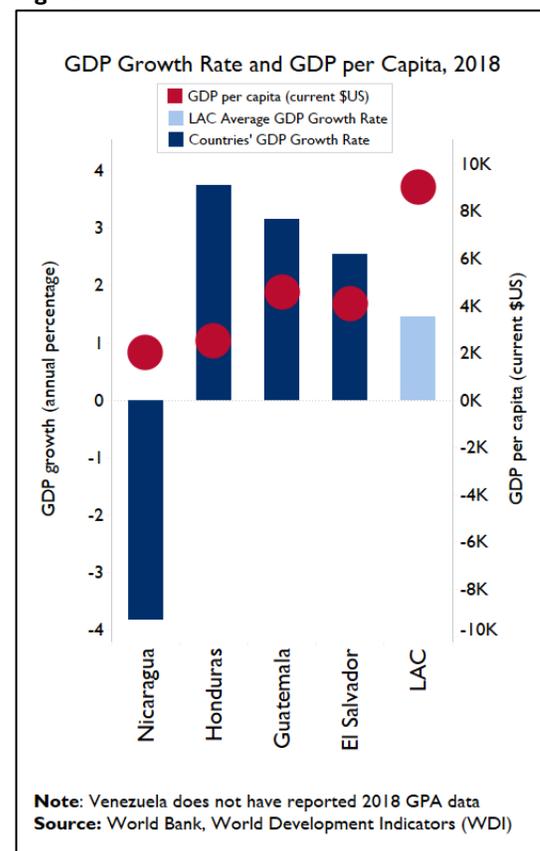


ECONOMIC ANALYSIS OF THE NORTHERN TRIANGLE, NICARAGUA, AND VENEZUELA

Recent economic slowdowns in the “Northern Triangle” (El Salvador, Guatemala, and Honduras), Nicaragua, and Venezuela can be attributed to several inhibitors of growth, including violence and drug trafficking, political instability, lack of reliable health care access, and the resulting migration. However, improved political and economic stability and better utilization of natural resources could increase tourism and economic growth in these countries. This brief presents an overview of the data and recent research on the current economic situation in five Latin American countries, with a focus on political instability, security, migration, environmental concerns, tourism, and foreign aid. USAID’s priorities in these countries are to deliver humanitarian assistance and to increase prosperity, improve governance, and increase security to address the drivers of migration from the region (USAID, Report to Congress and Venezuela Fact Sheet, 2019).



Figure 1



This brief begins with an economic, political, and social overview of the five topic countries and regional security concerns. Then, it discusses trends in the most recent data on migration, environmental concerns, tourism, and US foreign aid. All the data in this brief are publicly available from USAID Data Services’ IDEA website and Foreign Aid Explorer.

ECONOMIC, POLITICAL, AND SOCIAL OVERVIEW

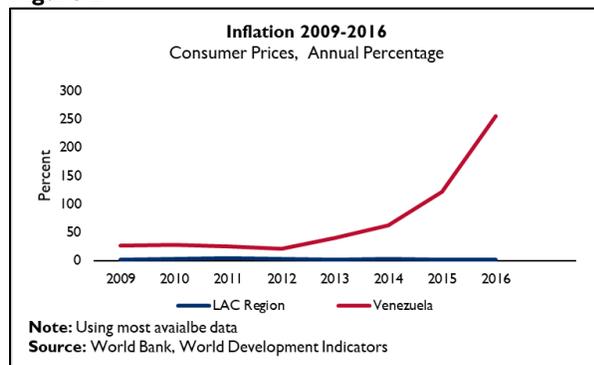
In 2018, most Latin American and Caribbean (LAC) countries experienced prosperous economic growth.¹

¹ Note that Venezuela does not have reported 2018 data for any GDP related indicator/series and therefore will not be included on charts that illustrate 2018 information.



Among Central American countries, Honduras, Guatemala, and El Salvador experienced gross domestic product (GDP) growth rates far above the regional average of 1.5 percent (World Bank, World Development Indicators). Despite high GDP growth in these countries, GDP per capita remains below the LAC average (**Figure 1**).² Nicaragua's 2018 GDP growth rate and GDP per capita sit well below the LAC average and the aforementioned countries. The country experienced a decline in both economic indicators from the previous year; shifting from positive to negative GDP growth and a 6.4 percent decrease in GDP per capita that same year. The decrease in both indicators comes during Nicaragua's current socio-political situation involving citizen anti-government protests and government retaliations (see the *Nicaragua* section).

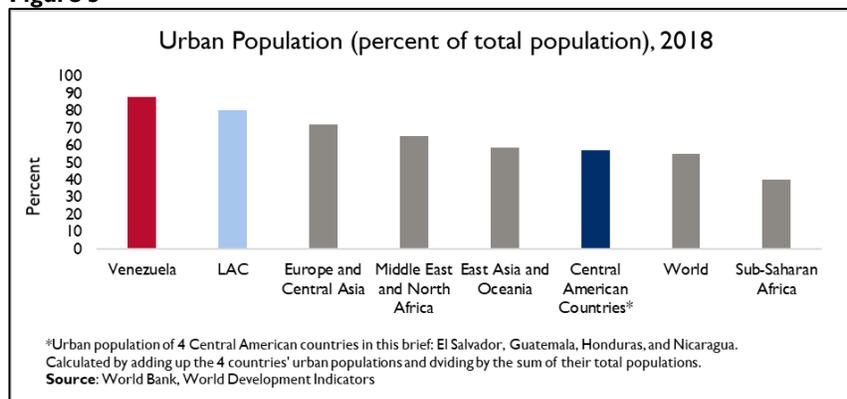
Figure 2



Despite positive economic growth, there have been worrisome trends in the price level. High inflation rates in LAC countries indicate economic instability, as is the case for several of the countries in this study. All five of the countries, except El Salvador, had a 2017 inflation rate higher than the LAC regional average of 2.2 percent (World Bank, World Development Indicators). Venezuela had an inflation rate of 255 percent in 2016. As the graph indicates (**Figure 2**), the Venezuelan inflation rate began to

accelerate after 2012, once the government transitioned into authoritarianism and falling oil prices drove down the country's economy (Labrador, 2019).

Figure 3



Latin America has a dense and growing population. Over the past decade, the LAC region has maintained an urban population rate greater than that of the global average, with 78 percent of its population living in urban areas in 2008, increasing to 81 percent in 2018 (World Bank, World Development Indicators). Venezuela has one of the highest urban-rural population ratios in the region with 88.2 percent of its population living in urban areas (**Figure 3**). El Salvador follows with 72.0 percent, Nicaragua with 58.5 percent, Honduras with 57.1 percent, and Guatemala with 51.1 percent.

