

# BTI 2014 | Jamaica Country Report

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This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2014. It covers the period from 31 January 2011 to 31 January 2013. 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	0.730	GDP p.c.	\$	-
Pop. growth <sup>1</sup>	% p.a.	0.2	HDI rank of 187	85	Gini Index		45.5
Life expectancy	years	73.1	UN Education Index	0.748	Poverty <sup>3</sup>	%	5.4
Urban population	%	52.2	Gender inequality <sup>2</sup>	0.458	Aid per capita	\$	3.9

Sources: The World Bank, World Development Indicators 2013 | UNDP, Human Development Report 2013. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

## Executive Summary

As part of a free and fair election process, Jamaica experienced a smooth transition from a government led by the Jamaica Labor Party (JLP) to one headed by the People's National Party (PNP) in December 2011. 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, with more trust being shown for the army than for political parties.

The most important action in the country's development and support of democracy would be the consolidation of an inclusive, democratic governance process that would complement and enhance the narrow representative capacity of the bipartisan parliamentary system. The main political and economic actors have continued to resist this enhancement, despite calls from increasingly proactive civil society groups. A consolidation would provide "space and voice" to accommodate the legitimate concerns and interests of social groups which are presently excluded from meaningful political participation. Apart from voting in national elections every five years, the voices of such groups are absent from the centers of power and decision-making. The lived experiences of these groups also 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 multisectoral civil society coalition, a coalition of women's organizations, and other loosely organized groups of community-based organizations, along with a traditionally free press, are increasingly providing important spaces for the expression of concerns and views of diverse civil society interests. While this is an important development and re-affirms the tradition of civic participation in public life, there is a genuine concern about the dominance of powerful private sector interests. Threats to the sustained deepening of the democratic process from organized

criminal networks are present and real, as after a period of reduced activity they have begun to reassert themselves.

Efforts at reducing an unsustainable debt burden while developing a market economy equipped with essential sociopolitical safeguards are challenged by severe fiscal constraints, moderate institutional strength and structural deficiencies in the economy. The benefits anticipated from the 2010 Jamaica Debt Exchange have not materialized, the breakdown of a former IMF agreement, now result in even more stringent prior actions. Macroeconomic reforms required for an IMF Standby Agreement focus on adjustments toward a balanced budget, with fiscal reforms and debt reduction. At January 2013, the government's capacity to meet its debt obligations, the resources for adequately funded social safety nets and social and physical infrastructure was more at risk. The government's own policy commitment to reduce poverty is at risk of not being honored, especially in light of the country's slow recovery from the effects of the global economic crisis and the delay in securing the IMF agreement. The corrupting influences of the nexus between political and economic actors and organized crime constrain the efficient and effective use of state resources. These are resources which would otherwise be available for the creation of adequate social infrastructure and social safety nets and contribute to the growth of the economy. Small increases in reported rape are evident alongside small decreases in murder and robbery. But overall the high incidence of violent crime and high unemployment, especially among women and youth, are seen by the population as the most pressing problems facing Jamaica.

## History and Characteristics of Transformation

The historical legacies of slavery and plantations led to an open, import-dependent, monoculture economy as well as the formation of a 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, continuous development from early representative institutions to today's democracy. Jamaica held its first general election with universal adult suffrage in 1944. In that election, the people elected a legislative council with national legislative power, followed by a phase of self-government and full sovereignty in 1962. 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 People's National Party (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 June 2003, the opposition JLP took control of the local government political machinery and in 2007 won the general election. The PNP won the general election in December 2011, and the local government election in March 2012.

Researchers classify Jamaican democracy as patronage-based, a system in which citizens, especially those in lower-income groups, are integrated into politics through regular elections and

patronage-based dependent relationships with their political parties. Patronage-based democracy results in the breach of customary democratic rules and freedoms via the dominance of one party in some constituencies, particularly in the capital, Kingston. 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 800 people died during that year's election. 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, cooperated with the United States. Reforms of the electoral system, such as the formation of the independent Electoral Commission of Jamaica in 2006 and stricter procedures on election day, before and during national and local elections, have removed opportunities for electoral fraud, with no reported incidences of political violence in recent elections.

The JLP and PNP pursued different economic development strategies concerning economic transformation. 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 pursued a development policy based on dependency theories and democratic socialist ideas, in which the government plays a dominant role in the economy. Increased indebtedness and fiscal deficits forced the PNP to enter into an IMF agreement in 1977. In the end, neither strategy eliminated mass poverty; both, in fact, resulted in economic decline. Since the end of the Cold War, both parties' political positions have converged toward the center, which reflects the influence of the dominant trends in the global political economy. In the 1980s, the JLP deepened the IMF relationship, pursued market-oriented economic policies and implemented structural adjustment programs of liberalization and privatization. The structural adjustment policies of the IMF and other multilateral lending agencies have dominated the macroeconomic development of the country since that time. During its 18 years in power and influenced by the WTO and international financial institutions, the PNP governments concentrated on adapting Jamaica's national economy to the global political and economic framework. Since the 1990s, liberalization of the economy has continued apace, with important structural and beneficial changes to the telecommunications, financial services and tourism sectors, and with significant growth of the informal economy. From 2007, the JLP government continued in this direction, and some important objectives have been achieved. For a large part of the last two decades, market reforms and structural adjustments have been accompanied by negative growth, large fiscal deficits and an unsustainable debt burden, in a society characterized by endemic social exclusion, high levels of poverty, gender inequality and organized crime. The stable parliamentary democracy which exists lacks the capacity to embrace an inclusive governance process which reflects the legitimate concerns of social groups who are presently excluded from meaningful political participation.

