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Guatemala: An Overview

Guatemala, the most populous country in Central America, has strived to consolidate its democracy since the 1990s. It has faced many political and social challenges, as well as human rights abuses and widespread impunity. Traditionally, the United States and Guatemala have had close relations, with friction at times over certain issues, such as corruption and migration. During the 118th Congress, Members have debated how to prioritize the sometimes-competing objectives of strengthening democracy in Guatemala and partnering with the Guatemalan government on other challenges.

Political Situation

Guatemala has a long history of internal conflict and violence, including a 36-year civil war (1960-1996). For most of that period, the Guatemalan military held power and repressed citizens' human rights. An estimated 200,000 people were killed or disappeared during the civil conflict; 83% of the victims were Indigenous. In 1986, Guatemala established a civilian democratic government, but military repression continued. In 1996, then-President Álvaro Arzú (1996-2000) and Guatemala's main insurgent group, the Guatemalan National Revolutionary Unit (URNG), signed United Nations-mediated peace accords to end the conflict.

Nearly 30 years later, some of the goals put forth in the accords, such as eradicating extreme poverty, integrating Indigenous Guatemalans, and bolstering institutions, remain unfulfilled. Successive governments have struggled to strengthen the Guatemalan justice system to punish perpetrators of grave human rights abuses and massive corruption. Indigenous Guatemalans continue to face poverty and social exclusion. Guatemala's democratic institutions remain fragile, largely due to high levels of state capture by elites.

Current President Bernardo Arévalo, from the center-left *Movimiento Semilla* party, won Guatemala's 2023 presidential elections—capturing 58% of the vote—following a tumultuous election period marred by alleged irregularities and the disqualification of several leading candidates. Arévalo's victory appears to have been driven by voters' frustrations with Guatemala's political establishment and widespread government corruption and impunity. Arévalo ran on a progressive platform, pledging to combat graft and promote social inclusion. He has had trouble advancing his agenda, however, since *Movimiento Semilla* has 23 of 160 seats in Guatemala's congress.

Arévalo also has had to contend with repeated legal challenges from the Office of Attorney General María Consuelo Porras. Officials in that office engaged in legal maneuvers against Arévalo throughout the election period,

secured a court order to suspend *Movimiento Semilla* as a political party, and have sought to lift Arévalo's immunity from prosecution. Since 2021, the United States has designated Porras and other top Guatemalan prosecutors for allegedly obstructing high-profile corruption investigations against some government officials. At least 36 prosecutors and judges, including many who worked with the U.S.-backed International Commission Against Corruption in Guatemala (CICIG, 2007-2019), have fled Guatemala since 2018. Others have been imprisoned.

Arévalo has filed criminal complaints against Porras for abuse of authority and has proposed legal reforms to remove the attorney general prior to the end of her term in 2026. Arévalo also has sought to strengthen Guatemala's justice system by inviting an Organization of American States mission to observe the selection process for judges to be appointed by congress to the Supreme Court of Justice and the Court of Appeals for the 2024-2029 period. Current judges' terms are scheduled to end on October 13, 2024.

Guatemala at a Glance

Area: 42,000 square miles, about the size of Tennessee

Population: 19.4 million (2024, IMF est.)

Ethnic Composition: Mestizo (mixed Amerindian-Spanish; *Ladino* in local Spanish) 62.8%, Maya 34.9%, Xinka (Indigenous, non-Maya) 2.1%, Garifuna 0.1%, foreign 0.1% (2018 est., INE)

Gross Domestic Product (GDP)/Per Capita GDP: \$110.04 billion/\$5,680 (2024, current prices, IMF est.)

Key Import Partners: United States (30.3%), China (18.4%), Mexico (10.7%), El Salvador (3.4%) (2023, TDM)

Key Export Partners: United States (30.9%), El Salvador (13.2%), Honduras (11.5%), Nicaragua (7.05%) (2023, TDM)

Sources: International Monetary Fund (IMF); National Statistics Institute of Guatemala (INE); Trade Data Monitor (TDM).

Economic and Social Conditions

Guatemala has the largest economy in Central America, with an estimated gross domestic product (GDP) of \$110 billion in 2024, according to the International Monetary Fund. Despite average real GDP growth of 3.5% per year over the past decade, more than 55% of the population and roughly 79% of Indigenous Guatemalans live in poverty, many in the Western highlands, from where many migrants from Guatemala originate. Guatemala's tax-to-GDP ratio, which at 14.4% was the fourth lowest in Latin America in 2022—severely limits the funds available for public services and investments.