² In this brief, all monetary units are in current US dollars (\$US) unless otherwise specified.

With dense urban populations and economic instability, the LAC countries are vulnerable to certain challenges that inhibit socioeconomic development. Violence and drug trafficking delay growth and encourage political instability in Latin American countries. Political corruption and polarizing income inequality stifle citizens' economic opportunities and deter international investment. Low access to health care hinders opportunity throughout the region and is exacerbated by the migration crises in Central and South America. Environmental issues threaten lives, but environmental tourism is an underutilized and under explored potential for economic growth. USAID works to mitigate these issues and support stability and inclusive growth in Latin America

POLITICAL AND ECONOMIC INSTABILITY

Political instability has been a concern in Latin America for more than half a century. From the late 1960s to the early 1990s, the citizens and economies of Central American countries were devastated by civil wars occurring in El Salvador, Guatemala, and Nicaragua (Orozco, 2018). After the wars, these countries and the region struggled to retain stability. The fragility of their political and legal infrastructure allowed for the development of transnational drug networks and violent gang activity.

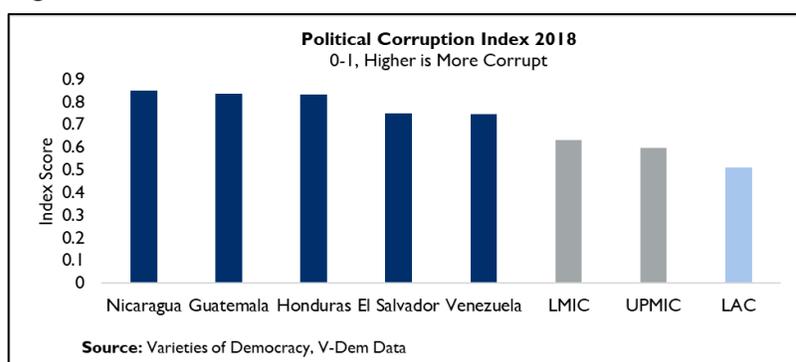
EL SALVADOR

Over the past two decades, El Salvador has continued to struggle with a general climate of impunity, continued violence, and weak institutions. The recent arrest warrant for one former president and the sentencing of another for embezzlement are examples of the tentative strengthening of rule of law in the country. However, setbacks such as the country's rejection of an international commission against impunity and the problematic process of selecting new magistrates for the Salvadoran Supreme Court illustrate the corruption still embedded in El Salvador's political realm (Thale & Amaya, 2018). In a survey conducted by the Jose Simeon Canas Central American University Institute of Public Opinion (2017), only 9.3 percent of Salvadorans reported having strong confidence in the Supreme Court of Justice and 8.4 percent reported having strong confidence in the central government. From 2016 to 2017, 51.4 percent of Salvadorans believed the country's economic situation worsened and 48.7 percent believed the country's situation in general worsened.

GUATEMALA

According to the 2018 Varieties of Democracy "Political Corruption Index", Guatemala is the fourth most corrupt country in the LAC region after Haiti, the Dominican Republic, and Nicaragua (**Figure 4**). Guatemala has struggled with government corruption and impunity over the past decade, and created the UN-backed International Commission against Impunity in Guatemala (CICIG) in 2007. Although the CICIG has contributed to police reforms that have reduced homicide rates by an annual 5 percent from 2007 to 2017, its operations are threatened by the current president, Jimmy Morales (International Crisis Group, 2018). Elected in 2015, Morales originally supported the CICIG leading up to his presidency, but then

Figure 4



opposed the commission when it began investigations against him and his family for fraud (Camilleri & Ziff, 2019).

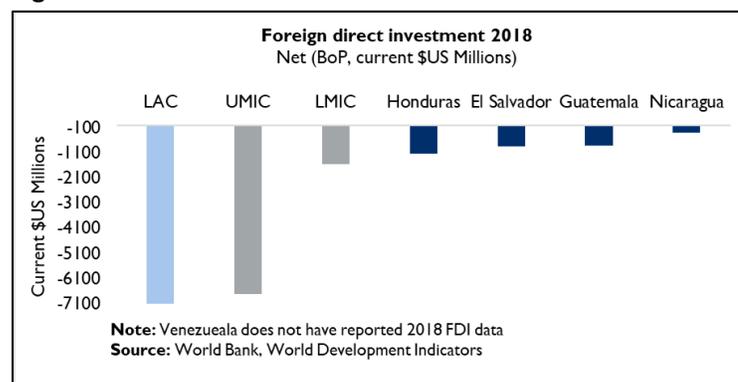
NICARAGUA

Nicaragua endured a politically chaotic and fatal year in 2018 after the government of President Daniel Ortega announced the implementation of steep pension cuts, largely due to a reduction in aid from Venezuela following its economic collapse (see *Venezuela* section below). This policy triggered mass public protests across the country; government and police forces responded with violence and repression. Three months after the protests began in April 2018, police and security forces killed more than 300 civilian protesters and injured more than 2,000 others (Stephens, 2019). According to investigations by the Human Rights Watch, an independent international organization, Nicaraguan police and armed pro-government groups have committed widespread aggression and abuse to mostly unarmed protestors, including torture and extrajudicial executions (Human Rights Watch American Division, 2019). In response to the number and severity of human rights violations, members of the international community, including the United Nations (UN) and the European Union (EU),³ have applied political and economic pressure on the Nicaraguan government for corruption and crackdown on protestors. Teetering on the edge of an outright civil war, the Nicaraguan economy has taken a downturn as investors have pulled out and the country is no longer an attractive tourist destination.

HONDURAS

In 2009, a military coup in Honduras ousted the sitting president, Manuel Zelaya, and sent the country into a period of slowed economic growth and increased inequality (Johnston & Lefebvre, 2013). Economic fragility pushed vulnerable populations to the fringe, or out of the country via emigration, while encouraging high-ranking military officers to participate in drug and human trafficking (McVicar, 2018). The Honduran 2017 elections were internationally perceived as fraudulent which led to dozens of deadly protests. The state of economic and political affairs in the country has discouraged foreign direct investment (FDI); in 2018 Honduras had a net FDI of -\$1.1 billion, putting it above the regional average, but below the average of the rest of the countries of focus in this brief (**Figure 5**). The general lack of investment, both domestically and from abroad, hinders the growth of Honduras's already struggling economy and contributes to a cyclical relationship of political corruption and economic instability.

