

**BUDGET
DEBATE
2024**

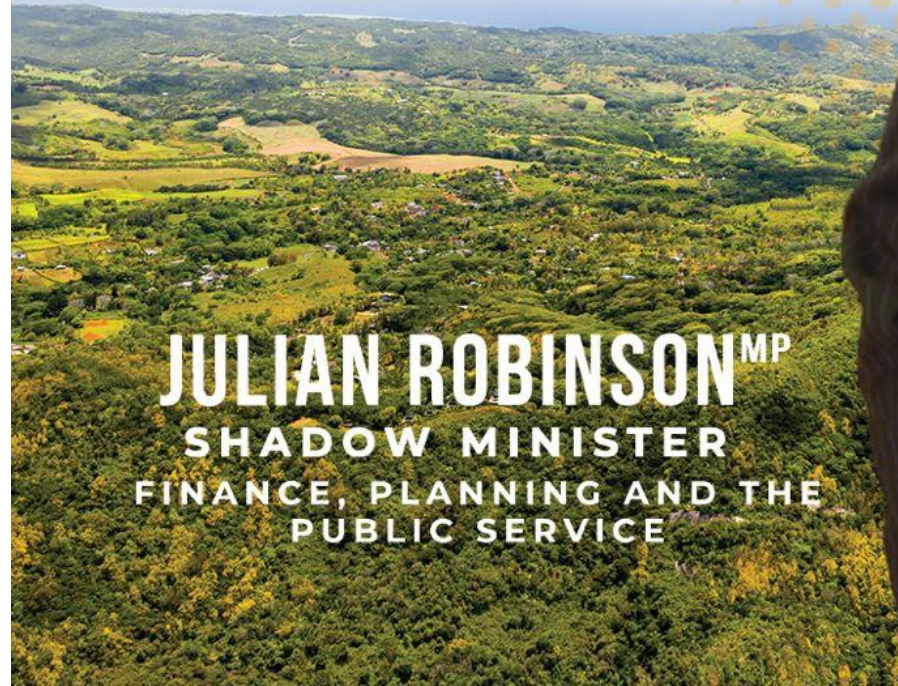
**GOING FOR
GROWTH**



**A TRANSFORMED
ECONOMIC SYSTEM**



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Going for Growth: A Transformed Economic System

2024 Budget Debate Presentation

by

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March 14, 2024

Salutations

Madame Speaker, I rise to bring the Opposition's response to the 2024 Estimates of Expenditure, grateful to the Almighty for giving me the health and strength to be here, and strong in my faith that His grace and blessings will guide me through the best and worst of times.

First, I'd like to thank the voters of Jamaica, the over 600,000 people who on February 26 took the time to make their voices heard in the recent Local Government Elections. Whether you voted for us or not, wherever in Jamaica we have been tasked with the privilege of representing the people, we will do so with integrity and love.

As I look in this chamber, I see many of the people that I must recognise for their unwavering support. I am especially proud of the councillors from my constituency who both won resounding victories and who both were sworn in Tuesday. I'd like to congratulate the new KSAMC Councillor representing the Trafalgar division Jesse James Clarke. But it gives me a particular joy to call by his new title, His Worship, The Mayor of Kingston, Councillor Andrew Swaby who has toiled tirelessly for years to earn that role. Your Worship, big up!

Our electoral success is not by chance, it is through the dedicated hard work of our constituency leadership team, represented today by constituency secretary Ivy Hill, organiser Sonia Forbes, and all our party workers, especially my aunt Heather Robinson, whose political wisdom and organising skills have been critical, not just to me but to Jesse and His Worship as well.

Madam Speaker, I have chosen to serve this country through the vehicle of the People's National Party, and it is a duty that has been a great honour and privilege to me. I thank our Party Leader and Leader of the Opposition, Mark Golding, my colleagues in the House, and my comrades in the Party for their support.

Finally, but perhaps most importantly, I am grateful to my family, to my father and siblings for their love and support, but especially to my wife Mariame, for her unconditional love and incredible patience. Madam Speaker, I also thank my children, PJ and Amara for reminding me daily why I am a parliamentarian: which is to ensure that they and all our children have the brightest future Jamaica can offer.

The 2024 Budget

Madam Speaker, I want to use my time to speak about how the budget presented does not, in any significant way, change the reality facing the majority of Jamaican people – a life of frustrated hand-to-mouth struggle with the high cost of living, where you have to batta-batta in traffic to move from place to place, if you get sick you can't get seen at hospital, the kids are leaving school and can't read, and where the crime never seems to stop. And we know why. It's the economy. Jamaica is trapped in a low wage, low tech, low productivity, and therefore low growth economic model, and if all we do is tinker around the edges, as this government proposes, we will never transform into a higher value added, high-income, high-tech economy.