Guatemala is also home to one of the youngest populations in Latin America, with more than 60% of citizens under 29 years of age, according to Guatemala's 2018 census. Although the country's growing working-age population could boost economic growth, many youth face difficult circumstances and limited opportunities. According to the World Bank, 71% of the population is employed in the informal economy, lacking job protections or benefits, and 47% of children under the age of five have stunted growth.

U.S.-Guatemalan Relations

U.S. policy in Guatemala seeks to promote human rights, dismantle corruption, increase citizen security, ensure transparency and accountability, address the root causes of migration, and suppress gangs and drug trafficking. Some Members of Congress and the Biden Administration have differed at times on how to advance those goals.

The Biden Administration initially sought to increase engagement with the administration of President Alejandro Giammattei (2019-2024) to curb migration and drug trafficking. U.S. concerns about antidemocratic and corrupt practices by Guatemalan officials strained relations, however, particularly during the 2023 elections. Since President Arévalo's inauguration, the Biden Administration has taken steps to revitalize the U.S.-Guatemala relationship. These steps have included new initiatives to address migration, governance, and security challenges.

Migration

The U.S. Customs and Border Protection (CBP) encountered more than 220,000 Guatemalans at the southwest border during FY2023. In FY2024, as of July, CBP had encountered 190,192 Guatemalans. The U.S. Agency for International Development has identified the lack of economic opportunities, extortion, crime and violence, and corruption as the top drivers of irregular migration from Guatemala.

Congress may assess bilateral cooperation on migration issues and options for enhancing such efforts. Guatemala expels irregular migrants from its territory; maintains a U.S.-trained border task force, with support from the U.S. Department of Homeland Security and the U.S. Department of Defense; and considers applicants for refugee status. Guatemala also hosts a Safe Mobility Office, a Biden Administration Safe Mobility Initiative, with support from various UN agencies. Such offices seek to reduce irregular migration by informing individuals about legal pathways to the United States or other countries. Additionally, the Arévalo and Biden Administrations are working to address drivers of Guatemalan migration.

Democracy and Governance

The Biden Administration has taken various actions intended to stem Guatemala's backsliding on corruption and the rule of law. The U.S. State Department has imposed visa sanctions on Attorney General Porras and her family, among other Guatemalan officials and economic elites, pursuant to the United States-Northern Triangle Enhanced Engagement Act (P.L. 116-260, Division FF, Subtitle F) and Section 7031(c) of annual Department of State, Foreign Operations, and Related Programs (SFOPS) Appropriations

Acts. In January 2024, the State Department designated former President Giammattei and three of his children as generally ineligible for entry into the United States, pursuant to Section 7031(c).

The State Department also used its sanctions authorities to respond to postelection efforts to undermine then-President-elect Arévalo and the democratic transition. In December 2023, pursuant to Section 212(a)(3)(C) of the Immigration and Nationality Act (8 U.S.C. §1182(a)(3)(C)), the State Department imposed visa restrictions on nearly 300 Guatemalans, including more than 100 members of the Guatemalan congress, for "undermining democracy and the rule of law."

While some Members of Congress supported efforts by the Biden Administration and other international actors to ensure a peaceful presidential transition following the 2023 election, others criticized the imposition of sanctions on former President Giammattei due to his cooperation with the United States on certain security and geopolitical matters. Congress may continue to debate the relative prioritization the U.S. government should give to democracy and rule of law concerns vis-à-vis other objectives. Such considerations could inform, for example, a reauthorization or modification of the sanctions authority in the United States-Northern Triangle Enhanced Engagement Act (P.L. 116-260, Division FF, Subtitle F), which expired on December 27, 2023.

U.S. Assistance

The United States provides foreign assistance to Guatemala to promote development and advance other U.S. objectives in the country. For FY2023, the United States allocated an estimated \$121.4 million in U.S. bilateral foreign assistance to Guatemala, including \$80.9 million in Development Assistance (DA), \$40.2 million in Global Health Programs (GHP) funding, and \$320,000 in International Military and Education Training (IMET) aid. FY2024 allocations are not yet available. For FY2025, the Biden Administration has requested \$115.8 million for Guatemala—\$90.0 million in DA, \$25.0 million in GHP, and \$800,000 in IMET. Guatemala typically receives additional assistance through the Central America Regional Security Initiative (CARSI) and other regional programs.

Congress may consider whether to fund the Administration's FY2025 request and whether to maintain or modify conditions imposed on such assistance. The FY2024 SFOPS legislation (P.L. 118-47, Division F) requires the State Department to withhold 60% of Economic Support Fund and security assistance to the Guatemalan government until the Secretary of State certifies the Guatemalan government has met conditions related to corruption and public integrity, human rights, and migration, among other issues. In July 2024, the State Department certified that Guatemala met the required criteria for FY2023. P.L. 118-47 also prohibits Foreign Military Financing (FMF) to Guatemala.

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