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

The state's monopoly on the use of force in Jamaica is established nationwide in principle, though some problems remain in a few political constituencies in the capital, Kingston, and in a few rural parishes. In these "garrison communities," drug and gun trafficking by organized criminal networks play an important role. Local party leaders, many of whom are alleged to have connections with criminal networks and the drug trade, rule these communities. The emergence of transnational and regional networks, and their interconnectedness with local organized-crime networks, hampers the ability of law enforcement agencies to implement crime control responses that both respect human rights and are effective.

The large majority of the population accepts the nation-state as legitimate, and all Jamaicans do enjoy the right to acquire citizenship. However, deep-rooted social inequalities undermine the freedom to fully exercise citizens' rights, which sometimes borders on discrimination (see "civil rights") based on disability, gender, sexual orientation, place of birth/residence and race.

The state is largely secular. However, religious dogmas advanced through influential conservative religious leaders (e.g., Lawyers for Christ) have considerable influence on legal order and political institutions. For example, discussions of the Joint Parliamentary Committee on the subject of decriminalizing abortion were not completed; no final decision was made after interventions before the committee; and a powerful media campaign was carried out by such a group. Also, the leadership of political and social institutions continues to be influenced by a political culture in which traditional Christian dogma promotes male leadership, style and practice, as the accepted norm.

The administrative structures of the state provide most basic public services throughout the country, but their operation is to some extent deficient. Deficiencies exist in underequipped and understaffed health clinics and schools in poverty-stricken

Question  
Score

Monopoly on the  
use of force  
8

State identity  
10

No interference of  
religious dogmas  
9

Basic  
administration  
8

urban and rural areas. The administrative structures which govern communication, transport and basic infrastructure (water, education, health) are situated in regional centers which limit access by citizens, especially in the absence of effective public transport services. The administration of justice is managed through parish capitals, and the absence of reliable public transport constrains access in rural areas. Lack of resources (human and financial), corruption, and weak, time-consuming administrative practices are evident in parts of the justice system.

## 2 | Political Participation

Generally, when multiparty elections are held, they are free and fair as well as free from fear. However, campaign financial contributions from special interest groups influence the overall scope and impact of party campaigns at times, and access to the media is determined by the availability of funds. So there are some constraints on the fairness of elections with respect to campaigning and media access; these constraints have been criticized by some sectors of civil society. It is anticipated that this unfairness will be addressed through legislation recommended by the independent Electoral Advisory Committee, which is expected to be tabled in the House of Representatives in Parliament by July 2013.

Free and fair  
elections  
9

Democratically elected political representatives have considerable power to govern. However, individual power groups, related most times to the size of financial contributions to party campaigns or to the relative dominance in a critical sector of the economy, such as tourism or banking, can considerably influence special-interest policies. There is the perception that extensive lobbying by powerful special-interest groups does undercut the democratic process, but in the absence of legislation which requires full disclosure of financial contributions to political parties as well as individual candidates, it is difficult to prove.

Effective power to  
govern  
9

Association and assembly rights are unrestricted for individuals and independent political or civic groups within the basic democratic order.

Association /  
assembly rights  
10

Freedom of expression is unrestricted for citizens, groups and the press within the basic democratic order. However, a libel law does exist which constrains the media from releasing information about state officials which may be considered libelous. This law is enforced from time to time, and journalists are obliged to practice self-censorship. Plurality of opinion does generally exist, although the views of the economic and political elite often dominate the major news outlets. The 2013 Press Freedom Index released by Reporters Without Borders ranked Jamaica 13th worldwide, replacing Canada as the country with the greatest level of press freedom in the hemisphere.

Freedom of  
expression  
10

### 3 | Rule of Law

The separation of powers generally is in place and functioning. However, partial or temporary restrictions of checks and balances occur, but some delays take place while a restoration of balance is sought often through civil society activism. In respect of subjection of state power to the law, prior to the establishment of the Office of the Contractor General (OCG) which, by statute, monitors the design and implementation of contracts entered into by government agencies to ensure transparency and use of correct procurement procedures, ministers or ministries would sometimes use the power of their office to facilitate the awarding of improper contracts. The OCG has challenged many such decisions, resulting in the loss of some contracts or in a legal challenge from a minister questioning as to the power of the OCG to take such action. In one case, the court ruled in favor of the OCG, and there maybe another case pending in which the power of the cabinet to withhold information from the OCG will be challenged.

Separation of  
powers  
8

The judiciary is independent and free both from unconstitutional intervention by other institutions and mostly also from corruption. Mechanisms for judicial review of legislative or executive acts exist and are utilized. There are no reports of any members of the judiciary being charged with corrupt actions or behavior. There are well-publicized cases of attorneys accused of corrupt actions, according to the Legal Council of the Jamaican Bar Association, and subsequently, debarred and prevented from practicing in Jamaica. However, some organizational deficiencies, such as a growing backlog of cases and staff shortage at all levels, hamper a well-functioning justice system. Consequently, citizens' trust in the judicial system is not very high. According to the Latin American Public Opinion Project's (LAPOP) Americas Barometer 2012, only 52.6% of those polled confirm that they trust the justice system, while support for the rule of law as such is highest in the Americas, at 74.9%.

Independent  
judiciary  
9

Office holders who break the law and engage in corruption are not prosecuted adequately under the law, but occasionally attract adverse publicity. The Office of the Contractor General (OCG) aggressively seeks to expose corrupt practices but does not have the power to prosecute under the law. The Director of Public Prosecutions (DPP) receives recommendations for prosecution from the OCG, but the DPP has the absolute authority to decide if these recommendations are "prosecutable" under the law. Determination of the magnitude of this problem would require extensive research into the records of either or both the OCG and the DPP.