Madam Speaker, the only way to raise the standard of living, improve productivity and to reduce crime is to transform the economy structurally. For that, we need transformative

vision and creative leadership, to use what we have but use it in a way that puts Jamaica on a path toward achieving its greatest potential.

Madam Speaker, the Minister's presentation did not address any of those fundamental flaws of our economy in any substantive way, however, before I speak to that, there are a few things points he made that I would like to respond to.

[\\$45 billion in "Estimated flows from securitization of receivables"](#)

Madam Speaker, on Tuesday the Minister spoke for four and a half hours, and in all that time failed to explain fully and transparently how the budget will be financed. He did state that the revenue measures would be financed with \$45 billion in "Estimated flows from securitization of receivables". Now what does the "securitization of receivables" mean? Well, it could mean that the government has some money owed to it, or some asset, or some future earnings which it has sold up-front for cash, likely at a discounted rate. But Madam Speaker, we don't know because the Minister has yet to explain anything meaningful about this deal! We are talking about a \$45 billion transaction, with future implications and... nothing?

No, Minister. That is not responsible leadership. That is not transparent leadership. The Jamaican people need to know: what did you sell? What are these "receivables" are we speaking about? To whom have they been sold? What is the discount given and what are the terms of this deal? Is this a one-off transaction? What are the future cash flows that will be realized from this arrangement after the first year? And can this fund the revenue deficits in the future? As Minister of Finance, YOU have a responsibility, a duty of care to the Jamaican people to be transparent and explain how what you are doing with their assets.

The 2020 Census

Madam Speaker, the Minister also spoke at length about the census, but despite all his explaining, the fact remains that this government has failed at this exercise. This census, which is done once every ten years, was badly managed from the beginning, and the legitimate concerns of census workers ignored. No responsible government can plan or budget or deliver to its people without accurate data. Yet, after spending \$4 billion we are two years beyond the original deadline, and, as I understand it, with two-thirds of the population remaining to be counted and no new deadline in sight. This is simply unacceptable.

Removal of GCT on imported raw foods

Madam Speaker - we are concerned about the impact that the removal of GCT on imported raw foods will have on our local farmers. We exist in a world where the playing field is not level and where richer developed countries provide subsidies to their farmers. Great vigilance is required to ensure that cheap subsidized produce does not get “dumped” into the Jamaican market. I urge the Government to examine carefully the potential negative fallout from this measure and determine what assistance is needed to ensure our local farmers can remain competitive. I think of the farmers in St. Elizabeth, the breadbasket of the country, who provide most of the vegetables we consume. What impact will this have on their ability to survive and supply their customers.

Reverse income tax credit for filing taxes

Madam Speaker, While I support and understand the need to incentivise persons to file and pay their income taxes by March 31, I doubt this measure will have the desired effect.

\$20,000 is not going to be a large enough incentive for someone who currently does not

file and pay income taxes to do so. Persons who already file and pay will continue to do so but it is unlikely that new taxpayers will be moved by this one off payment.

[The Public Sector Compensation review](#)

Madam Speaker, we had supported in principle, the implementation of the Public Sector Compensation review which commenced last year. But there are several issues that have arisen, which despite the efforts of unions representing public sector workers, have not gotten a satisfactory resolution.

One of the most vexing issues is the situation of travelling officers. Travelling Officers, prior to the compensation review, received in some cases up to 60 per cent of their total compensation in allowances. Since the compensation review, those allowances have been rolled up into their gross salary and are now taxed, in many cases, at a higher tax rate than before, and they are taking home either the same net pay, or something only slightly higher than they had before. In one specific example, a travelling officer at a ministry indicated that his net salary was only \$6,000 per month more than he was getting before the review. If you factor in the increases in the cost of living, then he is actually worse off with the compensation review than he was before. That example is not specific to that particular Travelling Officer, but to many Travelling Officers across the public sector.

Another issue is one in which subordinates are paid more than the people who supervise them. An example of this is in the CEOs of Municipal Corporations. The majority of CEOs of Municipal Corporations are taking home less pay than the Matrons and the Public Works Supervisors, who the CEOs are required to supervise. This anomaly has been highlighted to the Ministry of Finance but remains unresolved.

The other issue causing grief, Madam Speaker, is the matter of Contract Workers. We note the move by the government to begin the process of transitioning contract workers to permanent employees, and we're encouraged to hear that the Minister understands the frustration of workers on this system. But the transitioning process is way too slow, and contract workers are suffering because of the delay.

Madam Speaker, these and other unresolved issues in the review are causing stress, frustration, and anger among our public sector workers. I get the calls from workers from all levels, and believe me, the disquiet is real. But I also pick up something: and it's a sense of hurt and betrayal. They feel disrespected. Everybody knows the tight fiscal space we are in, but what may seem like trivial details can mean the difference between being able to pay for a child's extra lessons, to drop a hand in the partner draw, or to fix the front end of their car when they drop in the pothole doing the government's work. I hope the Minister can understand that we recognize the magnitude of the exercise, with all its complexities, and that there would be issues to be worked out along the way.