Figure 5

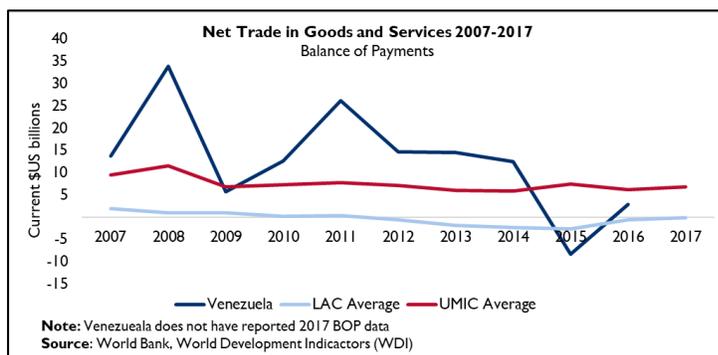


³ More information on the UN's response to the Nicaraguan human rights violations [here](#). More information on the EU's response [here](#).

VENEZUELA

Venezuela is a failing petrostate (Labrador, 2019).⁴ The country has an extreme dependence on the extraction and exportation of oil. Since the discovery of oil within in the country's territory in the 1920s, oil has made up a significant proportion of Venezuela's exports and GDP. In 2013, fuel made up 98% of merchandise exports which constituted for over half of Venezuela's GDP for that year.⁵ Oil exports contributed to Venezuela's consistent positive net trade in goods and services from 2007 to 2014, but the drop in in oil prices halfway through 2014 drove net trade into negative values (**Figure 6**). At the same time, President Nicolás Maduro was transitioning the government into an autocracy by issuing an indefinite ban on all protests, imprisoning political adversaries, and dissolving the National Assembly (Labrador, 2019). 2018 exhibited a new low in oil production, correlated with a contraction of the economic growth and hyperinflation. These deteriorating economic conditions have driven vast

Figure 6

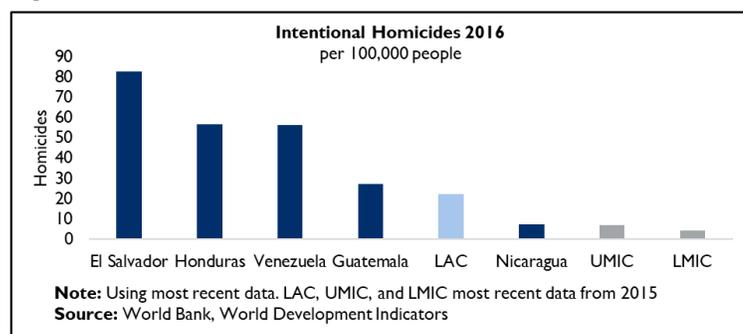


portions of the population into poverty and out of the country (see *Migration* section). Meanwhile, Maduro continues to hold autocratic power after the internationally rejected May 2018 elections and maintains control of the Venezuelan judicial system (Rendon & Kazman, 2019).

REGIONAL SECURITY CONCERNS AND THE RULE OF LAW

Security conditions in the Central American countries and Venezuela are unstable and dangerous. In 2016, four out of the five countries of focus in this brief exceeded the LAC average for intentional homicide rates. During that year, El Salvador had the world's highest intentional homicide rate at 83 homicides per 100,000 people (**Figure 7**). The second and third highest global homicide rates were Honduras (57 per 100,00) and Venezuela (56 per 100,000). In Central America, these high homicide rates are associated with drug trafficking and gang related violence that have been systemic challenges. Venezuela's homicide rates are correlated with the country's deteriorating economic and political conditions, leading to more violent criminal activities due to severe food and medicine shortages (Venezuelan Investigative Unit, 2017).

Figure 7

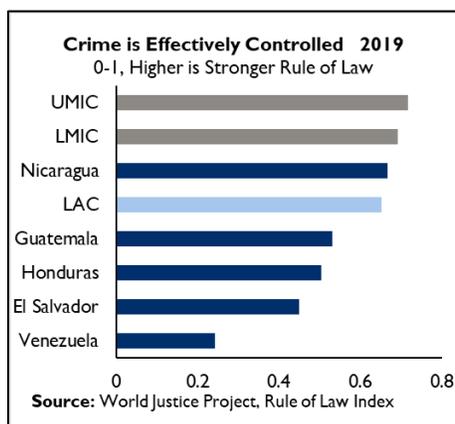


⁴ Petrostate refers to a country where government income is reliant on the export oil and natural gas, economic and political power are concentrated in an elite minority, and political institutions are weak and unaccountable with widespread corruption (Labrador, 2019).

⁵ World Bank, World Development Indicators. 2013 is the most recent year for which data was available.

Except for Nicaragua, all the countries in this brief have a weaker rule of law than the regional and income group averages when it comes to the effective control of crime (**Figure 8**). Without effective police and law enforcement, citizens of these countries live with the fear of falling victim to organized crime and gang violence. In El Salvador, Guatemala, and Honduras, governments and police attempt to stifle gangs by implementing security crackdowns and direct confrontation (Martínez, 2018.) This strategy has proven to be ineffective and often results in community residents getting injured, and even killed, in armed police raids and skirmishes with gangs. Children, 12 years old or younger, are often targeted for gang recruitment; boys as gang members and girls as forced girlfriends or sex slaves (The International Crisis Group, 2018).

Figure 8



In Nicaragua, gangs did not instigate the violence, instead it was the military police’s aggressive response to the pension cut protests. The widespread violence that ensued throughout the country during these protests brought worldwide allegations of human rights violations including a high number of fatalities, enforced disappearances, torture, lack of due process, and violations to the rights of health among other violations (OHCHR, 2018).

MIGRATION

In all five countries, economic instability, weak and corrupt political institutions, and challenging living conditions are strong drivers of significant migration outflows. In 2017, El Salvador and Nicaragua had the highest net migration of the countries highlighted in this brief (**Figure 9**). Net migration measures the total number of migrants who are entering the country minus the total number of migrants who are leaving the country. Since 2010, the migration from the Central American countries and Venezuela have consistently represented more than one tenth of the total outflow migration from the LAC region. In 2010, 4.0 million (12 percent) of the 32.5 million migrants leaving LAC countries were from the five countries in this report (**Figure 10**). Similarly, in 2013 these five countries represented 4.5 million (12 percent) out of 37.6 million migrants in LAC and in 2017 they represented 4.8 million (13 percent) out of the 37.0 million regional total.

