

## **The false dilemma of the “humanitarian disaster of the venezuelan exodus”**

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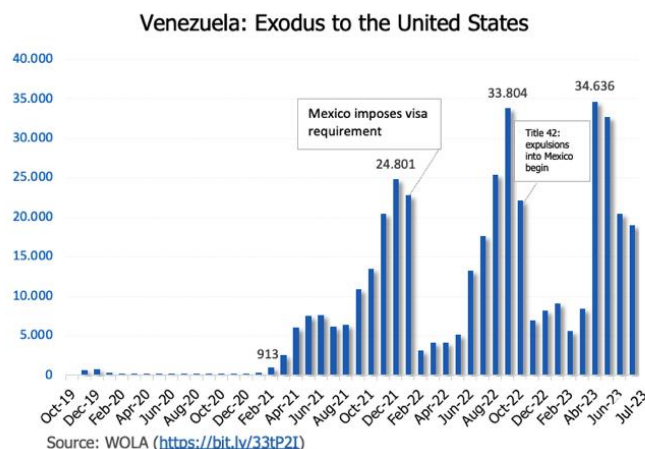
Last week, the President of Colombia, Gustavo Petro, asserted that to solve the humanitarian crisis on the migratory route through the Darién, the jungle border separating Colombia and Panama, it is necessary to “economically unblock Venezuela”.

The Biden administration also believes that normalizing relations with Nicolás Maduro’s regime would resolve the Venezuelan migratory crisis at the southern border of the United States. Moreover, they see the Bolivarian country as an alternative source to increase the oil supply in the global market and potentially, counteract the rise in crude oil prices. Especially when the Saudi prince, Mohamed Bin Salman, and the Russian leader, Vladimir Putin, have tried to increase them by reducing production. It will have an impact on gasoline prices during the 2024 election year.

As a result, the White House has granted licenses to oil companies, allowing the American Chevron Corporation to extract oil from the Orinoco and Boscán oil belt and to export to the Gulf refineries (PADD 3) with a capacity of 2,100,000 barrels/day. Similarly, licenses have been given to the Spanish oil company Repsol and the Italian Eni, which direct their crude shipments to Spanish refineries.

Evidence shows that in the second quarter of this year, we are witnessing the third wave of the Venezuelan exodus (87,824), entering through the southern US border. According to the human rights organization in the Americas, WOLA, the first two waves occurred in the last quarter of 2021 (67,968 people) and in the fall of 2022 (81,225).

The decision by the government of Andrés Manuel López Obrador to require visas for Venezuelans and the US administration’s application of Title 42, which allowed them to be quickly returned to Mexico, slowed the rate of migrants from this country entering American territory.



The fundamental causes of Venezuelan migration are socioeconomic and human rights violations. They are caused by the Maduro regime, which has hijacked the country and seeks to remain in power at all costs.

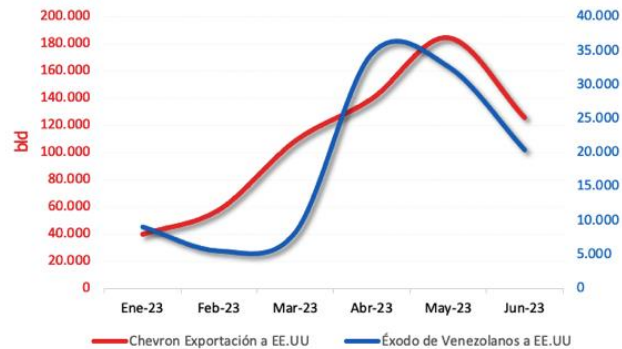
In 2022, the phrase “Venezuela has fixed itself” was coined to reinforce the idea of normalization with the business sector and unions. Maduro met with representatives of Fedecámaras, which was made public after 15 years of unilaterally decreeing salary increases.

The plundering of the nation’s coffers by the PSUV nomenclature over this time and difficulties in laundering capital due to sanctions imposed by the United States, the United Kingdom, and the European Union forced them to do so within the country. They took refuge in eastern Caracas. The vast majority remained mired in poverty in the rest of the national territory.

The dollar, banned for 15 years, began circulating freely in 2019 when Maduro relaxed exchange and price controls prevailing since Hugo Chávez’s era. Furthermore, social protests demanding improvements in the quality of life were judicialized, violating the rights of their leaders and social actors.

Evaluating the impact of the license granted to Chevron to produce and export Venezuelan oil to US refineries, we find that revenues to the majority partner of joint ventures, PDVSA, have been used for the State (Maduro) to intervene in the foreign exchange market.

Venezuela: Export (Chevron) and Exodus to the United States 2023



Sources: US EIA (<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MTTIMUSVE2&f=M>) | WOLA (<https://bit.ly/33tP21l>)

The correlation between Venezuelan immigrants and crude exports to the US is positive (0.88). That is, revenue from oil exports does not impact the quality of life of the Venezuelan population. It only benefits the Maduro regime, allowing it to sustain its cronies by acquiring clean dollars from Chevron's activities.

Additionally, the regime's cash flow has dramatically improved due to the significant amount of foreign currency offered by the California-based US oil company. It represented 20% of the foreign currency demand met by banks, according to the April report from the firm Síntesis Financiera.

In conclusion, the idea that economically unblocking the Maduro regime is the solution to the humanitarian crisis on the Darién migratory route is utterly false. The regime has constructed this narrative to obtain legitimate foreign currency to maintain the laundering of illicit activities managed by the criminal-mafioso State. Consequently, to cling to power.

The solution to the crisis causing the exodus of Venezuelans lies in the departure of Madurismo and the establishment of a new democratic structure in the country. Freeing the economic ties that Maduro must act freely will only bring more exodus to the point where only those trapped without an exit and those who live (enchufado) off the criminal-mafioso State will remain.