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Country Development Strategy Statement

FY 1986

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Preface

A Word from the Director

Last year's CDSS, while not underestimating the difficulties and constraints, was decidedly bullish on Jamaica's economic prospects. In the interim period much has been accomplished, but much remains to be done. Overall, the pace of structural adjustment and deregulation of the Jamaican economy has not met the expectations of USAID/J or the multilaterial agencies. Rather than planning the necessary, if politically unpopular, measures to be taken and then instituting them in a predictable manner, the GOJ has found itself pushed into these measures in a piecemeal fashion. While the individual measures themselves are worthwhile, they have not instilled confidence in the economy, which is vital to stem capital flight and encourage investment.

Happily, in just the last few weeks negotiations with the IMF have led to new monetary and (perhaps) fiscal measures needed for stabilization and recovery. This is not to say that 1983 did not see some very important improvements which are chronicled herein. But we have come to believe that the effort required to put Jamaica on a path of growth with equity will be harder and longer than expected before. The Mission is stepping up its activities in policy dialogue with all levels of government, and with the private sector, as well. We do enjoy unparalleled access to decision makers and intend to use that access.

On the brighter side, project activities have been stepped up in spite of GOJ budgetary strengencies. More of Jamaica's people are benefitting from our projects in agriculture, health, family planning and private sector development. The Mission has weeded out poorly performing projects and now has a portfolio of innovative activities.

If we were to grade Jamaica's overall performance based upon last year's "A" expectations, 1983 would rate a solid "B." The Mission is convinced that our overall strategy remains valid and that we must press on to realize success.

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INTRODUCTION

USAID/J's FY 1985 CDSS (January 1983) provides a detailed explanation of A.I.D. program strategy for Jamaica. A year later, this strategy is still valid; the USAID/J goal is to help Jamaica achieve a 3.5 - 4.5 percent per capita rate of economic growth by 1987 through (1) economic stabilization and structural reform activities dealing with Jamaica's financial disequilibrium, and (2) structural adjustments to remove constraints impeding economic development in principal productive and service delivery sectors.

Progress has been achieved in both of these areas during the past year, but the GOJ continues to experience difficulty with its economic recovery program. Financing, external and domestic, is a major problem, and the GOJ has also been slow, even resistant, to making the public sector policy and structural reforms external donors consider critical for creating the environment in which economic development can occur. In particular, the GOJ has been reluctant to allow free market forces to determine the allocation of resources within the private sector--the GOJ's avowed "engine of change." Increasingly, policy dialogue must focus on influencing GOJ economic policy actions prior to the provision of additional resources.

This FY 1986 CDSS Update is structured in the form of separate responses to six major issues raised by Washington, but integrated by their common objective of addressing one or both of the program purposes cited above and, thus, to meeting the overall USAID/J goal.

PART I. Relationship of the A.I.D. Country Program Objectives in Jamaica to the LAC Regional Strategic Plan

USAID/J believes that the program objectives it is pursuing in Jamaica are strikingly consistent with those being pursued by the LAC Bureau as a whole. Even so, we believe it important to remind readers that the A.I.D. Program in Jamaica, at least at the current levels of total assistance, is based on a highly political justification. This, of course, does not relieve USAID/J in any way from using the resources provided to achieve the greatest development impact possible.

A. Goal Level Relationships:

Parallel to the Bureau-wide goal of restoring a 2.5 percent per capita growth rate to LAC countries by 1988, USAID/J's goal is to help restore, by 1987, Jamaica's ability to achieve a 3.5 - 4.5 percent per capita rate of economic growth, a growth rate last achieved in the 1960s. During the 1960's Jamaica achieved a high degree of economic growth, fueled by an extensive expansion of the minerals (bauxite) and tourism sectors and the growth of associated infrastructure. The slowed expansion of these sectors in the 1970s, the 1973 oil crisis, and the subsequent decline of the world economy, exacerbated by the GOJ's failure to respond appropriately to these situations, caused Jamaica's economy to take an eight year negative economic growth nosedive in the 1970s.

