



# Latin America: Challenges for U.S. Policymakers in 2019

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The 116<sup>th</sup> Congress faces a host of policy challenges in Latin America in 2019. Democratic practices have eroded in several countries, especially Venezuela and Nicaragua, and the region has experienced an economic slowdown and increased poverty in recent years. The flow of illicit drugs, including heroin, methamphetamine, and fentanyl from Mexico and cocaine from Colombia, continues to pose risks to U.S. public health and safety, according to the U.S. intelligence community's 2019 [Worldwide Threat Assessment](#).

Under the Trump Administration, the tenor of relations with Latin America has changed. The State Department outlined a [U.S. policy approach](#) toward the region in 2018 focusing on three pillars for engagement—economic growth and prosperity, security, and democratic governance. Although the framework continues long-standing U.S. policy priorities for the region, many observers view it as at odds with the Administration's actions on [foreign aid](#) (e.g., attempts to cut assistance by over one-third), [trade](#) (e.g., withdrawal from the Trans-Pacific Partnership, renegotiation of the North American Free Trade Agreement [NAFTA] amid threats to withdraw from it), and [immigration](#) (e.g., efforts to end the Deferred Action for Childhood Arrivals program and terminate Temporary Protected Status designations for Nicaragua, Haiti, El Salvador, and Honduras). The sharp increase in [negative views of U.S. leadership](#) in Latin America could affect some countries' willingness to cooperate with the United States on regional and global challenges, although some observers believe the election of conservative governments in several countries could lead to increased cooperation.

## Venezuela

The political and humanitarian crisis in Venezuela, and the resulting [mass migration](#) to neighboring countries, stands out as the region's most significant challenge. In January 2019, the Trump Administration took action against the authoritarian regime of Nicolás Maduro by [recognizing](#) the head of

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Venezuela's National Assembly, Juan Guaidó, as interim president. It also [imposed sanctions](#) on Venezuela's state oil company to cut access to the Maduro regime's leading revenue source. The Administration has begun to position humanitarian assistance in Cúcuta, Colombia, bordering Venezuela, although the Maduro regime is preventing the aid from entering Venezuela. Congress appears supportive of the Administration's actions, although some Members question whether stronger sanctions could exacerbate the humanitarian crisis and some have expressed concern about potential U.S. military involvement. If a political transition succeeds, the Administration likely would submit a request to Congress for assistance to support the new government; support from international financial institutions likely would be key to Venezuela's recovery.

## Central America

In recent years, Central America's "Northern Triangle" region—El Salvador, Guatemala, and Honduras—has remained a major transit corridor for illicit drugs and become a significant source of [irregular migration](#) to the United States. These flows, and the high rates of violence afflicting the region, are the result of long-standing challenges, including high poverty levels and fragile political and judicial systems marred by corruption. Congress appropriated nearly \$2.1 billion for the [U.S. Strategy for Engagement in Central America](#) from FY2016 to FY2018 aimed at improving security, strengthening governance, and promoting economic development. Issues for congressional oversight include a review of the effectiveness of U.S. assistance and an exploration of what additional support might be required to improve conditions.

In Guatemala, President Jimmy Morales's January 2019 decision to terminate the mandate of the [U.N.-sponsored International Commission Against Impunity in Guatemala \(CICIG\)](#) could undermine efforts to investigate corruption and threaten democracy as the country heads toward elections in June. In contrast, in El Salvador, former San Salvador mayor Nayib Bukele won the country's [February 3, 2019, presidential election](#) on an anticorruption platform, [promising to establish](#) an international anticorruption body similar to CICIG.

In [Nicaragua](#), long-ruling President Daniel Ortega responded to massive antigovernment protests and social unrest in 2018 with violent repression. To date, the Trump Administration has responded by sanctioning several high-level officials. Congress enacted legislation (P.L. 115-335) in 2018 requiring the United States to vote against certain loans to Nicaragua from international financial institutions.

## Mexico

In [Mexico](#), which continues to contend with high levels of drug trafficking-related violence, the new government of left-wing populist President Andrés López Obrador inherited a bilateral relationship with the United States marked by periodic tensions over trade and immigration issues. Nevertheless, several aspects of U.S.-Mexican relations remain strong, especially energy ties and security cooperation under the [Mérida Initiative](#). The proposed [United States-Mexico-Canada Agreement \(USMCA\)](#) that would replace NAFTA concluded in September 2018 and may face consideration in the 116<sup>th</sup> Congress.

## Colombia

In [Colombia](#), newly elected President Iván Duque is contending with sharp increases in coca cultivation and cocaine production, increased conflict among armed former insurgents and criminal groups, continued human rights violations targeting civil society activists, and the arrival of more than 1 million [Venezuelan migrants](#). Issues for congressional oversight may include the effectiveness of U.S. assistance to Colombia, given the surge in coca cultivation, and the future of peace accord implementation.

## Cuba

The Trump Administration has partially rolled back efforts to normalize relations with [Cuba](#) and [imposed new sanctions](#), including restrictions on transactions with companies controlled by the Cuban military. The Administration is reviewing whether to continue to suspend the right to file lawsuits in U.S. court (pursuant to Title III of P.L. 104-114) against those trafficking in confiscated property in Cuba, which could significantly increase economic pressure on Cuba; the current suspension expires March 18, 2019.

## Other Challenges

As [China](#) and Russia have increased their engagement with Latin America, the Trump Administration has [warned](#) about their activities, maintaining [they are supporting Venezuela](#) and seeking to expand military linkages and arms sales across the region. Congress may want to examine the extent and significance of Chinese and Russian activities in Latin America, their effect on U.S. interests, and potential policy responses.

In [Brazil](#), corruption scandals and poor economic conditions led to the [October 2018 election](#) of far-right populist Jair Bolsonaro as president. The Trump Administration lauded Bolsonaro's election, which could portend increased U.S.-Brazilian engagement on regional and global issues, although some Members have concerns about the future of human rights and the rule of law under Bolsonaro.

Also see CRS In Focus IF10460, *Latin America and the Caribbean: U.S. Policy Overview*, and CRS Report R45120, *Latin America and the Caribbean: Issues in the 115th Congress*.

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