

# A Budget for the People

## Acknowledgements

Madame Speaker, I rise to bring the Opposition's response to the 2023 Estimates of Expenditure, but first, I'd like to briefly recognize those to whom I owe my gratitude. I give thanks to the Almighty for blessing me with health and strength to make another presentation in this Honourable House. I am grateful to my family, wife Mariame, my children PJ and Amara, for their unconditional love and support, and to my father and brother and sister, who have been steadfast in their love and encouragement. My entire family has been supportive, but my aunt Heather, in particular continues to be a consistent source of wisdom and guidance. I thank them all.

Madam Speaker, my political family from South East St. Andrew is here: Councillor Andrew Swaby, Councillor Candidate Jesse James Clarke, constituency secretary Ivy Hill, organiser Sonia Forbes, and the constituency leadership team. I thank them – because even when the tide turned against us nationally, we in South East St. Andrew stood firm. My CPO Gavin and driver Joe – big respect.

Madam Speaker, I have chosen to serve this country through the vehicle of the People's National Party and there has not been a day that I have regretted that choice. 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 would like to recognize the citizens of South East St. Andrew. I am keenly aware of the great privilege it is for me to be here, representing your interests, and whether you voted for me or not, I thank you for the opportunity to serve.

## Introduction

Madam Speaker, on Tuesday the Minister of Finance presented to this Parliament what he termed a historic one trillion dollar budget, generating expectations from the wider Jamaican public that there would be something in it for them, something that would ease the struggles many Jamaicans face on a day-to-day basis. The reality is that Jamaicans are faced with:

- a runaway murder rate,
- massive corruption, theft, and misuse of public resources
- a worrying number of students who leave school illiterate and innumerate
- the spiralling cost of living and
- the struggle of workers to earn a liveable wage.

Madam Speaker, the budget presented does not address, in a meaningful way, the fundamental issues that are affecting the Jamaican people. We acknowledge that some of the initiatives announced by the Minister on Tuesday are a step in the right direction, and a few include proposals that we as the Opposition have made.

Madam Speaker, what does it mean for the estimated 50 per cent of households headed by women? Is our spending catering to them? What does it mean for those who make up our economy? We have people who get up and hustle every day, selling food that they might grow or that they have purchased from our farmers - is the budget catering to them? We have people walking the streets or sitting at a stall selling to send their children to school – did Minister Clarke think of them in his budget? We have people in the middle class who, if someone in their family falls ill, the whole family

falls into poverty. We have salaried workers who are basically working poor because they cannot make ends meet. What's in the budget for them?

### A Budget for the People

Madam Speaker, when a government decides how to spend taxpayers' money, it must listen to the people. I can't say that I am convinced that what we heard from the finance minister considers these questions, or that he is listening to the people. Otherwise, at the very least, there would have been provision in the budget for Local Government Elections. If we call ourselves a democracy, we must enthusiastically take every opportunity for the people to be heard. Elections are consultations. Elections are opportunities for the people to participate in governance. Elections give the people a voice. Yet, Madam Speaker, this government has not seen it fit to hold them in the constitutionally determined time.

Madam Speaker, if things are going as well as the government says, then how, in a trillion-dollar budget, can they not find one billion dollars to hold elections? Is it that the finance minister and his colleagues know in their hearts that the budget presented on Tuesday, with all the theatrics and table banging, simply does not address the basic needs of the people? Why are they afraid to face the people?

Madam Speaker, today, I am speaking to the many Jamaicans who feel detached because they think the government does not consult them, or budget in their interests. I have listened, I will listen, and I am listening. The message that I am hearing from the people, Madam Speaker, is the same over and over again: *we cyaa continue so*.

### The Working Poor

Madam Speaker, In the Jamaican context the distinction between the working poor and poverty is a porous one. It has been estimated that 11 per cent of the population

lives below the poverty line, and that unemployment is at six percent. So, the question is: what kind of jobs are people working in? What are the conditions of work? Among Jamaican workers, common phrases such as living “hand-to-mouth” or “pay cheque to pay cheque” underscore the challenge of making ends meet on unrealistic salaries. The acute disparity between cost of living and salary levels in Jamaica has resulted in large numbers of our workers being classified as “the working poor.” The phenomenon of the “working poor” also extends to Jamaicans working in the informal economy who face constant uncertainty, irregularity, and fluctuation both in earnings and conditions of work.

