



May 30, 2025

El Salvador: Current Issues and U.S. Relations

El Salvador is a small, densely populated country in the “Northern Triangle” region of Central America (see **Figure 1**) that has deep historical, migratory, and economic ties to the United States. The 119th Congress may continue to monitor U.S.-Salvadoran relations and assess whether—and if so, how—to shape relations through oversight and legislation. Members may accept, reject, or seek to modify the Administration’s priorities and approach to U.S.-Salvadoran relations.

Political and Economic Situation

President Nayib Bukele first took office in June 2019 for a five-year term. A businessman and former mayor of San Salvador (2015-2018), Bukele is the first president to come of age politically after the 1980-1992 civil war and the first president in 30 years to win without support from either the conservative National Republican Alliance (ARENA) or the leftist Farabundo Martí National Liberation Front (FMLN) party. Bukele’s rise to power was fueled, in part, by popular discontent with 20 years of successive ARENA and FMLN governments that struggled to address corruption, sluggish economic growth, and gang-related crime.

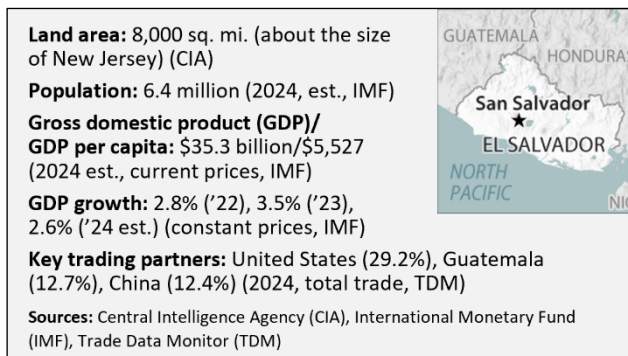
Over the past four years, Bukele and his New Ideas (NI) party have become the dominant force in Salvadoran politics and have consolidated power over government institutions. The NI won a two-thirds majority in the unicameral Legislative Assembly in February 2021 elections. After taking office in May 2021, the newly seated legislature dismissed the nominally independent attorney general, who had investigated corruption in Bukele’s administration. The legislature then dismissed five magistrates of the El Salvador Supreme Court’s constitutional chamber, arguing the judges inhibited the government’s response to the COVID-19 pandemic. The Inter-American Commission on Human Rights characterized both moves as unconstitutional. In September 2021, Bukele-appointed magistrates on the constitutional chamber ruled that he could run for another presidential term, despite what observers say is the constitution’s explicit prohibition of presidential reelection.

In February 2024 national elections, Bukele was reelected with 84.7% of votes, and NI increased its legislative majority (54 of 60 seats)—arguably reflecting, at least in part, support for Bukele’s security policies (see “Insecurity and State of Exception,” below). A 2023 electoral reform reduced the number of seats in the Legislative Assembly and the number of municipalities in the name of efficiency; some critics likened the move to gerrymandering. In February 2025, the Legislative Assembly amended the constitution, easing the passage of future constitutional reforms and prompting criticism from some civil society groups.

Although some polling suggests that Bukele is among the most popular leaders in the Americas (83% in January 2025), some observers have voiced concerns about growing

authoritarianism under his administration. According to the Economist Intelligence Unit’s (EIU’s) 2024 *Democracy Index*—an annual report that seeks to measure the state of democracy in 165 countries—El Salvador has fallen 24 places since Bukele assumed office in 2019. The EIU holds that democratic erosion accelerated in 2024 amid continued restrictions on civil liberties, reduced judicial autonomy, and deteriorating press freedoms. In May 2025, the arrest of a prominent human rights lawyer and the passage of a law increasing government oversight on some civil society groups also drew criticism from international organizations.

Figure 1. El Salvador at a Glance



Insecurity and State of Exception

Since the 1990s, gangs with origins in Southern California, including the *Mara Salvatrucha* (MS-13), a U.S.-designated Foreign Terrorist Organization, have undermined security in El Salvador. The Bukele administration initially sought to negotiate with the gangs, allegedly providing illicit favors to gang leaders in exchange for reduced levels of violence. In 2021, the U.S. Treasury Department imposed sanctions on two officials involved in the negotiations.

Amid a wave of gang-fueled violence in March 2022, President Bukele implemented a *state of exception*, which limits some constitutional rights and enables mass arrests of individuals suspected of belonging to or aiding the gangs. According to 2024 data from the Salvadoran national police, security forces have imprisoned more than 84,000 “terrorists” (about 1.3% of the population) since the state of exception began, and homicides have declined by about 95% compared to 2019. Human rights groups have reported arbitrary arrests, torture, and deaths in the country’s prisons. The legislature has extended the state of exception monthly and has enacted other measures enabling mass sentencing and increasing penalties for gang-related crimes.

Economic Conditions

El Salvador’s dollarized economy has averaged 2.1% growth from 2001 to 2024, the lowest rate in Central America. Insecurity, poverty (30.3% in 2023), vulnerability to climate-related shocks, and low levels of foreign direct

investment (FDI), among other challenges, have impeded growth. Remittances from the United States—\$8.2 billion in 2023—are a key source of income for El Salvador.