But Madam Speaker, sometimes it's not what you do, but how you do it. It is important that in dealing with public sector workers that the approach is one of mutual respect, open communication, and dialogue. The unions feel that the Minister has not been responsive to their many requests to address the issues they have raised, and that they have had to issue ultimatums to get a response. I am urging the Minister, deal with the issues that have been raised, not just by the JCTU, but by other smaller groups with pressing issues that require your attention and your response. They all complain that the Minister and the Ministry do not respond to issues in a timely way, and that the manner in which these negotiations and

related communications have been taking place, has been disrespectful, contemptuous, and condescending. Again, I urge the Minister, deal with our public sector workers respectfully. You say you are listening? Well, when you meet on Saturday with the JCTU, please listen to their concerns and work with them toward a resolution.

[FINSAC Commission and Archives](#)

Madam Speaker, I'd like to speak briefly about the FINSAC Commission. By the Minister's own recollection, between 2009 and 2017 approximately \$150 million were allocated to the FINSAC Commission which had clear objectives, one of them being to furnish a report. Yet, over a decade later, having received the funding and many extensions, there is no report. The Minister says he will publish the Commission's archives on a "specially curated website", but it is unclear: what do you mean by a curated website if you say you will release all the documents? Which one is it? Are you doing a document dump or are you picking and choosing what you put out? Where is the report?

[Fiscal discipline and the PNP's management](#)

Madam Speaker, the Minister of Finance says he loves history, but when he and his colleagues on that side talk about our country's economic history, they seem keen to overlook their economic management during their 2007-2011 tenure. They would also rather we forget that it was the People's National Party (PNP) administration from 2012-2016 that saved the economy and restored domestic and international confidence in its stability.

But, Madam Speaker, we recall the years that the economy experienced fourteen (14) consecutive quarters of negative growth from 2007 to 2010, only to achieve a mere 1.51 per cent real GDP growth in 2011. During this period, total public debt, unemployment, and

poverty all increased. Madam Speaker, these are not my words; they are from the Planning Institute of Jamaica's Medium Term Socioeconomic Policy Framework.

The failing economic situation was exacerbated by poor fiscal management. In 2011, with Andrew Holness as a senior cabinet minister and Leader of Government Business, the JLP abandoned the 27-month Stand-By Arrangement with the International Monetary Fund (IMF), this according to the IMF's 2011 Article 4 staff report. This major misstep not only strained our relations with the IMF but also affected funding from other multilateral organizations. Following the IMF's decision, the World Bank, the Inter-American Development Bank, and the European Union all withheld their support in 2011. Madam Speaker, the international financial community turned its back on us, complicating our ability to meet the IMF's strict requirements and contributing to significant macroeconomic instability.

By 2012, Jamaica was teetering on the brink of economic collapse, with no access to international capital markets and public debt soaring to an unprecedented 134 per cent of GDP. Madam Speaker, this was a dire period in our nation's history, a time when our very survival as a viable nation was at stake.

The Jamaican people, yearning for a departure from this poor fiscal management, entrusted the economy to the PNP in 2012. We managed to renegotiate a new IMF agreement with the support of our international allies and provided a financial lifeline for Jamaica. In 2013, the IMF agreed to provide the necessary financial support, albeit insisting on stringent austerity measures. Many doubted Jamaica's ability to meet these conditions. Yet, Madam Speaker,

through careful fiscal management and the implementation of robust economic reforms under the PNP, Jamaica successfully met all of the IMF's requirements and stabilized the Jamaican economy.

Madam Speaker, then Opposition Leader Andrew Holness said, “the PNP is passing IMF tests but failing the test of the People.” It was our passing of these tests, our adherence to fiscal discipline and our efforts in reducing debt that handed the JLP a more stable economy with more fiscal space than we ever had.

During our tenure, we undertook a challenging debt restructuring and committed to maintaining a 7.5 percent primary budget surplus. By the time we left office, we had reduced public debt to approximately 120 per cent of GDP. We upheld an unparalleled level of fiscal discipline, tightened fiscal policies, and rolled out a comprehensive economic reform programme. This programme focused on structural reforms to stimulate growth and employment, significant fiscal adjustments backed by broad fiscal reforms, and debt reduction to ensure the sustainability of public debt while safeguarding financial system stability.

We also enhanced the fiscal rules to guarantee prudent fiscal management. In 2014/15, the Public Bodies Management and Accountability Act and the Financial Administration and Audit Act were amended to enforce new Fiscal Rules, thus strengthening the Fiscal Responsibility Framework. Furthermore, we initiated reforms to grant the Bank of Jamaica operational independence in setting monetary policy, primarily focusing on inflation targeting to ensure price stability.