Prosecution of  
office abuse  
5

Civil rights are guaranteed, but are partially or temporarily violated or are not protected in certain parts of the country. Mechanisms and institutions to prosecute, punish and redress violations of civil rights are in place, but often prove to be ineffective. Citizenship rights of certain social groups are particularly vulnerable, such as women whose sexual and reproductive health and rights are compromised by

Civil rights  
7

a law which criminalizes abortions, women and men whose lifestyle choices result in constraints against their freedom of association, and subjects them to verbal and physical harassment, young black men living in poverty who are sometimes subject to physical harassment and loss of life in controversial shootings by members of the security forces. Women face systemic gender discrimination in a culture in which male leadership is the accepted and dominant norm in political parties, public and private sector boards, trade unions, churches and leading financial and business organizations. The presence of a female prime minister has not changed this reality. In a highly sexualized society in which violent sex is promoted by sections of the popular culture, women and girls are particularly vulnerable, and reported cases of rape are frequently not treated with the seriousness they deserve by some members of the security forces and officials responsible for the administration of justice. Women's and girls' access to redress for violations of their rights (in cases of sexual offences) and to a speedy and fair trial is seriously constrained. Increasingly, young boys also face this problem due to the pressures from a generally homophobic society which does not encourage the reporting of sexual offences against boys and men, for fear of stigmatization.

#### 4 | Stability of Democratic Institutions

Democratic institutions perform their functions in principle, but are inefficient due to poor implementation and enforcement of political decisions. Decisions made as a result of reviews done by the appropriate authorities are sometimes not implemented, for example, when there is a change of the governing party, as a result of elections. Despite some reform of the local government system, decisions regarding the use of tax revenues (e.g., property taxes) collected by rural local authorities are still made by central government. This is frequently the cause of friction between central and local government, when local counselors are bypassed or not properly consulted about the use of funds in their own local divisions, for their constituents.

Though all democratic institutions are in general accepted as legitimate, this legitimacy is somewhat questioned in view of the ability and/or the willingness of the political elites to engage in dialogue which is mutually respectful and meaningful. In conditions of increasing levels of poverty and social exclusion, the leadership and members of civic associations, religious, women's and youth organizations call now and often for a more, broad-based democratic governance process to cut across the bipartisan democratic parliamentary system and enhance it, as well as acknowledge as legitimate the groups' calls for more a transparent and inclusive process. The lived experiences of these groups also lead to charges that the current democratic system is unable to ensure that they can exercise their full citizenship rights.

Performance of  
democratic  
institutions

8

Commitment to  
democratic  
institutions

9



## 5 | Political and Social Integration

The party system is stable and socially rooted and it is able to articulate and aggregate societal interest with low fragmentation and low voter volatility. However, each of the two main parties is able to maintain a base of approximately 30% of the popular vote, mainly through clientelism; hence the low voter volatility. The percentage of registered voters who are no longer interested in either party averages around 40%. A third party has not been able to break into the political culture dominated by the two main parties, therefore fragmentation is low.

Party system  
9

There is an average range of interest groups, which reflect most social interests. In addition to a diverse group of professional groups and societies which speak to their own interests, key civil society groups have merged into two coalitions which, for the most part, present consensus positions on a range of issues. The Jamaica Civil Society Coalition (JCSC) and the 51% Coalition have emerged as governance processes which are now recognized and acknowledged as credible and active in their respective spheres. The JCSC, two years old at the time of writing, promotes dialogue and develops consensus positions among a range of civil society groups, including private sector umbrella organizations, trade unions, faith-based umbrella groups, the Jamaican Bar Association, human rights' groups, women's organizations, environmental NGOs, community-based organizations, academia and persons attending in an individual capacity. This group is the core of what is now "an emerging civil society consensus" to strengthen Jamaica's democratic political system, promote good governance, reduce corruption and reinforce the rule of law in a human rights framework. However in this process the stronger, more articulate groups, such as influential private sector organizations and certain human rights groups, tend to dominate the discussions, and the voices of inner-city groups and women are underrepresented. The 51% Coalition represents 11 women's organizations that work together, promoting the use of quotas to address the underrepresentation of women at all levels of decision-making in the wider society, and work toward gender equality. This coalition has a broad representation of women across social groups, from domestic workers to rural women, to female community leaders and business and professional women. There appears to be an increasing degree of cooperation between different groups, but no attempts to undermine democracy or civil society.

Interest groups  
7

Approval of democratic norms and procedures is fairly high. In January 2012, the People's National Party (PNP) formed a new government, having secured 53% of the popular vote and 42 out of 63 seats in Parliament. The Electoral Office of Jamaica reported that of the 1,648,036 electors on the official voters list, 53% voted. The previous JLP government's slim majority of four parliamentary seats in 2007 was based on a vote of 61.46% of electors on the list, leading some analysts to describe

Approval of  
democracy  
7

this trend as a growing “participation and confidence deficit” in Jamaica’s democracy and governance processes. Riding on this wave of popularity, in March 2012, the PNP also won local government elections, with victories in 152 out of 228 parish council divisions, securing the seats of all 14 mayors. The lack of voters’ interest in national elections can be interpreted as an increasing sign of dissatisfaction with the bipartisan political system, and the democratic process which this supports. Among the hardcore supporters of each of the two main parties, the perceived and often real benefits to be derived from this bipartisan political system contribute to their support for the associated democratic norms and procedures.

A research project called “Political Culture of Democracy in Jamaica 2010” carried out jointly by the United States Agency for International Development (USAID), the University of the West Indies, Mona Campus, and Vanderbilt University reported on a composite indicator which is designed to capture the key dimensions of support for the political system. Looking at the items individually, only support for the political system and confidence in the country’s political institutions received average scores above the 50-point mark. Respondents’ evaluation of the extent to which basic rights are protected and their pride in the political system obtained scores of below 45 points and the resulting system support index was just under 49 on a 100-point scale. There appears to be a high level of support for the notion of democracy yet low satisfaction with the performance of democracy as experienced through some institutions outside of the formal political/party system. It is instructive that the report also notes that citizens’ assessment of the extent to which the political system protects the basic rights of citizens was the most unfavorable for the three rounds of surveys (2006, 2008 and 2010) which raises questions about the efficacy of the nation’s human rights instruments and institutions in the guaranteeing of citizens’ basic rights and privileges. This same 2010 report also revealed that the level of confidence and trust in public institutions among Jamaicans is generally low. Of the 11 organizations observed in the survey, only four organizations received average support of above 50 on the 100-point scale. The army (65.9) and the mass media (60.9) enjoyed the highest level of trust, while elections (43.2), parliament (40.2) and political parties (33.5) and police (32.6) enjoyed the lowest. Institutions receiving marginally above 50 points were the Electoral Office and Supreme Court.

