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Venezuelans Propelled To U.S. By Crisis, Not Immigration Policy

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I write about globalization, business, technology and immigration.

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A man from Venezuela seeking asylum in the United States holds his daughter at the entrance to the ... [+] AFP VIA GETTY IMAGES

Venezuelans have left their country, and a small percentage have come to America due to a historic economic and political crisis, not

U.S. border policies, according to a leading expert on Venezuela. Ricardo Hausmann, founder and Director of Harvard's Growth Lab and a [professor at the Harvard Kennedy School](#), says it's important for U.S. policymakers to understand why Venezuelans have left their country and how more welcoming policies can benefit Venezuelan refugees and the United States.

The Biden administration has [established a parole program](#) for up to [24,000 beneficiaries](#). The parole provision is restricted to Venezuelans who "agree to fly at their own expense to an interior U.S. port of entry (POE), rather than entering at a land POE," among other limitations. "At the center of the Venezuela plan is a trade-off that would deny the right to seek asylum to Venezuelans who arrive at or irregularly cross the U.S. border and substitute for that a program that will allow up to 24,000 Venezuelans with sponsors in the United States who can support them financially to apply to enter the United States," said Bill Frelick of [Human Rights Watch](#).

A Human Rights Disaster Caused By Economic Policies

To put the human rights situation in context, Hausmann notes, "Venezuela is a unique case of an economic catastrophe. It's the only country in peacetime able to engineer a decline in GDP [Gross Domestic Product] of 80%." He compares that to a GDP decline of 28% during the Great Depression in the United States and a 50% drop in GDP in Germany during World War II. Hausmann served as chief economist at the Inter-American Development Bank (1994-2000) and was a member of the Board of the Central Bank of Venezuela and an economics professor in Caracas.

When oil prices were high in the years before 2015, Venezuela's socialist government took on more debt rather than save money.

When oil prices collapsed, the government lost access to finance. To keep servicing the debt, the government reduced imports. That resulted in a collapse in the supply of food, medicine, and intermediate inputs, including spare parts, seed, fertilizers and other items needed to keep the economy going and prevent people from starving.

“The economy went into a tailspin because the government tried to control society by taking away economic rights,” said Hausmann. “In the middle of the oil boom, the government thought, I have enough money coming from oil, so I don’t need the private sector. In fact, I can expropriate the private sector. I can put all sorts of controls on the private sector and make it obey. Many people decided that under those conditions, it was not possible to dream, to plan, to invest, to do things in Venezuela, and people started to leave.”

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“To keep power, the government disempowered people, taking away their civil, political and human rights,” he said. “So, the human rights situation in Venezuela is catastrophic, but it is catastrophic because the government has maintained itself in power despite having engineered the largest peacetime economic collapse in human history.”

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Due to the economic collapse, people in Venezuela wanted change. In December 2015, Venezuelans [voted for a two-thirds majority](#) for the opposition in the National Assembly. The government of Venezuelan president Nicolás Maduro unconstitutionally changed the Supreme Court, and [the court later took away all legislative powers from the National Assembly](#). After that, people had no hope their situation would improve, according to Hausmann. That's when the migration out of Venezuela began in earnest.

7 Million People Have Left Venezuela

More than [7.1 million refugees and migrants have left Venezuela](#), with most currently living in Latin America, according to United Nations High Commissioner for Refugees (UNHCR). That's about the same number of people who departed Ukraine following the most intense warfare seen in Europe since World War II.

Worsening individual circumstances have propelled many Venezuelans further north. A UNHCR [report](#) on Venezuelans stated: "Half of all refugees and migrants in the region cannot afford three meals a day and lack access to safe and dignified housing. To access food or avoid living on the streets, many Venezuelans resort to survival sex, begging or indebtedness."

[According to UNHCR](#), approximately 1.8 million Venezuelans have gone to Colombia, 1.3 million to Peru, 514,000 to Ecuador, 465,000 to the United States, 448,000 to Chile, 418,000 to Spain, 345,000

to Brazil and another 400,000 are spread among Argentina, Panama and the Dominican Republic.

Hausmann believes the number of Venezuelans going to the United States is “surprisingly small relative to the total outflow.” He notes it is much less than smaller countries, such as El Salvador and Guatemala.

[U.S. Border Patrol encounters](#) with Venezuelans have increased from 4,520 in FY 2020 to 50,499 in FY 2021 and 189,520 in FY 2022. That has encouraged new U.S. restrictions.

U.S. Policy Toward Venezuelans

What should U.S. policy be toward people from Venezuela who feel they have no choice but to come to the United States? In addition to giving Venezuelans a chance to apply for asylum on human rights grounds, there are economic reasons to support a more open policy, according to Hausmann.

“I think the main macroeconomic problem in the United States right now, according to [Federal Reserve Board Chair Jerome Powell](#) and most economists is an overheated economy that has twice as many vacancies as people looking for jobs,” said Hausmann. “The Federal Reserve is raising interest rates. Instead of raising interest rates, you should just raise immigration quotas. It’s better to have more workers to allow companies to expand than to have companies contract by having higher interest rates.

“Right now, if you allow more Venezuelan migrants in, they will want to immediately go out and earn money. That’s what they want to do. They’re going to get a job if we let them take a job. It’s a pure win-win. The Venezuelan migrants in the U.S. are the most educated Latin Americans in the United States. The people have

skills. It's just that they come from a country where those skills are impossible to use because the Venezuelan government has destroyed the economy and human rights.”

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