

United States Economic, Political, and Military Policies Toward El Salvador, 1926-2026: A Century of Engagement and Structural Consequence

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FINDINGS

UNITED STATES ECONOMIC, POLITICAL, AND MILITARY POLICIES TOWARD EL SALVADOR, 1926-2026: A CENTURY OF STRATEGIC ENGAGEMENT AND STRUCTURAL CONSEQUENCE

Executive Summary

The United States relationship with El Salvador over the past century reveals a consistent pattern of strategic intervention designed to protect American economic and geopolitical interests, often at the expense of Salvadoran democratic development and social stability. This report examines three intersecting policy domains-economic, political, and military-across five distinct historical eras from 1926 through early 2026. The evidence demonstrates that US policies, while framed in terms of anticommunism, democratization, or security cooperation, have fundamentally reshaped El Salvador's institutional structures, economic dependency patterns, and societal conditions in ways that continue to reverberate today. Between 1980 and 1992 alone, the United States provided over one billion dollars in military assistance to the Salvadoran government, training forces later responsible for systematic human rights abuses including the El Mozote massacre.[10][19] The subsequent push toward dollarization in 2001 eliminated El Salvador's independent monetary policy capacity.[3] More recently, US deportation policies since 1996 have inadvertently established criminal networks in El Salvador that now destabilize the country, while contemporary US engagement with the increasingly authoritarian Bukele administration has tacitly supported democratic backsliding.[31][32] The impacts of these policies span from massive internal displacement during the civil war to ongoing migration crises and gang violence that continues to drive Salvadorans northward toward the United States. This report argues that understanding El Salvador's contemporary challenges requires recognition of how a century of US strategic choices has constrained the country's political alternatives, economic autonomy, and democratic institutions.

The Foundation of US-El Salvador Relations: Diplomatic Recognition, Non-Recognition, and the Good Neighbor Policy (1926-1945)

The United States recognized El Salvador as an independent state in 1849, but the relationship between the two nations took a more consequential shape in the early twentieth century as American economic interests expanded throughout Central America and the Monroe Doctrine evolved into active regional management.[13] The period from 1926 through the mid-1940s established precedents for how the United States would use diplomatic recognition and withdrawal as tools of political influence that would persist throughout the century. When a military coup brought General Maximiliano Hernández Martínez to power in December 1931, the United States invoked the 1923 Treaty of Peace and Amity to refuse diplomatic recognition, adhering to a formal policy of not recognizing governments that came to power through military force.[13][16][55] This non-recognition lasted until January 26, 1934, when Secretary of State Cordell Hull suddenly reversed course and extended recognition to the Martínez government.[13] The immediate catalyst for this shift remains contested by historians, but the timing is revealing: Martínez had just brutally suppressed a rural uprising in January 1932 known as La Matanza, in which between 10,000 and 40,000 Salvadorans were killed, with 30,000 being the most commonly cited figure.[55] Some historians argue that the US decision to recognize Martínez after his violent response to what the State Department characterized as a communist-influenced rebellion demonstrated that the United States was willing to abandon stated principles of supporting

democracy when confronted with the specter of leftist upheaval.[10][16][55]

The context of US policy during this period reflects the broader Good Neighbor Policy announced by President Franklin D. Roosevelt in his 1933 inaugural address.[37][40] Roosevelt's stated commitment to non-intervention and mutual respect for Latin American sovereignty marked a departure from earlier patterns of direct military intervention.[37] The policy included withdrawal of troops from Haiti and Nicaragua, negotiation of reciprocal trade agreements, and creation of the Export-Import Bank to provide development credits.[37] However, scholars have documented that the Good Neighbor Policy's non-intervention principle consistently yielded when American strategic interests were perceived to be threatened.[37][40] In El Salvador's case, the rapid shift from non-recognition to recognition of Martínez demonstrated that anti-communism and preservation of order (as defined by US policymakers) would trump formal adherence to democratic principles. The recognition of Martínez set a precedent that would be repeated throughout the century: the United States would support authoritarian regimes that maintained stability and protected American economic interests, regardless of their human rights practices or anti-democratic methods of governance.

During the 1930s and 1940s, El Salvador became increasingly integrated into the US economic orbit through trade relationships and capital flows that would establish patterns of dependency lasting decades.[38][41] The World Bank and Inter-American Development Bank, both heavily influenced by the United States, began shaping Central American economic policy toward liberalization and export-oriented development.[41] These institutions promoted the removal of trade barriers and regional economic integration, policies that benefited American exporters and investors more than they benefited El Salvador's rural population or domestic industries.[41] By the end of World War II, El Salvador's economy was becoming structured around the production of agricultural commodities-particularly coffee and sugar-for export to the United States, with the country importing manufactured goods from American companies.[2][41] This pattern of trade asymmetry would deepen throughout the postwar period.

