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Jamaica

Political and Economic Environment

Jamaica, the most populous English-speaking Caribbean nation, has had a relatively stable parliamentary political system stemming from a history of British colonial rule. Two political parties—the People’s National Party (PNP) and the Jamaica Labour Party (JLP)—have dominated the political system since before the country’s 1962 independence. Current Prime Minister Andrew Holness of the JLP was elected in February 2016, when his party defeated the PNP, led by then-Prime Minister Portia Simpson Miller, who had led the government since 2011.

Figure 1. Jamaica Map



Source: CRS.

Prime Minister Holness remains popular, but the JLP has only a slight majority in Jamaica’s House of Representatives, where it holds 33 of 63 seats. The opposition PNP was weakened by a campaign finance corruption scandal in 2016; as a result, it suffered losses in local elections held late that year. Simpson Miller stepped down as PNP leader in March 2017, and the party selected Peter Phillips, who had served as Finance Minister and Minister of National Security in previous PNP governments, as her replacement. The Holness government has focused on efforts to boost growth and deal with increasing levels of violent crime. The country’s next parliamentary elections are due by February 2021.

High rates of crime and violence have plagued Jamaica for many years. In the 1970s and 1980s, the country faced a high level of politically motivated violence as political parties allied with armed gangs to deliver votes at election time. Jamaica’s gangs initially were involved in the trafficking of marijuana in the 1970s, but in the mid-1980s they became involved in cocaine and weapons trafficking, with Jamaica used as a transit country. Since the 1990s, much of the violent crime has been associated with drug trafficking and related intra-gang and inter-gang feuds. The inflow of illegal firearms, including U.S.-origin firearms, also has been a factor in violent crime. For a number of years, Jamaica has had one of the world’s highest murder

rates. In 2009, there were almost 1,700 murders, giving Jamaica a murder rate of 60 per 100,000 inhabitants, according to U.N. statistics. The murder rate fell in subsequent years to a low of 35.1 in 2014 but has increased annually since then to a rate of 55.7 murders per 100,000 in 2017, with a total of 1,616 murders, according to *InSight Crime*.

Jamaica at a Glance

Population:	2.8 million (2017 est., IMF)
Area (square miles):	4,244, slightly smaller than Connecticut
GDP (current prices):	\$14.4 billion (2017 est., IMF)
Real GDP Growth:	1.5% (2016), 1.0% (2017 est., IMF)
Per Capita Income:	\$5,048 (2017 est., IMF)
U.S. Trade:	U.S. Imports, \$338 million U.S. Exports, \$2.1 billion (2017, DC)
Legislature:	Bicameral Parliament, with 63-member elected House of Representatives and 21-member appointed Senate

Sources: International Monetary Fund (IMF); U.S. Department of Commerce (DC), as presented by Global Trade Atlas.

The Holness government designated two areas as zones of special operation in 2017, which gave the security forces increased powers intended to contain the rise in crime and violence. The efforts, however, did not prevent a 20% increase in the murder rate over 2016. To date in 2018, Prime Minister Holness has declared a state of emergency in St. James Parish (which includes Montego Bay) on the northwestern coast and portions of St. Catherine Parish in the south, but the level of violence has decreased only slightly, according to Jamaican statistics. Since the inflow of illegal firearms is a contributor to the high murder rate, Prime Minister Holness has vowed to amend the country’s firearms law to curb the possession of or dealing in illegal firearms and ammunition.

With a per capita income over \$5,000, the World Bank classifies Jamaica as an upper-middle-income country. The economy is heavily dependent on services, especially tourism (reaching a record 4.3 million tourist arrivals in 2017), but has averaged modest growth over the past two decades. According to the International Monetary Fund (IMF), the economy grew 1.5% in 2016, an estimated 1% in 2017, and the 2018 forecast is for 1.5% growth. For a number of years, a difficult challenge for the government has been managing its large public debt burden, although there has been some improvement over the past several years. Beginning in 2013, Jamaica received around \$2 billion in support from the IMF, World Bank, and Inter-

American Development Bank (IDB) for a four-year economic reform program. In November 2016, the IMF approved a three-year \$1.7 billion standby arrangement that the Jamaican government can draw from to support its economic program; the World Bank and IDB also have continued funding for programs and projects in Jamaica.

