



## 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 a major trading partner and source of foreign investment for many countries. Free-trade agreements (FTAs) have augmented U.S. economic relations with 11 countries in the region. The region also is a large source of U.S. immigration, both authorized and unauthorized, with economic and security conditions being 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 for 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. Since 2000, Colombia has received support through Plan Colombia and its successor programs. The United States also has sought to forge partnerships with other countries to combat drug trafficking and related violence and to advance citizen security, including through the Mérida Initiative, begun in 2007 to support Mexico; the Central America Regional Security Initiative (CARSI), begun in 2008; and the Caribbean Basin Security Initiative (CBSI), begun in 2009.

Another long-standing component of U.S. policy has been support for strengthened democratic governance and the rule of law, including initiatives to strengthen civil society and promote human rights. Although many countries in the region have made strides in democratic political development, several face considerable challenges.

### Increasing Challenges in the Region

Over the past several years, the quality of democracy has eroded in a number of countries, along with public satisfaction with how democracy is working. In addition to Venezuela, Cuba, and Nicaragua—all ruled by authoritarian governments repressing the political opposition—human rights groups have expressed concerns about democratic backsliding in several countries, including Brazil, El Salvador, Guatemala, Haiti, and Peru. Many countries in the region experienced social unrest in 2019 fueled by political factors, such as weak democratic institutions, politicized judicial systems, corruption scandals, and high levels of crime and violence. Economic factors, such as declining or stagnant growth rates and high levels of income inequality and poverty, also increased social pressure.

Since 2020, the Coronavirus Disease 2019 (COVID-19) pandemic has had widespread public health, economic, and political effects in the region. As of May 16, 2021, according to Johns Hopkins University, the region reported almost 982,000 deaths (29% of deaths worldwide), and

vaccination rates remain low for many countries in the region. The International Monetary Fund estimates a regional economic decline of 7% in 2020, with almost every country in recession. As a result, poverty and inequality have increased throughout the region, and many countries may struggle with protracted economic recoveries. The economic setback associated with the pandemic contributed to increased protests in the region in late 2020 and early 2021. Beginning in late April 2021, mass protests in Colombia against a pandemic-related tax reform turned into broader anti-government protests.

### Trump Administration Policy

Under the Trump Administration, U.S. relations with Latin America and the Caribbean generally moved toward a more confrontational approach, especially regarding efforts to curb irregular immigration from the region, compared with past Administrations' emphasis on partnership. From FY2018 to FY2021, the Trump Administration's proposed foreign aid budget requests would have cut assistance to the region considerably, but Congress generally rejected those requests by providing significantly more assistance than requested. To deter increased unauthorized migration from Central America, the Administration used a variety of immigration policy tools, as well as aid cuts and threats of increased U.S. tariffs and taxes on remittances. The Administration also imposed broad economic sanctions on Venezuela, which generally were supported by Congress, and significantly increased sanctions on Cuba. According to Gallup and Pew Research Center polls, negative views of U.S. leadership in the region increased markedly during the Trump Administration.

### Biden Administration Policy

Thus far, much of the Biden Administration's focus in the region has been on immigration and Central America. President Joe Biden has ended many of the previous Administration's restrictive immigration policies, while contending with a large increase in the number of undocumented Central American and Mexican migrants seeking to enter the United States. The Administration is preparing strategies to address the root causes of Central American migration and has indicated that it intends to request \$4 billion in assistance to Central America over a four-year period, including \$861 million as part of the FY2022 foreign assistance budget request. In March 2021, President Biden tasked Vice President Kamala Harris with overseeing efforts with Central America and Mexico.

On Venezuela, the Administration continues to pressure the government of Nicolás Maduro through sanctions but maintains that the United States is committed to working multilaterally to bring about a return to democracy. In a shift from the previous Administration, the Secretary of

Homeland Security granted temporary protected status (TPS) to Venezuelans in the United States in March 2021.

On Cuba, the Biden Administration is reviewing past policy decisions, including the previous Administration's designation of Cuba as a state sponsor of terrorism, and maintains that human rights is to be a core pillar of its policy.

The pandemic's public health and economic effects are likely to further shape U.S. assistance efforts in the region, including support for adequate vaccine supplies. In March 2021, the Administration announced that it would share 2.5 million AstraZeneca vaccine doses with Mexico, and in April 2021, White House officials announced that the United States intends to make available up to 60 million doses of the AstraZeneca vaccine to countries worldwide.