Moreover, Madam Speaker, we supported the creation of the Economic Programme Oversight Committee (EPOC), comprising representatives from the business community, labour unions, civil society, and government officials, to monitor the progress of reforms and government fiscal management.

Madam Speaker, it was our commitment to macro-fiscal stability and prudent fiscal management that rescued the economy. The structural and fiscal reforms we implemented laid the groundwork for the positive macroeconomic stability we enjoy today. We were dedicated to economic stability, Madam Speaker and we still are. Therefore, let us be forthright in our historical recount.

The PNP demonstrated fiscal discipline in its last administration, and we are committed to continuing this practice. We met our fiscal targets previously, and we will do so again. Preserving Jamaica's macro-fiscal stability is paramount for PNP.

The Reality of the Jamaican Economy Today

Madam Speaker, despite optimistic economic indicators, the reality on the ground in Jamaica tells a different story. The narrative of macroeconomic stability has not translated into substantial improvements in the daily lives of the Jamaican populace. Madam Speaker, for most Jamaicans, the frustrating, hand-to-mouth, can't-make-ends-meet struggle is the reality. A significant portion of our working populace live paycheck to paycheck, and for those without a paycheck, life is even more difficult.

High cost of living and the most vulnerable

Madam Speaker, this is the first year I have not brought my food pricing charts because everybody in Jamaica knows the basic reality: consumers are getting less and paying more every day. Prices are high, and wages are low. For the most vulnerable, life is precarious: many days there are people who wake up in the morning with no clue where their first and possibly only meal of the day will come from.

Madam Speaker, how are poor people to survive? And what substantively, is the government doing to help the most vulnerable among us? Let's look at PATH. We acknowledge the marginal increase over last year, and there is \$17.7 billion budgeted for PATH in FY 2024/2025. Approximately 60 per cent of the allocation has been earmarked for conditional cash transfers, while the remainder has been tabled for the Breakfast and Cooked Lunch Programme. But PATH funds have not kept pace with inflation. The \$10.78 billion conditional cash transfer component of PATH is meant to target 284,228 people. That works out to an average of a little over J\$37,940 per year, which is about J\$730 a week, or about \$104 per

day. That \$730 per week can't even pay for a low-cost, nutritionally balanced diet for one person for one day a week. We must do better than this.

Preventing not merely controlling crime

The low priority given to inequality and vulnerability in the society matches the fact that this government has entirely focused on using SOEs and ZOSOs as the primary response to crime and violence. We note there have been significant increases in the budgets for the JDF and the JCF, but none of that has been allocated for social intervention programmes. While we welcome the increased spend, we are concerned that the response to crime and violence has been disproportionately spent on crime control, to the detriment of crime prevention.

Since the Citizen Security and Justice Programme, which was aimed at conflict resolution, social inclusion, and safety ended in 2021, and the Jamaica Integrated Community Development Project, which was aimed at enhancing access to basic infrastructure and services and to contribute towards increased community safety in vulnerable and socially volatile inner-city communities, ended in 2022, no major initiatives aimed at making communities safer have been put in place. Last week at Standing Finance Committee, I pointed out to the Minister of National Security that there was no clear allocation for social intervention programmes in the budget. He indicated to me that all social intervention/violence reduction programmes had been rolled up into the work of the various ministries. But that dilutes the effectiveness of these initiatives because there is no central entity directing their implementation.

Madam Speaker, as a Member of Parliament I am impacted by the loss of those and other types of programmes AS WE SPEAK. Right now, two communities in my constituency are

experiencing upticks in violence and murder, and when you hear the reasons why and the back stories behind these crimes, it is clear there is a need for intervention beyond what the security forces do. But who would I call on for that assistance, to provide counselling services to families of those killed, or to speak to the persons of influence in the community?

Madam Speaker, we can't just try to suppress and control crime. We must also prevent it. We need the structures that our communities can draw on to diffuse conflicts and teach our people skills of conflict resolution. We need to bring back community policing, initiatives which address conflict and community safety, and those which seek to improve basic infrastructure which makes it safer in more vulnerable communities across Jamaica. Let us get serious about crime and violence, and not just invest in the response to and control of crime, but also on the prevention side of things.

[Disinvestment in public transportation and effect on productivity](#)

Madam Speaker, a good part of what frustrates us daily is also what keeps us as a nation stuck in the low wage low productivity model. The deficiencies of our public transportation system affect everyone: employers, employees, schoolers, in fact, everyone that needs to move around in an efficient way. It doesn't matter if we build new roads or expand existing ones if all we do is add small passenger vehicles that just fill the new spaces. We can look at the real time effect of this right here in Kingston, which in the past decade has benefitted from many of these road expansion projects.

