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

The United States and neighboring Latin America and the Caribbean (LAC) maintain strong linkages based on geographic proximity and diverse U.S. interests, including economic, political, and security concerns. The United States is a major trading partner and source of foreign investment for many of the 33 countries in LAC, with free-trade agreements enhancing economic linkages with 11 countries. The region is a large source of U.S. immigration, both authorized and irregular; major factors driving migration include proximity, economic and security conditions, natural disasters, and familial ties. Curbing the flow of illicit drugs has been a long-standing component of relations, involving close cooperation with Mexico, Colombia, Central America, and the Caribbean. U.S. Administrations have long supported democracy and human rights in the region, with a current focus on Cuba, Nicaragua, and Venezuela, as well as on democratic backsliding and corruption in other countries.

Increasing Challenges in the Region

Over the past several years, the quality of democracy has eroded in a number of countries in LAC, 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 other countries. Many countries in LAC experienced social unrest in 2019, fueled by such political factors as weak democratic institutions, politicized judicial systems, corruption scandals, and high levels of crime and violence and by such economic factors as declining or stagnant growth rates and high levels of income inequality and poverty.

Since 2020, the Coronavirus Disease 2019 (COVID-19) pandemic has had widespread public health, economic, and political effects in LAC. As of early February 2022, the region reported over 1.6 million deaths (almost 28% of deaths worldwide). The Pan American Health Organization reported that 63% of the region's population was fully vaccinated as of early February 2022 but noted that more than one in four people across the Americas had yet to receive a single dose. The International Monetary Fund (IMF) reported a 6.9% regional economic decline in 2020; as a result, poverty and inequality have increased.

Most LAC countries have begun to recover economically, with the IMF estimating a regional growth rate of 6.8% in 2021 and projecting more modest growth of 2.4% in 2022. Nevertheless, many countries may struggle with protracted recoveries. The pandemic-related economic setback contributed to increased protests in LAC in 2020 and 2021. The region's economic decline, along with difficult security and political conditions, also has helped fuel migration.

The region faces numerous political challenges. In Venezuela, the ongoing political and humanitarian crisis

under the government of Nicolás Maduro has resulted in an estimated 6 million migrants and is a challenge for the entire hemisphere. Haiti remains in turmoil after the assassination of President Jovenel Moïse in July 2021, contending with uncertainty over the future of elections, a surge in gang violence, and the aftermath of a severe earthquake that struck in August. In Nicaragua, President Daniel Ortega's government escalated repression by arresting opposition figures and banning major opposition parties from participating in the country's November 2021 elections, in which Ortega claimed victory. The Cuban government responded to widespread anti-government protests in July with mass arrests and detentions and suppressed subsequent plans for a nationwide march.

Biden Administration Policy

In its initial months, the Biden Administration focused extensively on addressing the root causes of Central American migration. President Biden ended some of the Trump Administration's restrictive immigration policies, while contending with a large increase in the number of undocumented Central American and other migrants seeking to enter the United States. In July 2021, the Administration released two new strategies to address the underlying causes that push Central Americans to migrate and to manage migration in the region collaboratively. The Administration also has imposed targeted sanctions for corruption against dozens of current and former officials of the governments of Central America's Northern Triangle countries (El Salvador, Guatemala, and Honduras).

In addition, the Administration has fleshed out its broader approach toward the region. Its priorities include efforts to promote public health and economic recovery from the pandemic; to work with partners to promote inclusive democracy throughout the region; to provide support to address Haiti's humanitarian, security, and political challenges; and to engage more broadly with the region to address migration challenges. To advance these and other initiatives, the Administration's FY2022 budget request for foreign assistance to LAC amounts to almost \$2.1 billion, nearly 16% over estimated FY2021 appropriations. The request includes almost \$861 million to Central America to address the root causes of irregular migration.

The Administration also is providing significant pandemic-related assistance to the region. As of mid-February 2022, the United States had donated over 62 million doses to 29 LAC countries. As of November 2021, the State Department and the U.S. Agency for International Development reported providing more than \$614 million in aid to support the pandemic response.

On Venezuela, the Biden Administration continues to pressure the Maduro government through sanctions and state its commitment to working multilaterally to press for a return to democracy. The Administration also continues to

provide humanitarian support to Venezuelans inside and outside the country. In March 2021, the Secretary of Homeland Security granted temporary protected status (TPS) to Venezuelans in the United States.