Outside of the more rigid 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 class and racial lines. 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-teachers’ associations, community-based groups and environmental and women’s organizations. This is likely a result of the increasingly difficult economic situation and of fewer resources to keep organizations

going. This increases the likelihood that organizations become unevenly distributed and temporary, even while they try to remain autonomous and self-organized.

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Question  
Score

Poverty and inequality are pronounced and partly structurally ingrained. The International Monetary Fund (IMF) stopped reviewing the Jamaican economy and disbursing any funds in January 2011 after a breakdown in relations with the previous government of the Jamaica Labor Party (JLP). The JLP faced the dilemma of challenging a decision of the Supreme Court which ruled in favor of the payment of back wages owed to public sector workers, or fulfilling the “prior condition” of the IMF to reduce the public-sector wage bill, as part of an overall public sector reform program. The JLP chose to respect the decision of the court. This break in relations with the IMF meant that other multilateral organizations all curtailed spending in 2011. This reduction in external funding to an economy which had experienced negative growth for several years and only 1.5% growth in 2011, resulted subsequently in a lack of public investment and a further contraction of the economy, with increases in poverty levels and unemployment, both key determinants of social exclusion experienced by poor and vulnerable groups. The subsistence/informal economy accounts for approximately 40% of economic activities (according to an Inter-American Development Bank (IDB) 2006 report).

Socioeconomic  
barriers

5

The People’s National Party (PNP) which formed the new government in January 2012 was faced immediately with the challenge of crafting a new agreement, shaped by the macroeconomic reforms demanded by the IMF and with a contracting economy and a population riding on the tide of popular expectations associated with a victorious election campaign. The country’s policy options are few, as debt servicing accounts for nearly 50% of total budgeted expenditures, and the Government of Jamaica (GOJ) has inadequate resources to deal, comprehensively, with the key “root” obstacles to human rights and human development. For example, the Planning Institute of Jamaica’s review of economic performance from May 2011 indicated an increased poverty rate of 17.6%. 2012 data indicates a national unemployment rate of 12.8% (July), and a female unemployment rate (16.7%) almost twice that of the male unemployment rate (9.6%). Severe social inequalities persist which constrain the ability of the poor to access any opportunities which might exist as the economy undergoes market reforms. For example, the 2010 Jamaica Survey of Living Conditions reported that in 2008, only 50% of persons who applied to the Program of Advancement through Health and Education (PATH) program did

receive a benefit, that the poorest two quintiles accounted for 69.7% of recipients, and that four-fifths of the population had no form of social protection. It also reported on persistently high rural poverty in 2009, with 77.6% of PATH recipients living in rural areas. The costs of corruption and violence are especially burdensome on the public health and education systems, the malfunctioning of which impact the ability of the poor to access the basics in adequate health and education, on which the poor and vulnerable groups are dependent. The country reports almost universal enrollment of both girls and boys at primary level of education. There is no reported exclusion as a result of ethnicity or religion.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	12068.7	13202.9	14425.9	<b>14839.9</b>
GDP growth	%	-3.5	-1.5	1.3	<b>-0.3</b>
Inflation (CPI)	%	9.6	12.6	7.5	<b>6.9</b>
Unemployment	%	11.4	12.4	12.7	-
Foreign direct investment	% of GDP	4.0	1.4	1.2	-
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-1127.5	-934.0	-2063.2	<b>-1904.8</b>
Public debt	% of GDP	139.4	140.8	141.5	<b>146.6</b>
External debt	\$ M	11122.0	14193.1	14349.9	-
Total debt service	\$ M	1487.1	1188.9	1648.6	-
Cash surplus or deficit	% of GDP	-9.4	-5.8	-5.1	-
Tax revenue	% of GDP	27.1	26.5	25.6	-
Government consumption	% of GDP	16.5	16.1	16.0	-
Public expnd. on edu.	% of GDP	6.2	6.4	-	-
Public expnd. on health	% of GDP	2.8	2.9	2.7	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.9	0.9	0.9	<b>0.9</b>

Sources: The World Bank, World Development Indicators 2013 | International Monetary Fund (IMF), World Economic Outlook 2013 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2013.

## 7 | Organization of the Market and Competition

The informal sector is assessed (December 2006 Inter-American Development Bank (IDB) study) to be 43% of official GDP, which is significant. State intervention was reduced with the divestment of Air Jamaica, and the sale of the three remaining government-owned sugar factories to Chinese interests. The sale of Clarendon Alumina Partners is being actively pursued. Institutions actively involved in regulatory and monitoring functions include the Fair Trading Commission (FTC); Consumer Affairs Commission (CAC); Bureau of Standards Jamaica (BSJ) and Trade Board (TB). 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. Market competition has a growing institutional framework, but with uneven rules for market participants. The general business environment in which microenterprises and small enterprises operated has deteriorated, as evidenced by the fall in Jamaica's position from a rank of 85 (2012) to 90 among 185 economies surveyed in the World Bank's 2013 Doing Business Report.

