Latin America and the Caribbean: U.S. Policy Overview

U.S. interests in Latin America and the Caribbean are diverse and include economic, political, security, and humanitarian concerns. Geographic proximity has ensured strong economic linkages between the United States and the region, with the United States being a major trading partner and source of foreign investment for many Latin American and Caribbean countries. Free-trade agreements (FTAs) have augmented U.S. economic relations with 11 countries in the region. The Western Hemisphere is a large source of U.S. immigration, both legal and illegal; geographic proximity and economic and security conditions are major factors driving migration trends.

Curbing the flow of illicit drugs from Latin America and the Caribbean has been a key component of U.S. relations with the region and a major interest of Congress for more than three decades. The flow of illicit drugs, including heroin, methamphetamine, and fentanyl from Mexico and cocaine from Colombia, poses risks to U.S. public health and safety. Colombia has received long-standing support through Plan Colombia and its successor programs. For over a decade, the United States has engaged in close partnerships to combat drug trafficking and related violence and advance citizen security: the Mérida Initiative began in 2007 to support Mexico; the Central America Regional Security Initiative (Carsi) began in 2008; and the Caribbean Basin Security Initiative (CBSI) began in 2009.

Increasing Challenges in the Region

Although many countries in the region have made enormous strides in terms of democratic political development since the 1980s, several Latin American and Caribbean countries currently are facing political and social unrest fueled by antidemocratic practices, corruption scandals, and poor economic conditions.

- The political and economic crisis in Venezuela under the authoritarian rule of Nicolás Maduro has intensified over the past two years, resulting in mass migration to neighboring countries.
- Bolivian President Evo Morales resigned on November 10, 2019, after weeks of protests alleging fraud in the country’s October 20, 2019, presidential elections in which Morales was seeking a fourth term.
- Since April 2018, the government of Nicaraguan President Daniel Ortega has continued to use violence to repress the political opposition.
- Honduran President Juan Orlando Hernández is alleged to have received drug trafficking proceeds, according to U.S. federal court prosecutors who convicted his brother on drug charges in October 2019.
- Since September 2019, more than 40 people have died in Haiti during widespread anti-government demonstrations against corruption and deteriorating economic conditions, with protesters and opposition forces calling for President Jovenel Moïse to resign.
- Ecuador experienced two weeks of anti-austerity protests in the first half of October 2019.
- Chile has experienced widespread public demonstrations since mid-October 2019 in which protestors are calling for greater economic and social equality.

Among other regional challenges are high rates of crime and violence in several countries, including Mexico and the Central American “Northern Triangle” countries of El Salvador, Guatemala, and Honduras. In some countries, human rights and environmental activists and journalists have been targeted. Although Cuba transitioned to a new president in 2018, the government continues to restrict freedoms of expression and other basic rights.

Trump Administration Policy

In its policy toward Latin America and the Caribbean, the Trump Administration has retained many of the same priorities and programs of past Administrations, but it has also diverged considerably in generally adopting a more confrontational approach. In 2018, the State Department set forth a framework for U.S. policy toward the region focused on three pillars for engagement—economic growth and prosperity, security, and democratic governance. The framework reflects continuity with long-standing U.S. policy priorities for the region, but it also appears at odds with the Administration’s sometimes antagonistic actions and statements on immigration, trade, and foreign aid. The Administration’s proposed foreign aid budgets for FY2018 and FY2019 would have cut assistance to the region by more than a third; the FY2020 proposed budget request would cut funding to the region by about 29%. Meanwhile, according to Gallup polls in 2018 and 2019, negative views of U.S. leadership in the region have increased markedly since the Trump Administration took office.

On trade, in 2017, President Trump ordered U.S. withdrawal from the proposed Trans-Pacific Partnership (TPP) free trade agreement that had been negotiated in 2015; the TPP would have increased U.S. economic linkages with three Latin American countries that were parties to the agreement—Chile, Mexico, and Peru. The President strongly criticized the North American Free Trade Agreement (NAFTA) with Mexico and Canada, repeatedly warned that the United States might withdraw from NAFTA, and initiated renegotiations in 2017. The three countries agreed in September 2018 to a new United States-Mexico-Canada Agreement (USMCA), which includes

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some modernizing updates and changes, such as provisions on digital trade and the dairy and auto industries.

Beyond trade, relations with Mexico have been tested because of inflammatory anti-immigrant rhetoric and immigration actions that have shifted the burden of interdicting migrants and offering asylum to Mexico. In 2017, the Administration announced it would end the Deferred Action for Childhood Arrivals program; begun in 2012, the program provides relief from deportation for certain immigrants who arrived as children. The program’s future remains uncertain, given challenges in federal court; if ended, some 536,000 Mexicans could be affected. Despite tensions, U.S.-Mexican relations remain friendly, especially economic and energy ties and security cooperation related to drug interdiction.