Cold War Containment and Military Modernization (1950-1979): Building State Capacity for Anticommunism

The Cold War framework that emerged after 1945 transformed US policy toward El Salvador from diplomatic leverage into direct military assistance and training programs designed to strengthen the Salvadoran state's capacity to resist leftist movements.[4] Beginning in 1950, El Salvador received its first formal security assistance packages under the Military Assistance Program (MAP).[9] Between 1950 and 1969, officially sponsored security assistance from the United States to El Salvador averaged approximately \$400,000 annually, a modest sum that reflected the relatively low priority of El Salvador in early Cold War strategy.[9] However, this figure increased substantially in the 1970s: between 1970 and 1975, annual military aid climbed to approximately \$1.4 million, representing a 250 percent increase.[9] In 1976, US military aid increased again by 57 percent.[9] Accompanying these financial transfers was a comprehensive program of military training and institutional development. The United States trained 1,925 Salvadoran officers during the period 1950-1976, many through the School of the Americas located in Panama.[9] These training programs embedded American military doctrine, counterinsurgency techniques, and organizational approaches directly into the structure of the Salvadoran armed forces.

This period also witnessed intensified US economic engagement with Central America through multilateral development institutions. The Alliance for Progress, launched by President Kennedy in 1961, channeled

American economic assistance through the Inter-American Development Bank and the World Bank, often with explicit conditions requiring recipient countries to adopt neoliberal economic reforms including trade liberalization, privatization of state enterprises, and removal of barriers to foreign investment.[41] For El Salvador, these conditions meant that the country's economy became increasingly oriented toward export production and market-driven policies, constraining the government's ability to pursue redistributive land reform or social spending policies that might address underlying rural poverty and inequality.

The political landscape of El Salvador during this period was characterized by a deepening crisis rooted in inequality and exclusion. A landowning oligarchy maintained strict control over the country's most productive agricultural land, and a succession of military governments used force to suppress peasant organizing, labor unions, and emerging left-wing political movements.[50][51] The fraudulent 1977 election that brought General Carlos Romero to power marked an escalation in government repression against civilian dissidents, and tensions mounted throughout the late 1970s as the government cracked down on demonstrations and organized labor.[14][17] The United States observed these developments with alarm, viewing El Salvador through the lens of Cold War bipolarity: any leftist movement, regardless of its origins in legitimate social grievances, was automatically characterized as communist-influenced or Soviet-backed.[14] This framing would become consequential as the civil war approached.

Civil War and the Apex of US Military Intervention (1980-1992): Training, Arming, and the Human Rights Catastrophe

The assassination of Archbishop Óscar Romero on March 24, 1980, marked a turning point toward open conflict.[4][14][17][19] Romero had become an increasingly vocal critic of the Salvadoran military's human rights abuses and had publicly urged President Jimmy Carter to suspend military aid to the regime.[4][14][17] His killing by death squad members, likely with military knowledge and participation, galvanized the left and pushed the Farabundo Martí National Liberation Front (FMLN)-a coalition of guerrilla groups-into overt armed insurgency.[14][17][19] The United States, having briefly suspended military aid in response to the murders of four American religious workers in December 1980, quickly resumed support.[4] By the time Ronald Reagan assumed the presidency in January 1981, the Carter administration had already increased military aid to \$10 million, including funds for weapons, ammunition, grenades, and helicopters.[4][14]

The Reagan administration dramatically escalated US military involvement in El Salvador. By 1984, military aid had reached \$196.6 million-a peak figure that reflected the urgency the Reagan administration assigned to preventing what it feared would be another Soviet client state in Central America.[7][25] Between 1980 and 1990, the United States provided over \$1 billion in military assistance to El Salvador, with approximately \$996 million dedicated to military education and training.[10][19][26] The scale of this assistance relative to El Salvador's small size meant that the Salvadoran armed forces became almost entirely dependent on American weaponry, logistics, training, and strategic guidance. By May 1983, declassified US government documents reveal that American military officers were working within the Salvadoran High Command and making important strategic and tactical decisions.[4][17] The United States deployed 36 military advisers to El Salvador in March 1980 to train Salvadoran soldiers in counterinsurgency techniques at three training centers that also served as helicopter bases.[9] Eight Navy ships, including an aircraft carrier, with over 2,000 marines, were deployed to patrol the Pacific coast of El Salvador.[9]

One of the most consequential American military initiatives in El Salvador was the creation and training of specialized counterinsurgency units. The Atlácatl Battalion, established in 1981 with US government funding

and training, represented a rapid deployment infantry battalion specifically designed for counterinsurgency warfare.[4][46] The Atlácatl was trained by United States military advisors and described as "the pride of the United States military team in San Salvador." [4] The battalion's mission was to eliminate the rebel presence in northern Morazán province where the FMLN had established camps and training centers. The Atlácatl Battalion's actions during the civil war would become infamous for systematic human rights abuses, most notably the El Mozote massacre of December 11, 1981.[10][19][43][46]

The El Mozote massacre represents perhaps the starkest illustration of how US military training and support translated into systematic human rights violations against civilian populations. On December 10-11, 1981, members of the Atlácatl Battalion, under the orders of Domingo Monterrosa, systematically killed over 200 civilians in the village of El Mozote, though some estimates place the total at over 800.[43][46] Residents of the village were rounded up, interrogated, tortured, and executed. Men were killed in various locations. Women and older girls were separated from their children, raped, and then murdered with machine guns. Children were killed by throat-slitting and hanging-with some victims as young as two years old.[46] Nearly half of those killed were under ten years old.[10][19][43] According to some accounts, girls as young as ten were raped, and soldiers reportedly bragged about preferring twelve-year-old girls.[46] After the massacre, soldiers set fire to the buildings. The operation had no military objective-the village contained only civilians, mostly families who had fled surrounding areas seeking refuge.

