, but as of now I have no plans to go back. I want my kids to grow up in Venezuela, but New York is my new home."

Meet Johnny José González. González, originally from Cumaná, Venezuela, fled to Brazil in March 2018 with his son and son in law arriving first at Boa Vista and now settled outside São Paulo, in the city of Guarulhos. The 50-year-old Venezuelan, who used to own a construction company, has been working as a warehouse assistant, his first job since arriving in Brazil.

"Venezuela was falling apart," he explains in a report to the UN High Commissioner for Refugees (UNHCR). "There was no work, no food, no medication. I had to sell everything I had—my home, my car—to be able to get to Brazil to take care of my family. I had no other choice."

When González first arrived in São Paulo, he was given a bed at a shelter in the São Mateus neighborhood, where the municipal government had prepared to receive just over 200 Venezuelan men. Aided by the United Nations High Commissioner for Refugees (UNHCR) and city programs designed to help the newly arrived Venezuelans regain their independence through language classes and work, González was able to land a job at the warehouse after signing up for the Trabalho Novo (*New Job*) programme, which by December 2018 had helped 100 Venezuelans find work in São Paulo.

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González is one of 74 who have been able to leave the shelter and rent their own apartment. But by now programs like Trabalho Novo are overwhelmed by the training and relocation needs of current Venezuelan men and women fleeing the country in search for a job to sustain their families back home.

Mariela and González are just two of the 4.5 million Venezuelans—about 10 percent of the country’s population—who have fled the country since Hugo Chávez came to power in 1999. More than 4 million Venezuelans have fled the country since 2015 alone.

Mariela and González also demonstrate the geographic and socioeconomic diversity of the Venezuelan refugee community. In recent years, Venezuelans have resettled across the Americas and Western Europe—New York City, Miami, Mexico City, Madrid, Bogotá, Cúcuta, Lima, Santiago, and São Paulo. If the international community is going to commit to finding long-term solutions for a crisis that doesn’t seem like it’s going to disappear anytime soon, it’s crucial to recognize this diversity.

Mariela and González show us that there’s no catch-all solution for this refugee crisis. A long-term strategy that works for Colombia is not going to work in Brazil, and a long-term strategy that works for Brazil is not going to work in the United States. In this paper we detail the scale of the refugee crisis, summarize ongoing efforts by the international community in terms of aid and legal status, and lay out the beginnings of a path forward for a long-term solution, as well as the crucial eventual return of educated, skilled Venezuelans like Mariela and former business owners like González.

I. A Refugee Crisis in the Americas

The scale of the growing Venezuelan migrant population is dizzying, rivaled in contemporary times only by the refugee crises triggered by the Syrian civil war and the genocide against the Rohingya in Myanmar.

More than 4 million Venezuelans have fled the country since 2015. At the current rate of more than 200 Venezuelans fleeing the country per hour, there will be more than 5 million Venezuelan refugees by the end of 2019 and more than 7 million by the end of 2020. Countries in Latin America and the Caribbean host the vast majority of these refugees. Credible estimates—rising by the day—place the current number of Venezuelan refugees in the region at:

- 1,600,000 in Colombia
- 900,000 in Peru
- 400,000 in Chile
- 350,000 in Ecuador
- 170,000 in Brazil
- 150,000 in Argentina
- 100,000 in Panama
- 70,000 in Mexico

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Venezuela's refugees and migrants in Latin America and the Caribbean. Estimates as of July 2019. By October—time of publication of this report—these estimates have increased dramatically. Source: IMF and R4V Coordinating Platform for Refugees and Migrants from Venezuela.

In addition, islands and small neighboring countries such as the Dominican Republic, Curaçao and Aruba are hosting significant numbers of refugees that account for some of the highest percentages per capita in the region. There are 40,000 Venezuelans in the Dominican Republic, 26,000 Venezuelans in Curaçao (16 percent of the total population) and 16,000 in Aruba (10 percent of the total population).