The 1980's have seen an improved, but still mixed economic performance. The Seaga Government, which came into power on October 30, 1980, made significant strides in turning the economy around during its first year in office. It has taken a more positive attitude toward the private sector, indicating that the private sector is to be Jamaica's "engine of growth."

In the main, this new approach has been modestly successful. Certainly, the economy showed a positive growth rate for the first time in nine years in JFY 1981/82 (April 1, 1981 to March 31, 1982). Beyond this, the GOJ has struggled with the development of policies to provide a conceptual framework within which to attack Jamaica's economic and social problems. Industrial production, agricultural production, urban/shelter, population growth, energy conservation, and health and education issues have all been addressed at the highest national policy making levels. Furthermore, USAID/J has played a considerable role in helping to formulate the policies developed in a great many of these areas.

However, the GOJ has, in too many instances, failed to carry through on those measures required to institutionalize permanent positive change. Thus, in JFY 1982/83 the economy faltered and realized no significant real growth. In JFY 1983/84, economic activity is expected to do little more than hold its own. The GOJ, and USAID/J in support of the Government, still have much to do to achieve their common goal.

B. Purpose Level Relationships:

The five major development problems identified by the LAC Bureau, i.e., economic stabilization, private sector growth, productive employment, family planning, and institutional development, whose resolution encompasses the purpose of the Bureau's strategy, are shared by USAID/J. Balance of payments assistance, which is the keystone of the effort to deal with Jamaica's financial disequilibrium, is helping to provide critical resources needed to hold the economy together until structural adjustments and policy changes in the economy can bear fruit. Given the GOJ's stated emphasis on the private sector, it is necessary to get markets functioning, and functioning properly. Because of the inability of free markets to operate effectively under previous governments, and the requirement for the present government and Jamaica's entrepreneurs to refamiliarize themselves with the workings of free, private sector markets, the major purpose of the USAID/J program must be to help deal with financial disequilibrium in Jamaica's economy during this process.

The provision of opportunity for productive employment is another high priority purpose level objective of USAID/J. Accomplishment of this objective in Jamaica is complicated by the incidence of unemployment (it falls most heavily on women and the young), as well as by its high level (approximately 28 percent*). It is being addressed by USAID/J through the

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* This figure is computed on a basis different than that used in the U.S. It includes all who would accept employment if offered, even if they are not actively seeking employment.

twin mechanisms of providing training to equip workers with the skills required to compete in the labor marketplace, and by creating expanded demand through the stimulation of production and investment.

USAID/J's institutional development activities in both the public and private sectors have as their purpose the creation and/or improvement of Jamaican organizational capability to distribute the benefits of economic development throughout the populace, at such time as these benefits are achieved. At present, these efforts help to target scarce resources on those needy and vulnerable groups who can make efficient use of them. As macroeconomic policy objectives are achieved, all seaworthy economic boats will rise on the tide. A major purpose of ongoing institutional development efforts, then, is to make more boats seaworthy.

Population and Family Planning activities have been a high priority element of the USAID/J program since the late 1960s. These activities have been highly successful in reducing the rate of population increase and providing improved maternal and child health. In addition, they have been helpful in weaning administration of the program, for the most part, away from the direct administration of the GOJ and into the hands of a statutory board.

Stimulation of the private sector, LAC's fifth major development problem is one which ranks very high in USAID/J's strategy. As noted earlier, the GOJ has slated the private sector to be the leader of the economy, and USAID/J

is building upon this decision to help create an environment in which it can occur. Throughout the USAID/J program, the major purpose level theme is support for the private sector. The subsidiary purpose level concerns of the LAC Bureau also are, in the main, ones with which the USAID/J program fits. In the area of research and technology, USAID/J has devoted considerable resources to energy conservation and the development of appropriate alternative energy sources. This is directly related to the almost total reliance of Jamaica on imported sources of energy (over 90 percent). This particular effort is the most significant of a wide range of initiatives to provide Jamaica with appropriate technology. Most of these other activities are limited in scale by the size of the economy and the population, and they recognize that Jamaicans are relatively sophisticated with respect to knowledge of the availability of the latest technology. The constraint on utilization has been affordability, not ignorance. In addition, leadership in a number of important areas, e.g., agricultural research, has been assumed by other donors. Nevertheless, the GOJ recognizes that its efforts to promote the utilization of appropriate new technologies have been inadequate. Thus, a new Ministry of Environment, Science and Technology* has been created to deal with this problem, and A.I.D. assistance with its institutional development has been informally requested.