The Reagan administration's response to the El Mozote massacre revealed the priority it assigned to Cold War victory over human rights accountability. When journalist Raymond Bonner filed reports documenting the massacre for the New York Times, the Reagan White House orchestrated a sophisticated public relations campaign to discredit the reporting, spreading disinformation that claimed either the massacre had not occurred or that the FMLN had staged it to generate negative press about the Salvadoran military.[46] The New York Times subsequently removed Bonner from his position in El Salvador despite the subsequent verification of his reporting. Declassified documents released decades later show that US intelligence agencies had information about the massacre contemporaneously but chose not to disclose it.[44][46] In a particularly striking revelation, Stanford professor Terry Karl testified in 2021 that a US military advisor, Allen Bruce Hazelwood, was likely present during the massacre based on documentary evidence and interviews.[46] The United States government engaged in what Karl termed a "sophisticated cover-up operation" to conceal American presence at the massacre and to protect the Salvadoran military from accountability.[46]

Beyond El Mozote, the declassified US government documents obtained by the National Security Archive reveal that American intelligence agencies maintained detailed knowledge of death squad activities, extrajudicial killings, and systematic human rights abuses perpetrated by the Salvadoran military and allied paramilitary forces throughout the 1980s.[1][47] In one particularly revealing document from 1984 that was initially heavily excised when released under the Freedom of Information Act but later declassified in fuller form in 1993, the CIA discussed "Dealing with Death Squads." [47] The initially released version gave the impression that the Duarte government and Salvadoran armed forces were taking effective steps to end death squad activities. The fuller version obtained later clearly stated that efforts by the government and military "have made little progress and have been aimed almost exclusively at placating Washington." [47]

The Truth Commission established after the civil war's end, which investigated human rights abuses from 1980 to 1991, found that 85 percent of the cases reported involved state agents or death squads allied with the Salvadoran armed forces.[10][19][26] The Commission recommended the immediate removal of more than 40 military officers from service for their involvement in human rights violations, including Defense Minister René Emilio Ponce, Vice-Minister Orlando Zepeda, and former Air Force commander Juan Rafael Bustillo.[45] However, the Salvadoran government granted amnesty to perpetrators shortly after the peace

accords were signed, preventing prosecution and accountability.[39][45] The United States, despite its stated commitment to human rights in foreign policy, did not pressure El Salvador to hold military officials accountable for atrocities that had been facilitated by American training, weapons, and strategic support.

The human consequences of the twelve-year civil war were staggering. The conflict resulted in approximately 75,000 deaths and displaced more than one million Salvadorans—roughly one-fifth of the country's population at the time.[10][21] Half a million Salvadorans fled to neighboring countries or to the United States during the 1980s.[10][21][26] Despite having fled violence directly connected to US-supported military operations, just 2 percent of asylum applications filed by Salvadorans during the war were approved.[10][21][26] This remarkably low approval rate stemmed directly from US foreign policy: extending refugee protection to Salvadorans would have contradicted the Reagan administration's own policy of supporting the Salvadoran government, effectively admitting that the government the United States was backing was responsible for the persecution from which Salvadorans were fleeing.[10][21][26]

Democratic Transition, Economic Restructuring, and CAFTA-DR Integration (1992-2020): From War to Market-Driven Development

The Chapultepec Peace Accords signed on January 16, 1992, brought the Salvadoran civil war to an end through negotiations brokered by the United Nations.[28][49][52] The agreements included provisions for military reform, establishment of a civilian police force, judicial reform, electoral system changes, and a land transfer program intended to reintegrate former combatants into civilian life.[28][49][52] These provisions represented significant institutional changes that reflected a genuine commitment to demilitarization and democratization, at least in formal structural terms. However, the post-war period also witnessed the consolidation of a particular model of economic policy that the United States actively promoted: neoliberal market liberalization through trade agreements, privatization of state enterprises, and structural adjustment programs coordinated by the International Monetary Fund and World Bank.[28][38][41]

The post-conflict period created what the World Bank termed a "window of opportunity" for implementing comprehensive economic reforms.[28][38] The Cristiani administration, elected in 1989, requested World Bank assistance with a structural adjustment program, and the Bank rapidly approved structural adjustment loans (SALs).[28][38] SAL I provided \$75 million in 1991, followed by SAL II in 1993 with an additional \$50 million, to support the government's economic reform program.[28] These loans came with explicit conditions requiring taxation reform, privatization, trade liberalization, financial sector reform, and social sector changes.[28][38] The government implemented comprehensive trade liberalization, removal of restrictions on current and capital account transactions, privatization of state-owned banks, and abolition of monopoly powers of agricultural parastatals.[28][38][41] By the mid-1990s, El Salvador had become one of Central America's most trade-liberalized economies.

