

# BTI 2016 | Jamaica Country Report

	scale	score	rank	trend
<b>Status Index</b>	1-10	<b>7.20</b>	# 24 of 129	
Political Transformation	1-10	8.30	# 15 of 129	➔
Economic Transformation	1-10	6.11	# 46 of 129	➔
<b>Management Index</b>	1-10	<b>5.99</b>	# 31 of 129	

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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**Key Indicators**

Population	M	2.7	HDI	0.715	GDP p.c., PPP \$	-
Pop. growth <sup>1</sup>	% p.a.	0.2	HDI rank of 187	96	Gini Index	45.5
Life expectancy	years	73.5	UN Education Index	0.668	Poverty <sup>3</sup>	% 8.2
Urban population	%	54.6	Gender inequality <sup>2</sup>	0.457	Aid per capita \$	25.9

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

## Executive Summary

The People's National Party (PNP) has led the country since forming a government in December 2011, following its victory in a free and fair election process. Constitutional democracy and a democratic tradition based on a bipartisan parliamentary model are secure, as both political parties are deeply rooted in the political culture. Smaller percentages of the electorate have voted in recent decades, pointing to a “participation and confidence deficit” in Jamaica's democracy and governance processes. Public trust in politicians is low, and a plurality of persons say corruption is the main reason for prolonged economic hardships.

The most important action required for the country's development and support of democracy would be a move to an inclusive, democratic governance process that would stretch the narrow representative nature of the parliamentary system toward a more participatory arrangement. The main political and economic actors have continued to resist this move to provide “space and voice” for the legitimate concerns of social groups that are presently excluded from meaningful participation. The lived experiences of these groups lead to charges that the current democratic system is unable to ensure that they can exercise their full citizenship rights. Cutting across communities of the poor, these excluded groups include women, youth, elderly, disabled and rural residents.

The emergence of a multi-sector civil-society coalition, a coalition of women's organizations, and other community-based organizations, along with a traditionally free press, is increasingly providing spaces for the views of diverse civil-society interests. This reaffirms a tradition of civic participation in public life, but because of a longstanding laid-back approach to public life, civil society is still too weak to put consistent and effective pressure on the political leadership. There is a genuine concern about the dominance of powerful private-sector interests and their ability to influence public policy decisions. Increased efforts by the security forces to break the nexus

between organized criminal gangs, big business and some political actors have weakened threats to the democratic process by organized criminal networks.

The macroeconomic reforms required for the Extended Fund Facility with the International Monetary Fund (IMF) are progressing, focusing on adjustments toward a balanced budget, fiscal consolidation and debt reduction. This is a welcome change from the previous 40 years of failed IMF tests and annual GDP growth of less than 1%. In January 2015, the government's capacity to meet its debt obligations, maintain a social safety net as provided by the IMF agreement, and achieve critical structural benchmarks is evident. Severe fiscal constraints hamper efforts to reduce an unsustainable debt while developing a market economy equipped with essential sociopolitical safeguards. With the passing of the seventh IMF test, in December 2014, Minister Phillips assured that public-sector workers could expect modest wage increases.

The other critical matter is the growth agenda, which, as articulated by the government, has not been satisfactory, and on which hinges the possibility of an increase in employment and some relief from the poverty experienced by a large number of people. The contest between fiscal contraction and growth in production and productivity continues therefore to dominate public discourse. Of concern is the surviving nexus between political and economic actors and organized crime. This constrains the efficient use of state resources, which would otherwise be available for an adequate social infrastructure, for social safety nets and for growing the economy. While fatal shootings by the police decreased by over 50% in 2014, and most violent crime also declined, the overall high incidence of violent crime and high unemployment, especially among women and youth, are perceived by most as Jamaica's most pressing problems.

## History and Characteristics of Transformation

The historical legacies of slavery and plantations led to an economy and society in which race, gender and class have been strong determinants of access to economic and political power. These determinants remain relevant during the review period. Jamaica's political transformation to democracy has not been a linear development from early representative institutions to today's democracy. Jamaica held its first general election with universal adult suffrage in 1944, when the people elected a council with national legislative power, followed by a phase of internal self-government and, in 1962, full sovereignty. Jamaica is one of the few developing countries to have gained independence during that era, and has also maintained an uninterrupted representative democracy, with 16 changes of government through general elections. Jamaica's two leading political parties, the PNP and the Jamaica Labor Party (JLP), alternated in having control of the government until the 1990s. The PNP was re-elected for a third and a fourth term in 1997 and 2002 respectively. In 2003, the JLP took control of local government and, in 2007, the national parliament. The PNP won the general election in December 2011, and the local government election in March 2012. This "successful electoral" democracy can be viewed as lacking depth, given its narrow representative nature, and given the structural roots of conflicts in persistent

poverty, inequality and social exclusion. These are clear signs of a history of poor management of the country by the political parties, with society generally unwilling to challenge the political authority, and therefore, deserving to share the blame.

Researchers classify Jamaican democracy as patronage-based, a system in which citizens, especially those in lower-income groups, are integrated into politics through clientelistic relationships with their political parties. Patronage-based democracy results in the breach of democratic rules and freedoms via the dominance of one party in some constituencies, particularly in the capital city. Jamaica's political system has alternated between high and moderate levels of consensual and tribal politics. Ideological polarization and confrontation were severe between the two parties in the 1970s. The problems peaked in 1980, when approximately 80% of the 800 deaths during that year's election were from political violence. The polarized political divisions within Jamaica, embodied in the two parties' ideologies and foreign policies, reflected a wider global conflict. Under the leadership of Michael Manley, the PNP aligned itself with countries of the Non-Aligned Movement and Cuba, while the JLP, under the leadership of Edward Seaga, collaborated with the United States. Reforms of the electoral system in the 1990s and the formation of the independent Electoral Commission of Jamaica in 2006 removed opportunities for electoral fraud and, therefore, for violence during the elections.

The JLP and PNP initially pursued different economic development strategies. In the 1960s, JLP governments relied on modernization theories and tried to industrialize the island with the help of foreign investment. In the 1970s, the PNP based its policies on dependency theories and democratic socialist ideas, the government seeking a dominant role in the economy. Increased indebtedness and fiscal deficits forced the PNP to enter into an IMF agreement in 1977, which, badly handled and in 1980 repudiated, led to an unpopularity that, together with the violence of the period, brought an end to the PNP government. In the 1980s, the JLP went back to the IMF, pursued market-oriented economic policies and implemented a structural adjustment program. Returning to power in 1989, the PNP reversed its previous stand and promoted free-market policies. Thus, the positions of the two parties converged toward the center, reflecting the influence of the dominant trends in the global political economy. The structural adjustment policies of the IMF and other multilateral lending agencies dominated the macroeconomics of the country during the PNP's 18 years in power and the JLP's four years, 2007 - 2011. Important structural changes to telecommunications, financial services and tourism sectors have taken place alongside significant growth of the informal economy. At the same time, market reforms and structural adjustments have been accompanied by negative growth, large fiscal deficits and an unsustainable debt burden. The current macroeconomic reforms are the most recent attempt to address these structural deficiencies.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

Question  
Score

The state's monopoly on the use of force is established nationwide in principle, but it is challenged by organized criminal gangs or networks in specific areas. The "challenge" does not, however, constitute a major threat at the national level. The specific areas are not whole parishes or regions but depressed inner-city communities, varying in population size from 3,000 to 20,000, where violence is directed not always against the state or the security forces but against rival gangs and those civilians labeled as "informers." The communities primarily involved are in the rural parishes of St. James, St. Catherine North and Clarendon, and in the capital in St. Andrew South and West Kingston. Since the Christopher Coke extradition in May 2010, there is no longer a "no-go area" of the Coke type, though the remnants of his "network" fight among themselves for dominance, especially through extortion from businesses and residents. Police reports also indicate that, once the security forces established a presence in the Tivoli Gardens/West Kingston communities in order to re-establish the monopoly on the use of force there, elements of the Coke network migrated to rural areas, in which they started their own criminal activities. Some of these elements establish their own networks and offer benefits (protection, financing for schools, sports) as a way of securing support from community residents, which, in the absence of adequate state provisions, is attractive. For unemployed youth, becoming a part of such gangs is often a survival issue.

Monopoly on the  
use of force

8

Gang-related murders continue to dominate the types of murders. For 2014, 600 murders (59.7%) were gang-related, versus 52 (5.2%) that were related to domestic violence. Similarly, in 2013, gang-related murders numbered 932 (77.7%) versus 76 (6.3%) related to domestic violence. The WHO's 2014 Global Status Report on Violence Prevention reported Jamaica as third on the list of countries with the most murders in 2012. The country started 2014 with encouraging reductions in all categories of major crime, including missing children. In comparison to 2013, murders fell by 16% to 1005, but with only 40% of cases solved; rape fell by 23% to

651, but with only 53% of cases solved; and shootings fell by 12% to 1095. It should be noted that these are “reported” cases; many are not reported. There was also a reduction by 53% in the number of fatal shootings by members of the police force, to 109 in 2014 from 236 in 2013, having increased from 216 in 2012. In October 2014, Police Commissioner Carl Williams promulgated force orders that, if implemented, would significantly improve the internal accountability of police officers in relation to shootings. Jamaicans for Justice (JFJ) commented that the steps prescribed by the commissioner deal with many problematic areas, and that they are commendable but not adequate.

The large majority of the population accepts the nation-state as legitimate. Most individuals and groups enjoy the right to exercise their full citizenship rights. This is the result of Jamaica’s having obtained independence in 1962 after a period of “apprenticeship” extending from the first election under universal suffrage in 1944, which the British colonial government agreed to following labor protests in 1938. Although the step to republican status has not been taken, there is general agreement it should be. The public increasingly expresses its opinion that the queen is irrelevant, and that it associates that symbol of power both with the enslavement of Jamaican ancestors, and with the resultant stratification of society along the lines of race, gender and class.

