

**17th Annual Public Lecture
of the
Management Institute for National Development (MIND)**

Delivered by

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Introduction

Thank you for this opportunity to deliver this milestone 17th Public Lecture and to participate in the honoring of Mr. John Tracey, whose distinguished career as a public servant and nation builder is a most fitting backdrop for my discussion this evening. I will focus on the role of human capital in the public sector's critical participation in our country's pursuit of the goals of *Vision 2030 Jamaica - National Development Plan*.

MIND's foresight in locating today's event within the context of this plan is, I selfishly say on behalf of the PIOJ, an act of brilliance. It is an act that creates the expectation that your graduates will understand how to leverage the advantages of a modern public sector in partnership with the private sector and civil society groups in making "*Jamaica, the place of choice to live, work, raise families, and do business.*" This is the core aspiration of *Vision 2030 Jamaica*, and it represents the collective will around which all of us as stakeholders in Jamaica have conciliated.

Prima Facie Perspective

And while at first glance this mantra may seem nebulous, wishful and in-actionable, on deeper reflection it reveals our important maturation as a country as we become clearer on the end goals of the organization of our society, and the roles, theories and meaning of government and the public sector. Government, and the public sector as its key instrument, exists to transform our interests and aspirations into a society that validates us individually and collectively. It does so by respecting, promoting and facilitating our organic need to be human, to be productive, and to raise and be members of families and social organizations. In other words, government and the public sector exists not for their own sustenance, but to transform the aspirations and preferences of citizens into policy action that furthers the cause and goals of the society that the citizens individually and collectively want to, and have reason to value and sustain.

Process of National Engagement

The national engagement process that informed *Vision 2030 Jamaica* resulted in the delineation of the nation's ambition into four national goals. These are to:

- empower Jamaicans to achieve their fullest potential;
- make the Jamaican society secure, cohesive and just;
- make the Jamaican economy prosperous; and
- ensure that Jamaica has a healthy natural environment.

Our continuing maturation as a society has allowed us to appreciate the important inherent meaning and desirability of these aspirations as end goals.

Need for Efficient Public Sector ...

Within this context, we therefore understand and appreciate that a public sector that grows faster than the national economy and the private sector threatens our ambitions and robs us of the ability to modernize and grow our economy. It leaves us more vulnerable to the vagaries of globalization, macroeconomic instability at home and abroad and unable to counter strategic policymaking by competitor countries.

Such government irresponsibility ultimately erodes our ability to exercise agency in the pursuit of our preferences and are an important source of un-freedoms. They therefore amount to public "bads", because of their inescapability, despite our best private efforts to abate them. A second-rate education system, high levels of crime and business enterprises with outmoded structures of production come immediately to mind as examples of how government failures can induce public "bads". Hence our the fast rising expenditure on private security buys less and less private safety and probably is an inefficient allocation of society resources.

An interesting question could also be asked the true societal cost of the poor educational quality of our school leavers. In the end public "bads" are complex because they require collective effort to negate their societal harm.

... A Public Sector that is High Quality

There are important challenges in abating these societal ills and tax evasion does not help. The clear starting point of any solution, however, is the creation of a high quality public sector that is agile, efficient and responsive. A public sector of this nature will be able to successfully produce the public policy goals of the government, including its

equity goals, with the lowest possible demands on scarce societal resources, and with the lowest possible tax burden.

A high quality, public sector is therefore an important public good that produces benefits that are enjoyed by every member of society individually and collectively, and it is a necessity if Jamaica is to successfully pursue a transformational plan like *Vision 2030 Jamaica*.

Vision 2030 Jamaica Process

What does it mean that the aspirations and goals of *Vision 2030 Jamaica* were arrived at after an extensive, collaborative and inclusive bi-partisan nation-wide listening and consultative process amongst a wide array of stakeholders in Jamaica? Schoolchildren, farmers, labourers, managers, business people and owners, unions, churches, state, non-state and civil society groups all participated in crafting *Vision 2030 Jamaica*. This tremendous effort began under the PNP and continued with vibrancy under the current JLP. The guiding principles as articulated by *Vision 2030 Jamaica* have enjoyed great acceptance among those exposed to them and represent conciliative values and goals among stakeholders in Jamaica's future.

At the Planning Institute we are busy building metrics and matrices that will gauge the country's achievements of its declared goals. We are excited about, and looking forward to engaging every community and citizen nationwide in the important democratic process of discussing more fully these collective guiding principles, aspirations and goals for Jamaica's future.

Social Capital Dimension

I would like to offer that the bonding and bridging of social capitals that were and will be cultivated and consolidated during the democratic exercise inherent in the *Vision 2030 Jamaica* outreach are important platforms for nation building.

In fact, I will go one step further and argue that the process, and the resulting strengthened social capital have already paid dividends in contributing importantly to the goodwill that was necessary to encourage the shared sacrifice by a cross-section of Jamaicans on the successful Jamaica Debt Exchange. Many institutions and savers lost

future income they could ill-afford to forgo especially in these difficult economic times, but the loss was made somewhat more palatable by the sense that they understood their sacrifice as a down payment on giving Government the room to:

- consolidate a disciplined and sustainable fiscal path;
- modernize its public sector so that it can efficiently convert electoral mandates into smart and effective public policy;
- facilitate and even become the catalyst for broad-based and inclusive modern economic growth in the economy; and
- become an effective partner in our country's serious and sustained effort towards the achievement of its collective aspirations as outlined in *Vision 2030 Jamaica*.