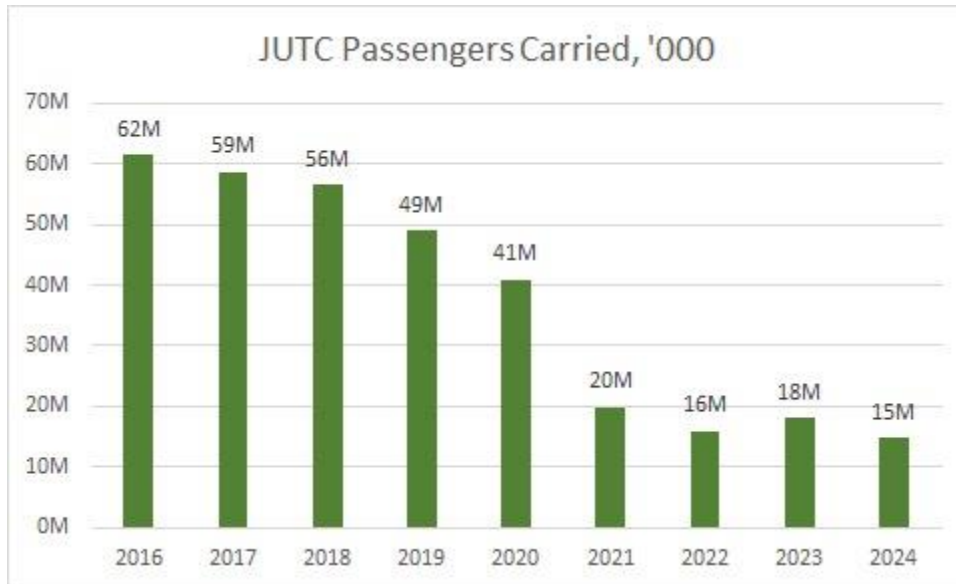
The fact is between our road network and deficiencies in our transportation system, whether you take public transport or have your own car, nobody is going anywhere. Literally. We all feel stuck...sitting in long lines of traffic whether you're going somewhere near or far, waiting

for a bus that may or may not come, paying more to pack up into a route taxi to sit in traffic, and with all the waiting when you reach where you are going you're tired, your clothes crush up, you're late and everybody vex.

Madam Speaker, an efficient, effective transportation system that allows people to get where they are going quickly and cost-effectively is essential to raising productivity.

State of JUTC

Madam Speaker, the Minister says he is listening. I said it last year, but I'll repeat: Minister, a well-functioning JUTC is critical to improving productivity, but the government must see its value and role in the collective good and invest in it commensurately. We note the allocation of \$9.3 billion in the budget at the core of which is the addition of the 100 new buses, and hope that they do arrive, as the Minister indicated, before the start on the new school year in September, but that will be nowhere near the number of buses we need. When we left office in 2016, the JUTC carried 62 million passengers that year. This year, the JUTC is projected to carry 15 million passengers or just a quarter the number it carried in 2016. This tells the story of neglect and under investment in public transportation, which has made the JUTC a shadow of itself.



We live the effects of this underinvestment daily. Whether there are buses available or not, people need to get to work, children need to get to school. When the gap left by reduced numbers of JUTC buses is narrowed by route taxis services, nobody benefits: the JUTC loses revenue, passengers pay higher prices to travel, taximen have to hustle hard to make a money because there are so many other taxis on the road, the roads get congested, and the system overall is expensive and unreliable.

Rethinking public transportation

But Madam Speaker, while reinvesting in the JUTC and restructuring its management and operations to a service delivery-focused model is necessary, it is not sufficient. Even if we had a functioning bus system, our urban centres are growing at such a rate that we need to explore other modes of transport wherever feasible. Madam Speaker, successive Jamaican governments have been diligent about studying, but not implementing good ideas. And while the idea for a light transit rail system particularly for the Kingston metropolitan area is not a new one, it is one whose time has come. Since I raised the issue of public transportation and

its effect on productivity in my Constituency report to Parliament last year, I have been flooded with ideas, concept documents, and proposals for light rail systems from all over the world. Many of those proposals include suggestions on how to use light rail lines, which can run overhead or on the ground, to improve connectivity within Kingston and the KMA, connecting in most cases, key destinations and transportation hubs such as Spanish Town, Portmore, Half-Way-Tree, downtown Kingston, Cross Roads, Papine, Constant Spring. This would alleviate traffic congestion, reduce carbon emissions, and boost productivity.

Madam Speaker, by providing fast, reliable, and environmentally friendly transportation options, we can enhance economic opportunities, and contribute to the overall productivity of the nation.