The land transfer program established under the peace accords represented one of the most significant post-conflict commitments but was ultimately compromised by political resistance from landowning elites and insufficient resources. Phase I of the land reform targeted expropriation of holdings exceeding 500 hectares and affected approximately 469 individual properties totaling 215,167 hectares—nearly 15 percent of all Salvadoran farmland.[15][18] Between 36,697 and 38,000 families received land through Phase I.[15][18][25] Phase II, which would have extended expropriation to holdings of 100-500 hectares and would have significantly impacted coffee, cotton, and sugar plantations, was never implemented.[15][18] When the new 1983 constitution was adopted, it placed a cap on landholdings at 245 hectares rather than the original

100-hectare proposal, thereby protecting the vast majority of large plantations that exceeded 245 hectares.[15][18] Phase III, the "Land to the Tiller" program, was implemented more successfully, eventually transferring over 103,000 hectares to approximately 50,000 beneficiaries by the late 1990s.[15][18] However, much of this transferred land was marginal-over 60 percent categorized as pasture, fallow, or inaccessible due to forests or mountainous terrain.[15][18]

The most transformative economic policy decision of the post-war period was El Salvador's adoption of the United States dollar as its official currency on January 1, 2001.[3][27][30] This "dollarization" decision was implemented by the Flores administration with support from business organizations and the United States government.[3][27] The stated rationale was that dollarization would reduce currency risk, lower interest rates for borrowing, attract foreign direct investment, and spur economic growth by tightening links to the US economy.[3][27][30] The actual effects of dollarization have been contested by scholars. Research using interest parity frameworks and Taylor rules suggests that dollarization did lower commercial bank interest rates by approximately 4-5 percentage points by reducing the perceived risk of currency devaluation, generating net annual savings averaging 0.5 percent of GDP for the private sector and 0.25 percent of GDP for the public sector.[3][30] However, dollarization eliminated El Salvador's independent monetary policy capacity entirely.[3][27][30] The Central Bank could no longer adjust monetary policy in response to El Salvadoran economic conditions; instead, the country's monetary policy was determined by decisions made by the US Federal Reserve based on American economic conditions.[3][30] Research has shown a strong positive association between Salvadoran output and US Federal Reserve policy decisions after dollarization, implying that the country's business cycle became more synchronized with the American business cycle.[3][30]

The political economy of dollarization reveals how US institutional influence operates even without explicit coercion. The United States and international organizations including the IMF promoted dollarization indirectly through conditional lending that made floating exchange rates economically unsustainable for developing countries that had accumulated dollar-denominated debt.[27] For El Salvador, the accumulation of dollar-denominated external debt from the civil war period and post-earthquake reconstruction made dollarization appear economically rational even though it represented a loss of monetary sovereignty.[27][30] The decision was ratified by the National Assembly in 2000 with support from the ARENA government, and El Salvador became the first Central American country to officially adopt the US dollar.

The Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) signed in 2004 represented another major vehicle for US economic influence in El Salvador.[2][25][34][38] El Salvador became the first Central American country to ratify the agreement on December 17, 2004.[25] Under DR-CAFTA, the United States removed tariffs on many Central American exports while Central American countries reduced barriers to US goods and services.[2][25] The agreement has been highly asymmetrical in its effects. Between 2005 and 2014, US domestic exports to El Salvador as a percentage of imports for consumption increased from 113 percent to 126.3 percent, indicating that the US was exporting significantly more to El Salvador than it was importing.[2] US exports of crops to El Salvador increased by \$124 million between 2005 and 2014, from \$139 million to \$263 million.[2] Meanwhile, El Salvador exports of crops to the US increased by only \$4 million during the same period.[2] The US balance of trade with El Salvador improved from negative \$204 million in 2005 to positive \$630 million in 2014-a swing of \$834 million in the US trade surplus.[2] The largest increases in US net exports came from manufactured petroleum and coal products (\$746 million) and pharmaceuticals and chemicals (\$208 million).[2] Meanwhile, imports of manufactured apparel and accessories from El Salvador increased from \$1.4 billion to \$1.8 billion, reflecting the continued dependence of El Salvador's economy on low-value manufacturing for export.

The consequences of trade liberalization for El Salvadoran agriculture have been significant. Competition

from large-scale US agricultural exports, which benefit from substantial government subsidies, has undermined small Salvadoran farmers producing traditional crops.[21][41] The coffee sector, historically the country's largest agricultural export, faced intense competition from Brazilian and Vietnamese producers and declined in economic importance. Rural poverty increased, farm employment declined, and many rural Salvadorans had little alternative but to migrate to urban areas or to the United States. By the early 2000s, remittances from Salvadorans working abroad became the country's largest source of foreign income, exceeding even export revenues.[27][29] Remittances from migrants in the United States, many of whom had fled the civil war or sought better economic opportunities after its end, became crucial to household survival for an estimated one-fifth of El Salvador's population.[27][29]

Gang Violence, Deportation Policy, and the Blowback Effect of US Criminal Justice Policy (1996-2020): Unintended Consequences and Cyclical Violence

One of the most consequential but often overlooked impacts of US policy on El Salvador has resulted from the country's immigration and deportation policies following the 1996 passage of the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). This legislation significantly expanded the categories of non-citizens subject to deportation and streamlined deportation procedures, including for individuals convicted of crimes.[21][32][35] The legislation created a feedback loop that would destabilize El Salvador for decades. Beginning in 1996, the United States began systematically deporting gang members and individuals with criminal records to El Salvador, Honduras, Guatemala, and other Central American countries.[32] Between 1996 and the early 2000s, thousands of deportees from the United States, including members of gangs founded in Los Angeles such as Mara Salvatrucha (MS-13) and the 18th Street Gang (Barrio 18), arrived in El Salvador where they had no family connections and limited legitimate economic opportunities.