It is no secret that Jamaicans are paid comparatively lower wages for the doing similar jobs as their counterparts in other Caribbean countries. A survey conducted by the InterAmerican Development Bank (IDB) in 2017 ranked Jamaica, with a then monthly minimum wage of US\$380, as the third cheapest source of labour among 20 Caribbean and Latin American countries, measured by wage and non-wage costs. Only Mexico (US\$253 monthly), Bolivia (US\$371 monthly) and the Dominican Republic (US\$341 monthly) averaged lower wages for workers than Jamaica.

Madam Speaker, all this confirms is that one key characteristic of the Jamaican economy, is that it is a low-wage economy. This means we are slotted within an international division of labour as an economy in which major innovation rarely occurs, and one in which extraction is one of the key ways to attract foreign capital. Here, the key feature of extraction is not just mining, but rather how the economy is structured so that the ratio of capital which leaves the country and accrues to capital abroad is high.

## Food Costs and Wages

Madam Speaker, calculating living costs helps communities and policymakers better understand how much families must earn to maintain self-sufficiency and a minimum standard of living. The calculation of a living or liveable wage thus provides a realistic methodological framework that is consistent with the economic reality of the country. According to a study conducted by UTECH Professor Fitzroy Henry, in November 2020 it cost US\$3.29, or approximately \$490 Jamaican dollars a day to meet a low-cost, nutritionally balanced diet for a single person. STATIN has reported food cost inflation of over 22% since then. That would put the average cost of a low-cost, nutritionally balanced diet for one person at J\$4,200 a week as of January 2023. That J\$4,200 represents 46.4% of the current minimum wage.

Madam Speaker, when you look at the constantly rising price of food, you can see how difficult it is for people to feed themselves and survive from day to day. STATIN weights food and non-alcoholic beverages at 35.8% of the total basket of goods and services used to measure the movement in the consumer price index. That roughly tells us how much our money can afford. But we already know that many, many Jamaicans cannot even afford the mix of goods STATIN uses.

When we look only at a small number of basic food items, the things poor people eat every day, it is almost impossible to imagine how people survive.

## AVERAGE PRICES FOR BASIC FOOD ITEMS

Product	January 2022	January 2023	% increase
Chicken – 1kg	\$701.92	\$818.91	17%
Chicken back – 1kg	\$391.34	\$437.44	12%
Cooking oil – 500ml	\$324.75	\$385.60	19%
Corned beef – 340g	\$531.25	\$549.95	4%
Counter flour – 1kg	\$130.85	\$173.58	33%
Sugar – 1kg	\$263.42	\$316.71	20%
Cornmeal – 1kg	\$129.38	\$161.43	25%
Mackerel – 155g	\$107.75	\$122.19	13%
Milk powder – 80g	\$162.05	\$195.89	21%
Rice – 1kg	\$157.56	\$168.32	7%

Source: Consumer Affairs Commission 2023

Where items have multiple brands, the average price is used

1 kg = 2.2 lbs

Chicken back, cornmeal, flour, salt fish, cooking oil – in fact everything – has gone up in the past year. It may seem like a marginal increase to some, but what this means is that now, a cup of tea and a saltfish fritter, or the cup of cornmeal porridge which you used to have in the morning for breakfast gone up, and now you can't have breakfast every day because your money *cyaa* stretch.

### Minimum Wage

Madam Speaker, based on these numbers, if even the lowest paid worker is to enjoy the same mix of goods that STATIN uses to determine inflation, then they would need to be paid J\$11,730 a week, but minimum wage is \$9,000 per week. So, if the over 50,000 domestic workers, mostly women, are earning minimum wage, it means they and those they are responsible for are likely to be unhealthy. Bear in mind that women

are over-represented in low wage labour in this country, and a recent CAPRI study told us that women earn on average, only 61 per cent of the income of men. How does that match with the reality that around half of households are headed by women?

Madam Speaker, if the minimum wage is indecent, it means we are fuelling poverty. The finance minister announced an increase in the minimum wage but did not announce a figure. We hope, Madam Speaker, that when the Minister of Labour comes to speak before this Honourable House, he comes with something that can help low wage earners.

Madam Speaker, the minimum wage sets the standard for wages across the board. It means, tourism workers are impacted, construction workers are impacted, government employees, household helpers, security guards, all are impacted. Minimum wage earners, and even those earning the 1.5 million the JLP gave a tax holiday to in 2017 are working poor.