West Kingston Experience

The four national goals arising from the *Vision 2030 Jamaica* process, and the emergent commitment to cultivating social capital as a platform for nation building bear special and immediate attention because they are easily located in the aspirations of every Jamaican, including the residents of West Kingston and their civil society partners who are working towards the renewal and redevelopment of their downtown communities. The ongoing process of renewal has seen residents move courageously to the center of the redevelopment charge with a commitment to agency and ownership of their personal lives and community experiences. They are also engaging in dignified partnerships with groups and organizations including state, non-state and civil society groups that are seeking to participate in their renewal.

Residents are taking charge of the process of rebuilding their lives with the rights and opportunities, and instrumental freedoms that will advance their general capabilities to have agency over their ambitions and become fully productive and engaged citizens. Public policy, the public sector, and civil society must embrace and engage this effort and advance its aims if the inclusive ideal of citizenship is to be extended to every Jamaican. This is articulated in:

- Goal 1 of *Vision 2030 Jamaica*, which states that - *Jamaicans are empowered to achieve their fullest potential*; and
- Goal 2, which states that - *The Jamaican society is secure, cohesive and just*.

National Benefit of Inclusiveness

While the economic benefits of doing so and making all of our nation's assets productive and contributing are obvious, there are also other important societal benefits in having national goals and public policy that are aimed at affording every citizen a fair opportunity to develop their promise and productivity. At the level of the individual, it builds agency and capacity to enjoy expanded freedoms. For society as a social collective, it builds a platform of fairness, justice and shared humanity that all of us have reason to value and preserve. It fosters a national identity that simultaneously validates us as individuals, as members of a community, and as citizens of the nation.

This is an extremely important asset in nation building.

Let me explain.

Fiscal Consolidation Programme

Under our fiscal consolidation programme, breaking the destructive downward cycle of low economic growth and development, distortive fiscal irresponsibility, and weak national economic confidence, will be critical to turn-around.

It is clear that we have made a down-payment on this promise with the:

- December 2009 tax package;
- successful Debt Exchange;
- ongoing rationalization of public entities- to reduce losses and improve accountability--Air Jamaica; Clarendon Alumina Partners; Sugar Company of Jamaica etc;

- present public sector rationalization programme; and
- conservative nature of the present budget.

Jamaicans have made, and will be called on to make, hard sacrifices. Therefore, a growing confidence in government and the public sector not abusing the implicit contract of trust is the essential social capital to the economic consolidation and reform programme.

This means that government is to commit itself to *doing no harm* by reducing its claims on resources and lessening the ways it distorts the economy, in return for the opportunity to engage the nation in the serious conversation of continued sacrifices.

The benefits of fiscal consolidation and strengthened fiscal discipline are many, and include;

- a rationalized and modern public sector and public expenditures that enable, facilitate, complement and “crowd-in” rather than compete with and “crowd-out” the private sector;
- the credible reduction in the high risk premium and the borrowing rate for capital that the domestic and international markets assign to doing business in Jamaica because of the country’s unstable and unsustainable fiscal stance, and its deteriorating business and social macro environment;
- the arresting of the downward spiraling of the deteriorating macro environment leading to higher business cost and prices, unsustainable wage demands, rising demands for government to provide micro and industry-specific incentives as compensation, and rising government borrowing and debt service charges;
- private sector firms realizing cheaper access to capital, a more dynamic and robust educational and worker-training and business environment, more stable industrial peace, and new opportunities and reasons to modernize, grow their businesses and be entrepreneurial, which in turn gives workers more stable, permanent and faster rising incomes;
- the economy growing robustly and healthily based on the realized global and local competitive advantages of its domestic assets, and moving away from its current low growth “short-termism” of low sunk investment and risk management.

Breaking the downward cycle will not be an easy task, however, and it involves a process in which everyone individually and collectively plays an important role. For example:

- Public sector workers and unions must appreciate their critical role in the country’s delicate fiscal balancing act. Wage demands that push inflation, worsen public sector debt, or compromise Government’s ability to improve the social, economic and business environment at the macro level, will erode the nation’s economic and social credibility, raise its risk premium and cost of capital and doing business, and quickly erode even the wage gains the workers and unions are bargaining for. This is Jamaica’s history over the past 20-plus years, and now presents an excellent opportunity for the country and its citizens-workers to look beyond the immediate and invest in the brighter promise of the future.

The bottom line is clear: the value of workers' gains that are achieved through non-productivity-based wage demands will likely be quickly eroded if the nation's fiscal profile worsens.

- Businesses and the private sector must also recognize that the Government's trough is being emptied, and opportunities are cropping up throughout the economy for new investments and entrepreneurship.