Mara Salvatrucha (MS-13) was originally founded in the early 1980s by Salvadoran immigrants in Los Angeles who banded together for mutual protection in gang-dominated neighborhoods.[19][51] The 18th Street Gang (Barrio 18) formed around 18th Street in the Pico-Union neighborhood of Los Angeles and absorbed Salvadoran and other Central American refugees from the civil war.[19][51][54] Gang wars intensified in Los Angeles through the 1980s and 1990s, resulting in homicides and gang-related violence that prompted increased law enforcement activity and criminal convictions. The 1996 IIRIRA legislation dramatically escalated deportations of gang members with criminal records.

Research on the consequences of US gang deportations to El Salvador demonstrates a clear causal link between deportation policy and subsequent gang violence in the country. Between 1996 and 1997, the incarceration rate of US-affiliated gang members in El Salvador sharply increased in municipalities that received deportees compared to those that did not.[32] Gang activity in El Salvador was positively associated with US deportation policy. Extortion and drug trafficking activities doubled, and violence increased by 40 percent between 1985 and 2011.[32] The incarceration rate for individuals with US gang affiliation increased by a similar magnitude during the same timeframe.[32] Gang deportees brought not only violent skills and criminal techniques but also organizational structures and social networks that facilitated rapid gang expansion in El Salvador.[32] By the 2010s, El Salvador had become the most dangerous country in the world, with homicide rates exceeding 103 murders per 100,000 residents, many linked to MS-13 or the 18th Street gang.[10][19]

Research further documents that the cycle of gang deportation, increased violence, and subsequent migration

creates a self-reinforcing feedback loop.[32] As gang violence increases in El Salvador, homicides spike, and violence-affected populations-particularly youth-become more likely to migrate to the United States seeking safety and economic opportunity.[32] These unaccompanied minors and youth migrants are then at risk of arrest for immigration violations, criminal charges, or gang involvement in the United States, leading to deportation back to El Salvador, where they face gang recruitment, violence, or deportee-targeted killings by security forces or rival gangs.[32][35] This cycle continues, with each deportation further destabilizing El Salvadoran communities and increasing outward migration.

The specific fate of deported individuals has documented catastrophic consequences. Human Rights Watch documented numerous cases of Salvadorans deported from the United States who were killed by gangs or security forces after deportation.[35] In one case, a former gang member deported to El Salvador was killed four months later by the gang from which he had been fleeing when he originally migrated to the US.[35] In another case, cousins who had fled gang recruitment by migrating to the United States were arrested without warrant by Salvadoran police after deportation and were later found to have been killed by police or death squads.[35] Police and security forces often assume that individuals deported from the US are gang members and active criminals, and they target deportees based on information shared by the United States via INTERPOL.[35] Documentation indicates that Salvadoran officials use the threat posed by deported gang members as justification for extrajudicial killings and excessive force, even against individuals who are not in fact gang members.[35]

The irony and tragedy of this dynamic is that US policy created the conditions that generated the gang violence and gang-related criminality that then justified harsh US deportation policies, which then exported that gang violence and criminality back to the countries from which migrants were fleeing. In essence, the United States facilitated the creation of transnational gang networks, concentrated criminal capital and organizational expertise in countries already suffering from gang violence, and then blamed Central American countries for being unable to control the resulting violence. The structural responsibility of US policy choices for gang violence in El Salvador-choices rooted in domestic criminal justice policy rather than foreign policy per se-has been largely unacknowledged in US policy discourse.

The Bukele Administration, Contemporary US Engagement, and Democratic Backsliding (2021-2026): Security Cooperation and Authoritarian Consolidation

Nayib Bukele's election as president of El Salvador in February 2019 initially appeared to offer hope for addressing gang violence and corruption that had devastated the country during the previous two decades.[10][19][31][57] Bukele ran on a platform of fighting crime and corruption without the constraints of traditional left-right political divisions in El Salvador.[10][31][57] Upon taking office, he implemented increasingly aggressive policies targeting gang violence, including mass arrests, detention lockdowns preventing visitors from entering prisons, and expansion of police and military presence in gang-dominated areas.[10][19][31] By 2022, El Salvador's homicide rate had dropped dramatically to 7.8 per 100,000 residents, down from 103 per 100,000 in 2015.[10][19][31] The reduction in violence made Bukele enormously popular with the Salvadoran population, and he was re-elected in February 2024 with a landslide victory.[31][57]

However, Bukele's administration has simultaneously implemented policies that Human Rights Watch, Amnesty International, Freedom House, and numerous international observers have characterized as democratic backsliding, human rights abuses, and authoritarian consolidation.[23][31][35][57][60] In 2021,