Market-based  
competition

5

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 one telecommunications provider to buy out a smaller provider and so doing, assumes dominant market position in the provision of cell phone and related services. A second example is the continued monopoly on energy distribution enjoyed by the foreign-owned Jamaica Public Service Company. Though recently much debated, this company still has multidecade, 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

5

Broad trade policy and development goals are set within a number of policy frameworks, notably regional trade policies in the context of the Caribbean Community and Common Market (CARICOM), a new trade policy being designed, the current national development plan (Vision 2030-Jamaica) and the 2009 National Export Strategy, as well as in the WTO framework. Jamaica is an original and active member of the WTO and is a strong supporter of special and differential treatment for developing countries within the WTO and Doha Development Agenda (DDA) negotiations. Jamaica grants at least most favored nation treatment to all trading partners.

Liberalization of  
foreign trade

8

Foreign trade is liberalized in principle, with exceptions being reduced while differentiated tariffs and privileged treatment for some domestic sectors or industries still remain. Jamaica imposes no taxes or quantitative restrictions on exports and has a number of tax incentives that attempt to encourage exportation. Jamaica's relations with its main trading partners in the United States, Canada and the European Union are being redefined. With the implementation of the Economic Partnership Agreement with the European Union, the non-reciprocal element of previous preferential agreements has been abandoned and the phased reduction of tariffs on goods imported from the European Union commenced in December 2012. Jamaica and its CARICOM partners have started trade negotiations with Canada, also moving from unilateral to reciprocal arrangements. Jamaica continues to enjoy preferential access to the U.S. market under the Caribbean Basin Initiative, which covers over 90% of Jamaican exports to the United States.

Tariffs and other duties and charges remain Jamaica's main trade policy instrument. The government generates a substantial share of its central revenue – averaging between 27% and 28% of total tax revenues – from tariffs and other charges on imports, which are seen as critical in the light of the country's structural fiscal deficit.

In the context of CARICOM's Common External Tariff, Jamaica's average most favored nation tariff was 9.4% in 2010, up from 8.6% in 2004, which reflects the increase of tariff rates for luxury goods. Numerous other taxes and fees on imports raise border protection markedly and also raise the question of whether excessive import taxation may be hindering competitiveness. All imports entering Jamaica are subject to a basic stamp duty, and an additional stamp duty on certain products. Protection is higher for agricultural products than for industrial products because of agriculture's role in poverty reduction and importance for employment. It is considered a sensitive sector and 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.

The banking system is sound and open to international standards, with capital markets being 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 Bank of Jamaica. This policy paper proposes amendments to achieve a rational consolidation and enhancement (harmonization of requirements) of the framework for the prudential supervision of licensed deposit-taking institutions (DTIs) and also identifies key areas for policy determinations to

Banking system

9

inform the direction and structure of the new framework, including the fundamental issue of supervisory autonomy with respect to DTIs (Basel Core Principle).

## 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 prize stability. The BOJ reported point-to-point inflation rates, as of December in each year: 2010, 11.74%; 2011, 6.01% and 2012, 8.02%. These rates are indicative of some volatility over time but still meet the BOJ target of single-digit inflation. While the real exchange rate is considered overvalued, the BOJ until recently tried to maintain a stable exchange rate. While thus putting the current account balance under further pressure, a significant nominal depreciation would further inflate the country's unsustainable public debt. After the end of the period under review, the IMF approved a four-year Extended Fund Facility (EFF) arrangement for Jamaica to support the government's economic reform agenda, especially targeting the debt problem.

Anti-inflation /  
forex policy

8

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 December 2011, the new People's National Party (PNP) government had to contend with an economy dominated by a total public debt/GDP ratio of 126%, a balance of visible trade level at -\$4.9 billion, an inflation rate of 6%, a GDP real growth rate of 1.5%, and an unemployment rate of 12.8%. The Planning Institute of Jamaica reports a public debt/GDP ratio of 140% (estimated) for 2012, with loan repayments consuming 60% of the annual budget. The Bank of Jamaica publication, "Jamaica in Figures 2011," reports that the country's fiscal balance and primary balance as a percentage of GDP at -5.6% and 3.7%, respectively. The economy is now in recession, having experienced three quarters of decline in 2012. Due to inconsistent debt reduction and fiscal consolidation measures, as of January 2013, the IMF is now insisting on the implementation of certain prior actions, with measurable evidence of these, before the finalization of any agreement. One of these was Jamaica's second debt exchange, the National Debt Exchange (NDX), which resulted in Moody's Investor Services cutting Jamaica's sovereign foreign currency credit rating to Caa3 from B3 and Standard & Poor's cutting Jamaica's rating to CCC+. This debt exchange would be part of a policy and program designed to reduce the debt burden, promote macroeconomic stability and strengthen fiscal consolidation. In respect to the fiscal deficit, the government has committed to increasing the primary surplus from 6.3% of GDP to 7.5% of GDP next fiscal year. This is to be maintained until 2016 – 2017 as a critical plank of the debt-reduction program.

Macrostability

6

## 9 | Private Property

Data from the 2011 Population and Housing Census released during the review period have shown a 44% increase in the number of households in detached units on squatter settlements. Squatter settlements appear on both privately owned and state-owned land, and many have existed for decades. With these, there are occasionally problems with implementation and enforcement under the rule of law, and attempts at enforcement have led to social unrest, as the “tenants” literally have nowhere else to go, being unemployed and living on or below the poverty line. However, property rights and regulations on acquisition, benefits, use and sale are well-defined.

Property rights  
8

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 nor does it 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

## 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 2013, with an HDI of 0.730, and ranks 85 out of 186 countries. However, this masks the realities of severe social and economic inequalities. 2010 data from the Planning Institute of Jamaica indicates that 17.6% of the population lives in poverty, with larger proportions of persons in rural areas living in poverty, and those under 17 years of age representing the highest proportion of persons living in poverty. The 2011 Economic and Social Survey reports that young people aged 15 to 24 years constitute 19.5% of those living in poverty; one in five children lives in poverty. A mandatory, contributory national insurance scheme exists for all taxpayers (self-employed as well as pay-as-you-earn) and benefits are available on retirement. However, the value and purchasing power of these benefits are minimized by regular increases in inflation. Pensions payable on retirement are taxed, as are interest earnings from investment funds.