The period under review followed closely on extended national celebrations, in 2012, of the 50th anniversary of political independence. The “out of many, one people” motto was widely embraced during this period, with a focus on Jamaica’s African ancestry, and recognition of the other ethnicities, which, although in the minority, have contributed to a rich and diverse culture. The motto is criticized by some for essentially not recognizing the continued hegemony of the lighter-skinned minority over the black majority in some important spheres of life. At the same time, in several important ways the blackness theme is gaining ground, for example in the general support for reparations for slavery from Britain, in the increase in cultural activities during Black History month, and in the use of the Jamaican patois. Jamaica’s identity politics are becoming increasingly diverse as the majority of citizens evaluate the performance of democracy and the nation-state that is central to this democracy.

The state is secular. However, religious groups and/or churches sometimes have some influence on decision-making processes, for example, with respect to abortion and sexuality. Fundamentalism based on Old Testament Bible texts is strong and is expressed in hostility to legislation to remove earlier laws criminalizing sodomy and abortion. Parliamentarians anxious to be re-elected are therefore slow to act against such sentiments. Interventions by diverse civil-society and professional groups (doctors and lawyers for example) that seek to decriminalize abortion as well as sexual acts between consenting adult males have been made before the Joint Select Committee of Parliament, which receives input from the public before coming to a decision. In such discussions, which are open to the public, the religious convictions

State identity  
10

No interference of  
religious dogmas  
9

of some politicians have been revealed, and these have affected the final outcomes. It happened previously with attempts to decriminalize abortion, so the old law is still in force. The Sexual Offences Act (2009) is currently being reviewed in an attempt to provide equal protection under the law for both women and men against sexual violation, and the religious convictions of some politicians may again affect the final decision. The old laws, as a result, remain on the books, with adverse impact on homosexuals, many of whom react by not seeking medical attention or using adequate safeguards against HIV infection. The old law criminalizing abortions put not only women at risk of imprisonment, but also healthcare professionals and family members who assist them.

The administrative structures of the state provide most basic public services throughout the country. Administrative structures exist for the administration of justice, and the provision of basic infrastructure (water, health, education) exists in rural parishes, as well as the capital city. But their operation is deficient in some areas. An improved island-wide transportation network exists, but internal rural roads are generally deficient. A liberalized telecommunications network (not state-owned) exists, with access to most parts of the island.

Basic  
administration  
8

## 2 | Political Participation

The Electoral Commission of Jamaica (ECJ) manages all national and local elections. It has been assessed as impartial and effective, managing the registration of voters and candidates effectively and transparently. Parliamentary approval recently took place for the registration of political parties. This legislation also provides for some state funding for the organizational work of political parties, but not for campaign financing, for which separate legislation will follow. The ECJ is mandated to ensure the transparent and effective implementation of new legislation, and also ensures that pre-election-day requirements, election day polling procedures and post-election vote counting are carried out in accordance with the Representation of the People Act. The media generally has fair access to all candidates, although access to excessive campaign finances by some parties can mean that not all candidates are able to run extensive media campaigns. In addition, two traditional parties exercise excessive dominance, making it difficult for other parties to develop.

Free and fair  
elections  
9

Democratically elected political representatives have the effective power to govern, but individual special-interest groups are able to exert disproportionate political influence, without, however, damaging the democratic political process as such. The business sector has been known to exercise its power in this way, for example with respect to tax policies. Powerful groups within the private sector that control significant parts of the Jamaican economy, for example the financial sector, agriculture, real estate, or tourism, are known to contribute to one or both major political parties. The press regularly reports on extensive consultations held with the

Effective power to  
govern  
9

owners or leaders of these organizations as part of a governance process that attempts to be consultative in the policy-making process. These groups have regular access to the political leadership in ways that less influential groups in society do not. The church sector, likewise, as in the abortion and sodomy examples (section 1.3), has also exerted some influence.

The constitution guarantees freedom of association and assembly, and residents and civil-society organizations can fully exercise these rights within the confines of the law. Political parties and civil-society groups, including faith-based organizations, women's groups, human-rights groups and environmental organizations, operate freely, and are not hampered by the state in conducting marches and demonstrations. Workers with their union leaders regularly strike and assemble outside their workplaces to protest a company's action or inaction, most often inadequate or irregular payment of salaries. Police will only ensure that marchers not block traffic, or that demonstrators do not prevent free passage of commuters using the roads. There are permits that have to be secured from the police and local authorities, in order to ensure that activities (marches, demonstrations, street dances) take place within the provisions of the law, for example, the Noise Abatement Act. After security forces took action against criminal activity emanating from Tivoli Gardens in May 2010, limits were placed by the police on inner-city communities holding night dances. These were on the alleged grounds that such sessions were being used by criminals to sell drugs. However, those limits have since been lifted.

Association /  
assembly rights  
10

The constitution guarantees freedom of expression and these laws are enforced. Occasional complaints are made about the harassment of critical journalists during press conferences involving the prime minister, but the public and the press generally can exercise their rights to freedom of expression. The Access to Information Act is in place, and is used effectively. The structure of the media environment provides for a plurality of opinions, especially through the growth of the radio component, which comprises at least 28 private radio stations. Jamaica is one of the Western Hemisphere's best-ranked countries in the Reporters Without Borders World Press Freedom Index. The 2015 index scored Jamaica at 11.18, ninth out of 180 countries, just below Canada in eighth place with 10.99. A law decriminalizing defamation was passed by the House of Representatives in November 2013 after being approved unanimously by the Senate the previous July. This legislative action amended the original libel and slander laws, which, although little used, made media offences punishable by imprisonment. Jamaica also has a good record on the safety of journalists, with no cases of threats or violence during the period under review.

Freedom of  
expression  
10

There are no restrictions on Internet freedom. According to the International Telecommunication Union, 38% of Jamaicans used the Internet in 2013. There are two big companies, Digicel and Columbus Communications, competing freely (in spite of Digicel's complaint that the recent buyout of LIME/Cable and Wireless will give Columbus Communications near-monopoly status).

### 3 | Rule of Law

The separation of powers is in place and functioning. Checks and balances are occasionally subject to interference, for example, ministerial interference when the National Environmental Protection Agency (NEPA) rules against another government agency for breaches of environmental management. Another example is inaction on the part of the executive to address politically corrupt practices, for example, a junior minister who did not follow government procedures for procurement of services for the building of a public market, but was not found guilty of any criminal acts. Similarly, the state body that reports to Parliament, the Office of the Contractor General (OCG), was made the object of a court action by a government minister for its critique of his action in relation to procurement of services for a major government project. The court, in the end, supported the OCG, acting as an institution that provides checks and balances against perceived inappropriate or unlawful action by a member of the executive. Follow-up action has not been publicly reported in this case. In general, however, the executive, legislative and judicial branches are separate and function separately.

Separation of  
powers  
8

At times, the legislature has interfered with judicial processes, drawing public criticism. There is a division of labor between INDECOM, the Independent Commission of Investigation, and the police force, as the former has responsibility for investigating and recommending appropriate action against members of the police force who are alleged to be involved in any abuse of citizens, for example, in extra-judicial killings. There is a further division of labor between INDECOM and the Director of Public Prosecutions (DPP), who has final and sole authority to rule on whether criminal charges should be brought against a member of the police force, based on the investigations and recommendations of INDECOM. In this process, INDECOM provides the checks and balances to ensure that cases involving members of the police force are independently investigated. The DPP ensures that due process is followed, and that, on the basis of evidence presented, both the police officers involved and the victims receive fair treatment under the law.

The judiciary is independent and free both from unconstitutional intervention by other institutions and from corruption. It is generally free from the influence of political decision-makers, and special-interest groups. It is sufficiently differentiated, and carries out legal education, jurisprudential review, and the maintenance of professional standards. A weak and inefficient court management system is being reformed under the leadership of the current chief justice, especially to address the inadequate number of courts and judges, which has led to a backlog of thousands of cases. Recent appointments of more judges at the local level and the introduction of night courts have taken place. The consequent delay in justice leads many, especially in the lower-income class, to feel that they are being denied justice. This is

Independent  
judiciary  
9

compounded (1) by the very high fees charged by lawyers; and (2) by the class and pro-police bias of some judges. The appointment of judges is done by an independent and accepted method. There are no reports substantiated by evidence of members of the judiciary being influenced by politics or money, or not being trusted by citizens. The 2013 Global Corruption Barometer reports that 47% of respondents in Jamaica felt that the judiciary was corrupt.

Office holders who break the law and engage in corruption are not adequately prosecuted. Adverse publicity about politically corrupt activities of politicians does take place, but in the absence of evidence that there is personal gain through the breaking of laws (e.g., for procurement of goods or services), there are no legal consequences if criminal acts cannot be proven. Politically corrupt acts then do undermine the rule of law. This means that public officeholders (both public servants and politicians) who abuse their positions are not prosecuted or penalized if evidence of criminal action cannot be produced. Penalties may take the form of removal from duty and being placed on partial pay while the case is taken through a long legal process. However, in a recent case, a senior employee in tax administration was charged, and removed from his position, for defrauding that agency by millions of dollars because computer-generated evidence of this criminal act was available and used. In another example of a highly publicized case, a high-level police officer and a politician in the opposition, who assisted a well-known businessman in clearing him of the charge of trying to bribe a traffic cop not to ticket him, were themselves cleared in court. Many Jamaicans would see this as both patently corrupt and inviting similar behavior in similar circumstances, further undermining the rule of law.