Madam Speaker, last year I called for the government to move away from a “minimum wage” and instead look at implementing a mechanism to determine a “liveable wage”. I again propose: the determination of the liveable wage should be rooted in analysis of annual price movements, the inflation rate, and a determination of the basket of goods and services consumed by the lowest earners. This analysis should be done periodically to protect the most vulnerable workers against the ravages of inflation, and should include consultation with employers, workers, economists, and other social scientists.

Madam Speaker, I understand that there are some Government agencies who are yet to pay the increased minimum wage that was approved in 2022. This is alarming and quite frankly disappointing. These agencies have told their service providers that they

are awaiting a decision from Cabinet. The Government must lead by example in this regard and ensure that the minimum wage approved in 2022 is being implemented in all Government ministries, agencies and departments

Ultimately, Madam Speaker, a low-wage economy coupled with the cost of living crisis means Jamaicans are desperate! How desperate? Right now, we have record numbers of Jamaicans risking their lives by travelling to Central America and trying to cross the border into the US from Mexico. The numbers have increased so rapidly and significantly that in May we were told the Mexican government had “toughened immigration processes in permitting landing to Jamaicans amid growing concerns over an illegal “human smuggling” corridor to the United States.” They were concerned about the over 68 per cent jump in Jamaicans travelling to Mexico between 2020 and 2021, from 4,467 to 7,509. Jamaicans are now desperate enough to risk their lives getting to someplace else. But who we might deem desperate are not the only ones leaving: our teachers, nurses and other professionals are also being recruited for legal migration? Our budget must respond to the desperation for a better life felt by Jamaicans.

### Public Sector Compensation

Madam Speaker, democratic politics says that you cannot treat workers with disrespect, and that you cannot bully your way into an agreement. The finance minister by his own admission, has taken on the largest restructuring of salaries in the public sector. This restructuring exercise will affect people’s careers, their lives, and their livelihoods. On Tuesday he quoted an African proverb: “if you want to go fast, go alone. If you want to go far, go together.”



Madam Speaker, it seems that when it comes to the public sector compensation situation, the Minister wants to go it alone, because his approach has left many public sector workers behind. If you plan for monumental change involving people, you need time to make changes, and tweaks, and generally to get it right. Yes, many of the 113,000 public sector workers have signed, but there are about 40,000 who have not signed. And all these groups are significant to the proper functioning of the country:

- the 14,000 members of the Jamaica Constabulary Force, from rank-and-file to district constables, and all the officers from inspector upwards
- All categories of Teachers 26,000
- Educational Officers
- The 3,000 Correctional Services Officers
- Medical Consultants
- Junior Doctors
- Legal Officers
- Probational Officers
- The Jamaica Fire Brigade
- Workers at National Irrigation Commission
- NWA
- NHT
- The Met Office

Madam Speaker, our public sector workers are complaining that they are being pressured to sign agreements to meet a March 31<sup>st</sup> deadline. Why bully the workers? The changes being proposed are significant, and for some public servants, what happens now will affect their careers and earnings for years to come. Many of the

complaints we are hearing from the outstanding groups have to do with issues of equity, fairness, and the basis of their reclassification. These are legitimate issues that require thorough explanations, effective consultation, respectful communication, and humility in listening to the concerns of the workers and helping them to understand the changes.

Madam Speaker, the minister can set aside funds using a contingency provision in the FY 2023/2024 budget to include amounts due to public sector workers in relation to increases related to the compensation review which should have been completed in 2022/2023. In the 2022/23 budget, a contingency provision was included to “support new projects which are approved for implementation under the Public Investment Management System but are not yet on the budget”. The Minister has a choice!

I say to the workers fighting for their rights: don't let them rush you. Ask your questions. Seek the answers. Minister, our public servants want to go far, not fast, and the only way to get there is if we all go together.

Teachers work tirelessly and they are the ones responsible for the future of Jamaica. This impasse with the teachers we see today can be resolved through negotiation and discussion, but when you get around the table with the teachers, you need to be respectful.

### [The Labour Shortage](#)

Madam Speaker, as people flee our shores for a better life, we are hearing businesses and members of the private sector complaining that they can't find people to work and suggesting that we need to look at importing labour. The

government likes to talk about our lowest unemployment rate and the tightness in our labour market, but there is a significant number of persons unemployed and outside the formal workforce.