Social safety nets  
5

A government-funded program, the Program for Advancement through Health and Education (PATH), provides financial support for vulnerable families as an incentive for their children to attend school and also attend health clinics for regular checkups.



The head of a household which meets certain criteria can also get partial support for children (under 18 years) attending government secondary schools, to cover ancillary fees that most schools charge, as government subvention does not cover the cost of providing the most basic essential school programs. In November 2011 a report by the Sir Arthur Lewis Institute of Social and Economic Studies (SALISES) at the University of the West Indies showed that PATH has only 388,000 registered persons, with many more who are eligible for support and many more persons who are living just above the poverty line. It was further reported that the payments received per three-person household, per month, equaled only about 9% of the consumption expenditure of households in the poorest 20% of the population. On the other hand, an evaluation of PATH in 2007 by Mathematica Policy Research on behalf of the Jamaican government concluded that, based on evidence from the PATH management information system, PATH has been successful at targeting its benefits to the island's poorest households. In particular, 58% of benefits were found to go to the poorest quintile of the population.

Equality of opportunity exists in principle, but is undermined by inequality of access to opportunities that do exist. Laws do exist which provide for the payment of a minimum wage for 40 hours of work, and for equal pay for work of equal value when performed by women and men. But, for example, 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 non-existent in some quarters. Women and members of ethnic or religious groups have equal access to education and public office. However, 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 do girls, resulting in university populations being highly skewed in favor of female students (78%). Discrimination against women and men, on the basis of sexual orientation and HIV/AIDS status, also exists. There are a number of legal provisions against discrimination (Constitution of Jamaica and the Charter of Rights), but their implementation is highly deficient.

Equal opportunity  
6

## 11 | Economic Performance

Jamaica's economic performance is poor and linked to its unsustainable public debt. Low or non-existent GDP growth (0.6% in the second quarter of 2012; 1.5% growth in 2011 and before this, 13 quarters of negative growth, as per the May 2011

Output strength  
4

economic review of the Planning Institute of Jamaica). The country maintains high unemployment levels (as of July 2012: national rate 12.8% with female unemployment at 16.7%, male unemployment at 9.6% and youth unemployment at 32.2%), low price stability with inflation at 11.74% in 2010, 6.01% in 2011 and 8.02% in 2012, a 2011 fiscal balance of -5.6% of GDP and a primary balance of 3.7% of GDP, debt burden of 126% of GDP for 2011 and 140% of GDP (estimate for 2012). The current account deficit for 2012 was estimated to have remained large, at around 12% of GDP.

## 12 | Sustainability

Environmental concerns are gaining slightly more public exposure due to aggressive activism by key environmental NGOs, but a deeply engrained awareness of the environment and how to protect it from certain types of development projects (tourism and large-scale housing, for example) does not exist. The Access to Information Act has made it possible for more information about the important use of environmental impact assessments prior to the signing of contracts and the start-up of projects to enter the public domain. However, environmental regulation and incentives which are in place are weak and hardly enforced. Policies for both energy and climate change are under discussion. The entry of major Chinese investors as “sole source service providers” in road construction and other infrastructure developments has made it very difficult to monitor the development of major projects in respect of breaches of environmental laws that do exist.

Environmental  
policy  
5

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. The 2012 Caribbean Policy Research Institute (CaPRI) Report Card on Education in Jamaica found that most Jamaicans aged 3 to 16 are enrolled in an educational institution; and as recorded by the 2009 Jamaica Survey of Living Conditions (JSLC), approximately 98% of children aged 3 to 16 were enrolled in an educational institution. To the country’s credit, there has been universal enrollment among this age group for more than a decade. High enrollment in secondary and tertiary institutions however remains a challenge. Low test scores at all levels of the Jamaican education system suggest that there are gaps in the system that negatively impact the learning outcomes of many students, despite average levels of public expenditure on education. Poor children are particularly ill-served. Children in prep schools – privately run, primary-level institutions usually attended by children from upper socioeconomic groups – outperform their counterparts in the public school system in all five Grade Six Achievement Test (GSAT) subjects, sometimes by as much as 30 percentage points. As a result, approximately 90% of the poorest people in Jamaica have no secondary or post-secondary certification, compared with only 56% of the wealthiest. Between

Education policy /  
R&D  
5

2005 and 2010, public investment in education as a percentage of GDP increased from 5.3% to 6.1%, and is therefore average. Gross tertiary enrollment was reported at 32.8% in 2009, with a target of 35% by 2015. However, challenges to be overcome to meet this target include, among others, the fact that more than half of all 11th grade students fail to meet the basic tertiary entry requirements. This suggests substantial gaps in students' learning and achievement outcomes.

# Transformation Management

## I. Level of Difficulty

High levels of poverty over decades, a labor force in which insufficient numbers of workers have adequate skills and levels of certification, natural disasters, and social exclusion of large numbers of citizens along the lines of race, class and gender from decision-making centers and wealth-generating institutions are factors which do not result only from the current political leadership's actions and cannot be overcome swiftly. These factors taken together can act as constraints on the governance capacity of political leadership. However, the political leadership across different governments of both main political parties have done very little to remove the constraints on their own management ability which clientelistic and corrupt political actions cause. 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. There is deeply ingrained stigmatism against people living with HIV/AIDS, which act as a constraint on leadership capacity, but recent governments (current and in the immediate past) have implemented national educational and sensitization programs which focus on the rights of persons with HIV/AIDS, and offer facts to dispel popular myths about contracting the illness. There is a bureaucratic culture in the civil service which generally resists opening up the governance process to facilitating a more, open inclusive one with members of civil society. Some political leaders are increasingly trying to organize such a process. This does act as a constraint on the political leadership's governance capacity.