Figure 9

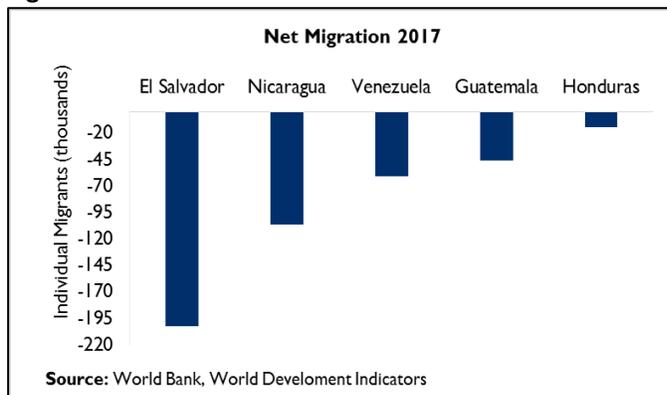


Figure 10

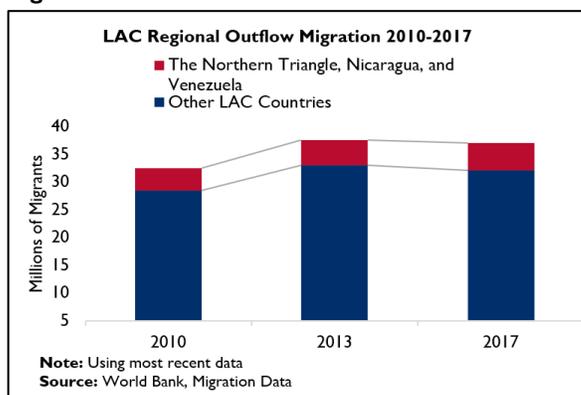


Table I

Migration Outflow (thousands of migrants)			Annualized Rate of Change		
Country	2010	2013	2017	2010 to 2013	2013 to 2017
El Salvador	1,269	1,525	1,560	6.7%	0.6%
Guatemala	872	1,052	1,071	6.9%	0.5%
Honduras	570	659	791	5.2%	5.0%
Nicaragua	729	633	630	-4.4%	-0.1%
Venezuela	522	655	774	8.5%	4.5%
LAC Total	32,472	37,569	36,977	5.2%	-0.4%

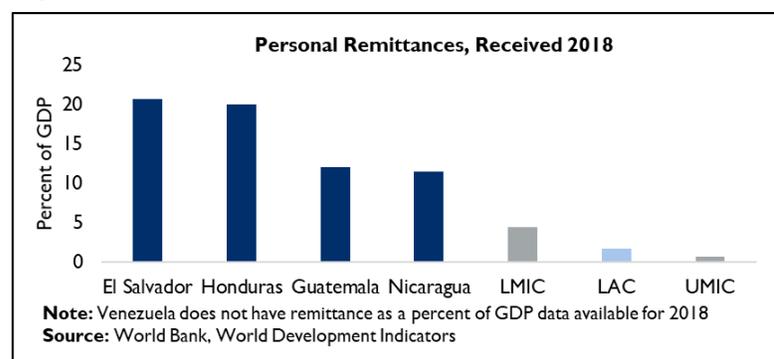
Source: World Bank, Outflow Migration

The number of country nationals that are part of the migratory exodus is significant in comparison to the countries' populations; in 2017, El Salvador had an outflow migration to population ratio of 0.24. This means that 1 in 4 Salvadorans left their country during that year. The country with the next highest ratio in this brief

was Nicaragua with a migration-to-population ratio of 0.10, followed by Honduras (0.09), Guatemala (0.06), and Venezuela (0.03). Recent 2019 data from the UN High Commissioner for refugees (UNHCR) indicate that from April 2018 to April 2019, 62,000 Nicaraguans have fled their country due to the socio-political crisis (UN News, 2019). Those who have left their country did so to escape the humanitarian crises as well as pursuing better economic opportunities to support their families.

Remittances sent back to migrants' homeland contribute to these countries' GDP. With the largest portion of the population outside the country, the remittances received by Salvadorans in the country in 2018 constituted 21 percent of the GDP (Figure II). Honduras followed closely behind with 20 percent of its GDP coming from remittances.

Figure II



While the remittances are beneficial to family incomes and the countries' GDP, the outflow of workers drains the economy of potentially productive domestic labor and makes their economies more fragile, incentivizing more people to leave. This dependence can be expected to increase as more migrants flee their countries and become part of the labor force in Mexico, the United States, and other destination countries. Venezuela does not have available GDP data for 2018, but the country received \$297 million in remittances that year. This is much lower than the LAC regional average of \$2.6 billion. Guatemala was one of the countries with the highest amount of personal remittances in 2018 with \$9.5 billion.

More migrants left their home country in 2017 than in 2010, but the rate of outflow migration has been slowing down in recent years. According to the most recent migration data (World Bank, 2017), almost all countries in the LAC region experienced a reduction in rate of outflow migration between the time periods of 2010 to 2013 and 2013 to 2017 (Table I). These data, however, do not capture the most recent migratory exodus in 2018 and the first months of 2019 due to socioeconomic fragility, political corruption, and general insecurity discussed in the previous sections of this brief.

Venezuelan asylum seekers, fleeing their country's collapsing economy and political institutions, have created an immense socioeconomic and resource strain on the bordering countries that receive them. According to the United Nations High Commissioner for Refugees (UNHCR), Peru is taking the brunt of the migration crisis; from the 2014 to the first half of 2019, 48 percent of Venezuelan refugees sought asylum in Peru. The map (**Figure 12**) shows the amount of migration flowing into neighboring countries, with larger circle indicating a larger population of migrants.

Although the resource strain from the influx of Venezuelan migrants is causing economic, political, and social challenges, one of the largest concerns is the health epidemic that is spreading through the region. The healthcare system in Venezuela has completely deteriorated; 79 percent of healthcare facilities have no access to water, there are shortages

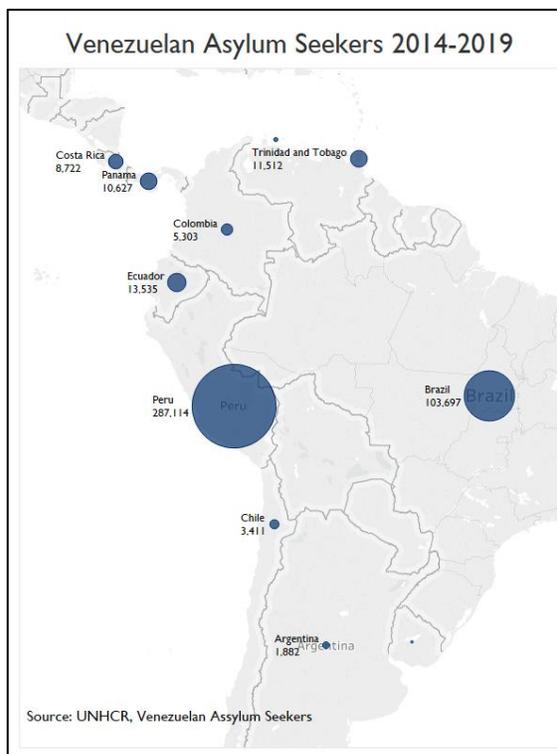
of basic medicines, and vital surgical supplies are unavailable in many locations (Tuite, et al., 2018). With over 3.4 million Venezuelans having left their country, about 11.8 percent of the population,⁶ outbreaks of measles, diphtheria, malaria, HIV, tuberculosis from within Venezuela are now spreading to neighboring countries (USAID, 2019). Cases of measles have been reported in Brazil, Colombia, and Ecuador that are tied to Venezuelan nationals (Tuite, et al., 2018).