This means, Madam Speaker, before we move ahead with, or even contemplate importing labour, we need to do an urgent analysis of what is happening in our labour force. We need to understand why there are so many people outside the formal labour force. Is it that the wages being offered are too low and people have decided not to work for those amounts? Is it that our people are not adequately trained and cannot avail themselves of opportunities? And what is the role of HEART in resolving this situation? Why is HEART not able to train and certify more Jamaicans to meet the needs of industry?

### Protecting the Vulnerable

Madam Speaker, we must address the conditions of the worst off. This year, the government has budgeted \$16.1 billion for PATH in FY 2023/2024. Approximately 55 per cent of that amount has been earmarked for conditional cash transfers, while the remaining 45 per cent has been tabled for the Breakfast and Cooked Lunch programme. While the number may sound impressive to some, the truth is that PATH funds have not kept pace with inflation. If we achieve the 5 per cent inflation target for this upcoming fiscal year, then \$1.40 spent this year will be able to buy what \$1 could afford in FY 2017/2018, the year this government presented its first budget.

Madam Speaker, the J\$8.37 billion conditional cash transfer component of PATH is meant to target 275,956 people. That works out to an average of J\$30,000 per year, or J\$580 a week. Let me repeat: \$580 per week. We have already established that a person needs about \$600 PER DAY to meet the very basic dietary needs. \$580 per

week can't even pay for a low-cost, nutritionally balanced diet for one person for one day a week. What's more, the overall budget for PATH represents about 0.55% of GDP projected for 2023/2024. This government projects that it will fall to 0.49% of GDP by 2026/2027.

These numbers have us thinking, Madam Speaker, the amounts allocated for the most vulnerable are woefully inadequate.

But beyond the effective reduction in social spending through PATH, Madam Speaker, there are administrative issues with the programme that need to be addressed. As MPs I know each of us in this House has heard these issues. For my part, in my 11 years as an MP, I have found it very difficult to get persons who are in need enrolled in the PATH program. The applicants complain that the assessors don't keep appointments, or mis-asses their circumstances, or that they – even after following up over and over – just can't get through. This shows me that there are many more people out there who need assistance, but who can't access the PATH programme.

We also, Madam Speaker, need to look at how the recipients are treated. In some schools, I've heard reports of children being shamed for being on PATH or when they access the Breakfast and Cooked Lunch programme. I encourage the Minister to investigate these issues, because their existence suggests that the allocation to PATH and the operation of the programme need to be reviewed.

### Public and Mass Transportation

Madam Speaker, when we talk about a Budget that will impact people's lives, that will move the needle on the quality of their lives, and their productivity, a reliable, efficient public transport system is essential.

Madam Speaker, the basket of goods and services that STATIN uses to measure the movement in the consumer price index weights transportation at 11.2 per cent of total consumption, which means that by itself, transportation stands as the second largest component of the consumption basket. In Jamaica, people are faced with a crumbling public transportation system and a road network which destroys their cars, eats up their time and productivity, and causes them misery every day.

Madam Speaker, in the Greater Kingston Metropolitan area, which includes St Andrew, Kingston, Portmore and Spanish Town, the government offers public transportation through the JUTC, which is more affordable than private sector transportation. While the JUTC is still more affordable than other means of transport, this government has run the JUTC into the ground, making it unattractive and unviable to commuters.

I say run into the ground, Madam Speaker, because over the four years, from 2015/2016 to 2019/2020, the number of passengers carried by the JUTC fell by a third, from 61.5 million to 41 million. At the same time, according to STATIN, the Transport Authority increased the number of licenses issued to contract carriage, hackney carriage, and route taxis from 17,465 total in 2016 to 34,550 total in 2019 – a 96% increase. The 96% increase in issuance of licences represent a \$400 million increase in government coffers which resulted in a 50-60% increase in earnings for the Transport Authority from the licence and processing fees. Meanwhile, the JUTC saw a decrease of J\$1.6 billion in its fare revenue over the same period.

What kind of governance is that, when the government oversees the breakdown of public transportation while expanding higher cost private sector transportation? The private sector option serves as competition to the public option. Some might say it's a

faster means of commuting but at what cost to the collective good when everybody suffers? Madam Speaker, everybody suffers from this policy. The JUTC loses, 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.