Civil rights are codified by law, but are not properly respected and protected. Application of civil-rights legislation is inconsistent across groups, depending on race, social class, and sexual orientation. Young black men living in poorer communities, members of the Rastafarian community, and members of the lesbian, gay, bisexual and transgender communities are often denied access to fully exercise their rights under the law or to protection under the law. They often face discrimination and sometimes physical abuse not only from agents of the state (police and army) but members of the public. The right to seek recourse in the courts exists, but such citizens could face further discrimination within the administrative structures of the system, and may not be able to afford private legal counsel. The state-funded Legal Aid Clinic is not adequately funded to provide the legal services required by some detainees. The right to life is frequently denied by the paramilitary behavior of some members of the police force, who are alleged to be responsible for the high rate of extra-judicial killings. The beatings sometimes inflicted on black lower-income male detainees by police, the length of their detentions and the inhumane conditions of some lock-ups constitute, in effect, forms of torture. There are complaints that persons are arrested by the police for “reasons unknown to them” and are held for more than 24 hours without charge. This is a violation of the Jamaican

Prosecution of  
office abuse

5

Civil rights

7

Constitution, which states that “no person shall be deprived of his liberty except on reasonable grounds and in accordance with fair procedures established by law.” If a person is arrested pursuant to a warrant, the police officer has the right to hold him or her for 24 hours before charging this person. At the end of this period, the person must be charged or released, and during this period, the detainee has the right to communicate with family and/or legal counsel.

#### 4 | Stability of Democratic Institutions

Democratic institutions are stable and perform their functions in principle. Inefficiencies derive, in part, from politicians’ innovative approaches running up against inadequate civil-service structures and the older entrenched views of a civil-service bureaucracy in which ministries and departments compete against each other, working in silos rather than through processes that identify synergies for increased efficiencies, policy coherence and reduction of waste; and, in part, from the preoccupation of the political parties (both ruling and opposition) with partisan political issues over national policy issues. On occasions, their verbal clashes in Parliament attract much media and public attention but frequently do not address fundamental issues on the basis of sound research and analysis. The power and influence of the cabinet is such that its decisions are most often rubberstamped by the backbenchers who make up the rest of its majority in the House of Representatives and the Senate.

The Senate comprises appointed, not elected members, who in former times were expected to retain an element of independence that would provide critical review of decisions made by members of Parliament, make recommendations and request reconsideration of some decisions. This last situation happens infrequently. In this sense, the Senate is not fulfilling one element of its role, that of providing checks and balances over the decisions of members of Parliament, and is therefore weak.

At the level of the parish councils (PCs), democracy is lively, but its capacity to implement and enforce is weak. Its limitations stem from three diverse sources. One is the inadequate institutional and legislative incorporation of the input of those communities that make up the council’s constituency. A second is the absence of a linking mechanism between the PC level and Parliament at the national level, which would overcome the differences associated with class and the rural-urban divide. Third is the dependence on the central government for the disbursement of funds. This last situation has improved somewhat as local-government reforms now give parish councils access to some locally collected taxes to be used for locally determined infrastructural development.

Performance of  
democratic  
institutions  
8

Most democratic institutions are accepted as legitimate by most relevant actors, although there are increasingly calls from established civil-society organizations for more transparent and inclusive decision-making processes that would impact the decisions made by the national Parliament and local government authorities, improving the credibility of these institutions. An institution being vigorously debated, which means it is not accepted by all, is the Caribbean Court of Justice (CCJ). Those in favor of the court cite its being more accessible to most Jamaicans than the present final court, the Privy Council in the United Kingdom, which it would replace. It is the opposition Jamaica Labour Party and some academics who are the main actors challenging the CCJ proposal. The Senate is an institution accepted by all, but many would want it restructured to include some persons not affiliated with either of the two dominant parties.

Commitment to  
democratic  
institutions  
9

## 5 | Political and Social Integration

The party system is fairly stable and socially rooted in two main political parties. Each party enjoys a solid base membership, making it difficult for fragmentation through the development of an additional party or parties. Polarization between the two parties is related to the tribal nature of the political culture, and, traditionally, results in low voter volatility. December 2014 poll results (by two different pollsters) indicated trouble for the ruling PNP as the political environment is now characterized by a major slide in popularity of the governing PNP, as well as the personal popularity of party president, and prime minister, Portia Simpson-Miller. Conversely, the opposition leader, Andrew Holness, retained his support from four years ago, but the support that moved away from the PNP has not shifted to Mr. Holness. This is probably related to his inability to inspire confidence in his own leadership within the two main factions within the JLP. In the Don Anderson polls (December 2014), 40% of persons polled indicated that they “definitely will not vote,” 15% said “not sure,” and 7% said “somewhat unlikely.” Whether voter volatility levels increase will depend on the success of the election campaigns of these two major parties. Local government elections are due in March 2015, and national elections before the end of 2016.

Party system  
9

There is an average range of interest groups, which reflect most social interests. The Private Sector Organization remains the most powerful non-government organization, comprising the leadership of the largest and most influential companies in Jamaica. The Jamaica Civil Society Coalition (JCSC) comprises civil-society organizations, private-sector organizations and individuals actively working on some of the main development challenges now facing Jamaica. There is no one group so dominant as to exclude any other. An assessment of the coalition’s media engagement indicates that only one-quarter of its member organizations are present in the print media, although members of leadership would often appear on radio and TV

Interest groups  
7

programs. Their leaderships comprise well-known, highly competent leaders in their respective fields, able to maintain a reasonable presence in the media, due to their resources and capacity to research and to critically review government actions and policies. Main issues addressed include human rights and sexuality/sexual identity, economic policy, environment, crime and governance. The 51% Coalition: Women in Partnership for Development and Equity has emerged as a strong advocate for gender equality and women's increased presence in decision-making positions. It comprises several women's organizations and a few individual women, reflecting the convergence of work in different sectors (business, violence against women, media, politics, community development, rural women).

Approval of democratic norms and procedures is fairly high. According to the Americas Barometer 2014, while political-system support is at the regional average with 53.6%, support for the rule of law is the highest in the Americas, with 74.9%. Don Anderson polls (December 2014) asked the "main reasons why persons would not go out to vote, if elections were called now." Responses: "just not interested in politics," 25%; "none of the parties different," 22%; "politics too corrupt," 18%; "tired of the same thing," 16%. According to the Global Corruption Barometer 2013, of 12 institutions in Jamaica, the political parties are perceived as the most corrupt. One indicator used by the World Economic Forum in compiling the Global Competitiveness Report is Public Trust in Politicians. On this indicator, Jamaica scored 2.5 (where 1 is worst, and 7 is best). The lack of voters' interest in national elections can be interpreted as continued dissatisfaction with the two-party system, but not disapproval of the democratic norms to which the country aspires. Among the hardcore supporters of each of the two main parties, the perceived and often real benefits to be derived from the two-party system contribute to their support for the associated democratic norms and procedures.

Outside of the more rigidly partisan communities, there is a fairly high level of trust among the population and a substantial number of autonomous, self-organized groups, associations and organizations; however, expressions of distrust do occur across groups on the basis of class, race, gender and sexual identity. A joint study carried out by the United States Agency for International Development (USAID), the University of the West Indies, Mona Campus, and Vanderbilt University reports a decline in civic participation in main groups such as religious groups, parent-teacher associations, community-based groups and environmental and women's organizations. It is the writer's observation from work in several communities that small, community-based organizations are formed increasingly by young women and young men as an alternative livelihood strategy, using culture and sports as their main organizing tools. For undereducated and unemployed youth, this presents an attractive option in an increasingly difficult economic situation. With limited access to resources to keep such organizations going, they may be temporary, appearing and reappearing as the need arises, even while they try to remain autonomous and self-organized.

Approval of  
democracy  
7

Social capital  
7

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Question  
Score

Poverty and inequality are pronounced and partly structurally ingrained. The 2012 Survey of Living Conditions (JSLC), recently released, confirms that Jamaica has recorded an increase in poverty levels, now standing at 19.9%. This was not totally unexpected, given the impact on Jamaica of the global recession of 2008, and the fact that global capital markets were closed to Jamaica due to a stalled IMF agreement under the previous government (2007 – 2011).

Socioeconomic  
barriers  
5

According to the JSLC 2012, income inequality has reached unacceptably high levels. The poorest quintile of the population has per capita consumption of about \$642, compared with about \$4,509 per capita consumption of the richest 20%. The JSLC also reports that 60% of the population, for a 40-hour work week, live on less than J\$8,000 (\$69.37), while the national minimum wage is J\$5,400 (\$46.82) per week. With low education levels, vulnerable young men, like vulnerable female household heads, are both generally marginalized from key social and economic human development activities, and resort to “hustling” in the informal sector, with irregular income and without social-security protection. This is the preferred option to working in the “formal” sector, earning the minimum wage, which cannot support a family. These two situations contribute to unstable families and communities, intergenerational poverty, social exclusion and, often, domestic violence.

Women continue to face gender imbalances in the highest decision-making spaces. This impedes their participation on terms equitable with men, and is one of the factors that fundamentally impedes their involvement in otherwise potentially functional market economies. The majority of women remain on the margins of the wealth-creating institutions in the economy. In terms of literacy, Jamaica has a female-to-male ratio of 1.12, and, in tertiary education, the female-to-male ratio is 2.29, which places it fifth in the world, according to the 2013 Global Gender Gap Index. Typically, young men and women from inner-city communities associated with poverty and crime are refused employment because of their address. There is no reported exclusion on grounds of religion.