Until the economic and security conditions improve to the point where citizens do not feel the need leave their countries, migration from of these Latin American countries will continue. Unlike the economically motivated migratory patterns of the late 20th century and early 2000s, this migratory pattern is based on fear and severe violations of human rights.

ENVIRONMENTAL CONCERNS

Latin America and the Caribbean are home to some of the most biodiverse habitats in the world. It is estimated that the region contains nearly 50 percent of the world's tropical forests, 33 percent of the world's mammals, 35 percent of reptile species, 41 percent of birds, and 50 percent of all amphibians (UNEP, n.d.). From the warm beaches in Central America and Mexico to the most southern point of Patagonia, there is a large tourism appeal to the region. As a result, the economic growth of many countries in the region relies on the upkeep and protection of these natural features and resources.

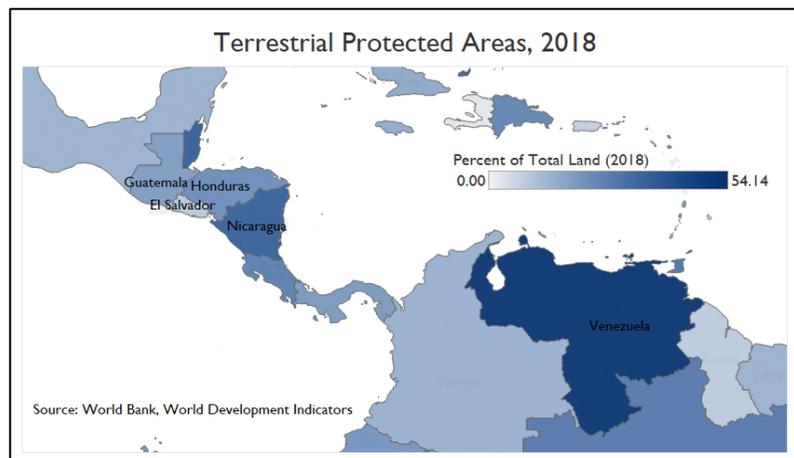
Figure 12



⁶ In 2018 Venezuela had a population of 28.9 million; 3.4 million is 11.8% of the country's 2018 population. For comparison, 8% of the United States' 2018 population would be 38.5 million, which is just under the population size of California.

The map (**Figure 13**) shows the importance that Latin America and the Caribbean place on environmental conservation. The region focuses heavily on innovative approaches to conservation, “such as building public-private partnerships, payment for environmental service schemes, incentive-based conservation contracts and co-management with communities and NGOs” (World Bank, 2012). Of the five countries in

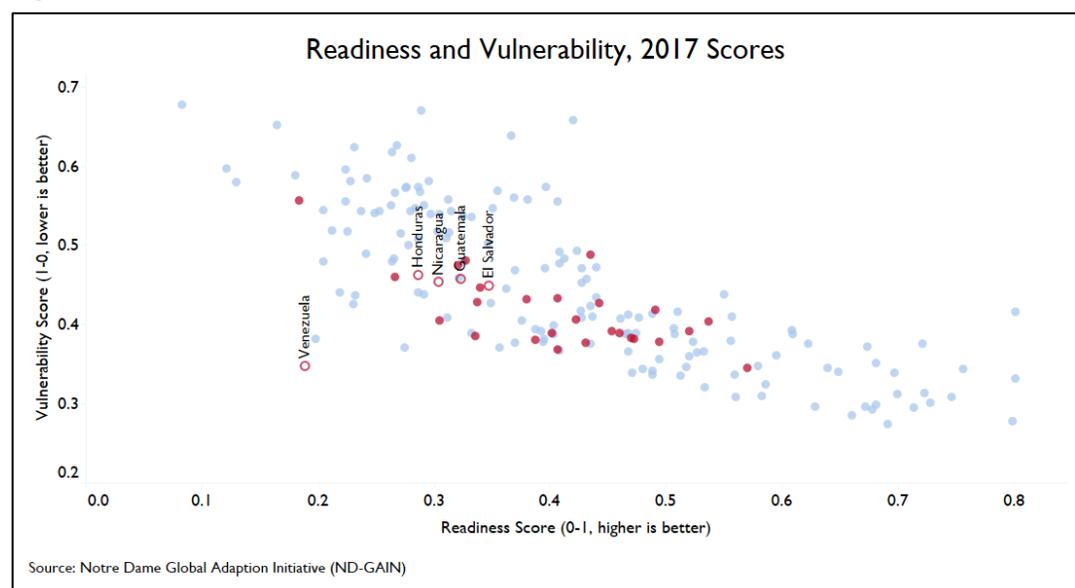
Figure 13



this report and in the LAC region, Venezuela has one of the highest percentages of terrestrial protected lands of its total land; 54 percent (World Bank, World Development Indicators). It is important to note that data on protected areas do not fully capture enforcement of those areas and thus do not paint a complete picture of habitat protection. Despite these efforts, the LAC governments are only able to allocate an estimated 1 percent of their budget to environmental protection efforts, an insufficient amount to maintain the pace needed to counter the effects of climate change and overutilization of resources (World Bank, 2012).

In terms of vulnerability to climate change and readiness to improve resilience, the Notre Dame Global Adaption Initiative (University of Notre Dame, 2019) considers the Central

Figure 14



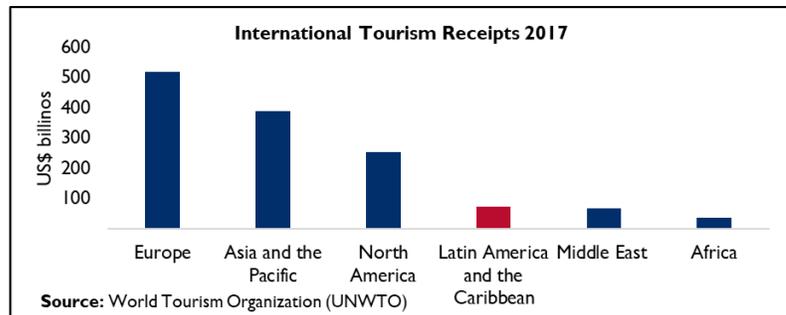
American countries more vulnerable to climate change than Venezuela and many of the other LAC countries (countries in the this brief are indicated by the open red circles and other LAC countries are indicated by the filled red circles in **Figure 14**). All five of the countries in the brief are considered less ready to make effective use of investments for adaptation to climate change, in large part due to the previously mentioned lack of government funding to conservation efforts in the socioeconomic and political instability with the countries.