The influx of Venezuelan refugees—through no fault of their own—is creating strains on the economies and government services in receiving countries. According to a January 2019 article in *Financial Times*, “The cost of harboring migrants is significant. Colombia says it needed \$1.5 billion a year, Ecuador another \$550 million. The World Bank estimated the influx could shave 0.4 per cent off Colombia’s gross domestic product in 2019.”

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A pattern is emerging across the region. Over-burdened host countries, originally receptive to Venezuelan refugees who share a common language and overlapping histories and cultures with their own citizens, are beginning to run out of resources to cope with the burgeoning diaspora.

It is the responsibility of the international community to step in with significant financial aid and assistance institution building now when it is most needed. Already, regional economies and job markets are beginning to feel the strain. If the Venezuelan diaspora isn't properly supported and when possible included in local economies and communities—an effort that will require significant outside resources—the region is at risk of falling victim to the xenophobia that has fueled divisive populism in much of the developed world in recent years.

II. What's Being Done Already

Regional Leaders

The good news is that the Latin American region already has a group of responsible, forward-thinking countries willing to lead on this issue. The September 2018 Quito Declaration on Human Mobility of Venezuelan Citizens in the Region was an important first step in organizing the regional response. Signed by Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, and Uruguay, the document outlines regional priorities, including: establishing regional information exchange mechanisms; streamlining documentation requirements; lowering the cost of application status; social protection and labor integration measures; regional coordination against xenophobia, trafficking and smuggling; special assistance programs focusing on children, persons with special needs, and chronic health issues.

A January 2019 report by the Migration Policy Institute outlines the country-level programs that have allowed for legal integration of Venezuelan migrants. These programs have accomplished the crucial step of legally registering and granting regular status to roughly 960,000 Venezuelan migrants, including 450,000 in Colombia; 175,000 in Peru; 23,000 in Brazil; and 16,000 in Chile.

As the number of Venezuelan refugees ballooned toward the end of 2018, however, many host countries either ended or quietly failed to renew their special visa programs, forcing hundreds of thousands of Venezuelan migrants to move throughout the region without official documentation or legal status. At the same time, discontent and xenophobia among citizens in host nations began to grow. In Colombia, mobs have attacked Venezuelan migrants and protested in front of refugee camps. In Panama, a flyer circulated around local bars and restaurants offering a 50 percent discount to customers who “punched a Venezuelan in the face.” In Brazil, citizens of border towns attacked refugee camps in August last year.

Despite rising discontent, it's crucial that host countries don't give up on these efforts, as the number of Venezuelan migrants will continue to grow. But as the number of daily departures from Venezuela continues—currently more than 5,000 per day—the capacities of host communities, and particularly of Colombia, a nation that has done much already, are increasingly overstretched, and without outside assistance, the governments of host countries have little choice but to act as they have. Here, the role of the international community is crucial.

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The Need for a Respected Neutral Coordinating Body: Enter the UNHCR

The gold standard of the admittedly just-beginning international response to the Venezuelan refugee crisis is the Regional Refugee and Migrant Response Plan (referred to from here on out as the Migrant Response Plan) published by the United Nations High Commissioner for Refugees (UNHCR) Joint Special Representative for Venezuelan Refugees and Migrants, Eduardo Stein.

The plan, which only covers a financial response for 2019, identifies a population of 2.2 million Venezuelan migrants and refugees currently in need of assistance.

The Migrant Response Plan addresses various needs of the migrant and refugee community. Principal among them is the need for access to regular status and a documentation framework, which allows migrants to enjoy guaranteed rights, social services and the labor market. In addition, the Migrant Response Plan lays out funding priorities for reception and support mechanisms, shelter intervention and improvement of infrastructure for basic services such as strengthening of housing infrastructure, health care, education, water, hygiene, and sanitation.