Bukele dismissed the Supreme Court and ordered the military to seize the National Assembly, temporarily blocking opposition politicians from entering the legislature—an action widely denounced as an unconstitutional coup that nevertheless generated little international criticism.[31][57] Bukele justified these actions as necessary to address corruption. He expanded emergency decree powers, purged the judiciary of judges deemed insufficiently loyal, packed courts with appointees, removed civil judges and other bureaucratic officials accused of corruption, and targeted political opposition candidates with criminal prosecutions.[31][57][60] Human rights organizations have documented that the government uses corruption accusations as pretexts for prosecuting political opponents, a technique termed "stealth authoritarianism" by scholars of authoritarian governance.[57] By 2024, Bukele had amended the constitution to permit his re-election indefinitely despite constitutional term limits, effectively eliminating the check on executive power that term limits represented.[57]

The United States government's response to Bukele's authoritarian consolidation has been notably ambivalent. During the Trump administration (2017-2021), US-El Salvador relations warmed considerably as the Trump administration prioritized immigration enforcement cooperation and security alignment over democratic governance concerns.[8][31] Ambassador Ronald Johnson, Trump's envoy to El Salvador, developed a close personal relationship with Bukele and played a key role in elevating Bukele's profile among Republicans, positioning him as a successful leader addressing crime through firm governance.[31] Johnson also reportedly shielded Bukele from scrutiny regarding alleged gang deals and corruption concerns.[31]

The Biden administration initially attempted a different approach, with Ambassador Jean Manes arriving in 2021 with a mandate to address Bukele's authoritarian actions and human rights violations.[31] However, Manes faced resistance from within the US embassy, where Johnson's successor as CIA station chief allegedly remained closely aligned with Bukele and the former ambassador Johnson's continued influence in El Salvador.[31] According to ProPublica's reporting based on declassified inspector general documents, Bukele specifically requested that Johnson remove an embassy contractor who was helping US investigators examine Bukele administration corruption.[31] Johnson's successor, another ambassador, concluded that "Bukele requested Johnson remove [the contractor] and that was what happened." [31] When Manes attempted to force out the CIA station chief she believed was "too close" to Bukele, she faced internal resistance from career State Department and intelligence officials who maintained the prior close relationship with the Salvadoran president.[31]

The United States and El Salvador concluded an agreement allowing the Trump administration to deport asylum seekers from other countries (including Venezuela, Mauritius, and other nations) to El Salvador to await the outcome of their asylum cases while being detained in Salvadoran facilities.[8][10][31] This agreement, reached in 2025, included a \$15 million US payment to El Salvador to imprison deportees in the mega-prison CECOT (Centro de Confinamiento del Terrorismo).[10][31][57] Some 278 men deported by the Trump administration to El Salvador under this arrangement have been accused of gang membership, often on baseless connections such as simply having tattoos.[10][31] Multiple sources document that while imprisoned in CECOT, some deportees face torture and inhumane conditions; at least one Venezuelan deported to CECOT has reported being tortured by guards.[31] This arrangement effectively outsources US immigration enforcement to an increasingly authoritarian regime, using El Salvadoran prison facilities and potentially facilitating human rights abuses of deportees.

In January 2026, the Congressional Research Service published an updated report on El Salvador noting the escalating concerns regarding democratic erosion, arbitrary arrests, and due process violations under Bukele.[34] Yet despite these documented concerns, the Trump administration has pursued deepening security cooperation with El Salvador, including expanded deportation agreements and migration enforcement

coordination. El Salvador, under Bukele's leadership, has also deployed over 1,000 officers to the border with Guatemala to prevent smuggling of US-bound migrants, effectively outsourcing US border enforcement to El Salvador while the Trump administration simultaneously threatens sanctions against other countries that do not cooperate with deportation and migration enforcement.[8][31][34]

The 2025-2026 reciprocal trade framework agreement between the United States and El Salvador, while presented as a modernization of existing CAFTA-DR obligations, further institutionalizes El Salvador's economic integration with the United States and constrains policy autonomy.[5] The agreement emphasizes removal of reciprocal tariffs for certain products including textiles and apparel, addresses state-owned enterprises and non-tariff barriers, and includes commitments on intellectual property, digital services taxation, labor standards, and environmental protection.[5] However, the agreement maintains the fundamental asymmetry of CAFTA-DR while extending deeper US control over El Salvadoran economic policy.

Comprehensive Impact Assessment: How a Century of US Policy Has Reshaped El Salvador

Economic Consequences: Dependency, Inequality, and Structural Vulnerability

Over the course of one hundred years, US economic policies have fundamentally restructured El Salvador's economy from a diversified agrarian system toward a narrow export-oriented model dependent on single commodities, foreign direct investment, and remittances from international migrants. The trade agreements and tariff policies promoted by the United States beginning with the Good Neighbor Policy's reciprocal trade agreements through CAFTA-DR have systematically oriented El Salvador toward production for export to the US market while opening the country to competition from heavily subsidized US agricultural products.[2][21][37][38][41] The result has been the collapse of traditional agriculture for domestic consumption, rural poverty, agricultural unemployment, and forced migration.