While acknowledging the goal of purchasing 200 new buses over the next 3 years, that alone will not turn around the fortunes of the JUTC when the company needs 400 new buses. Reducing public transportation costs is a way to reduce the cost of living for all. The JUTC needs to be properly managed with experienced professionals at the helm. Madam Speaker, it is simply not enough to say that you are going to buy 45 diesel buses, 5 electric buses and install equipment to establish three charging stations for the electric buses so that you can increase the number of passengers the service carries from the expected 18 million this year that ends this month, to 31 million in the upcoming fiscal year. It isn't enough because the bus service carried over 61 million passengers in 2015/2016 when the JLP took over from us. The state of the JUTC speaks to the disinvestment in the public transportation system.

### [Leaving the low-wage, low-tech economy](#)

Madam Speaker, at sixty years, Jamaica is still a young nation, but we are old enough with enough experience to understand that 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.

### [Transforming the Jamaican Economy](#)

Madam Speaker, if we are to move from a low wage economy to a high income, technically sophisticated, higher value added, and people centred economy, we need to focus on industries that can help us achieve these objectives.

## Investing in Agriculture

One of these is agriculture. Madam Speaker, agriculture must be a critical part of our investment, because apart from addressing income and financial support for the most vulnerable, the cost of food can be seen as the companion to food security for us all in Jamaica. Food security means that we can realise more of the food we eat from our farms which also means we can better protect ourselves from commodity price movements globally. This means that a great deal more should be done for agriculture than is shown in the current budget.

To transform our agricultural sector towards achieving food security, we need to invest in (i) irrigation; (ii) research & development and (iii) providing access to financing, which includes a comprehensive crop insurance programme.

Madam Speaker, irrigation is an essential component of agriculture today because of variability of rainfall due to climate change. No longer can farmers depend on historical rainfall patterns to irrigate their crops. Farmers must have reliable sources of water to be able to irrigate fields and to guarantee production and yields. We acknowledge that the budgeted irrigation infrastructure projects in St Elizabeth (Essex Valley) and in St Catherine and Clarendon (Southern Plains) are important. But these projects are little more than an expansion of irrigation services currently provided by the National Irrigation Commission. In terms of irrigation, not only does the NIC network in farming areas need to expand, but we also need to ensure that lands which are in irrigated areas are being adequately utilized.

Agricultural research and development under the ministry of agriculture has been allocated \$823 million this year. That is less than 0.09% of the budget and is about



0.03% of projected GDP for the period. The Scientific Research Council (SRC), which has “agricultural research and development aimed at improving productivity, seed availability and crop yield” as one of its remits, is getting even less - J\$714 million or 0.07% of the budget or 0.02% of GDP. The Agro Investment Corporation (AIC) which has a mission “to facilitate agricultural development for economic advancement and well-being of the Jamaican people” and which has responsibility for development of the Agro Parks is getting J\$571 million this year.

Madam Speaker, all these numbers indicate that the spending on R&D in agriculture is simply too low, and for the sector to achieve its full potential we need to invest much more. In terms of R&D, we need research to produce more productive seedlings which are resistant to disease and the climate variability farmers are experiencing today. We need to look at our existing facilities and resources, how we leverage the work being done at Bodles and SRC, to ensure that farmers have access to cutting edge technologies, farming methods and seedlings. These are institutions that should be a priority for funding.

Madam Speaker, we need to set aside specific resources to make it easier for farmers to access financing. It is simply too difficult for farmers to get financing for agriculture, mostly because banks are reluctant to lend due to the high risks associated with farming. And we know what these are: weather patterns affected by climate change, natural disasters, disease, and praedial larceny. In many cases, Madam Speaker, farmers do not have collateral outside of their farms and produce to put up for loans.

Agriculture represents an important sector of the economy to drive food security as well as employment beyond low wage employment. Most agriculture is small farming

with 41.5% of farmers farming on 0.5 hectares of land and only 1.15% on 20 and over hectares. Farms are not just economic institutions; they are also homes and contributors to national well-being. We know that people feel proud when their work contributes to the nation. We know they feel proud when they have a sense of ownership. Land access through farming is like home ownership. It creates social respect and a sense of well-being among people. We should be promoting such activities through the budget. They have great transformational potential.

