

Latin America and the Caribbean: Issues for the 118th Congress

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According to the Biden Administration’s [National Security Strategy](#), “No region impacts the United States more directly than the Western Hemisphere.” This assertion relates to the region’s extensive commercial and migration ties to the United States, the economic and security benefits the United States derives from “democratic stability” in the region, and the potential threats posed by criminal organizations or geopolitical competitors operating in the region.

By some accounts, the region’s [economies](#) and [democracies](#) have performed worse over the past decade than at any time since the 1980s. Given the potential impact conditions in the region may have on U.S. interests, the 118th Congress may monitor developments in Latin America and the Caribbean and the Biden Administration’s approach to the region. Congress also may shape U.S. policy in the region through appropriations measures or other legislation.

Challenges in the Region

Over the past decade, living standards have stagnated or declined in many Latin American and Caribbean countries. Annual economic growth in the region averaged [0.6% per year](#) from 2014 to 2019, following a decline in international prices for the region’s [commodity exports](#), and contracted by [7.0%](#) in 2020 during the first year of the Coronavirus Disease 2019 pandemic. Although the region’s economies grew by an average of [7.0% in 2021](#) and [3.9% in 2022](#), average [per capita incomes](#) have yet to fully recover and Latin America’s poverty rate ([32.1%](#)) remains above pre-pandemic levels.

Many governments in the region ran large fiscal deficits as they enacted economic support measures to mitigate the 2020 downturn and accelerate economic recovery. This increased [debt burden](#), combined with rising [financing costs](#), has left many governments with limited resources to respond to slowing economic growth (projected to average [1.8%](#) in 2023) or address popular demands for more generous social welfare systems, higher quality public services, and improved public safety.

Governments’ inability or unwillingness to meet citizens’ expectations, or rein in [corruption](#), appears to be fueling anti-establishment sentiment throughout the region. Several countries have experienced large-scale protests, and candidates from incumbent political parties have lost 16 consecutive democratic presidential elections in Latin America since 2018. In some cases, electorates have turned to outsiders

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with limited experience and legislative support who have struggled to enact their agendas, exacerbating social tensions. For example, Peru has experienced [repeated clashes](#) between protesters and security forces since December 2022, when legislators removed President Pedro Castillo from office 17 months into his term after he tried to dissolve congress. Other leaders propelled to office by anti-establishment sentiment, such as Salvadoran President Nayib Bukele and former Brazilian President Jair Bolsonaro, have [eroded](#) or sought to [delegitimize](#) democratic institutions.

Elsewhere in the region, democracy has collapsed. Over the past decade, the governments of [Venezuela](#) and [Nicaragua](#) have joined [Cuba](#) as highly repressive authoritarian regimes. The Haitian government, lacking any elected officials following the 2021 assassination of President Jovenel Moïse, [has struggled](#) to perform basic functions and has ceded authority to [criminal gangs](#).

Overall, these conditions have contributed to increased migration [throughout the Western Hemisphere](#). Many migrants and asylum-seekers, including [6 million Venezuelans](#), are residing in other Latin American and Caribbean countries. Others have attempted to reach the United States, with the U.S. Border Patrol registering a [record-high](#) number of encounters in FY2022.

Congressional Considerations

The Biden Administration has [pledged](#) to revitalize U.S. partnerships in Latin America and the Caribbean to foster economic resilience, democratic stability, and citizen security. Although the United States aims to advance those long-standing objectives with various policy tools, it often struggles to [assert influence](#) and shape outcomes in the region. As the 118th Congress carries out its legislative and oversight responsibilities, it could assess the strengths and shortcomings of U.S. policy toward Latin America and the Caribbean and consider alternatives.

Foreign Assistance. The State Department and the U.S. Agency for International Development allocated more than [\\$2.0 billion](#) of foreign assistance to advance U.S. objectives in Latin America and the Caribbean in FY2022. Congress could assess the effectiveness of U.S. assistance programs and oversee the Biden Administration's implementation of [FY2023 appropriations](#) legislation. During the FY2024 appropriations process, Congress could adjust foreign aid funding levels and activities, taking into account recent developments and [policy shifts](#) among governments in the region.

Sanctions. The U.S. government has imposed broad economic sanctions on [Cuba](#) and [Venezuela](#) and sectoral sanctions on [Nicaragua](#). The sanctions aim to pressure the governments of those countries to move toward democratic elections. U.S. agencies also have imposed targeted visa and asset blocking sanctions on government officials in those countries and [elsewhere](#) in the [region](#) for corruption, human rights abuses, and antidemocratic actions. Congress could examine the extent to which U.S. sanctions have influenced the behavior of Latin American and Caribbean officials and whether sanctions have had any unintended consequences for the region's citizens. Such findings could inform congressional consideration of measures to modify, extend, or repeal the underlying legislative authorities guiding U.S. sanctions policy in the region.

Trade Arrangements. Congress has approved free-trade agreements with [11 Latin American and Caribbean countries](#) and extended unilateral trade preferences to several others. Congress could examine how those trade arrangements have affected U.S. commercial ties with the region and consider whether to pursue modifications or new arrangements in response to the region's [growing economic ties](#) with China. Congress also could consider legislation related to the [Americas Partnership for Economic Prosperity](#), an initiative intended to increase regional competitiveness, strengthen supply chains, promote inclusive growth, and revitalize regional economic institutions.

Migration. In June 2022, the United States and 20 other Western Hemisphere countries signed the [Los Angeles Declaration for Migration and Protection](#), which identifies migration management as a shared

responsibility and calls on signatories to improve border controls, increase legal migration and protection pathways, support migrants and host communities, and coordinate responses to mass migration movements. In addition to assessing domestic immigration policy changes, Congress could consider measures to guide the Biden Administration's implementation of the Los Angeles Declaration and influence other countries' responses to regional migration challenges.

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