Understanding Productivity in Jamaica

With enrolment of greater than 100,000 people a year over the last seven years at the national skills training institution HEART Trust, with more than 50,000 people certifying each year, we still have a productivity problem. Some in the private sector say we do not have enough skilled workers and we need to import workers. Is there a misfit between what is on offer in skills training and the needs of business community? Does the system allow people to upskill while they work? Are we looking at our so-called labour problem correctly? And how does this measure up with the fact that Jamaica is exporting skilled workers like nurses and teachers with health and education in crisis locally?

Let's look some more at this productivity problem. What is labour productivity? Businesses measure productivity by looking at how many labour hours it takes to produce units of outputs, like how many phonecalls a worker handles per hour or how many sales transactions she makes in a shift or how many hours it takes to cultivate and reap a tonne of yam. On a national level, labour productivity is measured by how many labour hours it takes to produce total output, otherwise called Gross Domestic Product. By this measure, the financial and manufacture sectors in Jamaica would be viewed as the most productive. Combined they employ around eight per cent of the labour force.

All others, including agriculture, construction, tourism and the BPO sectors, would be considered to have low productivity. The labour in these sectors will not become more productive by just increasing the skills of the workers. Very critically, income from economic activity also needs to increase relative to the effort of labour. This is often referred to as higher value-added economic activity. But it is not enough to say that we need to engage in higher

value-added economic activity. We need to foster and promote areas in which Jamaica can have or already has competitive advantage. As we operate in a globalised World, and as we, (on our side anyway), are for the people, (not just some economic agent called a worker), it is paramount that government policies and the economic activities they support benefit Jamaicans.

That means, the problem is bigger than a productivity problem. The problem is that we are feeling the effects of failure to change the extractive nature of our economy. The real problem is how to change the structure of the economy so it benefits people equitably. The government's budget points to more of the same, where the people must accept low educational outcomes, low wages and little prospects for even the most basic of human needs and well-being, like water and affordable housing.

The time has come for us to nurture a people's economy for development and growth, where growth is not pursued as the only end or even an end in itself, but a means to improving people's well-being. It means that when we pay attention to macro-economic indicators, it won't be to pat ourselves on the back to say we achieved a debt to GDP ratio of 60 per cent. It should mean that public policy and good macroeconomic indicators must relate to people feeling a positive difference in their lives. The time is now to imagine a different economic model for Jamaicans. That model must broaden the economic ownership base in an equitable way, including with considerations for gender equity, for people with disabilities or for those shut out of the formal sectors. It must widen and guarantee access to basic needs and national resources. It must protect us against the effects of climate change. It must make the people want to live, play, work and grow old with dignity in Jamaica.

Leaving the low-wage, low-tech, low productivity economy

Madam Speaker, we welcome the investments in improving physical infrastructure, but equally important is investment in human capacity and this budget as presented is lopsided.

Last year I stood before this House and explained that fundamentally:

“the low-wage, low-tech economic model that we have been pursuing for decades will only deliver what it has been delivering: which is low growth and its negative social consequences.

And we know very well what those are: the widening gulf between rich and poor, and the very high crime rate. Madam Speaker, when you hear the people say we cyaa continue so, what they are recognising is that we need structural change to our economy.

Our economy must be transformed from its overwhelming dependence on a low-wage, low-value-added formal sector that exports either raw materials (such as bauxite) or services (such as BPO and tourism) and to move away from a situation in which an estimated 500,000 people are in the informal sector – an amazing 35 to 40 per cent of the labour force. While low-wage, low-tech sectors may reduce unemployment, they rarely raise standards of living significantly, because the value added is low, and therefore wages are low, and the tax base is perpetually weak.

Madam Speaker, our reality is that we are a small island economy with a tiny domestic market, low labour productivity, a weak educational system, weak tradition of firms investing in product development and innovation research, with weak linkages to global value chains. But our reality today does not have to be our destiny. The task for us as a nation must be to set out on a new path, and to begin the journey of transitioning our economy, through improved productivity, which will create better paying jobs and lift the standard of living for

all our people. That means that we must adopt a comprehensive set of policies which will strive to tap into our natural creativity and to help us to lift ourselves to the highest technical levels globally. That is the only way to generate higher incomes sustainably and to strengthen the tax base to finance health, education, housing, and other benefits to the level the people of Jamaica want and deserve. This, Madam Speaker, is the only way to reduce poverty and crime sustainably.”

Madam Speaker, those words were relevant last year, and it is the same today.

Preparing our economy for growth

Madam Speaker to change the fundamentals, we need to change our approach, we need to support an ecosystem for innovation in the economy. When I look at the budget for this year (and that which has been projected for the following three years), it tells me that this government is planning to do more of the same. The Scientific Research Council (SRC), which is tasked with supporting MSMEs through research, product development, product manufacturing and trade facilitation, is getting \$829 million this year, a marginal increase from last year's \$714 million.