Economic indicators		2005	2010	2013	2014
GDP	\$ M	11239.3	13230.8	14362.3	-
GDP growth	%	-	-1.5	1.3	-
Inflation (CPI)	%	15.3	12.6	9.3	<b>8.3</b>
Unemployment	%	10.9	12.4	15.0	-
Foreign direct investment	% of GDP	5.7	1.4	4.1	-
Export growth	%	-	-7.5	0.6	-
Import growth	%	-	-4.9	2.4	-
Current account balance	\$ M	-1071.3	-934.0	-1314.3	<b>-1110.7</b>
Public debt	% of GDP	119.3	142.0	139.7	<b>135.7</b>
External debt	\$ M	6465.6	14098.7	13789.5	-
Total debt service	\$ M	960.2	1184.3	1204.3	-
Cash surplus or deficit	% of GDP	-0.9	-5.8	-	-
Tax revenue	% of GDP	25.3	26.5	-	-
Government consumption	% of GDP	14.2	16.1	15.6	-
Public expnd. on education	% of GDP	4.6	6.4	6.3	-
Public expnd. on health	% of GDP	2.0	3.0	3.4	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.5	0.9	0.9	-

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

## 7 | Organization of the Market and Competition

Market competition operates under a weak institutional framework, with uneven rules for market participants. Accordingly, the Global Competitiveness Report 2014 - 2015 ranks Jamaica 80th out of 144 economies, the most problematic factors being crime and theft, inefficient government bureaucracy, and corruption. The informal sector is still large and an acknowledged problem, though more recent concrete figures are lacking (it was assessed to be 43% of official GDP in a 2006 IDB study). There are a few state enterprises (e.g., Clarendon Alumina Partners, Ports Authority of Jamaica, and Norman Manley International Airport) whose sale of assets is being actively

Market-based  
competition

5

pursued, but they remain as yet in state hands. In principle, there are no price controls despite recurring debates.

Institutions actively involved in regulatory and monitoring functions include the Fair Trading Commission (FTC); Consumer Affairs Commission (CAC); the Consumer Affairs Tribunal (CAT); Bureau of Standards Jamaica (BSJ), Trade Board (TB) and Office of Utilities Regulation (OUR). Some regulations governing market activities are derived from the Fair Competition Act, the Copyright Act, the Trade Marks Act, and the Protection of Geographical Indications Act.

Currency convertibility exists, although availability is affected occasionally by foreign-exchange shortages. Investor confidence has improved, with a 74% increase in FDI reported by the Minister of Finance and Planning, affirming that freedom to invest and withdraw investments exists. There are challenges in the range of bureaucratic procedures involved in this process.

Current competition laws do not prevent the formation of monopolistic structures or behavior. A competition law (The Fair Competition Act) exists which is not strictly anti-monopoly, and the Fair Trading Commission (which administers the law) cannot rule in the case of a merger unless the new entity engages in anti-competitive behavior or conduct. So while there is regulation to prevent anti-competitive conduct, it does not prevent monopolistic structures. This allowed LIME, one of the two largest telecommunications providers, to buy out a smaller provider (FLOW/Columbus Communications) and thus to assume dominant market position in the provision of cell phone, cable and related services. This transaction was recently approved by the government. A second example is the continued monopoly on energy distribution enjoyed by the foreign-owned Jamaica Public Service Company. Though recently much debated, and under challenge in the courts, this company still has multi-decade, exclusive rights to transmit, distribute and supply electricity to Jamaica. It is to be noted, however, that the government (as a political decision) does retain a percentage ownership (about 20%) in this company.

Anti-monopoly  
policy  
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Broad trade policy and development goals are set within a number of policy frameworks. These include multilateral trade policies within the WTO framework, regional trade policies in the context of the Caribbean Community and Common Market (CARICOM), a new trade policy still being designed, the current national development plan (Vision 2030-Jamaica), and the 2009 National Export Strategy. Jamaica is an original and active member of the WTO and is a strong supporter of special and differential treatment for developing countries, especially Small Island Developing States (SIDS) within the WTO, and Doha Development Agenda (DDA) negotiations.

Liberalization of  
foreign trade  
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Foreign trade is liberalized in principle, with exceptions being reduced while differentiated tariffs and privileged treatment for some domestic sectors still remain.

All imports entering Jamaica are subject to a basic stamp duty; certain products require an additional stamp duty. Protection is higher for agricultural products than for industrial products because of agriculture's role in poverty reduction and generating employment. It is considered a sensitive sector, and it benefits from a range of support measures, including high import duties. Import prohibitions are applied for health, security, moral or environmental considerations, or under international conventions. Almost 50% of Jamaica's tariff lines are already at zero. Tariffs and other duties and charges remain Jamaica's main trade policy instrument. The government generates a substantial share of its central revenue, from tariffs and other charges on imports. Total tax revenue as a percentage of GDP is reported as 27.2%, which is seen as critical in light of the country's structural fiscal deficit.

The relationship with Jamaica's main trading partner, the United States, is a nonreciprocal trade arrangement that allows bilateral preferential market access. The Caribbean Basin Initiative (CBI) comprises the Caribbean Basin Economic Recovery Act (CBERA) and the Caribbean Basin Trade Partnership Act (CBTPA), which grants duty-free access to most goods exported by Jamaica and other Caribbean countries and territories. CBERA is of indefinite duration and CBTPA expires in 2020. Both require a most-favored nation waiver in the WTO.

Jamaica's relations with some of its main trading partners, like Canada and the European Union, are being redefined. The 1986 Commonwealth Caribbean/Canada Trade Agreement (CARIBCAN) expired on 31 December 2013, and CARICOM is now negotiating a free-trade agreement. Preferential arrangements at the regional level include the CARIFORUM-EU Economic Partnership Agreement (EPA), which replaced earlier trade arrangements and offers reciprocal duty-free/quota-free access to the EU and CARIFORUM markets for goods and services. Preferential arrangements at the regional level also include CARICOM, with the goal of eventually evolving into an economic union.

A January 2014 report from the Ministry of Foreign Affairs/Foreign Trade noted that all Jamaica's preferential market access arrangements with the WTO, the U.S., Canada, the Africa Caribbean Pacific - European Union (ACP-EU), CARIFORUM/EU, Venezuela, CARICOM and CARICOM bilaterals are underutilized.

The banking system is sound and open to international standards, with capital markets being sufficiently differentiated and open to both domestic and foreign capital. Effective supervision by the Bank of Jamaica of financial conglomerates was enhanced by the 2010 Omnibus Banking Law. This provides for stronger oversight of the financial sector and strengthening of the securities dealers' segment of the industry. The Bank of Jamaica (December 2012) produced an omnibus statute consultative paper on proposed enhancements to the legislation for the deposit-taking sector to improve consistency and independence of the supervisory functions of the

Banking system

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Bank of Jamaica. Following on this policy paper for the prudential supervision of licensed deposit-taking institutions (DTIs), guided by the Basel Core Principle, the government adopted the Banking Services Act in 2014. The supporting regulations, requiring parliamentary approval, will be tabled in June 2015, as part of the government's plans to strengthen the regulatory and supervisory framework for non-bank financial institutions. This is important in the context of Jamaica's highly interconnected financial sector, and concerns about money laundering. Capital-adequacy ratios, audits and full transparency with respect to the status of every bank are strictly adhered to. Jamaica sees stricter enforcement of rules on disclosure and for bank transactions in foreign currency. The government is also preparing amendments to the Bank of Jamaica Act to vest the central bank with overall responsibility for financial stability.

## 8 | Currency and Price Stability

Controlling inflation and an appropriate foreign-exchange policy are recognized goals of economic policy, with some recent efforts being made to strengthen the institutional framework. The Bank of Jamaica (BOJ) is not de jure but de facto independent and responsible for currency and price stability. The BOJ reported point-to-point inflation rates, as of December in each year: 2012, 8.02%; 2013, 9.5%; 2014, 6.7%. These rates are indicative of some volatility over time but still meet the BOJ target of single-digit inflation. Because the real exchange rate is considered overvalued, a depreciation of the Jamaican dollar by the market was allowed, with the BOJ intervening between April and June 2014, however, to prevent too rapid and extreme a slide. This helped to create some confidence and stability in the market, and resulted in a slight appreciation of the Jamaican dollar in August and September. In October and December, there was another round of depreciation, putting the current-account balance under pressure until restrained by BOJ intervention. A significant nominal depreciation would further inflate the country's unsustainable public debt. In December 2014, the BOJ senior deputy governor stated: "The bank remains committed to the maintenance of a flexible, market-determined exchange rate and will act to ensure that orderly conditions prevail in the foreign exchange market at all times." For calendar year 2014, the Jamaican dollar lost less than 8% of its value to settle at J\$114.66, compared to the 14% depreciation in 2013.

The government's fiscal and debt policies generally promote macroeconomic stability, but have lacked institutional safeguards and have been prone to populist policy changes in the past. Some safeguards are now in place. During the period under review, the government passed the Fiscal Rules Bills, which comprise the Public Bodies and Accountability (Amendment) Act, 2014, and the Financial Management and Audit (Amendment) Act. This legislation is implemented under the Economic Reform Programme agreed to with the IMF. It is designed to impose a long-lasting

Anti-inflation /  
forex policy

8

Macrostability

7

constraint on how a government can spend or collect revenues by setting numerical limits on budgetary aggregates. Other passed legislation includes the Bankruptcy and Insolvency Act. An Economic Programme Oversight Committee (EPOC), comprising public, private sector and trade union leaders, was established to monitor the country's Extended Fund Facility with the IMF. Co-chaired by the governor of the central bank and a senior private-sector leader, it is mandated to report quarterly to the public on the status of the agreement. With elections due in the next two years, the EPOC co-chairman cautioned that political leaders have a responsibility to ensure that the country's economic reform program remains on track, and is not disrupted by populist decisions. Informed by data, he cautioned that, with the debt-to-GDP ratio still high at 132%, and loan repayments consuming 60% of the annual budget, signs of economic recovery are tenuous. With respect to the fiscal deficit, the government has committed to maintaining the primary surplus of 7.5% of GDP with which it ended fiscal year 2013/14. This is to be maintained until 2016/17 as a critical plank of the debt-reduction program. The public-sector wage bill is not to exceed 9% of GDP. The current-account deficit, estimated to be 8.2% for 2014, improved from 9.2% in 2013 and the 12.43% average of 2005 - 2012.

