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

U.S. interests in Latin America and the Caribbean (LAC) are diverse and include economic, political, security, and humanitarian concerns. Geographic proximity has ensured strong economic linkages between the United States and LAC, with the United States a major trading partner and source of foreign investment for many regional countries. Free-trade agreements (FTAs) have augmented U.S. economic relations with 11 countries in the region. LAC also is a large source of U.S. immigration, both authorized and unauthorized; economic and security conditions are major factors driving migration trends.

Curbing the flow of illicit drugs from LAC 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 support 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 in the region, 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 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 the region. On May 21, 2021, the region surpassed 1 million deaths (29% of deaths worldwide), and vaccination rates remain low for many countries in the region. The International Monetary Fund estimated 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 LAC 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 Congress generally supported, 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 LAC 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 Biden Administration continues to pressure the government of Nicolás Maduro through sanctions and 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 policy pillar.

The pandemic's public health and economic effects likely will shape U.S. assistance efforts in the region, including support for adequate vaccine supplies. In March 2021, the Administration announced it would share 2.5 million AstraZeneca vaccine doses with Mexico. In April and May 2021, White House officials announced that the United States would make available at least 80 million COVID-19 vaccine doses to countries worldwide.

Cooperation on climate change likely will become a priority for policy toward the region. In February 2021, the United States rejoined the Paris Agreement, reversing the previous Administration's U.S. withdrawal. Seven LAC leaders participated in the April 2021 Leaders' Summit on Climate hosted by President Biden.

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 LAC and strengthen engagement with hemispheric leaders.

Congressional Action in the 117th Congress

Congress traditionally has played an active role in policy toward LAC through both legislation and oversight.

Since 2020, Congress has appropriated some \$17 billion in international affairs funding to respond to COVID-19 globally, including support for Latin American and Caribbean countries. The funding vehicles include two FY2020 supplemental appropriations measures (P.L. 116-123 and P.L. 116-136); the Consolidated Appropriations Act, 2021 (P.L. 116-260); and the American Rescue Plan Act of 2021 (P.L. 117-2). P.L. 116-260 included \$4 billion to be made available as a contribution to Gavi, the Vaccine Alliance. Some Members of Congress have called for the President to prioritize Latin American and Caribbean countries in donating surplus vaccines.

Congress will consider 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 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).

Since April 2021, the Senate has approved four resolutions on U.S. relations with LAC. On April 15, the Senate approved S.Res. 22, reaffirming the U.S. partnership with

Ecuador and supporting actions to strengthen relations, and 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, and S.Res. 120, recognizing the forthcoming Summit of the Americas and reaffirming the U.S. commitment to a more prosperous, secure, and democratic Western Hemisphere.

On May 10, the Senate Foreign Relations Committee reported S. 1169, the Strategic Competition Act of 2021, which would address issues involving China worldwide. The bill's provisions on LAC include Section 219J, to establish a strategy for public and private investment, trade, and development in Africa and LAC; Section 248, to strengthen economic competitiveness, governance human rights, and the rule of law in LAC; Section 249, to require a report assessing China's engagement in international organizations and the defense sector in LAC; Section 250, to authorize a capital increase for the Inter-American Development Bank (IDB); Section 251, to increase U.S. defense cooperation in LAC; and Section 252, to increase engagement with civil society in LAC regarding accountability, human rights, and the risks of pervasive surveillance technologies. Related introduced bills include S. 616, to authorize an IDB capital increase, and H.R. 2479, to require a report on China's efforts to expand its presence and influence in the region.

Among other initiatives, on May 19, the House Foreign Affairs Committee reported H.Res. 408, which would urge the government of El Salvador to respect the country's democratic institutions. In March, 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 who 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 broad Senate bill touches 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.

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

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