### Logistics

Madam Speaker, as we chart our path from a low wage economy to that of a highly technological and high earning economy, Jamaica has tremendous untapped opportunities in Logistics. Already, Jamaica has gained significant foreign and local Investment in the Logistics sector and has the potential to attract much more. We have several significant advantages that make us suited for logistics:

1. A strategic geographic location: we are close to the main East-West shipping lanes between the Far East, Europe, and Eastern North America
2. Solid, well-developed transport networks and telecoms infrastructure
3. A large, trainable workforce

Madam Speaker, we can use these advantages to pursue real and lucrative opportunities within the Logistics Sector, and there are many. For instance, there is Bunkering, basically the fuelling of ships, and Jamaica gets approximately 4,000 ship calls per year. There is an opportunity to hire engineers, technicians, and marine pilots. We can explore warehousing and distribution, utilizing the Special Economic Zone Incentive. If we can attract more investment this can lead to opportunities for the hiring of warehouse clerks, distribution analysts, accountant clerks to name a few. There are

also significant opportunities in ship maintenance and repair. The opportunity here is for high level welders, electricians, maintenance engineers and logistics analysts.

Madam Speaker, a thriving logistics sector in Jamaica will require significant numbers of highly skilled workers, doing technologically advanced tasks. We would need big data analysts, logistics analysts, logistics data scientists, logistics engineers, maintenance engineers, mechatronics engineers, language translation specialists, marine lawyers, marine pilots, marine lab technicians, marine insurance managers and marine welders and many more.

Attracting the kind of investment required for a thriving logistics sector requires an activist approach from the government in preparing both the people and the environment for a logistic sector to grow and thrive.

#### 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.

Madam Speaker, we are profoundly disappointed that seven years after this government has taken office and four ministers later, they have not issued a single RFP for new renewable energy to go onto the national grid. We have heard promises every year, and nothing.

Madam Speaker, bringing new renewable energy onto the grid is important for several reasons. First, renewables are a lower cost alternative to heavy fuel oil, second, it

reduces our carbon footprint and allows us to attain our goal of 50% of renewables on the national grid by 2030, and third and importantly, it has the potential to catalyse an industry assembling renewable energy components.

Another consequence of the delay in issuing the RFP is that many large companies have started to implement their own renewable energy plants to reduce their energy footprint. When this happens, Madam Speaker, when these large consumers remove themselves from the grid it reduces the revenue of JPS and puts an additional burden on the rest of customers – largely residential consumers – with increased electricity bills. We have successful investors in solar, wind and small hydro; and there many other local and international investors waiting in the wings, but we need the RFP to realise more investment.

This sector too can be a game changer for the country as it relates to jobs and opportunities. Currently there are solar investors in Jamaica today looking for the following jobs: electrical, mechanical and telecommunications engineers, as well as managers of all specialties for their projects. Madam Speaker, let us not delay our own development any longer. The investment is there waiting, we just need the RFP to unlock the funds.

### The Blue Economy

Madam Speaker, as we talk about renewables and the potential to transform our economy, we have identified other ways of protecting and preserving our natural environment while deriving financial benefits for the country.

The Blue Bonds for Ocean Conservation strategy is an innovative approach to work with governments on refinancing a portion of their sovereign debt, securing long-term sustainable financing for large-scale protection and management of valuable natural

resources that lives and livelihoods rely on. The Blue Bonds strategy combines conservation finance with The Nature Conservancy's (TNC) science and marine planning expertise to help governments unlock funds at a scale that delivers against their conservation goals while also supporting the well-being of their communities and economies. The strategy is aligned with global goals to protect 30% of the world's ocean, lands, and freshwater by 2030.

At the heart of a Blue Bonds project is a deal: A coastal or island nation commits to protecting approximately 30% or more of its ocean territory, including coral reefs, mangroves, fish spawning sites and other important ocean habitats and species as determined from the completion of a holistic, participatory marine spatial planning process that uses the best available science for decision making. In support of that commitment, TNC works with the government and partners to allow governments to repurchase debt (often at a discount) and refinance it with more favourable interest rates and repayment terms. The resulting savings are then used to support new, planned, and ongoing conservation work.

