



El Salvador: Authoritarian Actions and U.S. Response

Updated December 23, 2021

On December 9, 2021, the Department of the Treasury announced sanctions against Salvadoran President Nayib Bukele's chief of staff for corruption associated with a massive pandemic-related procurement scandal. Treasury sanctioned two other officials the previous day, for providing illicit favors to the Treasury-designated Mara Salvatrucha 13 (MS-13) gang during covert negotiations. These sanctions actions, taken pursuant to Executive Order 13818 (Global Magnitsky sanctions), build on U.S. responses to democratic backsliding in El Salvador. In May 2021, Bukele's legislative allies dismissed five justices on the constitutional chamber of the supreme court and the attorney general and replaced them with political allies. Increasing concerns about corruption and authoritarianism in El Salvador among some Members of Congress could influence U.S. foreign assistance provided to the country.

Democratic Backsliding

On June 1, 2019, Bukele, a businessperson and former mayor of San Salvador, took office for a five-year presidential term after winning a first-round victory as an outsider standing for the Grand Alliance for National Unity (GANA) party. His New Ideas party was not yet eligible to field candidates. Born in 1981, Bukele is the first president to come of age politically after the 1980-1992 civil conflict and the first presidential candidate in 30 years to win without support from the conservative National Republican Alliance (ARENA) party or the leftist Farabundo Martí National Liberation Front (FMLN) party.

Bukele has governed as a populist, using social media to communicate with supporters, announce policies, purge officials, and attack opponents. Through 2020, Bukele battled with the legislature and the supreme court over funds for his security plan and his aggressive enforcement of a Coronavirus Disease 2019 (COVID-19) quarantine. In February 2020, Bukele ordered the military to surround the National Assembly to intimidate legislators into approving an anti-crime bill. He ignored supreme court rulings to respect constitutional rights and legislative decisions. Although Bukele remained popular, critics warned about his authoritarian tendencies and possible ties to organized crime. In February 2021, New Ideas and its allies won a supermajority (56 of 84 seats) in parliamentary elections.

Congressional Research Service

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IN11658

Removing Checks on Presidential Power

On May 1, 2021, shortly after the new National Assembly took office, New Ideas deputies presented charges against and dismissed five magistrates from the supreme court's constitutional chamber for inhibiting the government's pandemic response. Legislators then dismissed the attorney general for having ties to ARENA; he had been investigating corruption in Bukele's Cabinet and Bukele-gang negotiations. Both moves were broadly viewed as unconstitutional. The legislature then enacted a judicial reform that mandated retirement for all judges over the age of 60, including the judge who had presided over the emblematic trial of military officials involved in the civil war-era El Mozote massacre. In September, the new constitutional chamber magistrates ruled that Bukele could run for another term despite constitutional prohibitions on reelection.

Bukele, the legislature, and the new attorney general (who reportedly worked for a U.S.-sanctioned subsidiary of Venezuela's state oil company) have shut down investigations into corruption in the Bukele government while arresting government opponents on related charges. Bukele ended cooperation with an Organization of American States-supported anti-corruption commission. The National Assembly passed a law granting immunity from prosecution to anyone involved in pandemic spending while creating a commission to investigate corruption in past governments. The legislature also enacted a Bukele-backed initiative to adopt bitcoin as a form of legal tender, which the International Monetary Fund (IMF) has warned may be vulnerable to money laundering. The currency's entry into force could endanger IMF approval of a roughly \$1.4 billion loan for El Salvador.

At the same time, the Salvadoran government has taken steps to close civic space. Bukele officials have deported foreign journalists, harassed human rights activists and civil society groups, and proposed a law that would require foreign-funded individuals and organizations to register as foreign agents. If enacted, the measure could severely restrict such organizations' funding and activities.

U.S. Policy

The Biden Administration has made combating corruption a key part of its strategy to address the root causes of migration from Central America. In May 2021, the State Department declassified, pursuant to P.L. 116-260, a report to Congress on corrupt Northern Triangle officials that listed five current and former Salvadoran politicians. In July, the State Department released a list of officials subject to visa restrictions for corruption or undemocratic actions pursuant to Section 353 of P.L. 116-260; it included 14 Salvadoran officials, including Bukele's Cabinet chief, legal adviser, and labor minister. In September, the State Department added El Salvador's five new constitutional chamber magistrates to that sanctions list.

The Administration also has expressed concerns about the erosion of democratic institutions in El Salvador. On May 2, Secretary of State Antony Blinken called President Bukele to express concern about the dismissals of the country's magistrates and attorney general. U.S. Agency for International Development Administrator Samantha Power reprogrammed foreign aid from supporting government agencies to bolstering civil society and reiterated U.S. concerns about the rule of law during a June visit. In November, then-U.S. Chargé d'Affaires Jean Manes announced a "pause" in efforts to repair U.S.-Salvadoran relations and left her post.

Many in Congress are monitoring events in El Salvador and U.S. policy responses. On May 19, the House Foreign Affairs Committee reported H.Res. 408, urging the Salvadoran government to respect the country's democratic institutions. Congress also is assessing the Biden Administration's \$860.6 million FY2022 request for assistance to Central America, which includes at least \$95.8 million for El Salvador. The House-passed version of the FY2022 State and Foreign Operations appropriations measure (H.R. 4373) would provide \$860.6 million in assistance for Central America, and the Senate Appropriations Committee's version of the measure, S. 3075, would provide at least \$70.8 million for El Salvador. Both measures would prohibit Foreign Military Financing for El Salvador and would withhold some assistance

for the central government until the State Department certifies the Salvadoran government is meeting a series of conditions, including respecting the independence of the judiciary and protecting the rights of civil society. Congress may also monitor how tension in relations affects irregular migration, pending gang extraditions, and El Salvador's ties to China.

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