Migrant Response Plan Target Population and Funding by Country/Sub-Region

Host Country / Sub-Region	Combined Refugee and Host Community Population Targeted by UNHCR	Refugees In Need Not Covered by UNHCR Project	Annual UNHCR Financial Requirements for Targeted Population	Percent of funds needed for direct emergency assistance
Brazil	150,150	85,000	\$56 million	28%
Colombia	940,000	475,000	\$315 million	55%
Ecuador	460,245	63,000	\$117 million	53%
Peru	483,765	769,000	\$106 million	36%
Caribbean	165,813	36,500	\$35 million	29%
Central America and Mexico	127,800	36,000	\$22 million	26%
Southern Cone	294,239	144,000	\$35 million	45%
Total	2,622,012	1,608,500	\$686 million	

Source: UNHCR Regional Refugee and Migrant Response Plan

Ninety-five organizations in 16 countries have committed funding totaling \$738 million for 2019¹, but Special Representative Stein has made it clear that more money is needed: “This plan is a call to the donor community, including the international financial institutions and development actors which can play a key role in this institution, to increase their support to refugees and migrants in the region and the host communities which have kindly opened their arms to them.”

¹ For a full list of organizations, see page 113 of the UNHCR Regional Refugee and Migrant Response Plan.

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In addition to the funding gap for this year, guaranteed funding—such as the Inter-American Development Bank’s special grant facility approved by the Board of Governors to support local and national governments implement comprehensive development programs that facilitate the social integration of migrants into communities, and the World Bank’s Global Concessional Financing Facility (GCF) to help improve services for migrants from Venezuela in Colombia—is needed for the years to come to ensure protection and integration for migrants and to avoid strained economies and xenophobic backlash in host communities.

The sub-region funding detailed in the Migrant Response Plan also help to illustrate the significant variation in the needs of receiving countries. In Colombia, for example, the plan allocates 55 percent of funds for direct emergency assistance. Remaining funds go toward protection (11 percent), socioeconomic and cultural integration (28 percent) and strengthening of government capacity (6 percent). By contrast, in Peru, where socioeconomic and cultural integration is a greater priority, only 36 percent of funds are allocated for direct emergency assistance. Remaining funds go toward protection (11 percent), socioeconomic and cultural integration (47 percent) and strengthening government capacity (6 percent). Similar differences in needs are prevalent throughout the region.

III. What’s Missing: World Powers Must Step Up

Special Representative Stein and his team have already done much of the hard work. They’ve: 1) outlined populations and communities in need; 2) identified the areas that are most in need of funding to ensure the safety and integration of the Venezuelan migrant community; and 3) identified willing partners on the ground in Latin America—including NGOs, religious organizations, and businesses.

The framework is there. It’s clear, however, that notable funding gaps remain—gaps that are significantly beyond the capacity of the United Nations, World Bank, Inter-American Development Bank, the Organization of American States, and the already-participating businesses and NGOs in Latin America. This is where the United States, Canada, the European Union, and—yes—China must work together and take a leadership role to fill the funding gap identified by the UNHCR report for 2019 and beyond. However, a greater role for the outside community does not exempt Latin American nations from continuing to do what they can. In fact, Latin American nations, and particularly the larger economies, need to step-up and play a greater role in allocating resources to fulfill the funding gaps identified by UNHCR, implement response plans and share the burden of what has become a regional challenge. Latin American can’t and must not turn a blind eye to the Venezuelan people.

Whereas the United States and the European Union committed more than \$33 billion to dealing with the Syrian refugee crisis, as of September 2019 the United States has provided nearly \$568 million in total regional support for the Venezuelan crisis since FY2017. Separately, the European Union has committed more than \$150 million euros (\$165 million) to countries in the region to help them provide for Venezuelan migrants, including \$30 million euros (\$33 million) in exclusive aid to Colombia to help the Andean country grapple with an influx of Venezuelan migrants.

