Jamaica

Political and Economic Environment
Jamaica, the most populous English-speaking Caribbean nation, has had a relatively stable parliamentary political system stemming from its history of British colonial rule, though extensive political violence often marred elections in the 1970s and 1980s. Two political parties—the center-left People’s National Party (PNP) and the center-right Jamaica Labour Party (JLP)—have dominated the political system since before the country’s 1962 independence.

As of December 8, 2021, Jamaica reported over 2,400 deaths from COVID-19 since the pandemic began, with a mortality rate of 81 per 100,000, according to Johns Hopkins University. The country experienced a third wave of cases in July 2021 that only began to decline in September. Vaccine accessibility and rollout in Jamaica have been slow compared with most other Caribbean countries. As of December 8, Jamaica had fully vaccinated almost 18% of its population. To date, Jamaica has received almost 1.1 million vaccine doses through the COVAX Vaccine Global Access (COVAX) Facility, a mechanism developed by global health organizations to facilitate equitable distribution of COVID-19 vaccines. Vaccine hesitancy has been a significant challenge.

High rates of crime and violence have plagued Jamaica for many years. 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 also has been a factor. In 2020, although Jamaica’s 1,301 homicides were a slight decline from the previous year and a significant improvement from earlier years, the country still had the highest homicide rate—45.5 per 100,000 people—in all of Latin America and the Caribbean, according to Insight Crime. Violent crime has increased further in 2021.

Current Prime Minister Andrew Holness of the JLP was first elected in 2016 when his party defeated the PNP, led by then-Prime Minister Portia Simpson Miller, who had led the government since 2011. Holness and the JLP won a second term in September 2020 in which the party substantially increased its representation in parliament from a slim majority to control 49 out of 63 seats in the House of Representatives. Although turnout was low, Holness’s popularity reportedly helped secure the JLP’s victory.

The Jamaican economy, which is heavily dependent on services, especially tourism, has been hard hit by the Coronavirus Disease 2019 (COVID-19) pandemic. Even before the pandemic, the World Bank characterized Jamaica as an upper-middle-income country struggling due to low growth; high public debt; exposure to natural disasters, such as hurricanes and flooding; and the effects of climate change. According to the International Monetary Fund (IMF), the economy contracted an estimated 10% in 2020 and is projected to grow 4.6% in 2021. Tourist arrivals fell significantly because of the pandemic. Remittances from Jamaicans abroad are an important source of income and, despite the pandemic and its economic fallout, grew nearly 20% in 2020 to the equivalent of about $2.9 billion.

Jamaica had been making progress since 2013 in implementing an ambitious economic reform program—supported by the IMF, World Bank, and Inter-American Development Bank (IDB)—that helped reduce the country’s high levels of public debt. As a result, public debt fell below 100% of GDP in 2019 and was expected to decline to below 60% by 2026, according to the World Bank. The pandemic set back Jamaica’s austerity plans, as the government moved to protect the economy and vulnerable groups through increased spending and increased financing provided by the IMF, World Bank, and IDB. Although public debt increased to over 100% of GDP in 2020, it declined to an estimated 94% of GDP in 2021 and is expected to fall further as the economy recovers.

Figure 1. Jamaica Map

Source: CRS.
Since 2017, the Holness government has used zones of special operations in certain communities to contain the rise in crime and violence; these zones include enhanced powers for the security forces and social programs to help vulnerable populations in areas affected by high crime. In 2018, the government began using more stringent states of emergency (SOEs) to curb crime, but Jamaica’s Supreme Court ruled these unconstitutional in 2020; the government is appealing the ruling. In November 2021, Prime Minister Holness announced the imposition of SOEs in seven high crime areas. These SOEs were short-lived, however, since the opposition PNP did not support their extension after an initial 14-day period permitted by law.

**U.S.-Jamaica Relations**

U.S. relations with Jamaica are close, characterized by significant economic and cultural linkages and by cooperation on a range of bilateral and transnational issues, including efforts to enhance regional security and stability through the Organization of American States. In December 2020, the United States and Jamaica held an inaugural Strategic Dialogue and issued a joint statement in which they agreed to hold annual high-level meetings to advance shared interests in security, prosperity, and democracy in the Western Hemisphere. According to the State Department, the dialogue’s various include enhancing security cooperation; addressing climate change; and accelerating private-sector growth in clean energy, digital industries, and green infrastructure projects.