Environmental degradation is a concern to which USAID/J is devoting only limited attention. This is not for the lack of interest, either on the part

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* See PART III for a detailed discussion of the formation of this Ministry.

of the GOJ or USAID/J, but given the greater urgency of other priority problems, the GOJ has been unable, up to now, to address a major block of resources to this problem. It is anticipated that the new Ministry of Environment, Science and Technology will catalyze efforts to deal with such problems, particularly with respect to agriculture and water related issues.

C. Objective Level Relationships:

The three basic approaches to economic development adopted by the LAC Bureau are being pursued by USAID/J. The primary objective, economic stabilization, is one that USAID/J is addressing through ESF balance of payments support and P.L. 480 Title I. The second objective, structural reform, is intimately interrelated with stabilization activities. Further, the entire package of USAID/J concerns/conditions is designed to be consistent with the initiatives of the two other major donors primarily concerned with these macroeconomic objectives, i.e., the IMF and and the IBRD. In a number of cases, this approach has been able to effect macroeconomic improvements. However, much remains to be done.

The third LAC basic approach, the overcoming of key constraints in principal development sectors, is another concept shared by USAID/J. While the major foci of USAID/J concentration are on problems in the private, agriculture, family planning, and education sectors, very significant (almost experimental) activities are being developed in such areas as urban development (satellite city stimulation) and tax reform.

D. Output Level Relationships:

The primary sectoral outputs emphasized in the LAC Regional Strategic Plan encompass the vast majority of the activity outputs expected from the A.I.D. country program for Jamaica. Certainly, the stimulation of Jamaica's private sector to increase production for export, of both traditional and non-traditional products, is a high priority output sought by USAID/J. The Caribbean Basin Initiative (CBI) Implementation Plan for Jamaica is a product of this emphasis. The achievement of this output will also have a positive effect on employment, both directly and indirectly, through the creation of support service industries. In turn, such production increases can only be achieved by the creation of an environment conducive to growth within the private sector, an interrelated primary program output sought by USAID/J.

Assistance being provided to Jamaica's Board of Revenue will produce two important outputs. A broadening of the tax net will provide greater equity in tax application, as well as a hoped for increase in revenues to reduce existing governmental deficits and to provide additional revenues for the provision of social services. A reduction in the existing, nearly confiscatory (57% on incomes over U.S. $4,000), income tax rates will provide a stimulus to entrepreneural activity.

As noted previously, an improved economy, with an equitable capture of the benefits so generated, will provide an opportunity to redistribute the benefits of economic development through the extension of social services

to poor and vulnerable groups throughout Jamaican society. The outputs of most A.I.D.-assisted projects in Jamaica's public sector are designed to do just this.

Other LAC emphases are met through: (1) activities to develop a farming technology for hillside farmers; (2) AGRO 21's efforts to stimulate greater use of existing commercial agricultural potential through the private sector; (3) the upgrading of a satellite city to lessen the urban pressures on Kingston, provide an improved environment for agricultural production and industrial development in the region, and increase accompanying employment opportunities; and (4) skills and management training required to meet the manpower needs of a growing economy.

PART II. The Progress of USAID/J in Achieving A.I.D.'s Country Program Objectives in Jamaica

As stated earlier in the FY 1985 CDSS, and in PART I and of this paper, A.I.D.'s primary Country Program objectives are economic stabilization, structural reform, and the removal of key constraints in the principal economic development sectors in a manner characterized by an open economy, reliance on the private sector as the "engine of growth," and the equitable sharing of the benefits of growth through increased opportunity and employment. Economic stabilization is clearly the predominant concern; in its absence, little else can be accomplished. However, in the case of Jamaica, USAID/J strategy requires that economic stabilization and structural and policy reform go hand in hand. Fortunately, progress has been (and is being) achieved in these two areas.