## 9 | Private Property

Property rights are well-defined in principle, but there are significant deficiencies in implementation concerning the enforcement of legal titles as well as corrupt practices. Data from the 2011 Population and Housing Census have shown a 44% increase in the number of households in detached units on informal (squatter) settlements. Informal settlements appear on both privately owned and state-owned land, and many have existed for decades. The large number of such occurrences indicates a major failure of government authorities to ensure and regulate the acquisition of land by those in need. Therefore, though property rights and regulations on acquisition, benefits, use and sale of land are well-defined in general, the right to an adequate living space is not, in fact, guaranteed to all citizens. Unsurprisingly, implementation and enforcement of ownership under the rule of law run not infrequently into problems, and attempts at enforcement have led to social unrest, as most informal settlers literally have nowhere else to go, being unemployed and living on or below the poverty line. However, in 2014, under a Land Administration and Management Programme (LAMP), 464 occupants of land settlements were assisted to acquire land titles in seven parishes.

Beyond land, the enforcement of property rights for the “intangible” is covered by the Copyright Act of Jamaica, and also by the Legal Deposits Act of Jamaica. Under this act, people resident in Jamaica who publish any literary matter (including documents, papers, record or tape) are required to deposit copies of the publication with National Library of Jamaica. This deposit provides a publicly recorded link between the publisher/author and the work.

Property rights  
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Private companies are viewed institutionally as important engines of economic production and are given legal safeguards, but concentration of market power is tolerated, as current competition law does not prevent formation of oligopolies. It can only assess and regulate monopolistic behavior. The Office of the Contractor General is empowered by statute to examine and monitor procurement procedures used, for example, in the privatization of state companies. The role of this office is to ensure that government contracts in the case of privatization are awarded and implemented impartially and on merit. Reports suggest that there is inconsistency in the procedures followed in the awards of some such contracts, and market principles are not consistently observed.

Private enterprise  
8

IMF reports identify 18 selected public entities as the most important, and list eight as relevant to the IMF agreement, which includes a schedule for the privatization of public bodies to reduce their operating costs to the government's budget. These include Clarendon Alumina Products Limited (bauxite mining), Petrojam (national oil refinery), National Road Operation Company (national highway management), Urban Development Company (infrastructural and public-sector real estate development), National Water Commission (national water supply), Port Authority of Jamaica (management of ports), National Housing Trust (building low-cost houses from taxpayers' contributions) and National Insurance Fund (collection and management of statutory deductions and pensions).

## 10 | Welfare Regime

Social safety nets are rudimentary and cover only few risks for a limited number of beneficiaries. Jamaica is rated as a country with a high level of human development according to the UNDP's Human Development Report 2014, with an HDI of 0.715, and ranks 96th out of 187 countries. However, this masks the realities of severe social and economic inequalities. The 2012 Survey of Living Conditions confirms that Jamaica has recorded an increase in poverty levels, to 19.9% nationally, reflecting a continued increase in poverty trends since 2008. Poverty rates in rural areas declined from 23.2% in 2010 to 21.3% in 2012, while the rate in the capital city increased to 19.7% from 14.4%. A November 2013 review of the social safety net Programme of Advancement through Health and Education (PATH) reports that 400,000 Jamaicans have received support. PATH offers an array of benefits to children from birth to completion of secondary school; senior citizens 60 years and over, who are not in receipt of a pension; persons with disabilities; pregnant and lactating women; and poor adults, between the ages of 18 and 59 years, who are duly registered. PATH provides bimonthly cash transfers to families, with an increase in benefit amounts effected in August 2013, as one of government's responses to increased poverty. The average increase to most beneficiary categories was 15.0%. Finance Minister Peter Phillips affirmed the government's commitment to fulfilling its obligations to social

Social safety nets  
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protection, and to meet the stipulated 3% floor agreed on in the IMF agreement for social-protection measures in the budget. Educational and empowerment initiatives also include the training and employment of an initial 250 disabled persons who are beneficiaries of the PATH program, and a Welfare-to-Work Programme for 2,000 PATH beneficiaries, which targets working-age members of families on PATH, providing them with training and on-the-job experience.

With funding support from international development partners, a range of other complementary programs are being implemented by the Jamaica Social Investment Fund (JSIF), including education and training projects being developed as anti-poverty tools. These include improvements in sanitation, hygiene and socioeconomic conditions through investment in education and small economic projects, providing psychosocial support for families on the PATH program, and empowering disadvantaged groups in rural communities through increased access to basic social services. JSIF does not carry out “cash-transfer” programs, but it does help to compensate for the social risks of the capitalist system, such as unemployment and the lack of social services provided by the state.

Equality of opportunity exists in principle, but is undermined by discriminatory patterns that negatively affect large parts of the population. Laws do exist which provide for the payment of a minimum wage and for equal pay for work of equal value when performed by women and men. But women who work as household workers and in wholesale and retail outlets face discrimination when they are paid below the national minimum wage, are subjected to dehumanizing working conditions and abuse, and live in fear of being fired if they complain or report said employers to the relevant government authority. Enforcement of such laws is poor, and in some quarters nonexistent.

In law, women and members of ethnic or religious groups have equal access to education. With respect to public office, women continue to face systemic gender discrimination not only in Parliament (13%), but also at the local government level (17%), and as mayors (29%). They are highly underrepresented on both public- (29%) and private-sector boards, and in the leadership of political parties and trade unions. Young women and men of black complexion are frequently denied access to employment opportunities in both the public and private sectors, when their residential addresses indicate that they live in certain inner-city communities associated with poverty and violence. Enrollment data confirm that girls and boys experience almost equal access to primary education but at the secondary level, boys have much higher drop-out rates than girls, resulting in university populations being highly skewed in favor of female students (78%). There is, however, a clear disjuncture. These advances for women are not reflected in the unemployment levels of women, which are almost twice that of men, demonstrating that this tertiary education has not led to employment opportunities in an equitable way for most women. In 2013, the women’s labor-force participation rate was 45.5%. Generally,

Equal opportunity  
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the black lower-income majority receive a lower quality of education because the “traditional” preparatory schools are often private, well-funded, attract better teachers, and offer good physical and technological infrastructure in comparison with most public primary schools. Students from the middle and upper classes who attend these preparatory schools have distinctly greater opportunities to enter the best schools at the secondary level. This system, operated across political administrations for decades, is the result of severely inadequate numbers of seats available at the secondary level versus the number of students completing primary/preparatory school, and of inequity in the provision of resources for all schools.

Discrimination against women and men, on the basis of sexual orientation and HIV status, also exists. There are a number of legal provisions against discrimination (Constitution of Jamaica and the Charter of Rights) but the charter omits mention of sexual orientation as grounds for disallowing discrimination. The use of English as the primary language effectively discriminates against the less well-educated black populace.

## 11 | Economic Performance

Jamaica’s economic performance is poor and primarily linked to its unsustainable public debt. “Lackluster growth” was Economic Commission for Latin America and the Caribbean’s (ECLAC) assessment in December 2014, despite a business confidence boost. The growth in confidence is associated with the government’s successful implementation of the IMF agreement, which commenced in May 2013, stabilizing the economy; and with the passing of seven IMF quarterly tests. The Economic Programme Oversight Committee (EPOC) reported that Jamaica would meet the primary surplus of 7.5% of GDP and have net international reserves of \$1.785 billion (January 2015), a calendar inflation of 6.4% (December 2014), a calendar year decrease in the trade deficit of 3.8% (October 2014), and an increase in the business index to 122.9, the highest net number since 2011.

The economy grew by 1.8% between the middle of 2013 and the middle of 2014. However, a 1.4% negative growth in the July-to-September 2014 quarter was a blemish on the otherwise better performance of the economy. This contraction was more than estimated by the Planning Institute of Jamaica. It was partly the result of a harsh, extended drought, which led to a decline of 21% in agricultural production; and it was partly due to a significant loss in productivity by the working population, as a result of the prevalence of the Chikungunya virus in the last quarter of 2014. Other important economic developments include the depreciation of the Jamaican dollar by 5.3% for the fiscal year to January 2015, compared with 8.1% the previous year. Jamaica regained access to the international capital market in July 2014, with the issuance of a bond for \$800 million, the first bond issued since 2011.

Output strength

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The country maintains high unemployment levels, with a national rate of 14.2% in October 2014, female unemployment at 17.4%, male unemployment at 10.1% and youth unemployment at 32.2%. Price stability is rather low, with inflation at 6.9% in 2012, 9.3% in 2013 and an estimated 6.7% in November 2014. The debt burden was 132% of GDP (estimate for 2014). The IMF reports that the current account continues to improve due to growth in exports of goods (alumina and sugar) and services (tourism), which, along with higher remittances, led to a projected reduction in the current-account deficit from 2013/14 to 2014/15 by 3.2% of GDP. The Minister of Finance reports a reduction in the balance of payments deficit from 15% of GDP at the start of the economic reform program to 8.5% for fiscal year 2013/14, and a 74% increase in FDI between 2012 and 2014.

## 12 | Sustainability

Environmental concerns are gaining slightly more public exposure due to aggressive activism by key environmental NGOs, and also more government engagement with the press, about climate change and threats to the environment at national and community levels. However, respect for nature and awareness of the need for environment stewardship among Jamaicans and successive governments remains significantly underdeveloped. Protection of the environment from certain types of development projects (mega tourist hotels), physical infrastructure (roads), and large-scale housing also remains significantly underdeveloped.