The dollarization decision of 2001, actively promoted by the United States government and the International Monetary Fund, eliminated El Salvador's monetary policy autonomy and tied the country's macroeconomic performance directly to Federal Reserve policy decisions.[3][27][30] This loss of monetary policy sovereignty constrains the Salvadoran government's ability to respond to economic downturns or currency crises. When external shocks occur—such as the 2008 financial crisis, natural disasters, or pandemic-related disruptions—El Salvador has fewer policy instruments available to manage the shock compared to countries that maintain independent monetary policy.[3][27][30]

Trade liberalization under CAFTA-DR has generated a \$834 million shift in the bilateral trade balance in favor of the United States between 2005 and 2014.[2] US agricultural subsidies for grains and other crops undermine El Salvadoran farmers, while US companies dominate the apparel and manufacturing sectors in which El Salvador does maintain export competitiveness.[2] The result is that rural Salvadorans face declining incomes from agricultural production and face pressure to migrate to urban areas or to the United States. Remittances from Salvadorans abroad now constitute a substantial portion of national income and are critical to the survival of hundreds of thousands of Salvadoran households.[27][29]

Inequality in El Salvador has remained stubbornly high throughout the post-war period despite economic growth. The top 10 percent of the population captures a disproportionate share of income growth, while the bottom 50 percent has experienced stagnant or declining real incomes.[21][27] Land inequality, rooted in historical patterns established when common lands were expropriated and consolidated into large estates in the

1870s-1880s, was not fundamentally altered by the post-civil war land reform programs.[15][18][28] Approximately 25 percent of agricultural land changed hands through the land transfer program between 1980-1998, but the transferred lands were often marginal, and many beneficiaries lacked the capital, credit access, and technical support to make them productive.[15][18][28]

Political Consequences: Constrained Democratic Space and Elite Interests

US political policies toward El Salvador have consistently prioritized order and strategic alignment over democratic development. The recognition of Martínez after La Matanza in 1932 established that the United States would support brutal suppression of popular movements when deemed necessary to prevent communist influence.[16][55] Throughout the Cold War, the United States provided diplomatic support and military assistance to a succession of authoritarian military governments that suppressed political organizing, labor movements, and leftist political parties.[4][14]

The post-civil war transition, while formally democratic in establishing elections and multiparty competition, occurred within constraints shaped by US policy. The United States was deeply involved in the peace negotiations and provided substantial resources for post-conflict reconstruction, but these resources came with conditions and guidance from the World Bank, IMF, and bilateral US assistance programs that shaped the structure of the post-war state.[28][38] The land transfer program, intended to address inequality and support FMLN beneficiaries, was constrained by elite resistance and US pressure to implement it in ways that did not fundamentally challenge the landowning oligarchy.[15][18][28] When the new 1983 constitution was drafted, the landholding cap was set at 245 hectares rather than the original 100-hectare proposal, protecting most large plantations.[15][18]

The FMLN, transformed from guerrilla army to political party through the peace process, initially benefited from peasant and labor support and its association with the popular struggle.[50][51] However, the party's integration into representative democracy and its participation in governance from 2009-2019 occurred within the constraints of the neoliberal economic model promoted by the United States and international financial institutions.[50][51] The FMLN government under Mauricio Funes (2009-2014) maintained the dollarized currency, CAFTA-DR trade regime, and privatization of social services rather than pursuing the redistributive policies its grassroots base desired.[50][51] This dynamic contributed to the erosion of FMLN popularity and the electoral success of the anti-establishment Bukele candidacy in 2019.

Contemporary US policy toward Bukele's increasingly authoritarian regime represents a continuation of the pattern established in 1932: the prioritization of strategic order and US interests over democratic governance. Despite documented human rights abuses, arbitrary arrests, judicial purges, and democratic backsliding, the Trump administration has deepened security cooperation with Bukele's government and framed him as an effective leader addressing crime. The US embassy's internal conflicts regarding how to respond to Bukele's authoritarianism, and the apparent influence of Trump-era officials who maintain close relationships with Bukele, suggest that institutional forces within the US government favor continued alignment with Bukele despite his democratic erosion.[31]

Military and Security Consequences: Training, Capacity, and Human Rights

The United States military assistance provided to El Salvador, particularly during the 1980-1992 civil war period, resulted in the training of military units responsible for systematic human rights violations including extrajudicial killings, forced disappearances, torture, and sexual violence. The Atlácatl Battalion, trained by US military advisors and armed with US weapons, became notorious for committing some of the war's worst atrocities, including the El Mozote massacre.[10][19][43][44][46] The Truth Commission found that 85

percent of documented human rights violations were perpetrated by state agents or death squads allied with the armed forces-forces equipped and trained by the United States.[10][19][26][45]

US military training programs embedded American counterinsurgency doctrine emphasizing population control, interrogation techniques, and force projection. These doctrines were applied by the Salvadoran military in ways that treated civilian populations as potential combatants or supporters of the guerrillas, justifying their targeting and killing.[1][47] The scale of civilian casualties-with estimates ranging from 75,000 to 100,000 deaths over twelve years-reflects both the intensity of the conflict and the application of counterinsurgency doctrine that blurred distinctions between combatants and civilians.

After the civil war, the Salvadoran security forces were reformed through UN-monitored processes, but many military and police officials implicated in human rights violations remained unpunished due to amnesty laws.[28][39][45] The gap between acknowledged human rights violations and accountability reinforced impunity and constrained the development of genuine rule of law.