Cooperation on climate change is likely to become a priority for policy toward the region. In February 2021, the United States rejoined the Paris Agreement, reversing the previous Administration's withdrawal of the United States from the agreement. Seven leaders from Latin America and Caribbean countries participated in the Leaders' Summit on Climate hosted by President Biden in April.

The next Summit of the Americas (to be hosted by the United States later in 2021) could be an opportunity for the Administration to set forth its policy agenda for the region and strengthen engagement with hemispheric leaders.

### **Congressional Action in the 117<sup>th</sup> Congress**

Congress traditionally has played an active role in policy toward Latin America and the Caribbean through both legislation and oversight.

Since 2020, Congress has appropriated over \$15 billion to respond to COVID-19 globally, which includes support for Latin American and Caribbean countries. In 2020, the 116<sup>th</sup> Congress approved three appropriations measures (P.L. 116-123, P.L. 116-136, and P.L. 116-260) providing \$5.8 billion to respond to the pandemic globally, including \$4 billion for a contribution to Gavi, the Vaccine Alliance. In March 2021, the 117<sup>th</sup> Congress approved \$9.755 billion (P.L. 117-2) for foreign assistance programs to respond to the pandemic through global health interventions, humanitarian assistance, and contributions to multilateral response efforts. Some Members of Congress have called for the President to prioritize Latin American and Caribbean countries in donating surplus vaccines.

Congress will soon be considering the Administration's full FY2022 budget proposal, including foreign assistance, after its May 27, 2021, release. When the Administration released a summary of its FY2022 budget request in April, it included \$861 million to address the root causes of irregular migration from Central America. The U.S. Citizenship Act of 2021 (S. 348/H.R. 1177), a comprehensive immigration bill introduced in Congress on behalf of the Administration, would authorize \$4 billion over four years to address the root causes of migration from Central America and would provide a pathway to citizenship for certain migrants. In March 2021, the House

approved H.R. 6, which would provide a pathway to citizenship for those brought to the United States as children and those from countries with TPS designations (currently including El Salvador, Haiti, Honduras, Nicaragua, and Venezuela).

To date, the Senate has approved four resolutions on various aspects of relations with the region. On April 15, the Senate approved S.Res. 22, reaffirming the U.S. partnership with Ecuador and supporting actions to strengthen relations, as well as S.Res. 37, expressing solidarity with the San Isidro Movement in Cuba (a civil society group opposed to restrictions on artistic expression). On May 12, the Senate approved S.Res. 81, honoring *Las Damas de Blanco*, a women-led nonviolent Cuban human rights group, and calling for the release of all political prisoners in Cuba, as well as S.Res. 120, recognizing the forthcoming ninth Summit of the Americas and reaffirming the U.S. commitment to a more prosperous, secure, and democratic Western Hemisphere.

In March 2021, the Senate Foreign Relations Committee reported S.Res. 44, which would denounce fraudulent legislative elections in Venezuela; and the Senate Homeland Security and Governmental Affairs Committee reported S. 688, which would prohibit contracting with persons that have business operations with Venezuela's Maduro government. Other introduced bills pertain to U.S. policy toward Nicaragua (S. 1064), Haiti (S. 1104), and Honduras (S. 388 and H.R. 1574). Another bill, S. 616, would authorize \$24 billion for a capital increase for the Inter-American Development Bank (IDB).

Two broad Senate bills touch on relations with the region. S. 1201, the United States Climate Leadership on International Mitigation, Adaptation, and Technology Enhancement Act of 2021, has provisions that would require development of a strategy for trilateral climate cooperation between the United States, Mexico, and Canada and a multiyear strategy for regional energy cooperation with Caribbean countries. The measure also would express the sense of Congress on conservation of the Amazon River basin and U.S. engagement with Brazil.

S. 1169, the Strategic Competition Act of 2021, which addresses issues involving China worldwide, has provisions that would require a multiyear strategy for increasing U.S. economic competitiveness and promoting good governance, human rights, and the rule of law in Latin America and the Caribbean. The bill also would require a report assessing the nature, intent, and impact to U.S. strategic interests of Chinese diplomatic activity influencing the decisions, procedures, and programs of multilateral organizations in Latin America and the Caribbean. Similar to S. 616, the bill also would authorize an IDB capital increase. In the House, H.R. 2479 would require a report on China's efforts to expand its presence and influence in the region.

Also see CRS Report R46781, *Latin America and the Caribbean: U.S. Policy and Key Issues in the 117<sup>th</sup> Congress*; and CRS In Focus IF11581, *Latin America and the Caribbean: Impact of COVID-19*.

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