Being vulnerable and ill-prepared for the anticipated effects of climate change will make El Salvador, Guatemala, Honduras, Nicaragua, and Venezuela susceptible to health concerns from poor air and water quality, increased natural disaster damages, food insecurity from crop losses, increased vulnerability to infectious diseases, ecosystem deterioration, and loss of economic productivity for sectors reliant on natural resources (McMichael et al., 2003).

TOURISM

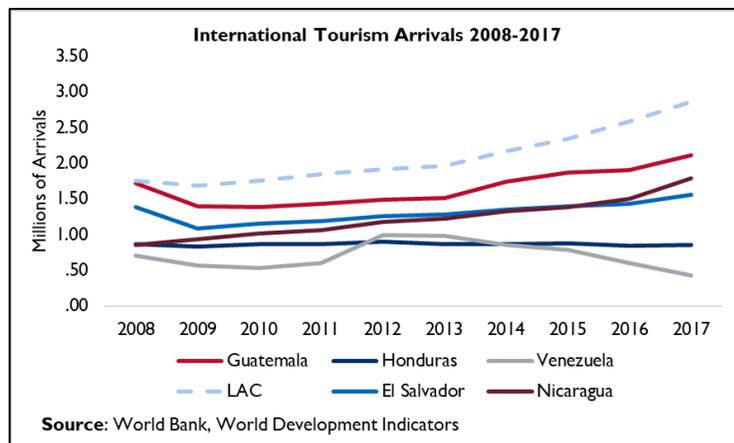
One sector that is particularly reliant on the upkeep of the region's ecosystem is tourism. Tourism is an international industry valued at roughly \$1.6 trillion, about one third of the world's total service exports (Deloitte, 2018). Globally, 1 in 10 jobs are in the tourism and hospitality industry. As personal incomes and travel consumption increase so will the demand for labor in this sector as well. Compared to regions such as Europe, Asia and the Pacific, and Northern America that received significant shares of international tourist receipts in 2017, Latin America and the Caribbean only received 5.5 percent of the \$1.34 trillion generated from tourism that year (Figure 15).

Figure 15



Of the five focus countries, Guatemala has the highest consistent number of international tourists in the past ten years. In 2017, Guatemala had 2.1 million tourists, which were 750,000 less tourists than the LAC regional average (2.9 million). The country has had a 23 percent growth in numbers of tourists since 2008 (Figure 16). El Salvador, and especially Nicaragua, have had significant growth in their tourist

Figure 16



numbers over the past decade (12 percent and 108 percent, respectively). In contrast, Honduras and Venezuela had a decline in tourist numbers since 2008. Honduras's tourist numbers declined by 2 percent and Venezuela's tourist numbers declined by 39 percent. The lack of growth in tourist numbers, and therefore the general growth of the tourism industry, can be attributed to the turbulent political and socioeconomic situations in Honduras and Venezuela. The same could be said

for the other three countries highlighted in this brief as they have been experiencing challenging and unstable developments.

Tourism is an important export and employer in many Latin American countries. On average, the tourism industry accounts for 7.8 percent of total exports in Latin American countries in 2017 (World

Bank, World Development Indicators).

The four of the five countries in this brief have tourism industries that contribute significantly to their total exports: El Salvador (17.0 percent), Nicaragua (14.8 percent), Guatemala (11.25 percent), and Honduras (9.7 percent).⁷ This is reflected in the share of employment in the tourism industry as well (**Figure 17**). While the

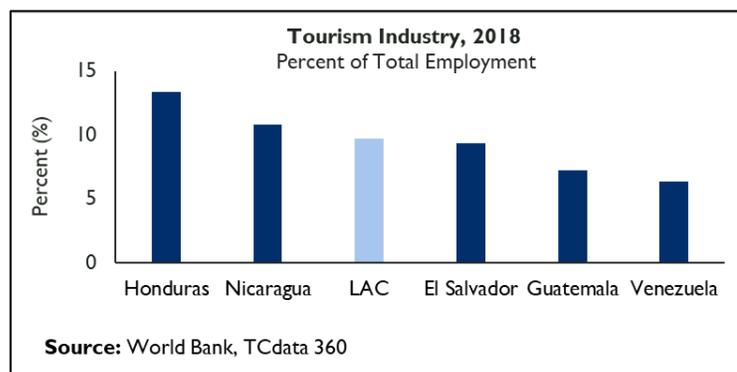
regional average number of workers involved in tourism and travel is 9.75 percent of total employment, that is the case for 13.3 percent of employed Hondurans, 10.8 percent of employed Nicaraguans, 9.4 percent of Salvadorans, 7.2 percent of Guatemalans, and 6.4 percent of Venezuelans. Increasing tourism to these five countries would stimulate more economic activity and increase job opportunities through the direct consumption of goods and services related to tourism and hospitality as well as the indirect effect of increased money flowing to the rest of the economy.

There is a correlation between lucrative tourism industries and economic growth and well-being of a country. The World Bank and International Finance Cooperation provide evidence that sustainable tourism contributes to the stimulation of GDP growth, increases international trade and investment, encourages infrastructure development, and supports low-income economies (World Bank, 2017). In Latin America, the top 12 countries for international tourism receipts as a percentage of total exports are either upper middle income or high income countries.⁸ For El Salvador, Guatemala, Honduras, Nicaragua, and Venezuela, five countries with tropical and environmentally appealing travel destinations, there is great potential for generating economic growth through developing their tourism industries. The challenges these countries face in political instability, lack of security driving out-bound migration, and environmental degradation are all linked with restricted economic growth and opportunities. While increased tourism will not lead directly to stability and development in these countries, strengthening the tourism industry would create needed job opportunities, beneficial domestic and international economic activity, and recognition of the importance of protecting natural biodiversity (World Bank, 2017).

FOREIGN AID

From 2007 to 2017, the United States has provided more than \$24.2 billion (constant 2017) in aid to the LAC region, with fluctuating levels of aid (**Figure 18**). Leading up to the second decade of the 21st century, U.S. foreign aid had been focused on the alleviating the outcomes of conflict,

Figure 17



⁷ Venezuela does not have international tourism data as share of exports from 2017. In 2016, Venezuela's international tourism receipts were 1.9% of their total exports (World Bank, World Development Indicators).