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As China continues to expand its global footprint and Russia increasingly decides to play a role—directly or indirectly—in the domestic politics of the region, it’s in the geostrategic interest of both the U.S. and the E.U. to ensure the survival of the region’s liberal democracies, that (not coincidentally) have taken the lead on addressing the refugee crisis.

The U.S. administration and a bi-partisan group of members of the U.S. Congress should work expeditiously with Special Representative Stein and the European counterparts of the U.S. to coordinate a significant aid package for host countries of Venezuelan migrants. Communication must also be ensured with World Bank, IDB and OAS representatives to synchronize efforts as closely as possible. Potential leaders of this effort in U.S. Congress include Senate Republicans Ben Sasse (Nebraska) and Marco Rubio (Florida) and Senate Democrats Bob Menendez (New Jersey) and Michael Bennet (Colorado), and Representative Elliot Engel (New York).

The United States also has work to do in terms of welcoming Venezuelan refugees within its own borders. The cap for eligible refugees in FY2019 is currently set at only 3,000 from *all of Latin America*; 116,000 Venezuelans made asylum claims in 2017 alone. And despite the fact that 24 senators have proposed extending Temporary Protected Status (TPS) to Venezuelans, there’s been little movement on the part of the Trump Administration. Additionally, given the administration recently announced it will accept only 18,000 refugees during the next 12 months—down from the current limit of 30,000—Venezuelan refugees and migrants’ options to access a safe haven in the United States will be limited considerably.

The potential exists for Beijing to continue to bolster its presence in the region, while at the same time putting its money toward a worthwhile cause. China has both the money and the relationship with many of the host countries to coordinate significant deliveries of aid, and it’s in the strategic interests of both Beijing and the countries of the region for China to do so—but to do so transparently. For example, China extended a \$5 billion line-of-credit to Caracas in September 2018; if the Chinese government worked with Special Representative Stein and the UNHCR to commit even a fraction of that amount to the region to help cope with the refugee crisis, the effect on ensuring refugee safety and strengthening institutions in host countries—not to mention the soft power reward—would be immediate.

IV. Asset Seizure and Confiscation of Criminal Assets

Finally, as pointed out in the excellent Inter-American Dialogue report on the Venezuelan crisis, international actors including the United States should explore seizing the illegal wealth of the criminal Maduro regime and his inner circle. The amount of ill-gotten money surrounding the regime is mind-boggling; for example, the U.S. Treasury estimates that more than \$2 billion has been stolen from the state-owned oil company, PDVSA, alone.

In September 2018, a bi-partisan group of U.S. senators introduced a bill that includes legislation paving the way for recovery of “stolen assets,” but the bill never moved to a vote.

V. Our Recommendations

- 1) **The international community must work together, coordinated under the guidance of Eduardo Stein, the United Nations Joint Special Representative for Venezuelan Refugees and Migrants.** A UN-appointed coordinator is uniquely positioned to earn the confidence of a broad swath of the international community, fundraise from diverse sources, and coordinate the response. In addition, Special Representative Stein and his team have already made significant progress in identifying populations in need and beginning to fundraise.
- 2) **We encourage Special Representative Stein to oversee the implementation of a country-by-country resettlement strategy that prioritizes the needs of refugees without major disruptions to domestic economies and societies** based on the framework laid out by the UNHCR Migrant Response Plan. Considering that the on-the-ground realities vary widely by country, each country in the Americas must work with their fledgling Venezuelan communities in a way that reflects both the domestic situation and the unique needs of the community. This varies from fluid, daily changing situations in countries such as Colombia and Peru, to permanent resettlement of highly educated Venezuelans in Argentina and Chile, to the granting of Temporary Protected Status (TPS) in the United States.
- 3) **The international donor community, led by the United States and the European Union, must take on an enhanced role,** coordinated by Special Representative Eduardo Stein and in communication with World Bank, IDB and OAS representatives. While the fledgling work of the UNHCR is a promising start, this crisis is going to require a multi-billion-dollar response from the broader international community. The donor effort should focus on institutional strengthening in host countries, specifically in the fields laid out by the UNHCR Coordination Platform:
 - a. Improved legal processes for registration, documentation, and legal integration;
 - b. Emergency assistance;
 - c. Protection for Venezuelans in transit;
 - d. Strengthening of housing infrastructure, health care, education, water, hygiene and sanitation.
 - e. Expansion of current training and placement programs, such as Brazil's Trabalho Novo program.