Focus government support on technical support for business

But Jamaica needs a major national push to help companies to move up the value chain, improve technology use, to upskill, and retrain human resources and increase productivity. I'm speaking of companies of all sizes, large industrial manufacturers, but particularly those in the MSME space, which we know can be a major avenue for growth if nurtured and developed carefully. Madam Speaker, we have creative, motivated entrepreneurs right here in Jamaica who can be the next Steve Jobs, or the next Jeff Bezos, but they can't move beyond where they are today without significant support to get to the next level.

We propose to focus the resources of the Jamaica Business Development Corporation (JBDC), the Development Bank of Jamaica (DBJ) the SRC and other institutions to Provide technical assistance whether it is trade agreements, credit, financing, machinery credits staff training, R&D in a concerted, deliberate way. Yes, some elements of this are already being done, but in a piecemeal way, not reflecting the importance of something so critical to the foundation of a new economy. There are funds allocated for MSMEs at the DBJ that have not been utilised, whether it's because the process to get these funds is too bureaucratic, or

because our entrepreneurs don't have the acumen or the time to jump through the hoops. We need simplify processes to ensure our business can access government programmes and initiatives, but also ensure that whatever assistance provided allows the businesses to pursue higher value activities, make global linkages, and raise their productivity.

Education and Skills training and retraining

Madam Speaker, for decades there has been a recognition by the public and successive governments that our education system is weak, and that our low wage, low productivity economy is a direct result of low educational outcomes. We've done study after study, the latest being the Patterson Report, which only largely restated the conclusions and recommendations of the Davis Report released in the 2004. It is clear, to achieve better outcomes, we must transform our education system.

Addressing Learning Loss and systemic failure of our education system

This government, however, does not seem to appreciate the importance or urgency of reforming education. Madam Speaker, before the global COVID pandemic which led to the lockdown of our schools, our education system was not set up to ensure that the majority of children would receive a well-rounded education. We know it successfully reproduced social class immobility where, if you weren't among the 10 percent of students who attend privately funded prep schools or among those who went to "good" high schools, your chances of receiving a "good" education were slim. Using a measure called Learning-Adjusted Years of Schooling (LAYS), which combines quantity and quality of schooling to compare educational outcomes across countries, the World Bank determined that in 2020 the average Jamaican received 7.1 years of Learning-Adjusted Years of Schooling, ranking us at 105 of 175

countries assessed. In a June 2021 report, World Bank simulations showed that Jamaica would lose 1.3 years in LAYS as a result of lockdowns on account of Covid-19.

Madam Speaker, over \$3 billion has been budgeted this year in the capital budget for educational facilities, mostly to improve the conditions of primary and secondary schools. The Education System Transformation project which aims to construct “six new STEAM and one Visual and Performing Arts Secondary level institutions by 2028/29” just deepens the streaming through and out of the education system that our children currently experience. We should be talking about mainstreaming STEAM and incorporate it in all our schools – primary and secondary – especially if we want to foster and develop a more sociable society as against the rising crime and violence we are experiencing.

Madam Speaker, I acknowledge that the Minister of Education has taken steps toward implementing the recommendations of the Patterson Report by forming an Education Transformation Oversight Committee (ETOC), but we believe that as a national crisis with long-term implications, the ETOC quarterly press conferences are not enough. At the very least, the quarterly reports should be tabled in Parliament and debated.

Leveraging HEART for transformation

One direct impact of our failing education system is reflected in the fact that the national training agency, HEART has existed for 42 years and still cannot produced the adequate numbers of skilled individuals to satisfy local demands. Part of the problem is the institution itself, but the problem is exacerbated by the fact that our education system is putting out too many people who are so poorly educated, they are almost untrainable. We must address the

issue of literacy both in the current workforce by scaling up the programmes that HEART already offers with an added component of attention on literacy.

Madam Speaker, we propose a mass movement to fix labour productivity through education and training, one that is data driven, and done in partnership with the private sector to immediately upskill workforce. We also need to catch those “failing up”, those who exit the formal learning system with few or no qualifications, and who fall into the category of “at-risk youth” with short term training with a combination of soft skills and technical education which provides graduates with certification in particular areas demanded by the private sector.

Those types of interventions have the potential to reach thousands of disengaged Jamaicans who have no hope and see migration as their only way out. Madam Speaker, I have a constituent from Franklyn Town who approached me complaining that he couldn't find work. I asked, “What qualifications do you have and what can you do?” He told me he had two CXC's but that he “nuh waa no minimum wage work”. When I told him about the 8-week HEART programme his attitude changed, because right away he could see a path, he could see a way he could change his situation. Madam Speaker, our challenge as leaders is to provide the hope for him and the thousands of people like him, who don't have enough to move forward, but have great dreams and aspirations for themselves.

Madam Speaker, I know the government will say that these things programmes exist already, and I know this very well because in my constituency, we have successfully leveraged HEART programmes to get youth trained, certified, and employed, but these programmes need to be done on a different scope and scale. It takes bold leadership, partnership with private

sector and engagement of our workforce, but it is a necessary step that we need to take urgently.