⁸ The top five LAC countries for international tourism receipts as a percentage of total exports are Caribbean Island countries: Grenada (85.4%, Upper Middle Income Country), St. Lucia (81.2%, Upper Middle Income Country), Dominica (77.9%, Upper Middle Income Country), St. Vincent and Grenadines (76.9%, Upper Middle Income Country), and the Bahamas (76.2%, High Income Country).

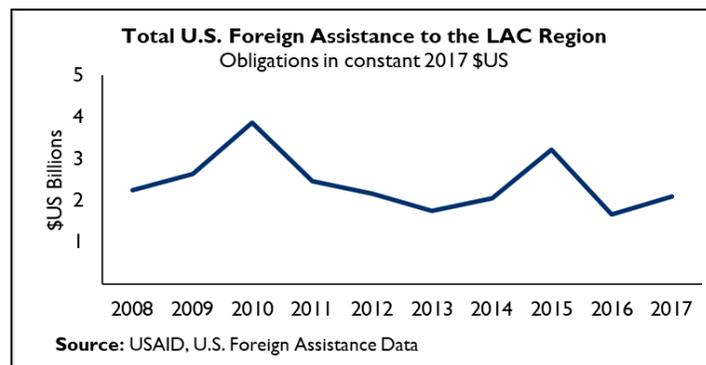
underdevelopment, or natural disasters. In recent years, the target of aid has shifted to address the root cause of key issues in the region: emigration, internal conflict, and economic prosperity. The top five sectors of aid to the LAC region in 2017 were (1) Government and Civil Society, (2) Social Infrastructure and Services, (3) Conflict, Peace, and Security, (4) Emergency Response, and (5) Agriculture.

These top regional sectors of aid are also top sectors of aid for countries in this brief (**Table 2**). For all the countries except Nicaragua, Government and Civil Society was the top sector of U.S. aid for the year of 2017. The other top sectors of aid in these countries were more specific to the individual needs of the country, i.e. \$18 million for Trade and Policy Regulations in El Salvador, \$30 million for other Social Infrastructure and Services in Guatemala, \$23 million for Agriculture in Honduras, \$16 million for Basic Education in Nicaragua, and \$4.8 million for Emergency Response in Venezuela.

In 2017, 3 of the 5 countries received well above the regional average of U.S. foreign assistance (**Table 2**). Although 2018 obligations have only been partially reported, foreign aid obligations to

Venezuela already increased by 78 percent from \$14 million in 2017 to \$25 million in 2018.⁹ Despite several U.S. Government (USG) imposed sanctions on targeted individuals, companies, and the Venezuelan government over the past decade,¹⁰ the humanitarian crisis leading to mass exodus from the country has driven foreign aid donor agencies around the world to action. On April 10, 2019 U.S. Vice President Michael Pence announced nearly \$61 million in additional USG assistance (for a total of \$213 million) in response to the Venezuela regional crisis (USAID, 2019). As a regional crisis, emergency response and other foreign assistance funds have been provided to the major Venezuelan migrant recipient countries in addition: Brazil, Colombia, Ecuador, Guyana, Peru, Trinidad and Tobago. USAID will be providing \$38 million with the Office of U.S. Foreign Disaster Assistance (OFDA) and \$54 million with Office of Food for Peace (FFP).

Figure 18



⁹ 2018 and 2019 foreign aid data published by USAID are partially reported. There is a two-year lag for the most recent complete year of data. This lag exists because foreign assistance data collection and reporting is approximately a year-long process from when the fiscal year ends. Foreign Aid Explorer may report more current data as agencies submit data, but while verified and accurate, the data cannot be considered complete and comprehensive until the publication of the Greenbook at the end of every calendar year. However, this does not mean that revisions will not occur once the Greenbook is published for that year. Historical revisions are necessary to improve the accuracy and consistency of the dataset.

¹⁰ Please find a thorough summary of USG-imposed sanctions towards Venezuela [here](#).

Table 2

Top 3 Sectors for Foreign Aid Obligations, 2017				
El Salvador	Guatemala	Honduras	Nicaragua	Venezuela
Government and Civil Society, \$36M	Government and Civil Society, \$62M	Government and Civil Society, \$82M	Basic Education, \$16M	Government and Civil Society, \$7.4M
Trade Policy and Regulation, \$18M	Other Social Infrastructure and Services, \$30M	Agriculture, \$23M	Government and Civil Society, \$7.1M	Emergency Response, \$4.8M
Conflict, Peace, and Security, \$17M	Basic Education, \$28M	Basic Education \$18M	HIV/AIDS, \$4.7M	Administration and Oversight \$1.2M
Total Obligations: \$118.2M	Total Obligations: \$257.3M	Total Obligations: \$181M	Total Obligations: \$43.6M	Total Obligations: \$14.0M
LAC Regional Average: \$63.9M				

CONCLUSION

El Salvador, Guatemala, Honduras, Nicaragua, and Venezuela, along with the LAC region generally, have experienced a general economic growth since the turn of the century. Growing urban populations and access to more technology and global connectivity provide a growing potential for socioeconomic development. However, recent economic slowdowns in each country can be attributed to several inhibitors of growth: violence and drug trafficking, political instability, lack of reliable health care access, underutilized natural resources and protection for tourism, and other areas of vulnerability. USAID's priorities in these countries are to deliver humanitarian assistance and to increase prosperity, improve governance, and increase security to address the drivers of migration from the region. (USAID, Report to Congress and Venezuela Fact Sheet, 2019)

For questions or more information on this Analytical Brief, please contact the author, Audrey Velanovich at avelanovich@devtechsys.com. To access the data, please visit USAID Data Services' International Data & Economic Analysis (IDEA) website at idea.usaid.gov.

DISCLAIMER: The author's views expressed in this publication do not necessarily reflect the views of The United States Agency for International Development (USAID) or the United States Government.