An April 2018 IMF staff review lauded Jamaica's efforts over two administrations, noting that that public debt burden is projected to be below 100% of GDP by early 2019 (down from more than 150% of GDP in 2012). The IMF recommended that Jamaica reduce its public sector wage bill and redirect resources to growth-enhancing projects, support efforts to build resilience in the agricultural sector to weather events, and invest in school attendance and youth training programs to improve economic growth and social outcomes. The World Bank maintains that stronger and more resilient economic growth is needed to eliminate poverty (estimated at almost 16% in 2015) and boost shared prosperity.

U.S.-Jamaica Relations

U.S. relations with Jamaica are close and are characterized by substantial economic and cultural linkages; foreign assistance to support security, health, education, and environmental projects; and cooperation on bilateral and transnational issues. This has included Jamaican support for strong action at the Organization of American States to contend with the crisis in Venezuela.

Economic Linkages. A majority of Jamaica's tourists come from the United States. In 2017, this included 1.5 million stopover visitors, accounting for 64% of total visitors, according to the Jamaica Tourist Board. Jamaica also received more than 1.9 million cruise ship passengers in 2017, with most ships departing from the United States. The large Jamaican American community in the United States, concentrated in New York and Florida, accounted for a majority of remittances from abroad in 2016 (\$1.4 billion of \$2.2 billion). U.S. foreign direct investment in Jamaica on a historical-cost basis was estimated at \$185 million in 2016, according to the Department of Commerce, with more than 80 U.S. firms having offices in Jamaica.

Because Jamaica has a services-based economy, it traditionally has had a large trade deficit in goods with the United States. In 2017, the United States exported almost \$2.1 billion in goods to Jamaica in 2017, a 27% increase over 2016, with oil exports accounting for about 28% of the total; in the same year, the United States imported \$338 million in goods, an 11% increase over 2016, led by bauxite and aluminum ores and oxides. Jamaica has been a beneficiary of the U.S. preferential trade program for Caribbean imports known as the Caribbean Basin Initiative since its inception in 1984, and Jamaica also is a designated beneficiary of the Caribbean Basin Trade Partnership Act, a program begun in 2000 that provides tariff preferences for apparel imports. Despite these arrangements, Jamaican exports to the United States have declined over time, in part because of the decline of the country's apparel and ethanol industries as well as fluctuations in bauxite prices.

Antidrug Efforts. Jamaica is the largest Caribbean supplier of marijuana to the United States and a significant transit point for cocaine trafficked to the United States and other markets, according to the State Department's 2018 *International Narcotics Control Strategy Report*. Marijuana also is trafficked to other Caribbean countries in exchange for firearms and other contraband. Although the State Department noted that U.S. assistance has helped Jamaica increase cocaine seizures and improve its drug detection and interdiction capabilities, it also pointed out that Jamaica's antidrug efforts face challenges from corruption, organized crime, gang activity, resource constraints, and an inefficient criminal justice system.

Human Rights. The State Department's 2017 human rights report cited arbitrary and other unlawful killings by government security forces as one of Jamaica's significant human rights issues. Government corruption, violence against women and young girls, criminalization of same-sex sexual activity, and societal violence against LGBTI persons also were cited.

U.S. Foreign Aid. U.S. foreign assistance to Jamaica amounted to \$28.9 million in FY2016 and at least \$39.8 million in FY2017 (latest statistics available) for a variety of projects to support disaster-risk reduction and energy efficiency, antidrug and anti-corruption efforts, citizen security, and efforts to combat HIV/AIDS (statistics are drawn from the U.S. Agency International for Development's Foreign Aid Explorer). Of this, the United States provided \$4.5 million in development assistance in FY2016 and \$10 million in FY2017. The Trump Administration did not request any development assistance for Jamaica for either FY2018 or FY2019.

Through the regional program known as the Caribbean Basin Security Initiative (CBSI), the United States has provided support to reduce illicit trafficking and advance public safety and security. Assistance has included training, equipment, and technical support to increase Jamaica's capabilities to interdict suspect sea vessels, investigate and seize criminal assets, counter public corruption, combat organized crime, and enhance the efficiency of prosecutors and criminal courts. Other CBSI assistance has supported community policing and youth workforce programs.

For some 20 years, the United States has provided support to Jamaica in the battle against HIV/AIDS. According to UNAIDS, Jamaica's adult HIV prevalence rate is 1.7% (2016) compared to a rate of 1.3% for the Caribbean region. The country adopted a "treat all" policy in 2017, meaning that antiretroviral treatment is started for all individuals who test positive.

The U.S. Peace Corps has had a presence in Jamaica since 1962. Currently, more than 50 Peace Corps volunteers in the country are working on educational and environmental projects.

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