In April 2021, Secretary of State Antony Blinken met in a virtual roundtable with Caribbean Community (CARICOM) foreign ministers to demonstrate the U.S. commitment to work with all countries in the region to advance bilateral and regional interests. Blinken emphasized the strong U.S. partnership with the Caribbean, including plans to respond to the pandemic and promote Caribbean regional recovery; cooperation on increasing climate resilience; and continued collaboration on strengthening security, democratic values, and human rights. Prime Minister Holness participated in the April 2021 White House-sponsored virtual Leaders’ Summit on Climate, where he spoke about the special needs of small island developing states in accessing climate finance.

**Economic Linkages.** A majority of the millions of tourists visiting Jamaica each year come from the United States, including both stopover and cruise-ship visitors. The large Jamaican-American community in the United States, concentrated in New York and Florida, sends billions of dollars in remittances to Jamaica annually. U.S. foreign direct investment on a historical-cost basis in Jamaica was estimated at $118 million in 2020, according to the Department of Commerce, and more than 100 U.S. companies have offices in Jamaica.

The United States is Jamaica’s most important trading partner, accounting for about 44% of Jamaica’s total trade. Because Jamaica has a services-based economy, it traditionally runs a large trade deficit in goods. In 2020, the United States exported almost $1.7 billion in goods to Jamaica, with petroleum exports accounting for about 28%. The United States imported $384 million in goods from Jamaica in 2020, with aluminum ores and oxides accounting for 44%. Jamaica has been a beneficiary of the Caribbean Basin Initiative, a U.S. preferential trade program for Caribbean imports, since its inception in 1984. The country is also a beneficiary of the Caribbean Basin Trade Partnership Act, a program begun in 2000 that provides tariff preferences for apparel imports. The United States and CARICOM countries signed a trade and investment framework agreement in 2013 as a forum for discussions on commercial issues.

**Antidrug Efforts.** Jamaica is the largest Caribbean supplier of marijuana to the United States and a transit point for cocaine trafficked to the United States and other markets, according to the State Department’s 2021 International Narcotics Control Strategy Report. Marijuana is also trafficked to other Caribbean countries, especially Haiti, in exchange for firearms and other contraband. The State Department reported that anti-drug cooperation between the United States and Jamaica remains strong but also noted that significant progress will depend on Jamaica’s efforts to target high-level drug traffickers, combat corruption, increase extraditions, finalize and implement a national drug strategy, and strengthen the judicial system so traffickers are held accountable.

**U.S. Foreign Aid.** Total U.S. foreign assistance to Jamaica for FY2020 (obligations, partially reported) amounted to $24.2 million to support various security, economic development, health, education, and environmental projects. According to the U.S. Agency for International Development (USAID), U.S. aid to Jamaica has included promoting greater transparency and good governance practices, fostering Jamaican participation in regional security, strengthening basic education, supporting clean energy, decreasing vulnerability to the impacts of climate change, and reducing the prevalence of HIV/AIDS. In July 2021, USAID announced it was partnering with the World Bank to issue a catastrophe bond to provide Jamaica with financial protection of up to $185 million for tropical storms through 2023.

Under the Caribbean Basin Security Initiative, the United States has provided Jamaica with support since FY2010 to reduce illicit trafficking and advance public safety and security. The support has included training, equipment, and technical assistance to increase capabilities to interdict suspect sea vessels, investigate and seize criminal assets, counter public corruption, enhance the work of prosecutors and criminal courts, and support community policing and youth workforce programs. (Also see CRS In Focus IF10789, Caribbean Basin Security Initiative.)

With regard to COVID-19 support, the U.S. Embassy in Jamaica reports the United States has contributed over $12 million in support of virus protection and control throughout the country, including the donation of a field hospital and a host of medical supplies. To date, the United States has donated 413,000 COVID-19 vaccine doses to Jamaica, and additional donations are expected.

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