Potential Benefits of Sacrifice

What would it benefit each member of our society, if we as Government were to be granted the social capital of citizens' faith in our commitment to breaking the perverse cycle that has harmed our nation's promise for so long? For starters it would remove the Government from inhibiting economic growth with ill-advised efforts to be the engine of growth, and instead concentrate its efforts on creating an enabling and facilitatory environment for the private sector to engage in business entrepreneurship, broad-based investments, and job creation, and become the engine of growth and development.

Under *Vision 2030 Jamaica* this translates into the public-private collaborative partnership fostering the environment that best incubates and consolidates the organically emerging clustering of economic and entrepreneurial activities in the areas of our country's global competitive advantages. These involve economic enterprises that share value chain linkages and have overlapping sunk cost in a variety of areas, and benefit from proximity to each other. These linkages may be fostered at the national level, and also at the level of specific regions of Jamaica, where we can already see such clusters emerging, for example, in the development of linkages between farmers and hotels in resort areas on the North Coast, or between farmers and food processing facilities in our agricultural heartlands, or between transport infrastructure and logistics and manufacturing zones on the South Coast.

These and other examples all offer the opportunity for an agile and facilitatory public sector to help provide the public infrastructure that smartly partners with private sector effort.

I also point to the importance citizens placed on regional development during the discussion for development of *Vision 2030 Jamaica*. Citizens recognized that a broad-based development would provide sustainable livelihoods on a balanced geographic basis and reduce the rural to urban drift. Most importantly, they realized that such a

strategy would contribute to an expansion of their sphere of freedoms, and empower them to make choices based on economic benefits and lifestyle preferences, and “vote with their feet”.

Vision 2030 Jamaica - A Viable Vision

Vision 2030 Jamaica has undertaken many steps to ensure that it is indeed a viable vision for our country, and a realistic, strategic guide or roadmap along the road we must travel if our country is to be transformed into “... *the place of choice to live, work, raise families and do business*”.

It has involved Jamaicans from all walks of life in its preparation. Importantly, the plan incorporates lessons learned from the errors of previous plans and from best practices regionally and globally; and is flexible and responsive to change. It also ensures that while we are working on a Jamaica that is the place of choice, our transformation of the society is achieved through a holistic, coherent, integrated and sustainable model of development which recognizes the interdependencies of the various facets of national life: economic, social, environmental and governance.

Not only does *Vision 2030 Jamaica* identify the strategies for realizing specific Outcomes, but incorporates the necessary accountability measures to ensure a successful implementation, monitoring and evaluation process. One such measure is the identification of the role specific agencies and organizations will play in the process. We are paying particular attention to the alignment of the planning and budgeting processes within Ministries, Departments and Agencies with the goals and outcomes of Vision 2030 Jamaica to ensure that adequate resources are provided for its implementation. The Plan has also been accepted by our International Development Partners as the basis for their country development strategies, programmes and projects.

Conclusion

As a country we have matured to the point where discussions about our aspiration and progress are no longer locked in political or economic ideology, but instead about political accountability, public sector responsiveness and efficiency, democratic inclusiveness, and the enabling environment for fostering private-sector led broad-based entrepreneurial economic development.

This is the context within which MIND must ensure that the execution of its critical mission to “*provide the public service with quality leadership and management training, supporting services and outreach that will enable the sector to sustain a culture of enterprise, efficiency and responsiveness to the public*”, is continuously responsive to the demands of the new paradigm of public-private sector and civil society partnerships for national development.

I use this opportunity to commend you for your sterling contribution to nation building, over the past 16 years. It is no easy feat that you have performed “with comparatively high success, achieving both recognition and acknowledgement of key stakeholders and client ministries, as well as gaining the respect and alliances of a number of benchmark public service training institutions internationally”.

I note your significant contribution to building the country’s human resource capacity which is reflected in your many outstanding graduates who are making invaluable contributions to the growth and development of our society. Such excellence has been facilitated through the work of dedicated and excellent public servants such as Mr. Tracey, who is an example of the public servant that *Vision 2030 Jamaica* is committed to producing.

As Jamaicans we have sacrificed for a sustained period and deserve the achievement of the goals of *Vision 2030 Jamaica*. All the early signs point to a successful start to this pursuit.

We deserve nothing less than to have the confidence that our sacrifices and aspirations will amount to something positive and lasting, and that our Government is a full partner to our efforts and ambitions.

This belief and faith is the social capital that is necessary and important for the current fiscal consolidation effort to translate in a credible pursuit of the goals of *Vision 2030 Jamaica*.

I close by suggesting a restatement of tonight’s question. Rather than asking whether *Vision 2030 Jamaica* is a pipe dream, we should be asking instead, how we can ensure that the ongoing Government reforms and actions best build on the new rounds of sacrifices, commitments and social capital building we have already made.

I would also offer that Jamaica and Jamaicans have no choice but to aggressively and credibly pursue *Vision 2030 Jamaica*, as it is not only the best way forward for achieving our aspirations, **it is the only way**. There is no other way that makes credible sense or that breaks the cycle of adversity and underdevelopment we have endured for too long.

Thank you for affording me this occasion.

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