Character Education in primary and secondary schools

Madam Speaker, I'd like to speak a little bit about Character Education, which is pivotal to reforming the values and attitudes of our society in general. Character education according to the Association for Supervision and Curriculum Development is:

“Teaching children about basic human values, including honesty, kindness, generosity, courage, freedom, equality, and respect. The goal is to raise children to become morally responsible, self-disciplined citizens.” The government must immediately take steps to add a Character Education programme to the curriculum of all primary and secondary schools, because we see the effect of anti-social behaviour on our economy, especially in the high rate of crime and violence and the young ages of those committing crimes. We believe it is important to address these probs at an early age, and socialise young people for the overall good of our nation.

Investment in Renewable Energy

Madam Speaker, one of the impediments to moving Jamaica to a high wage, high value-added economy is the exorbitant cost of electricity. We cannot be a productive economy with the prevailing electricity rates. Governments over the years have endorsed a National Renewable Energy Strategy which speaks to 50 per cent of renewables on the Grid by 2030, to diversify the energy mix as well as to reduce the cost of energy.

After eight years in office the government finally have issued a Request for Proposals (RFP) to add over 100 mw of renewable energy to the national grid. While this is welcome, it has come eight years too late. I say this because the RFP which is currently out will close next

month and the government intends to select a preferred bidder by November this year. It will take that bidder 24 months to build out their new plant, and as such, no new renewable energy in these amounts will come onto the grid for possibly another 30 months. As we know, the cost of energy may remain high or even increase during that period.

Madam Speaker, to break this down simply, the JLP would have spent two full terms in government without commissioning ANY renewable energy project to supply the national grid. Madam Speaker, I want to proffer my reason for why we are in the situation we are in today. Very often we measure the impact of corruption by monies misappropriated or fraudulently acquired, however, we rarely assess the impact of corruption on institutions and the negative impact it has on their ability to deliver on their mandate. Since 2016, four different ministers of government have been entrusted with the energy portfolio. In 2018, the first minister resigned amidst a scandal at Petrojam, which also resulted in the shutdown of the Petroleum Corporation of Jamaica and the loss of critical expertise within that agency. The next minister held the portfolio for nine months, during which there was no progress on any energy projects of significance. The third minister focused her attention cleaning up and improving governance standards in the ministry, its departments, and agencies. Again, no progress was made to advancing the renewable energy agenda. Now we have fourth minister, who arguably has made the most progress, by issuing the RFP, but we are eight years with no new renewable energy project. By contrast, the last PNP admin issued a RFP in 2013, within 18 months of taking office, and resulting in solar installations in Content, Clarendon, and Paradise Park, Westmoreland.

Jamaica cannot afford to let something so critical to our productivity and cost of living as energy just flounder as this government has over the last eight years. For most Jamaicans, the highest and most oppressive bill they pay is the light bill. If we had 100MW of renewable energy available to us from 2019, we would be paying less for electricity, we would be reducing our dependence on Heavy Fuel Oil, and we would be well along the way to meeting our climate and environmental goals of 50 per cent of our energy coming from renewables by 2030.

Madam Speaker, until that RFP bears fruit, consumers will still be feeling the pinch from higher energy bills, and so, we propose that the government supports the installation of solar rooftop solutions for households, to help manage their bills, but also to be more climate friendly and to meet our environmental targets. This can be funded by using a portion of the tax imposed for the purposes of funding an oil hedge, which the government has been collecting, but has not been using for its intended purpose.

Conclusion

Madam Speaker, advocates of economic stability need to acknowledge that while it is a positive step, it alone is not enough to uplift the average Jamaican. The journey from mere fiscal stability to true economic transformation is essential. At the heart of this transformation is the need to address the challenges of low technological adoption, inadequate wage structures, and sluggish economic growth.

Madam Speaker, the government's proposed budget falls short of addressing the key challenges that plague our nation's economy. While there are commendable elements within the budget, they fail to alleviate the widespread struggles and adversities faced by the vast majority of our citizens in Jamaica.

For too long, our economy has been characterized by low wages, low technology, and low productivity. The path to improving living standards, diminishing poverty, and curbing crime lies in fundamentally transforming our economy into one that is centered on high-value, advanced technology, and robust income. This pivotal change necessitates substantial investment in several critical areas, most importantly, education, entrepreneurship, energy, and productivity.

Madam Speaker, the PNP firmly believes that fiscally responsible economic transformation and creative, bold leadership are key to breaking free from the stagnant cycle of low growth that has stifled Jamaica's progress, restrained our people from realizing their full potential, and prevented transformation of our nation into the place of choice to live, work, raise families, and do business. We stand ready to lead. Time come.

Thank you all.