The Administration has imposed sanctions on Cuba and Nicaragua as their governments have become more repressive. As the human rights situation has deteriorated in Cuba, the Administration has imposed targeted sanctions against security officials and entities involved in the repression. In Nicaragua, the Administration has imposed targeted sanctions on officials involved in undermining democracy, including a new round of sanctions in the wake of the country's "sham election." It also has worked multilaterally to denounce Nicaragua's human rights violations and antidemocratic actions.

On Haiti, the Administration is working to support conditions for free and fair elections, including support to restore security and address gang violence. The United States remains Haiti's largest donor of humanitarian aid.

Among other issues, the Biden Administration has reincorporated cooperation on climate change into the U.S. policy approach toward LAC. The next Summit of the Americas, scheduled to be hosted by the United States on June 6-10, 2022, in Los Angeles, could provide a significant opportunity for the Administration to deepen U.S. diplomatic engagement with hemispheric leaders.

Legislative Action in the 117th Congress

Congress traditionally has played an active role in policy toward LAC in terms of both legislation and oversight. Since 2020, Congress has appropriated some \$17 billion in international affairs funding to respond to COVID-19 globally. In the 117th Congress, this funding included \$10.8 billion appropriated in the American Rescue Plan Act of 2021 (P.L. 117-2), enacted in March 2021. The funding has supported contributions to multilateral efforts and health interventions, humanitarian assistance, and donation of COVID-19 vaccine doses worldwide, including to LAC.

In November 2021, Congress approved the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021 (RENACER Act; P.L. 117-54), which directs the Administration to use diplomatic tools and targeted sanctions against antidemocratic actions and corruption.

In December 2021, Congress approved the National Defense Authorization Act for Fiscal Year 2022 (P.L. 117-81), which includes provisions on Colombia, Central America, and China's presence and influence in the region.

In pending legislation, Congress has not completed an FY2022 foreign aid appropriations bill. The House approved its version, H.R. 4373 (H.Rept. 117-84), in July 2021, and the Senate Appropriations Committee introduced its version, S. 3075, in October 2021. The House bill would provide assistance to several key countries and programs in the region at levels matching or exceeding the Administration's budget request, including assistance to Central America, Colombia, Mexico, and regional assistance to the Caribbean. The Senate committee version would provide slightly more assistance than requested for Colombia and the Caribbean but over \$200 million less than requested for Central America.

Both houses have approved broad bills aimed at positioning the United States to better compete with China that include numerous provisions on LAC. In June 2021, the Senate approved S. 1260, the United States Innovation and Competition Act of 2021, and on February 4, 2022, the House approved H.R. 4521, the America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength Act of 2022 (America COMPETES Act of 2022). Both bills would require the Administration to develop strategies to increase exports of U.S. goods and services to LAC and to strengthen U.S. economic competitiveness and promote good governance, human rights, and the rule of law in LAC. Both also would require a report assessing China's engagement in international organizations and the defense sector in LAC; support U.S. defense cooperation in the region; and increase U.S. engagement with civil society regarding accountability, human rights, and the risks of pervasive surveillance technologies. In addition, S. 1260 would authorize a capital increase for the Inter-American Development Bank and H.R. 4521 would increase U.S. engagement with the Caribbean and require the Administration to devise a strategy to expand U.S. educational and cultural diplomacy and to report on China's related activity in LAC.

Both houses have approved different versions of a legislative initiative on Haiti. In June 2021, the House passed H.R. 2471, the Haiti Development, Accountability, and Institutional Transparency Initiative Act, which would promote the sustainable rebuilding and development of Haiti and would prioritize U.S. support for anti-corruption efforts and human rights. The Senate approved the bill, amended, in January 2022.

The House and Senate approved several resolutions in 2021 on U.S. relations with LAC. On the human rights situation in Cuba, the House approved H.Res. 760 in November and the Senate approved S.Res. 37, S.Res. 81, and S.Res. 310 from April to July. The Senate also approved S.Res. 22 on Ecuador in April and S.Res. 120, on the forthcoming Summit of the Americas, in May.

In other action, the House approved H.R. 6 in March 2021, which would provide a pathway to citizenship for those brought to the United States as children and those from countries with TPS designations. In July 2021, the Senate approved S. 2045, which would rename the street in front of the Cuban Embassy after a Cuban democracy activist.

Also see CRS Report R46781, *Latin America and the Caribbean: U.S. Policy and Key Issues in the 117th Congress*; CRS Report R47028, *U.S. Foreign Assistance to Latin America and the Caribbean: FY2022 Appropriations*; CRS In Focus IF11581, *Latin America and the Caribbean: Impact of COVID-19*; CRS In Focus IF10982, *China's Engagement with Latin America and the Caribbean*; and CRS In Focus IF12031, *Anti-corruption Efforts in Latin America and the Caribbean*.

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