Contemporary US security cooperation with El Salvador under Bukele focuses on gang suppression, migration enforcement, and counternarcotics operations. The Trump administration has provided support for Bukele's mass incarceration strategy despite documented reports of torture, due process violations, and inhumane prison conditions in facilities like CECOT.[10][31][57] The US agreement to deport non-Salvadoran migrants to El Salvador while simultaneously providing \$15 million to support Bukele's detention facilities effectively makes the United States complicit in whatever human rights violations may occur in those facilities.

Societal Consequences: Migration, Displacement, and the Internationalization of Salvadoran Communities

Perhaps the most visible contemporary consequence of a century of US policies toward El Salvador is the massive migration of Salvadorans to the United States. During the 1980s civil war, approximately 500,000 Salvadorans fled to the United States; however, just 2 percent of asylum applications were approved.[10][21][26] The policy of denying asylum to Salvadorans fleeing US-backed military violence represented a contradiction that was eventually partially addressed through the creation of Temporary Protected Status (TPS) in 1990, which provided temporary protection for Salvadorans without requiring them to demonstrate persecution.[10][21][26] As of November 2022, approximately 190,900 Salvadorans held TPS protection, though this protection has been repeatedly threatened with termination.[33]

Migration from El Salvador continued and accelerated after the civil war, driven by gang violence, economic hardship resulting from trade liberalization and agricultural decline, natural disasters, and limited economic opportunity.[21][33][34][36] The Trump administration ended TPS protections for Salvadorans in 2018, forcing hundreds of thousands to choose between remaining in the United States as undocumented immigrants or returning to a country where many had no family connections and faced potential violence.[21][33]

The transformation of El Salvador from a country of internal migrants seeking work in urban areas to a major sending country for international migration to the United States has created Central American diaspora communities in the United States with strong transnational ties.[33] Salvadoran communities in cities like Los Angeles, Washington DC, Houston, and other American cities have created institutional structures, cultural organizations, and political constituencies focused on Central American issues. However, this internationalization of the Salvadoran population-with an estimated 3.8 million Central Americans living in the United States as of 2021, of whom Salvadorans represent a significant portion-has also meant that many Salvadorans have been separated from family members, face precarious legal status and workplace exploitation, and maintain transnational relationships that are vulnerable to US policy changes.

The creation of gang structures through US deportation policy represents perhaps the most tragic and unintended consequence of US policies toward El Salvador. US gang deportations beginning in 1996 established MS-13 and 18th Street Gang presence in El Salvador, where these organizations expanded dramatically and became major drivers of violence, homicide, extortion, and economic disruption.^{[10][19][32][51][54]} The result has been that El Salvador experienced the world's highest homicide rate for much of the 2010s, with violence patterns directly traceable to gang presence that originated from US deportation policies.^{[10][19][32]}

Conclusion: A Century of Strategic Engagement and Structural Consequence

The examination of United States policies toward El Salvador across the century from 1926 to 2026 reveals a consistent pattern of strategic intervention designed to protect and advance American economic and geopolitical interests, often at significant costs to El Salvadoran democratic development, economic autonomy, and social stability. The initial US use of diplomatic recognition and non-recognition as political tools in the 1930s established precedents for prioritizing strategic order over democratic principles. The Cold War intensification of military aid and training, accelerating dramatically during the 1980-1992 civil war, resulted in the creation of military forces responsible for systematic human rights violations including massive civilian casualties. The post-war promotion of trade liberalization, privatization, and dollarization has systematically constrained El Salvador's economic policy autonomy while integrating the country ever more deeply into dependent relationships with US markets and dollar-based finance. US deportation policies beginning in 1996, though rooted in domestic criminal justice rather than foreign policy, have had profound destabilizing effects on El Salvador by facilitating the establishment of transnational gang networks. Contemporary US engagement with the increasingly authoritarian Bukele administration suggests a continuation of historical patterns, with security cooperation and strategic alignment prioritized over democratic governance concerns.

The irony of this history is that many of the crises that currently justify enhanced US intervention in El Salvador—gang violence, migration, economic instability, democratic backsliding—are themselves products of prior US policy choices. The United States did not create El Salvador's fundamental inequalities or historical patterns of authoritarianism, but American policies have consistently worked to reinforce rather than challenge those underlying structures. A different trajectory was possible: the United States could have prioritized democratic development, land redistribution, and inclusive economic growth in El Salvador. Instead, at each critical juncture over the past century, US policymakers chose policies designed to preserve the existing distribution of power and wealth while protecting American strategic interests.

Understanding El Salvador requires recognizing how a hundred years of US policy has constrained the country's available futures. The contemporary Bukele administration's authoritarian governance occurs within constraints created by prior US choices: the dollarization decision has eliminated monetary policy autonomy; the CAFTA-DR trade regime has structured the economy around export agriculture and low-wage manufacturing; gangs established through US deportation policies drive violence; and millions of Salvadorans live as international migrants or diaspora members with precarious legal status. These are not inevitable features of El Salvadoran geography or culture, but rather products of deliberate policy choices made by the United States in pursuit of strategic objectives. Acknowledging this history is the first step toward developing alternative approaches that might prioritize El Salvador's long-term development and democratic stability rather than immediate US strategic advantage. The next hundred years of US-El Salvador relations will be determined not by historical inevitability but by conscious choices about whether the United States will

continue to prioritize strategic order and economic advantage over genuine support for El Salvadoran autonomy, democracy, and development.

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