Madam Speaker, we don't need to look too far to see where this sort of strategy has worked. In the case of Barbados, the country worked with Credit Suisse, and CIBC FirstCaribbean to raise approximately \$150 million through a dual currency term loan facility. This Blue Loan, which was partially funded via the issuance of Blue Bonds in the capital markets, funded the buyback of a portion of Barbados' existing debt. With TNC and IDB each providing repayment guarantees on Barbados' behalf, the new financing features a lower interest rate than the old debt, and 100% of the resulting cost savings will be channeled into marine conservation.

Experience has proved that these debt conversions work: TNC's 2016 project with the Republic of Seychelles allowed the country to devote \$430,000 per year to

marine conservation, resulting in the protection of 410,000km<sup>2</sup> of ocean—an area equivalent to twice the size of Great Britain—as of 2020. In late 2021, TNC worked with Belize on a similar transaction in support of the country’s commitment to protect 30% of its ocean.

### Cultural and Creative Industries

Madam Speaker, if we are serious about transformation, about moving away from a low-wage economy, and about preparing our people to use their skills and talents to pursue globally competitive opportunities, then the Cultural and Creative Industries must be an area of focus, because this is an area Jamaicans have proven themselves as world leaders.

We welcome the announcement about the Jamaica Screen Fund, a proposal that has been in the making for a decade, because it means that something is being done to further our people in a very lucrative sub-sector. However, Madam Speaker, Creative and Cultural Industries is a complex ecosystem, with about 20 subsectors, and over 40 industries teach with attendant activities, linkages, and products. While there is now an opportunity for creatives in the film, television and animation industries, what about everybody else?

Madam Speaker, we are not calling for 20 new funds to support the different sub-sectors, but we continue to believe that there is much structural work that needs to be done by the government to get our economy to fully capitalise on the Creative and Cultural Industries.

An example: On the weekend of Feb 25 there were at least four major events in Kingston. The city was busy and buzzing. All the events were well patronized, well

produced and really showcased the viability of arts, culture, creativity, sport, entertainment, digital and innovation. We know that hundreds, maybe into the thousands of people were involved in planning and executing these events, from the artistes, musicians, and athletes themselves, to the bartenders, waitresses, janitors, professionals in equipment rental and setup, light, sound, security, hair, makeup, man who sell soup, man who park car.... I could go on all day. Madam Speaker, how was the economic and social impact of those massive events, captured and recorded by the government?

Madam Speaker, those contributions to the economy were almost certainly under-recorded, because although various aspects of the industry are recorded, they are not identified collectively as inputs from the Creative and Cultural Industries. Madam Speaker, we need to make some fundamental decisions on how we deploy our resources in support of development, but until the government, through STATIN begins recording the contribution of the Creative and Cultural Industries in the National Accounts, we will not be able to properly manage, invest in or support the Creative and Cultural Industries in a way that will transform our economy.

### [Transforming the economy through investment in Education](#)

Madam Speaker, our low wage, low productivity economy is a direct result of low educational outcomes. To achieve better outcomes, we must transform our education system. Before the covid pandemic, Professor Orlando Patterson issued a report of the education sector that was damning, and which called for major changes. Covid delivered a major blow to our education system and students, with many losing two years of learning.

Madam Speaker, this government has taken some measures to address the 2 years of lost education because of Covid, but in our view, it is not nearly enough. The Education System Transformation Programme, budgeted to cost J\$159 million this year and J\$4.2 billion over the next 3 years, is said to be aimed at advancing the modernisation of the education sector. Its centrepiece is the “construction of six new STEAM and one Visual and Performing Arts Secondary level institutions by 2028/29” to increase student access to “quality secondary school places”.

Madam Speaker, we do not support that approach. We believe that all secondary schools should be equipped to provide a robust STEAM programme with different schools offering different skills, depending on teacher resources, with the expectation that overtime schools may expand their offerings as they attract new teaching skills. The government’s approach of half a dozen STEAM schools will guarantee that only a limited number of students will get access to this quality education.

Madam Speaker, instead of reinforcing inequity in education, we need immediate, tactical action in the short term, and strategic action over the medium to long term. I therefore suggest the following:

1. Embed STEM preparation in Primary Education and integrate it across the entire secondary system. The New Standards Curriculum provides an effective basis for preparing students with skills which will enable them to embark on a path of innovation at the secondary level and build on those innovative competencies at the post-secondary and tertiary levels.

The key skills with which students at the primary and early secondary education levels are to be equipped are problem-solving, critical thinking, creativity,



curiosity, logical-mathematical skills, and engineering-design skills. And let us be clear, engineering-design really represents the application of problem-solving skills.

