

# Challenges for U.S. Policymakers in Latin America and the Caribbean

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The Latin American and Caribbean region has made significant political and economic advances over the past three decades, but challenges remain. Regular free and fair elections are the norm in most countries; in 2017, presidential elections are scheduled for [Ecuador](#) in February and Chile and [Honduras](#) in November, while parliamentary elections are due in the Bahamas by May. The quality of democracy, however, has eroded in several countries affected by organized crime, corruption, and the executive's abuse of power. The rise of leftist populism, most prominently in Venezuela, has led to the subversion of democratic institutions and erosion of human rights. In Freedom House's [2017 annual report](#), Venezuela joined Cuba as the only countries in the Americas categorized as "not free." Ten others were classified as "partly freely." The ebbing of populism's electoral appeal (e.g., in [Argentina](#)) is a positive development for democracy, as is Colombia's peace agreement ending a half-century conflict.

The region has faced an economic slowdown in recent years, driven by the global decline in commodity prices and China's economic slowdown. [Regional economic growth](#) contracted 0.7% in 2016, with marked declines in Argentina, Brazil, Ecuador, and Venezuela. A slower recovery is forecast for 2017, with growth of 1.2% and continued recessions in Ecuador and Venezuela, countries dependent on oil exports. [Haiti](#) remains one of the world's poorest countries.

In its policy approach toward the region, the Obama Administration emphasized [partnership, shared responsibility, and engagement](#). Its policy priorities included efforts to promote economic and social opportunity, combat transnational crime and advance citizen security, and strengthen democratic institutions. These U.S. goals in the region have been long-standing, so it is possible the Trump Administration will continue to support them. [Some observers](#), however, are fearful that the Administration's strong emphasis on border security, trade protection, and deportations could change the tenor of relations with the region, jeopardize cooperation, and fuel anti-American sentiment. One policy change that has altered the outlook for relations is [U.S. withdrawal](#) from the [Trans-Pacific Partnership](#) trade agreement, which would have deepened economic linkages with Mexico, Chile, and Peru.

Among the significant challenges facing the Trump Administration in the region are the following:

Mexico

[U.S. relations](#) and [economic linkages](#) with neighboring Mexico are stronger and deeper than with any other nation in Latin America, in large part because of the almost 2,000-mile shared border; the [North American Free Trade Agreement](#) (NAFTA), in effect since 1994; and extensive [security cooperation](#) over the past decade. Some analysts are concerned that bilateral cooperation and close economic linkages could be jeopardized under the Trump Administration. Inflammatory rhetoric regarding Mexican migrants during the U.S. electoral campaign, executive orders to increase deportations and hasten the construction of a border wall, and President Trump's calls for Mexico to pay for the wall have increased [tensions in relations](#) and spurred strong nationalist reaction in Mexico. President Trump has said he wants to [renegotiate NAFTA](#) to make it "fair" for the United States and, if not, he would [withdraw](#) from the agreement. Mexico has said it [would consider withdrawing](#) from NAFTA unless the agreement continues to benefit Mexico.

## Central America

In response to the surge of [unaccompanied children](#) and other migrants from Central America, the Obama Administration developed a broad approach in 2015 known as the [U.S. Strategy for Engagement in Central America](#). The strategy is primarily focused on improving conditions in the three "northern triangle" countries of El Salvador, Guatemala, and Honduras, which struggle with poverty, violence, and weak institutions. The 114<sup>th</sup> Congress supported the new strategy by appropriating \$750 million in FY2016 assistance; it is uncertain whether the Trump Administration will maintain the strategy or develop its own. Central American nations have expressed concern about the potential deportation of hundreds of thousands of their citizens, which could jeopardize remittances and exacerbate poverty.

## Venezuela

Low oil prices, economic mismanagement, and an extended political conflict in [Venezuela](#) have [wreaked havoc](#) on socioeconomic conditions and the human rights situation, with the government of President Nicolás Maduro maintaining power through the manipulation of democratic institutions. Congress enacted legislation in 2014 that prompted the Obama Administration to impose targeted sanctions on Venezuelan officials for human rights violations. More recently, a bipartisan group of 34 Members of Congress and Senators wrote a [letter](#) to President Trump calling for additional targeted sanctions against Venezuelan officials for corruption and human rights violations, increased U.S. democracy and human rights funding, and an investigation into [drug trafficking](#) and [terrorism](#) allegations against Venezuelan Vice President Tareck El Aissami. The Treasury Department subsequently imposed [drug trafficking sanctions](#) against El Aissami on February 13, 2017, and on February 15, President Trump [called for the release](#) of jailed opposition leader Leopoldo López.

## Cuba

The Obama Administration undertook a major shift in [U.S. policy toward Cuba](#), moving away from the long-standing [sanctions-based approach](#) toward a policy of engagement and normalization of relations. As part of this shift, the Administration rescinded Cuba's designation as a state sponsor of international terrorism; reestablished diplomatic relations; and eased embargo regulations to increase travel and commerce with Cuba. In the [114<sup>th</sup> Congress](#), some Members supported the policy of engagement and introduced measures to further ease or lift the embargo, whereas others opposed the policy shift and attempted to block efforts to normalize relations. Statements by President Trump before his inauguration suggest that he could reverse some of the Obama policy changes. The Administration maintains that it is undertaking a [full review](#) of policy toward Cuba and that human rights will be at the forefront of those discussions.

## Colombia

The United States has provided extensive support, more than \$10 billion since FY2000, to [Colombia](#) in its struggle against drug trafficking and armed terrorist groups. Support in Congress has been largely bipartisan, and Colombia has become one of the closest U.S. partners in the region. With the 2016 approval of a [peace agreement](#) between the Colombian government and the country's largest insurgent group, the Revolutionary Armed Forces of Colombia (FARC), at issue is whether the Trump Administration and Congress will provide assistance for implementation of the peace agreement.