In September 2021, El Salvador became the first country to adopt Bitcoin, a cryptocurrency, as legal tender. The Bukele administration has invested public funds in Bitcoin assets and provided subsidies to facilitate the public's adoption of Bitcoin. According to Salvadoran officials, the move aimed to attract investment and increase financial inclusion. In February 2025—after lawmakers passed a January 2025 amendment to scale back the country's Bitcoin policy—the IMF Executive Board approved a 40-month, \$1.4 billion financing agreement with El Salvador tied to reforms to improve governance and transparency, strengthen public finances, and reduce Bitcoin-related risks.

U.S.-Salvadoran Relations

Historically, the United States has played a prominent role in El Salvador's political and economic development, including through extensive involvement in the country's civil conflict in the 1980s. Successive U.S. Administrations have sought to collaborate with El Salvador, especially on migration and security issues. During the Biden Administration, the U.S. government also expressed concerns about corruption, judicial independence, human rights, and the rule of law. Some analysts assess that this may have contributed to bilateral tensions. The second Trump Administration has sought to deepen ties with the Bukele administration.

Migration

Migration flows from El Salvador to the United States have made migration a key bilateral issue. According to the U.S. Census Bureau, more than 1.4 million Salvadoran-born individuals reside in the United States—including about 174,000 Salvadoran nationals (as of FY2024) who have received relief from removal and work authorization through Temporary Protected Status. In FY2024, unauthorized migrant flows from El Salvador to the Southwest border decreased by 45% from FY2021 levels, possibly in part due to improved security conditions in El Salvador.

The Bukele administration has engaged with U.S. officials to address flows of unauthorized migration from El Salvador and elsewhere. U.S. Department of Homeland Security officials repatriated more than 170,000 Salvadoran nationals from FY2021 to FY2024. During Secretary of State Marco Rubio's February 2025 visit to the country, President Bukele agreed to "incarcerate violent illegal immigrants" from the United States, including alleged MS-13 and Venezuelan Tren de Aragua members; the State Department said Bukele also offered to imprison "dangerous American criminals," including U.S. citizens. Between March 15 and April 13, Secretary Rubio and the State Department announced the United States had sent 300 alleged Tren de Aragua and MS-13 gang members to El Salvador to be detained in Salvadoran prisons. Some removals—which reportedly took place under a March 2025 presidential proclamation invoking the Alien Enemies Act—are subject to legal challenges.

Some Members of Congress have praised recent bilateral cooperation on migration as helping to improve security in the United States, with one Member deeming it a "success story." Some Members have voiced human rights and rule

of law concerns about U.S.-Salvadoran cooperation. Some have called for increased transparency regarding a reported bilateral agreement to remove unauthorized migrants alleged to be gang members from the United States and U.S. funding to transfer and detain these migrants in Salvadoran prisons. Some Members have also introduced resolutions (S.Res. 195/H.Res. 368) to request more information from the State Department about human rights conditions in El Salvador.

Foreign Assistance

In FY2023 (latest data available), the Department of State and U.S. Agency for International Development (USAID) allocated an estimated \$87.1 million in bilateral foreign aid to El Salvador, including \$71.2 million in Development Assistance, \$15.6 million in Global Health Programs funding, and \$320,000 in International Military Education and Training aid. Additionally, the State Department and USAID allocated \$39.5 million in FY2023 Central America Regional Security Initiative funding to support security and rule of law programming in El Salvador.

Congress has placed restrictions on some U.S. assistance to El Salvador since FY2016. The Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 (P.L. 118-47, Division F) requires the State Department to withhold 60% of certain security assistance to support the central government of El Salvador until the Secretary of State certifies that the Salvadoran government has met conditions related to corruption, human rights, and migration, among other issues. The State Department published the certification for FY2024 in April 2025. P.L. 118-47 also prohibits Foreign Military Financing to El Salvador. The Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4) funds U.S. foreign assistance programs in El Salvador under the same conditions as FY2024.

During his February 2025 visit to the region, Secretary Rubio stated that he had issued waivers to allow continued U.S. support for some security programs amid the Trump Administration's "pause" on U.S. foreign assistance. Congress may assess how the Trump Administration's efforts to restructure or reduce foreign aid may affect development, security, and other programs in El Salvador.

Economic Ties

The United States and El Salvador are parties to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR; P.L. 109-53), which was signed in 2004 and entered into force for El Salvador in 2006. Under the agreement, all U.S. nonagricultural goods and nearly all U.S. agricultural goods are eligible to enter El Salvador duty free. U.S.-El Salvador goods trade hit a record high of \$7.8 billion in 2022, before falling to \$6.9 billion in 2024. The United States has run a goods trade surplus with El Salvador since 2006; it was \$2.2 billion in 2024. On April 2, 2025, President Trump issued an executive order imposing a minimum 10% tariff on U.S. imports from all countries, including El Salvador, as of April 5, 2025, notwithstanding CAFTA-DR. U.S. FDI totaled \$1.5 billion in 2023.

Joshua Klein, Analyst in Foreign Affairs

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.