Since 2017, the Administration has announced plans to terminate Temporary Protected Status designations for Nicaragua, Haiti, El Salvador, and Honduras, but federal court challenges have put the terminations on hold.

Unauthorized migration from Central America’s Northern Triangle countries has increased in recent years, fueled by difficult socioeconomic and security conditions and poor governance. To deter such migration, the Trump Administration implemented a “zero tolerance” policy toward illegal border crossings in 2018 and restrictions on access to asylum at the U.S. border. The Administration also has used aid cuts of previously appropriated assistance for FY2017 and FY2018 and threats of increased U.S. tariffs and taxes on remittances to compel Central American countries and Mexico to curb unauthorized migration to the United States. This year, the Administration has used Migration Protection Protocols negotiated with Mexico to deter Central American migration and negotiated agreements with each of the Northern Triangle countries that, when implemented, will permit the United States to transfer asylum applicants from third countries to the Northern Triangle countries.

As the situation in Venezuela has deteriorated under the Maduro government, the Trump Administration has imposed targeted and broader financial sanctions, including sanctions against the state oil company, the country’s main source of income. In January 2019, the Administration recognized the head of Venezuela’s National Assembly, Juan Guaidó, as interim president. In September 2019, the United States joined with 11 other Western Hemisphere countries to invoke the Rio Treaty to facilitate a regional response to the Venezuelan crisis. The Administration also is providing humanitarian and development assistance for Venezuelans who have fled to other countries, especially Colombia, as well as for Venezuelans inside Venezuela.

On Cuba, the Trump Administration largely has abandoned the policy of engagement advanced by the Obama Administration and imposed a series of economic sanctions on Cuba for its poor human rights record and support for the Maduro government in Venezuela. Economic sanctions have included restrictions on travel and remittances, efforts to disrupt oil flows from Venezuela, and authorization (pursuant to Title III of the LIBERTAD Act, P.L. 104-114), of the right to file lawsuits against those trafficking in confiscated property in Cuba. In 2017, the State Department cut the staff of U.S. Embassy Havana by about two-thirds in response to unexplained injuries of U.S. diplomatic staff.

Since political unrest began to grow in Nicaragua in 2018, the Trump Administration has employed targeted sanctions against several individuals responsible for human rights abuses or significant corruption.

Congressional Action in the 116th Congress

Congress traditionally has played an active role in policy toward Latin America and the Caribbean in terms of both legislation and oversight. Given the region’s proximity, U.S. foreign and domestic policy often overlap, particularly in areas of immigration and trade.

The 116th Congress completed action on FY2019 foreign aid appropriations when it enacted the Consolidated Appropriations Act, 2019 (P.L. 116-6) in February 2019; amounts appropriated for key U.S. initiatives and countries significantly exceeded the Administration’s request. Congress also began action on the Administration’s FY2020 foreign aid budget request for almost $1.2 billion for the region (down from $1.7 billion in FY2018); House-passed and Senate-reported foreign aid appropriations bills (Division D of H.R. 2740, and S. 2583) would provide more assistance than requested, equaling or exceeding FY2018 levels for some countries and initiatives.

On Venezuela, the House approved three bills in March 2019: H.R. 854, to provide humanitarian assistance; H.R. 920, to restrict the export of defense articles and crime control materials; and H.R. 1477, to require a threat assessment and strategy to counter Russian influence in Venezuela. Both the House- and Senate-passed versions of the FY2020 National Defense Authorization Act (H.R. 2500 and S. 1790, now in conference) have a provision that would prohibit federal contracting with persons who do business with the Maduro government.

In other action, the House approved H.R. 133 in January 2019 to promote U.S.-Mexican economic partnership and cooperation, and the Senate approved S.Res. 35 in April 2019 expressing support for democratic principles in Bolivia and throughout Latin America. Both houses also approved resolutions (H.Res. 441 in July 2019 and S.Res. 277 in October 2019) commemorating the 25th anniversary of the 1994 bombing of the Argentine-Israeli Mutual Association in Buenos Aires. Looking ahead, the proposed USMCA faces potential consideration in the 116th Congress; Congress must approve implementing legislation for the agreement before it can enter into force.

To date in the first session, several oversight hearings have been held on Venezuela, Central America (including the impact of U.S. aid cuts), relations with Colombia, human rights in Cuba, China’s engagement in Latin America, environmental concerns in the Amazon, and repression in Nicaragua.

For background, see CRS Insight IN11045, Latin America: Challenges for U.S. Policymakers in 2019; and CRS Report R45120, Latin America and the Caribbean: Issues in the 115th Congress.
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