The Access to Information Act has made it possible for more information to enter the public domain about the importance of using environmental impact assessments in the earliest stages of project development, prior to the signing of contracts and the launch of projects, not after, which is commonly the practice. Existing environmental regulations are weak and regularly not enforced, especially when government agencies and/or special-interest groups are involved in alleged breaches. Such special-interest groups include Spanish hoteliers and the Chinese government, both of which now have a significant presence in the Jamaica economy through new large hotels and infrastructure projects.

The construction and operations of Spanish hotels have raised issues around the treatment of the island's beaches. On the Chinese side, the China Harbour Engineering Company (CHEC) was originally contracted to undertake selected infrastructural development projects, but, growing exponentially, it now manages about \$1.4 billion and is implementing the largest transportation network program in the country's history. This includes the Public/Private Partnership (PPP) agreement to finance, construct and operate, under a 50-year concession, a toll road linking Kingston to Ocho Rios, at a cost of \$600 million. In macroeconomic terms, this represents one of the largest investments in Jamaica's history. However, its value, in light of extensive removal of forest cover, possible impact on hillside erosion, and

Environmental  
policy  
5

other damage, has been questioned. The government and CHEC are also currently negotiating the development of a \$1.5 billion trans-shipment port, as part of a new thrust to establish a logistics hub on the island's south coast. The trans-shipment complex would be sited in one of Jamaica's most important protected areas in the Portland Bight, with huge potential damage to one of the country's main fish sanctuaries, and to the natural habitats of other rare animal and plant species. Effective monitoring of agreements with the Chinese investors has not been possible.

The approval of a Climate Change Policy Framework and Action Plan is still outstanding, though a Climate Change Division is fully established. It has responsibility for managing the government's commitments under the Kyoto Convention and subsequently negotiated positions. The Climate Change Division coordinates climate change actions in the public sector, and drives Jamaica's strategies for mitigation and adaptation activities. As an active participant in the UN Conference of Parties Climate Change Negotiations (COP), Jamaica has committed to monitoring the country's atmospheric emissions, and to establishing the appropriate regulations to do this. Jamaica's new energy policy is centered on energy diversification and the use of renewable forms (e.g., wind farms, hydro, solar and biomass) aimed at ensuring long-term energy security and environmental protection.

Education policy ensures a nationwide system of education and training, but the problem of varying resources among schools with concomitant qualitative deficits in primary and secondary education remains a challenge. To the country's credit, there has been universal enrollment at the primary level for more than a decade. Gross enrollment ratios for 2013 at primary, secondary and tertiary levels, respectively, was 95.5%, 88.6% and 30.8%. High drop-out rates for male students before conclusion of the secondary program is a concern, and higher male enrollment in secondary and tertiary institutions remains a challenge. In the period under review, the government addressed this problem through targeted interventions at basic school/pre-primary, primary and secondary levels. Special emphasis has been placed on early childhood education, with an increase in the recurrent budget (2014/15) from 3% to 14.6% to enable the targeted interventions. Public expenditure on education as a percentage of GDP was about 6.25% on average between 2008 and 2013 (data on R&D not available).

Low test scores at all levels of the Jamaican education system confirm that gaps remain in the system that negatively impact the learning outcomes of many students, despite average levels of public expenditure on education. An analysis of data obtained from the Caribbean Examination Council (CXC) for the June 2013 Secondary Schools Examination indicated that technical and vocational, as well as business areas, continued to show the highest percentage of passes (over 80%) compared to the arts and the sciences. Mathematics and English language, with the largest numbers of entries and sittings, recorded passing rates of only 34.1% and 56.6%, respectively. The gender imbalances in enrollment and student achievements

Education policy /  
R&D  
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are evident. The ratio of female-to-male enrollment for 2013 was 99.0, 105.6 and 205.0 at primary, secondary and tertiary institutions, respectively. The 2013 Grade Six Achievement Test (GSAT) results indicate that nearly 40% of pupils are still performing below standards, and cannot successfully perform at the seventh-grade level. Students who cannot pass examinations at the seventh-grade level (nearly 40%) are likely to be those who will also fail to meet the basic tertiary entry requirements without substantial remedial interventions. The University of the West Indies has had to introduce a preliminary English course to bring new students up to the level sufficient to meet a basic entry standard.

# Transformation Management

## I. Level of Difficulty

High levels of poverty and inequality over decades, a labor force in which insufficient numbers of workers have adequate skills and levels of certification, frequent natural disasters, weakness in civil society, and social exclusion from decision-making centers and wealth-generating institutions of large numbers of citizens along the lines of race, class and gender are structural constraints that persisted in the period under review. These factors do not result only from the current political leadership's actions and cannot be overcome swiftly. Taken together, these factors can act as constraints on the governance capacity of political leadership. However, the political leadership across different governments of both main political parties, over decades, has not done enough to remove the constraints on their own management ability which clientelistic and corrupt political actions cause. Corrupt (but not criminal) political practices not only waste scarce resources, but also undermine attempts at a broader, more inclusive, efficient governance process. These practices are perceived as widespread but are hard to prove. Corrupt relationships and practices with big businesses are now more publicly criticized but continue to be hard to root out, as stronger, more effective anti-corruption legislation is still not in place.

Structural  
constraints

4

The majority of people living in poverty live in rural areas, and the physical characteristics of a mountainous, small island state present some constraints to developing governance processes and capacities on equal terms and effectiveness with those for urban areas. These characteristics constrain the ability of political representatives who do try to provide equal access to opportunities and services. Lack of resources during the period under review worsened under the current austerity program being implemented with the IMF. There is deeply ingrained stigmatism and discrimination against people living with HIV/AIDS, and against lesbians and homosexual men; this acts as a constraint on leadership capacity. There is a bureaucratic culture in the civil service that generally resists opening up the governance process to facilitating a more open and inclusive one with members of civil society. New members of parliament have reported strong resistance from persons in the civil service who undermine their attempts to bring badly needed infrastructure and services to some communities. This does act as a constraint on the political leadership's governance capacity.

Traditions of civil society do exist, and civil-society actors articulate their views in the media. However, except on very local community issues such as the lack of potable water, a drivable road or a questionable police killing, most people take a very laid-back attitude and will not challenge political authority. Numerous and active civic associations do exist, most with ongoing local community impact, contributing concretely to building and maintaining social capital at the local level. This is especially the case in rural Jamaica. Fewer civic associations can maintain a noticeable national impact due to human-resource and financial constraints. Evidence of reduced social trust (social capital) exists in communities that have been plagued by organized criminal activities and gangs, the leadership of which challenges, undermines and often replaces traditional community leadership. Conversely, increased social relations and trust are now evident among civic/community groups formed by marginalized men representing male youth who are predominantly black and under-skilled, and who live in conditions of extreme poverty. These civic groups, sometimes with the support of churches and/or the private sector, emerge in an attempt to challenge the impact of criminal gangs that target them for membership. But these are very few. Overall, civil society as an agent of good governance is on the weak side; one senses a refusal, especially on the part of the middle class, to express in street demonstrations the criticisms it continually has of government policies and actions.

Civil society traditions

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There are numerous violent incidents, but they are not associated with racial, ethnic or religious conflicts. Even conflicts that used to occur between youth groups in communities affiliated with the two main political parties, which initially fostered and armed them, have ceased since about 2006/07. Youth street gangs still do clash over turf in a few areas and are responsible for killings. Also occurring are more serious violent acts by criminals and criminal gangs. The Jamaica Constabulary Force Serious and Violent Crimes Review indicates that reported murders declined by 16% to 1005 in 2014, and links the large majority of these, 59.7% (down from 77.7% in 2013), to gangs. It links another 32.4% (up from 15% in 2013) to individual criminals. These killings, along with the 10 mob killings reported in 2014, lead some to identify a culture of violence. This is not pervasive or widespread, but it is one aspect of a social phenomenon that resulted historically from encouragement by politicians and has been sustained by successive administrations' neglect of the affected communities. Society is also divided along social, race and class lines, with the business and lighter-skinned elite dominating most leadership positions. Neither this division nor the divisions between different religious denominations lead, however, to violent conflicts. Social conflict exists as the result of stratification of society, primarily along the lines of race and class, and the role of the dominant light-skinned middle and upper classes and the political parties in neglecting the needs of large sections of black low-income communities.

Conflict intensity

4

## II. Management Performance

### 14 | Steering Capability

Question  
Score

This review period coincided with the first two years of the economic reform program agreed on with the IMF in May 2013. Decisions on public policy priorities, strategies and actions were influenced primarily by the structural benchmarks and targets required by the IMF agreement. The main external drivers would be international development partners such as the IMF and the World Bank, along with the leadership of the local political and business/financial elite. Within the government, the main driver is identified as the Minister of Finance and Planning who, it is reported, has withstood pressures - internal and external to the cabinet - to relax the austerity measures for fear of loss of political support midway through the five-year term of the government. Policy and legislative measures associated with ongoing fiscal consolidation, macroeconomic reforms and debt reduction dominated priorities, resulting in significantly reduced government spending and challenging the government's own efforts to maintain its commitments to protecting the poor and most vulnerable groups at satisfactory levels. There was little policy space to postpone strategic priorities in favor of short-term political benefits. It appears that the government is managing current reforms and strategic policy priorities effectively, that is, in accordance with targets set by the IMF agreement. However, it has not been able to identify a coherent and strategic path that will lead to the economic growth, which is key to the development of a market economy, while continuing to demonstrate its commitment to democracy and necessary sociopolitical safeguards. The principal critic of the government's policy has been the opposition party, which has acted with opportunism and provided no reasonable alternative. Organized trade unions have exercised restraint in their criticisms in part thanks to expected wage increases for 2015.