Here, the presence of an accepted leadership and trusted international organization (the UNHCR) is crucial. If Special Representative Stein, working with the signatories of the Quito Declaration, can successfully make a unified appeal to international donors, he can realistically aim to collect roughly \$10 billion over the next two years, enough to cover the cost of approximately \$3,000 per refugee per year.

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- 4) **Address the security situation in Colombia.** While the entire region is in need of the capital to properly integrate the Venezuelan diaspora, the situation is especially urgent in Colombia. The international donor community must work with the Colombian government, UNHCR and other international partners to ensure that the growing number of Venezuelan refugees doesn't upset the balance of the country's already delicate security situation.

Here, it's also worth pointing out that Colombia has taken a logistical and material leadership role in the region on the crisis. The Colombian government, along with Colombian society, has done far and away the most work for Venezuelan refugees, including the crucial aspect of socio-economic and cultural inclusion. As signs begin to appear that patience may be wearing thin among sectors of the Colombian population, it is the duty of the region and of international backers to both learn from the Colombian example and to come to the aid of the Colombian government to help it continue to properly integrate the nearly 1.6 million Venezuelans in the country.

The working group strongly encourages the United States and particularly other concerned countries in Latin America—Argentina, Brazil, Chile, Mexico and Peru—to step up its bilateral and multilateral assistance both in financial terms, and in the form of job placement and social integration programs, to provide much-needed assistance to Venezuelan refugee programs in their territories and/or neighboring countries.

- 5) **If China is serious about its presence in Latin America, it can prove it by transparently providing foreign aid to the most burdened countries through multilateral organizations.** Flashy infrastructure projects and massive investment are one thing, but China needs to become a constructive, positive player in the region. Beijing should pledge to help host countries address challenges presented by Venezuelan refugees. China has both the money and the relationships with many of the receiving countries to make this happen, and it's in the strategic interests of both Beijing and the countries of the region. This would be an easy way to build good will, do genuine good, and continue to expand its profile in the Americas.
- 6) **When Venezuela eventually begins the transition to democracy, the international community must work together to incentivize the return of educated, talented and young Venezuelans to the country.** Hundreds of thousands of doctors, lawyers, professors, nurses, and engineers have left Venezuela in recent years. In a 2015 study from the Central University of Venezuela, half of migrants said they weren't thinking of returning to Venezuela even if the country's political and economic situation changes.

Though Venezuela's transition back to democracy may still be years away, the international community should prepare incentives for talented Venezuelans to eventually return to help rebuild the country. Their talent will be crucial in the rebuilding effort. Venezuelan and international private sector investment to reconstruct the local economy to generate jobs will be key to achieve that.

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- 7) **Finally, significant resources must be dedicated to combatting the spread of xenophobia in the region, through education, storytelling and cultural assimilation programs.** While the xenophobia and nativism that is so prevalent in Europe and the United States has yet to become a real driver of the public debate in Latin America, there are signs that it is beginning to be an issue, as witnessed in a survey conducted by the *Washington Post* and *Reforma* newspaper in Mexico, that demonstrated growing anti-Central American sentiment in Mexico. In Colombia, Brazil, Ecuador, and Panama there are also signs of growing xenophobia in this case against Venezuelans. As the international and regional donor communities begin to implement their response in the region, steps to reduce xenophobia must be central to their efforts.