Structural  
constraints

4

Traditions of civil society are moderately strong. There is a long-term presence and culture of public or civic engagement, although this appears to be less important to some communities of Jamaican youth. 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. 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 certain communities which have been plagued with organized criminal activities and gangs, the leadership of

Civil society  
traditions

2

which challenge, undermine and often replace traditional community leadership and social trust which guides such leadership.

There are numerous violent incidents, reported by the police as occurring primarily between organized gangs yet sometimes within a community or between different communities, mostly related to the trafficking of guns and drugs. The Jamaica Constabulary Force Weekly Crime Review (31 December 2012) reports that in 2011, 50.2% and in 2012, 65.8% of reported murders were gang-related. Extremist political actors have limited success in mobilizing along existing cleavages. However, society and the business and political elite are divided along social, ethnic and class lines, and tensions do exist. A range of different religious denominations exist but there is no conflict based on the differences between them.

Conflict intensity  
3

## II. Management Performance

### 14 | Steering Capability

This review period coincided with the last year (2011) of the government of the Jamaica Labor Party (JLP), and the first year (2012) of the People's National Party (PNP) government. Decisions on public policy priorities, strategies and actions were influenced by dominant political and social factors during each of these two years. In 2011, the JLP as a political party experienced severe internal difficulties within its leadership ranks and also was challenged with having to implement a 2010 IMF reform program with various conditionalities. A medium-term economic framework and related strategies were determined, but short-term interests related to political survival and office-seeking were evident in preparation for the December 2012 elections. In 2012, the PNP faced the challenge of inheriting an economy in crisis and the urgent need to begin the process of designing a new IMF agreement, with its own required prior actions, before a release of any funds could take place. During the year, policy measures related to ongoing fiscal consolidation and debt reduction were evident even while the government maintained its commitment to protecting the poor and most vulnerable groups.

Question  
Score

Prioritization  
6

This review period coincided with the last year (2011) of the government of the Jamaica Labor Party (JLP), and the first year (2012) of the People's National Party (PNP) government. Jamaican political leaders do not have a good record of successful implementation of their government's policies. There is a serious implementation deficit despite attempts at a broader governance process which at times, includes key civil society actors, especially the business elite, in dialogue via interministerial committees, and the use of consultants to provide evidence-based policy

Implementation  
7

recommendations. Questions of capacity arise for both political leadership and relevant public servants whose work is required for the effective implementation of policies. In 2011, the attention and focus of the entire JLP government was significantly diverted by a commission of enquiry into the 2010 confrontation between state security forces and organized criminal gangs in downtown Kingston. The political impact of the way in which this commission was handled by the then government severely affected its credibility and ability to lead the implementation process of many of its own policies. The ministers of education and agriculture, at that time, were perceived as “doers,” visibly seen to be trying to push forward a range of policy reforms within those sectors. Implementation of economic reforms required by the IMF agreement at that time had very limited success. In 2012, within the PNP government, the ministers of education, housing/transport/works, investment/industry/commerce and agriculture are seen as the “doers,” with some success. While the final numbers were not available at the time of writing, the government’s Jamaica Emergency Employment Program (JEEP) is having some success. Despite problems in the early implementation stages, this program provides training and jobs (short- and medium-term) primarily for young women and men across a range of sectors, such as education, tourism and roads and works. There has been a more impactful engagement of key non-government organizations in the governance process in areas such as the environment, gender and education.

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 which 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.”

Policy learning  
6

## 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

Efficient use of  
assets  
4

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.

In the last decade or so, some government agencies have been converted into “executive agencies” which have to fund their operations primarily from revenue earned from fees paid by the public for services provided. At the same time, these agencies have increasingly used modern technologies for delivering improved services and recording data. Some of these, for example, the National Housing Trust and some tax collection agencies, have shown improved efficiencies. Allegations abound about politically motivated dismissals and appointments of public servants, but access to accurate information on such matters is difficult. 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, which provides independent auditing of these agencies. These audits frequently reveal high deviation of actual budget expenditures from originally planned expenditures, but with few reports of enforced penalties. Although local government reform efforts in recent years have provided for some legal and financial autonomy of local government authorities, these offices for the most part still lack effective, professional management skills, and operate under the supervision of a central authority, which often results in the inefficient use of scarce resources and poor implementation levels.

The government often fails to coordinate between conflicting objectives. This failure is sometimes related to the influence of special interest groups (e.g., large business interests who make contributions to campaign financing) on certain policy decisions which undermine policy objectives in other areas. In the case of Jamaica, there are also conflicts between different departments which are either created by Parliament or by provisions of the constitution, when differing interpretations of their respective mandates lead to conflict which 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 then concludes that the Director of Public Prosecutions should support its (the OCG) call for criminal proceedings to start against the persons involved. The Office of Public Prosecutor is a creature of the constitution, and the Director of Public Prosecutions acts on his/her own assessment of evidence presented, and comes to decisions, independent of any other public authority. In a highly publicized case, the director did not agree with the findings of the OCG, whose recommendations would have affected the procurement policy actions of the government. For the government to successfully resolve conflicts like these which undermine policy coordination, the 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

Policy  
coordination  
5

body, the Office of Utilities Regulation, recently negatively affected the development of an urgently needed energy policy to secure alternative cheaper sources of fuel.

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. Recommendations for campaign party financing have been endorsed and presented to Parliament by the Electoral Commission of Jamaica, on which sit representatives of both major parties. However, the report has yet to be formally discussed in Parliament for its full endorsement to trigger the process of developing the legislative and regulatory framework for party financing. The 2013 Press Freedom Index released by Reporters Without Borders ranked Jamaica 13th worldwide, replacing Canada as the country with the greatest level of press freedom in the hemisphere. However, the reform of an archaic libel and defamation law is outstanding and remains a restriction for journalists who wish to report on any perceived acts of corruption on the part of politicians, business leaders or public servants. Citizen access to information is greatly enhanced by the Access to Information Act which is used to great effect by civil society organizations. Officeholders, both public servants and politicians, are supposed to make declarations to a parliamentary commission in respect of personal assets and conflict of interest issues related to contracts with government agencies. Reports of parliamentary sessions, from time to time in the press, 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.