Prioritization  
7

Historically, Jamaican political leaders have a very poor record of consistent and effective implementation of their government's policies. There is a serious implementation deficit. Giving in only reluctantly to a broader governance process involving civil society and the business elite in a dialogue via inter-ministerial committees, or the use of consultants to provide evidence-based policy recommendations, did not generally induce any greater efficiency. A major exception was the EPOC, co-chaired by a business leader and including trade union and civil-society representatives; this was effective in helping the Minister of Finance in sticking to policy objectives.

Implementation  
7

Questions of capacity arise for both the political leadership and relevant public servants whose work is required for the effective implementation of policies. However, this review period coincided with the implementation of the first two years of a four-year Extended Fund Facility with the IMF. The determination to reach specific targets (priorities) required by this macroeconomic policy framework generated much disquiet and concern in some sectors, due to the anticipated short-term negative impact of the reforms. These sectors included small businesses, public servants constrained by wage freezes, vulnerable groups living in poverty, and big businesses threatened by the removal of incentives to which they had become accustomed. This period then, saw an increase in consultations between officials of the Ministry of Finance and some of those groups for whom the implications would be most significant, and who, the government concluded, needed to understand the importance of effective implementation of the relevant policies. Increasingly, there was an understanding that, given the size of an unsustainable debt, the country had to undergo certain structural and economic reforms as one plank of the process to achieve badly needed economic growth. From the perspective of the IMF, and in the business elite, passing seven consecutive quarterly tests was an indication of the effective implementation of the required policies, even though the government was also constrained in the implementation of some aspects of its policies for economic growth, social development and the reduction of poverty and crime. The ministers of education and agriculture, (the latter, until the time of his death) are perceived as “drivers,” visibly pushing forward a range of policy reforms within those sectors. During this period, also, the ministers with the portfolio of housing, transport, works, science, technology, energy, mining and justice are seen as the “drivers,” with some success. There has been some engagement with key non-government organizations in the governance process of areas such as the environment, gender and education. However, on several environmental issues, disappointment with the management of the national-level Partnership for Jamaica (PFJ) was considerable. The PFJ is a consultative process in which government ministers, led by the prime minister, participate in regular meetings around key economic and social issues attended by representatives of the opposition, the trade unions and, as a result of their lobbying, also civil-society groups.

Different governments have demonstrated different levels of willingness to engage in policy learning, but flexibility is limited. It is limited on the one hand by the political culture among elected officials and, on the other, by some bureaucratic traditions and practices found in the public sector that resist new policy learning and processes. Research is done, repeated consultations are held, and reports are written, but the resulting learning opportunities inconsistently affect the routines and the body of knowledge on which policies are based. A part of this deeper culture also means that a new political administration often changes policies for reasons other than “failure.” The main block to learning on the part of most politicians and civil servants is the deeply patriarchal and authoritarian culture that rules in Jamaica. As a result,

Policy learning

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they make little or no effort to learn what ordinary people on the ground think, say and practice. The changes they often implement are mostly those forced on them by global developments, especially in technology. Some younger politicians who read widely are more capable of learning. The limited horizons of most politicians is revealed in the recent statements of the prime minister and a former attorney general that they did not read the newspapers.

Some progress has been observed in some areas, where deeper understanding of global changes and their likely impact on Jamaica's development options have influenced the "policy learning" space. Such shifts are observed in telecommunications, agriculture (promotion and use of local products as opposed to imported goods for the manufacture of alcoholic beverages), and the introduction of tablets in primary schools. These shifts could also be related to more direct reference to and use of the VISION 2030 National Development Plan, in which achievement of the four agreed national goals and related outcomes required shifts in policy learning and implementation in light of a rapidly changing global environment.

## 15 | Resource Efficiency

The government makes efficient use of only some of its available human, financial and organizational resources. Concerns are persistently raised about the inefficient and uneven use of government administrative personnel, and the quality of services provided by government agencies. Reports of efficient, hard-working public servants with inadequate resources occur as frequently as reports about waste, poor management decisions and wasteful overlapping of tasks and functions. The executive (cabinet) is seen as too large, with too many ministries and confusing and competing overlapping of tasks, resulting in an inefficient use of limited financial resources. Vision 2030, a holistic national development plan, has been designed and endorsed by both political parties. If implemented as intended, this plan should address some of these persistent problems. This plan envisages a comprehensive, "joined-up" approach to the work of government, with clear policy frameworks and strategies identified across sectors, and spaces for more civil-society engagement. Under the IMF program, the government is committed to keeping the public-sector wage bill to no more than 9% of GDP, and there is an ongoing public-sector reform program that seeks to not only reduce numbers of personnel, but also improve efficiencies through reductions in overlapping tasks and targeted use of financial resources. The Public Services Commission is charged with the responsibility of using competitive recruiting procedures and is also the institution through which public servants can seek redress against perceived unfair dismissals. Allegations exist about politically motivated dismissals and appointments of public servants, but access to accurate information on such matters is difficult.

Efficient use of  
assets

5

In the last decade or so, some government agencies have been converted into “executive agencies” that have to fund their operations primarily from revenue earned from fees paid by the public for services provided. These agencies have increasingly used modern technologies for delivering improved services and accessing and storing data. Some of these, for example the Passport, Immigration and Citizenship Agency, the National Housing Trust, the National Land Agency and Tax Administration Jamaica, have shown improved efficiencies. The inefficient use of budgeted resources by several government agencies is generally a concern, as revealed in the annual and publicly reported statements to Parliament by the auditor general, who provides independent auditing of government ministries, departments and agencies. These audits frequently reveal weak accountability of funds spent, high deviation of actual budget expenditures from originally planned expenditures, but few reports of enforced penalties. Local government reform efforts in recent years have provided for some legal and financial autonomy for local government authorities, including the collection of property taxes and the use of these funds for local infrastructural and social-welfare programs. Many of these local offices still lack effective, professional management skills on the part of both the political actors and the local government staff (civil servants). Decisions made by a central national authority, without effective consultation with the local authorities often results in the inefficient use of scarce resources, poor implementation levels, undermining of the authority of these local authorities, and high levels of citizen dissatisfaction.

The local-government reform process was advanced through the passage of the Municipalities (Validation and Amendment) Act in 2014. In addition, legislation to enshrine local government in the constitution, up for approval in 2015 in the House of Representatives, will grant local government more authority, thereby making it more difficult for future administrations to limit local government autonomy.

The government has repeatedly failed to coordinate between conflicting objectives. This failure is sometimes related to the influence of special-interest groups on certain policy decisions that undermine policy objectives in other areas (e.g., powerful business interests that make contributions to campaign financing of both political parties). In the case of Jamaica, there are also conflicts between different departments that are either created by Parliament or by provisions of the constitution, when differing interpretations of their respective mandates lead to conflict that affect policy decisions. For example, the Office of the Contractor General (OCG), which is created by a parliamentary statute, carries out investigations into perceived irregularities in the procurement of government contracts, and makes recommendations for criminal proceedings to start against the persons involved. The Office of Public Prosecutor, which is a creature of the constitution, may not agree when the Director of Public Prosecutions acts on his/her own assessment of evidence presented, and comes to a decision, independent of any other public authority. For the government to successfully resolve conflicts like these that undermine policy coordination, the

Policy  
coordination  
6

mandate under law of one or the other of these public bodies would have to be changed. Conflicting positions of the Ministry of Energy and the relevant regulating body, the Office of Utilities Regulation, recently negatively affected the development of an urgently needed energy policy to secure alternative cheaper sources of fuel. To resolve the problem, the government then established, under party stalwart Dr. Vin Lawrence, the Energy Sector Enterprise Team, which has come up with a range of alternatives. Attempts at coordinating objectives into a coherent policy were made by the establishment of an Inter-Ministerial Committee to fulfill the government's commitments to children who are wards of the state. Ministries of Youth, Justice, Health and Education all have some portfolio responsibility that affects how government policy should be implemented with respect to children's needs, which fall under the Child Care and Protection Act.

The government is only partly willing and able to contain corruption. Auditing of state spending is carried out by a respected agency, the auditor general, with reports carried publicly in the media. However, reports rarely lead to any action taken against public servants or political leaders, as the authority to do this rests with other government agencies. Recommendations for the registration of political parties, and for state support for parties' organizational work, that were presented to Parliament by the Electoral Commission of Jamaica were finally approved, and will now lead to the crafting of the relevant legislation. However, the matter of legislation with respect to campaign financing is still outstanding and is to be addressed in a separate bill, based on the recommendations of the Electoral Commission of Jamaica. These await final discussion and endorsement by Parliament to initiate the process of developing the legislative and regulatory framework for campaign financing.

Reform of an archaic Defamation Act has taken place. This reform shifted the burden of proof of defamation (or libel) onto the plaintiff (previously it would have rested with the journalist); reduced the period of time during which a claim can be made to three years; accepted the use of third-party information as a defense; and affirmed that a judge alone, rather than a jury, can hear a case. This is important in relation to information that the media seeks to reveal about alleged cases of corrupt and/or criminal behavior by politicians and senior public servants. Citizen access to information is greatly enhanced by the Access to Information Act, which is used increasingly to great effect both by individuals and civil-society organizations.

Officeholders, both public servants and politicians, are required to make declarations to the Parliamentary Integrity of Members Commission (PIMC) with respect to personal assets (including assets of spouses) and conflict-of-interest issues related to contracts with government agencies. Occasional press reports of parliamentary sessions do refer to the settlement of conflict-of-interest matters. The majority of politicians are reported to be in breach of their declaration of assets requirements. Legislation for the establishment of a stronger, effective Single Anti-Corruption Commission did not take place. Therefore, the country's anti-corruption policy is led

Anti-corruption  
policy  
4

primarily by the OCG which has had some success in exposing fraudulent contractors and contracts, and in reforming the list of approved contractors to include only persons and companies that qualify. However, there are frequent reports about the length of time such assessment and final approval takes, which has resulted in substantial loss of income for some legitimate contractors. Legal battles continue between arms of the government; for example, the Ministry of Transport and Works, the Cabinet Office and the OCG in a court case that remains unresolved.