If students are to benefit from the promise and purpose of the New Standards Curriculum, then adequate funding for teaching must be provided at the Primary level to effectively embed STEM in the teaching and learning activities. When you talk to teachers at the Primary level, they will tell you how woefully underfunded and under-resourced their schools are. We will not see improved outcomes which reverse what the Davies and Patterson reports have found in terms of performance, unless resource support is substantially increased.

2. Facilitating increased access to tertiary education

Jamaica's rate of tertiary participation is 27 per cent. This is low compared to our CARICOM neighbours Barbados and Trinidad and Tobago at 65 per cent. Globally, the countries with the highest levels of GDP, per capita income, and innovation have tertiary participation in the high 70s to 90s percent. Madam Speaker, one of the main reasons our students are not enrolling in tertiary education is because of lack of funding. The Minister announced that students on the PATH programme will now be exempt from the requirement to have a guarantor for their student loans, but that doesn't go far enough. We propose that ALL students be exempted from needing a guarantor to access student loans, because for many, that is the main impediment to accessing funding.

3. Invest more in Early Childhood Development

Government must take greater responsibility for providing support for Early Childhood sector. Support for this sector requires that providers be sensitized and trained and that the focus be on providing resources to improve spaces for

play and interaction. Early Childhood Development is about enabling 2 – 6 y/o to build friendships, learn to solve conflicts, develop respect for authority, learn to respect self and others, develop a spirit of community, and strengthen brain and bones. The first six years of a child's life and exposure to schooling should not be about swatting and learning to spell and do exams, but of learning to live in a community.

Enabling children from an early age to learn to live in a community is a vital part of overcoming the high levels of aggression and violence we now see among school-aged children at all stages. Overcoming this problem will be no easy feat but we must tackle this disease of violence at the root.

## SSL & Transparency

Madam Speaker, I need to shift the conversation a little at this point, to speak briefly on a matter that has been in the news for the past few weeks. Democratic politics says that the government must be transparent and honest in conducting the affairs of the people, even when the truth reveals embarrassing details or failures. Madam Speaker, the Opposition continues to call for full transparency in the handling of the theft and fraud allegations at Stocks and Securities Limited.

Now, there are two side to the issue. One is the criminal investigation, which is being handled by various local law enforcement agencies with support from overseas. Let me be very clear about this: we want nothing to impede or interfere with that criminal investigation, because like all Jamaicans, we want the perpetrators to be brought to justice. In this regard, we call for regular updates from law enforcement on the progress of the investigation, so the public and, those investors who had their monies stolen can be kept updated.

The other side is an examination of the role of our local regulatory agency, the Financial Services Commission (FSC). We do not accept that examining the role of the FSC will compromise the criminal investigation. I take this opportunity, Madam Speaker, to once again call for:

1. The release of all FSC examination reports done on SSL plus Board Minutes and reports done by management to the Board related to SSL
2. An audit of the Financial Services Commission by the Auditor General to determine the appropriateness of its handling of the SSL matters and whether it had the resources and technical skills to effectively carry out its mandate

3. An audit of all government agencies who have investments in financial institutions to ensure that they are compliant with the Ministry of Finance's guidelines.

Madam Speaker, when we consider the amounts of money involved, the failure of the mechanisms to prevent this situation, and the negative international attention this has brought to the country, full transparency is required.

## Conclusion

Madam Speaker, the trillion dollar budget tabled by the government does not adequately address the major issues affecting the country. Some of the initiatives outlined in the budget are a step in the right direction but they do not tackle the suffering and hardships being felt by the majority of the Jamaican people.

A feature of the Jamaican economy for most of our lifetimes has been a low wage, low tech, low productivity economy. The only way to raise the standard of living, reduce poverty and to reduce crime is to transform the economy structurally to a higher value added, high income, high tech economy. This transformation requires investing in a number of critical sectors: agriculture, education, renewable energy, logistics, the cultural and creative industries, plus new and innovative opportunities to financing and debt management such as those offered in the Blue Economy.

Madam Speaker as a political party we recognise that transformation of our economy is our ticket out of the low wage, low productivity, low growth economic model that has held Jamaica and Jamaicans back from achieving our full potential, and from making Jamaica the place of choice to live, work, raise families and do business.

I thank you.