References:

- Camilleri, M. J. & Ziff, T. (2019). All Eyes on Guatemala as Crisis Brews Ahead of Elections. *Americas Quarterly*. Retrieved from <https://www.americasquarterly.org/content/all-eyes-guatemala-crisis-brews-ahead-elections>
- Deloitte (2018). 2018 Travel and Hospitality Industry Outlook. *Deloitte Touche Tohmatsu Limited*. Retrieved from <https://www2.deloitte.com/ru/en/pages/consumer-business/articles/travel-hospitality-industry-outlook.html>
- The International Crisis Group (2018). Life Under Gang Rule in El Salvador. Commentary. *The International Crisis Group*. Retrieved from <https://www.crisisgroup.org/latin-america-caribbean/central-america/el-salvador/life-under-gang-rule-el-salvador>
- The International Crisis Group (2018). Saving Guatemala's Fight Against Crime and Impunity. *The International Crisis Group*. Retrieved from <https://www.crisisgroup.org/latin-america-caribbean/central-america/guatemala/70-saving-guatemalas-fight-against-crime-and-impunity>
- Human Rights Watch American Division(2019). Crackdown in Nicaragua: Torture, Ill-Treatment, and Prosecution of Protestors and Opponents. *Human Rights Watch*. Retrieved from https://www.hrw.org/sites/default/files/report_pdf/nicaragua0619_web3.pdf
- Johnston, J. & Lefebvre, S. (2013). Honduras Since the Coup: Economic and Social Outcomes. *Center for Economic and Policy Research*. Retrieved from <http://cepr.net/publications/reports/honduras-since-the-coup-economic-and-social-outcomes>
- Jose Simeon Canas Central American University Institute of Public Opinion (2017). Evaluación del país a finales de 2017 y perspectivas electorales para 2018. Universidad Centroamericana José Simeón Cañas. Retrieved from: http://www.uca.edu.sv/iudop/wp-content/uploads/BOLETIN_118.pdf
- Labrador, R. C. (2019). Venezuela: The Rise and Fall of a Petrostate. *Council on Foreign Relations*. Retrieved from <https://www.cfr.org/backgrounder/venezuela-crisis>
- Martínez, S. (2018). Today's Migrant Flow is Different. *The Atlantic*. Retrieved from <https://www.theatlantic.com/international/archive/2018/06/central-america-border-immigration/563744/>
- McMichael, A. J., Campbell-Lendrum, D. H., Corvalán, C. F., Ebi, K. L., Githeko, A. K., Scheraga, J. D., Woodward, A. (2003). Climate Change and Human Health: Risks and Responses. *World Health Organization*. Geneva. Retrieved from <https://www.who.int/globalchange/publications/climchange.pdf>
- McVicar, J. (2018). Why are so many people fleeing Honduras? *The Americas Magazine*. Retrieved from <https://www.americamagazine.org/politics-society/2018/11/07/why-are-so-many-people-fleeing-honduras>
- OHCHR (2018). Human Rights Violations and Abuses in the Context of Protests in Nicaragua. *United Nations Human Rights Office of the High Commissioner*. Retrieved from https://www.ohchr.org/Documents/Countries/NI/HumanRightsViolationsNicaraguaApr_Aug2018_EN.pdf

- Orozco, M. (2018). Central American Migration: Current Changes and Development Implications. *The Inter-American Dialogue*. Retrieved from: <https://www.thedialogue.org/wp-content/uploads/2018/11/CA-Migration-Report-Current-Changes-and-Development-Opportunities1.pdf>
- Rendon, M., Kazman, M. (2019). Venezuela's Road to Recovery. *Center for Strategic & International Studies*. Retrieved from <https://www.csis.org/analysis/venezuelas-road-recovery>
- Stephens, H. (2019). Fears of Civil War Have Faded, but Nicaragua's Crisis is Far From Over. *World Politics Review*. Retrieved from <https://www.worldpoliticsreview.com/insights/26683/fears-of-a-civil-war-have-faded-but-nicaragua-s-crisis-is-far-from-over>
- Thale, G. & Amaya, K. (2018). El Salvador Makes Mixed Progress in Strengthening Rule of Law. *The Washington Office on Latin America (WOLA)*. Retrieved from <https://www.wola.org/analysis/el-salvador-makes-mixed-progress-strengthening-rule-law/>
- Tuite, A. R., Thomas-Bachli, A., Acosta, H., Bhatia, D., Huber, C., Petrasek, K., Watts, A., Yong, J., Bogoch, I. I., Khan, K. (2018). Infectious disease implications of large-scale migration of Venezuelan nationals. *Journal of travel medicine*, 25(1), tay077. Retrieved from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6142906/>
- Twining-Ward, L. D., Aguerrevere, G., Bakker, M. H. E., Bartlett, J. L., Chappell Jr. R. L., Harman, P. A., Li, W., Mann, S., Miguel, J., Villascusa Cerezo, J. M., Perrottet, J. G., Salem, T. M., Shiels, D., Torres, I., Weiss, B. L., & Wohlmuther, C. (2017). 20 reasons sustainable tourism counts for development. *Tourism for Development knowledge series*. Washington, D.C.: World Bank Group. Retrieved from <http://documents.worldbank.org/curated/en/558121506324624240/20-reasons-sustainable-tourism-counts-for-development>
- United Nations Environment Program, UNEP. (n.d.). Biodiversity. UNEP Regional Office for Latin America and the Caribbean. Retrieved from <http://web.unep.org/regions/rolac/biodiversity#>
- University of Notre Dame (2019). ND-Gain Country Index. Notre Dame Global Adaption Initiative. Retrieved from: <https://gain.nd.edu/our-work/country-index/>
- UN News (2019). Nicaraguan crisis: One year in, more than 60,000 have fled, seeking refuge. United Nations. *UN News*. Retrieved from <https://news.un.org/en/story/2019/04/1036711>
- USAID (2019). Progress Report for the United States Strategy for Central America's Plan for Monitoring and Evaluation, USAID Report to Congress, May 2019. Retrieved from https://dec.usaid.gov/dec/content/Detail_Presto.aspx?vID=47&ctID=ODVhZjk4NWQzM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=NTlwODQz
- USAID (2019). Venezuela Regional Crisis, Fact Sheet #2, Fiscal Year (FY) 2019. *United States Agency for International Development*. Retrieved from <https://www.usaid.gov/sites/default/files/documents/1866/04.10.19-USG-Venezuela-Regional-Crisis-Fact-Sheet-2.pdf>
- USAID (2019) Foreign Aid Explorer (FAE). U.S. Foreign Aid by Country. [Data file]. Retrieved from <https://idea.usaid.gov/>

Venezuela Investigative Unit, (2017). Venezuela Set for Murderous 2017. *InSight Crime*. Retrieved from <https://www.insightcrime.org/news/brief/venezuela-set-for-murderous-2017/>

World Bank (2012). Biodiversity: Finding the funds to keep Latin America green. Feature Story. *The World Bank Group*. Retrieved from <http://www.worldbank.org/en/news/feature/2012/10/17/america-latina-biodiversidad-conservacion>

World Bank (2017). Migration Data [Data files]. Retrieved from <https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

World Bank (2019). World Development Indicators [Data file]. Retrieved from <https://idea.usaid.gov/>