## 16 | Consensus-Building

There is general consensus on democracy as long-term goal. However, Don Anderson November 2014 polls reported that 40% of those polled “definitely (would) not” vote if elections were called at that time, while 29% said they would definitely vote and 15% were not sure. The most popular reason given for not voting was that neither party had been able to improve the quality of life or provide basic necessities. The majority of Jamaicans defend the notion of democracy in principle, but question certain policies, practices and decisions that seem to undermine this principle, or undermine many aspects of their right to a decent standard of living.

There is also a general consensus on market economy as long-term goal, but differences exist over the strategic priorities, not only toward a balanced budget, fiscal consolidation and debt reduction, but also for economic growth and sustainable human development. For example, fiscal policy is driven by austerity and consolidation as central factors for the macroeconomic reform necessary for the development of the market economy. Differences are expressed about the need for such severe austerity, and the long period of consolidation; or a policy that diverts resources to improve business confidence to attract investment, without a clear indication of whether or not such investments will lead to growth and increased employment. The lived experiences with previous IMF structural adjustment programs do not inspire confidence that, in spite of the severe conditionality, the policies being implemented will lead to economic growth and also create adequate employment and help to overcome poverty. There is lack of consensus among ordinary citizens and vulnerable groups on the one hand, and the business and social elite and main political actors on the other about how the burdens of adjustment (e.g., no wage increase) to macroeconomic reforms must be shared. As the gap between the wealthiest and poorest groups widens, poor, vulnerable groups increasingly question why powerful interest groups and economic actors with political clout benefit more from the developing market economy.

Consensus on goals  
9

Reformers can successfully exclude or co-opt most actors with anti-democratic interests. The principal challenge came from organized criminal networks that had access to impressive human and financial resources through global and hemispheric connections. These networks are essentially anti-democratic and could have increased their influence at the local community and national levels to gain wider control. To date, this threat has been successfully contained. A commission of enquiry is currently under way to determine the respective roles of the Jamaica Defense Force (army), the Jamaica Constabulary Force (police), and gangs of organized gunmen in a security operation in May 2010 in Tivoli Gardens, which ended with at least 76 deaths. Through that operation, the security forces were able to disrupt (but not entirely dismantle) the criminal network that was based in Tivoli and has been closely allied to the current opposition party.

Anti-democratic  
actors  
9

The political leadership prevents cleavage-based conflicts from escalating. Both main political parties have traditionally included in their ranks most social groups, generally reflecting the societal makeup but perpetuating leadership along traditional lines of race, class and gender divides. In recent times, political tensions along these divides and between parties have decreased, as the respective leaderships have distanced themselves from conflict, and encouraged more civil, non-confrontational partisan and intra-party rivalry.

Cleavage /  
conflict  
management  
7

The political leadership permits civil society participation, although with limited impact on final outcomes. There is a noticeable difference in the different levels of acceptance and accommodation given to different civil society groups, depending on the social status and economic or business influence of the group. It is well-known that powerful business interests have more influence in agenda setting and policy formulation than other civil society groups, and would naturally be more involved in high-level deliberations and decision-making. A Partnership for Jamaica has been established, and, in the agreement governing its operation, all partners including the government committed themselves to “transparency, accountability, integrity, genuine consultation, thoughtful people-centered action, rather than short-term political imperatives.” It is headed by the prime minister and includes a governance committee that is supposed to guide the resolution of breaches of the agreement committed by any partner. In 2014, this commitment was broken by the government, first in a number of environmental matters, then later when it defended the actions of the National Housing Trust, which had abused its mandate by using contributor funds to purchase a failing private company. A consensus between key civil-society partners - private sector, women’s organizations, religious, environment and human-rights groups - brought sufficient pressure on the government that it had to promise to address some of the more serious breaches. The environment group had already withdrawn, while the women’s representatives suspended their participation in the discussions, but not from the membership of the PFJ.

Civil society  
participation  
6

With respect to social/moral issues such as gambling and abortion, the umbrella groups of the main religious organizations are influential. In science and technology, there are signs that scientists and researchers are now more closely involved in policy formulation (e.g., extraction of rare earth minerals from bauxite residues and the use of indigenous plants like marijuana in the production of some nutraceutical products). The general concern is that civil society participation in consultations does not sufficiently influence agenda setting or policy formulation. Although the political leadership permits civil society participation, the interests of most civil society actors are not accommodated in equitable or balanced ways.

Unsettled injustices are not an issue in Jamaica's more recent past. Major historical injustices in Jamaica are associated with slavery, post-emancipation and social and political uprisings in the early 20th century. One outstanding and unresolved issue, however, relates to the deaths of 76 persons, including three members of the security forces, during the violent confrontation between state security forces and organized criminal gangs in parts of the capital, Kingston, in May 2010. A report from investigations carried out by the Office of the Public Defender did confirm the number of persons killed, the extent of physical abuse of community residents by some security officers, and also the extent of destruction of personal property. Questions were also raised about the apparent extra-judicial killing of young men. The lack of a full and proper investigation is seen as an act of injustice, and a denial of the human rights of not only the victims, but also of the families and communities that were most directly affected. It is hoped that the commission of enquiry currently investigating will provide answers to many outstanding questions, including ballistic reports on weapons used and by whom.

Reconciliation  
n/a

## 17 | International Cooperation

The political leadership tries to use international assistance as part of its own development agenda, guided by the Vision 2030 National Development Plan, but has clear deficits in devising a consistent long-term strategy that could integrate this support more efficiently. Much international assistance is provided through projects (although sometimes programs) with finite, if not sometimes too short, timelines for effective implementation, to the full benefit of specifically targeted communities and individuals.

Effective use of  
support  
8

Given the implementation weaknesses that exist, devising a strategy for ensuring policy coherence across sectors and projects funded by different partners on a long-term basis remains a challenge. Conditions and requirements of international development partners also help to reduce the temptation to rely on short-term expediencies and policy inconsistencies associated with the five-year election cycle. There are increasing signs that the requirements of international development partners for adherence to principles such as gender equality, transparency and accountability has resulted in the inclusion of such principles in the government's own policy development strategies.

The government mostly acts as a credible and reliable partner. The demonstrated commitment of the current government to adhere to the requirements of the ongoing IMF agreement has gone some way toward re-establishing the country's reliability in the eyes of other international development partners such as the World Bank and the European Union. Failure to fulfill the conditions of an IMF agreement by the previous government in 2010 – 2011 had led to a “trust deficit” between the IMF and the previous government. The inability of Jamaican governments (past and present) to firmly take on and reduce corruption, which causes a massive loss of financial resources, is noted by international development partners as one of the more powerful constraints on the country's ability to achieve economic growth. Another though less powerful constraint on becoming a credible partner is the state's reluctance to fully incorporate civil society in its decision-making.

Credibility  
8

The political leadership actively builds and expands cooperative neighborly and international relationships. As different governments ascribe different levels of priority to such relationships, levels of success achieved will depend on the government in power during a particular period. During the period under review, the current government strengthened relations with traditional partners (U.S., European Union, CARICOM) through bilateral, regional and multinational trade and investment agreements. A focus has been maintained on improving relations with Caribbean and Latin American countries, especially Cuba, Venezuela and Brazil. Overall, the governments of Jamaica have cooperated with neighbors in international and regional organizations and have promoted regional integration.

Regional  
cooperation  
9

## Strategic Outlook

At this time of economic transformation, the country's policy options are few, as the current debt is unsustainable with debt servicing accounting for nearly 50% of total budgeted expenditures. The government has inadequate resources to deal comprehensively with the key root obstacles to the social and economic human development needs of the majority of people. Severe social inequalities persist that constrain the ability of the poor to access most opportunities that might exist as the economy undergoes market reforms. The costs of corruption and violence are especially burdensome on the public health system, the malfunctioning of which impacts the ability of the poor to access basic health services, on which the most vulnerable groups are dependent, in most parts of the island. With increases in poverty and continued high levels of unemployment generally, but especially of women and youth, social exclusion is the dominant feature of the lived experiences of significant parts of the Jamaican population.

The main challenge is how to reduce the debt, through fiscal consolidation and reform of the public and financial sectors. Meeting this challenge is vital for improved efficiency, competitiveness, and economic growth in a global market that is unyielding in its demands for openness and high levels of productivity and competitiveness. This global market is also not inclined to acknowledge the real constraints and vulnerabilities faced by small island developing states (SIDS) like Jamaica.

Strategies are required that target social exclusion and ensure that consultations that are transparent, respectful, meaningful and broad-based take place with the objective of building consensus about the dangers that the country faces if high levels of poverty, unemployment and crime are not substantially reduced. These could be complemented by actions that affirm the values of the stable, bipartisan parliamentary political system that exists, and also demonstrate how extending its reach and impact, beyond narrow, partisan tribal approaches could improve citizens' access to such opportunities that might become available as the market economy is developed. A deeper understanding is necessary about the importance of sharing the burden of the structural adjustment that the economy is undergoing, and about the right of all social groups to benefit on more equal terms from economic growth and development. Consensus-building processes need to be ongoing, taking into account the various overlapping and interconnected reforms that are taking place, some of which are driven by developments in the global political economy.

The limitations imposed by a massive debt and by the demands of fiscal prudence can only ultimately be met by a substantial increase in the country's production of goods and services. This especially calls for the growth of micro and small businesses, which are the real generators of the jobs needed to fill the employment gap. Agriculture is a sector badly in need of small businesses and offers the opportunity for young men and women to use greenhouses and other recent technologies. The business sector, on the whole, as its confidence in the economy increases, has an obligation to do much more to invest in and grow the productive sectors of the economy.