Anti-corruption  
policy  
4

The country's anti-corruption policy is led primarily by the Office of Contractor General (OCG) which has had some success in exposing fraudulent contractors and contracts, and in reforming the list of approved contractors to include only persons/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 contractors. Legal battles continue between arms of the government; for example, the Ministry of Transport and Works, the Cabinet Office and the OCG. The OCG recently won a major battle when the Supreme Court rejected an application from the ministry challenging its (OCG) authority to monitor and probe an independent oversight panel set up to oversee three multimillion-dollar building projects. The case with the Cabinet Office remains unresolved.

## 16 | Consensus-Building

There is general consensus on goals, as necessary for the larger, long-term goal of transformation, but this is weakened by significant controversy over strategic priorities. Differences exist over the strategic priorities that must be identified to develop a market economy while maintaining the necessary sociopolitical safeguards

Consensus on goals  
9



such as social justice, overcoming poverty and extending freedoms of action and choice to the largest possible share of the population. There is lack of consensus between main political actors, sections of civil society and vulnerable groups and the business elite about how the burdens of adjustment to macroeconomic reforms must be shared. The majority of Jamaicans defend the notion of democracy in principle, but question certain practices and decisions that seem to undermine this principle, or undermine some aspect of their citizenship rights. As the gap between the wealthiest and poorest groups widens, poor, vulnerable groups increasingly question why the interest groups and economic actors with political clout benefit more from the developing market economy.

Reformers can successfully exclude or co-opt most actors with anti-democratic interests. The increasing challenge comes from organized criminal networks which have access to impressive human and financial resources through global and hemispheric connections. These networks could become anti-democratic and influence political actors at the local community and national levels to establish and maintain control. To date, this has been successfully contained.

Anti-democratic  
actors  
9

The political leadership prevents cleavage-based conflicts from escalating. The political parties have traditionally included in their ranks social groups that cut across race, class and gender divides, generally reflecting the societal makeup but perpetuating leadership along traditional lines. 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 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. In respect of 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 in some nutraceutical technologies). 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.

Civil society  
participation  
6

Past injustices, such as human rights violations during the military dictatorships in Chile or Argentina, have not been the case in Jamaica's more recent past. Major

Reconciliation  
n/a

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 between 70 to 75 people, both citizens and 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. More than two years after this confrontation, investigations by way of coroners' inquests into the deaths, ballistic reports on weapons used and by whom, have not been forthcoming. 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.

## 17 | International Cooperation

The political leadership tries to use international assistance as part of its own development agenda, but has clear deficits in devising a consistent long-term strategy which 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 and conclusion. Given the implementation weaknesses that exist, devising a strategy for ensuring the policy coherence of such projects on a long-term basis is challenging. Requirements for international assistance 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.

Effective use of support  
8

The government mostly acts as a credible and reliable partner, but some international actors still express doubts regarding its reliability. Failure to fulfill the conditions of an IMF agreement by the previous government in 2010 – 2011 has led to a “trust deficit” between the IMF and the present government at the time of writing. 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.

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. Overall, the governments of Jamaica have promoted regional and international integration.

Regional cooperation  
9

## Strategic Outlook

Jamaica is a Small Island Developing State (SIDS) which is committed to the development of a market economy and to democracy, through institutions and governance processes which function to the advantage of the largest possible share of the population. Its ability to accomplish these goals is challenged by its limited resource base, divisive political culture, high levels of social exclusion and corruption and its vulnerability to natural disasters that affect its small, open economy. Its development is taking place in an increasingly globalized environment in which information and communication technologies are advancing rapidly, and tariffs and non-tariff barriers of most kinds are gradually being removed from the global trading system. Further, the global economic crisis has severely affected the development prospects of even the most developed economies. Jamaica has to date maintained a stable political and generally democratic environment, and made some progress toward the development of a market economy. The main challenge is how to achieve sustained economic growth with social equity, and specifically, with reduced levels of poverty, unemployment, violent crime and corruption. In the short-term, stricter fiscal discipline and more aggressive debt reduction is being required by the IMF agreement (confirmed in May 2013).

The current government will have to lead a process of social and political consensus-building at a time when there is a significant “participation and confidence deficit” in the overall governance process. An improved process must allow for the meaningful participation of the wider society in a dialogue which will guide the country toward priorities to be identified and addressed on the path to growth that includes social equity. Strong leadership and political will is required to demonstrate the importance of more equitable sharing of the burdens of the adjustments, and that regardless of the party in power, the policy options are severely limited. It will be the efficient management of the process, the coordination of government agencies’ activities to reduce waste, and the removal of corrupting relations between business and political elites that will lay the foundation to achieve even limited success. More support needs to be given to microenterprises and small- and medium-sized enterprises, in both urban and rural areas, to develop sustainable businesses that will contribute to employment creation and overall growth that meets gender equality standards. The educational and training system has to ensure the certification of large numbers of young Jamaicans to take advantage of the opportunities presented by new growth centers in the national and global economy. Initiatives which have reduced the influence of organized crime over political and business decisions and over the occurrence of violent crimes have to be strengthened.

The government has to maintain a united leadership, ensure the strengthening and effectiveness of anti-corruption agencies, and improve its own transparency in handling the affairs of government. Without this, its ability to successfully lead the above consensus-building process would be questioned, which could undermine attempts at fiscal discipline and debt management, both critical to putting the country on the path of economic growth and social equity. The current opposition party, the Jamaica Labor Party (JLP), has not demonstrated that it possesses a united leadership with the skills, capacity and commitment to overcome these challenges.