A.I.D.'s ESF balance of payments loans have been a critical U.S. contribution to the GOJ's ability to maintain access to external financing during the past three years. It is the leverage these loans have provided in the ongoing policy dialogue with the GOJ, in tandem with the policy and structural negotiations of the IMF and IBRD, that has generated the policy and structural reforms undertaken to date. Principal among these reforms have been the the establishment of a mechanism to bring market forces into the determination of the exchange rate; the levying of economic prices for such items as gasoline and electricity; the elimination of subsidies on all food commodities, except the most basic; the reduction in the rates of

growth of GOJ domestic borrowing and public sector spending; the phaseout of a number of governmental marketing monopolies; and other less significant, but necessary policy and structural reforms.

Of more importance are objectives yet to be attained through continuing policy dialogue. A major effort is still needed to assure a clean float of the Jamaican dollar. Related to this is a need to assure that import procedures for the productive sectors are further simplified. Much work also remains to be done in providing an implementation mechanism for inducing greater divestment by the GOJ of functions and activities better performed by the private sector. As noted in the FY 1985 CDSS, however, policy dialogue priorities tend to change rapidly, and, in many cases, priority is related directly to the timing requirements of a particular reform, rather than the magnitude of the effect it will produce individually. USAID/J believes that its policy dialogue efforts have been significant, even exceeding the expectations of the FY 1985 CDSS. However, succeeding reforms are becoming harder and harder to negotiate (the easy reforms have already been introduced).

Policy dialogue is also an important tool for overcoming key institutional constraints to development in the technical sectors. Initiatives in the private sector have probably received the most attention, and been the most successful. The creation of an effective National Development Foundation (NDF) has been a particularly successful institution building effort, as

well as an indication of how well activities aimed at the private sector are going. Almost 200 micro-entrepreneural entities are participating in NDF activities, and expansion to cover larger portions of the island is already underway. Although it is too early to obtain any meaningful long term projections of the impact these small microbusinesses will have on overall production and employment generation, our expectations are high. Similarly, although more moderately successful, assistance to the Small Businesses Association of Jamaica is achieving the objective of providing a base of influence for the small entrepreneur.

Similar institutional development successes, although in smaller activities, are being achieved in the private sector through the use of Trust Fund and Technical Consultation and Training Grant resources. Examples of institutions receiving assistance include the Jamaican National Investment Promotions, Ltd., the Private Sector Organization of Jamaica, the Kingston Free Zone, the International Executive Service Corps, the Jamaican Exporters Association, etc. While much remains to be done, USAID/J believes that initiatives such as these will begin to pay a dividend in terms of production increases and employment generation during JFY 1984/85. This belief is strengthened by the opportunities provided to Jamaica by the Caribbean Basin Initiative (CBI). The dovetailing of USAID/J's private sector initiatives with the CBI is detailed in the Mission's "CBI Action Plan."

A private sector initiative for which we have high hopes is the creation of a Private Sector Development Bank. Although still in the design stage,

this activity can make an important contribution to the institutional development need for effective private sector involvement in the economic development process.

In terms of the private sector objectives set forth in the FY 1985 CDSS, the past year has been highly successful. The investment climate has improved. The GOJ and such trade organizations as the Jamaican Exporters Association and The Jamaican National Export Company have been active in sensitizing private enterprises to the profit opportunities in producing for export, as well as in promoting the additional benefits available through CBI trade preferences. Although services to prospective investors have not been consolidated in a single entity, the investment promotion system and its offerings have been regularized and an interministerial committee has achieved some benefits in terms of reducing bureaucratic paperwork. Import licensing restrictions and inefficient subsidy distortions in producer cost-price relationships are on the way to elimination. Jamaica's private sector banking system is functioning more aggressively, and public and private sector institutions concerned with investment and production have benefitted from technical assistance. While ideal conditions have not yet been created to permit private markets to grow and flourish as efficient allocators of resources, the situation has improved over the past year and further improvements seem assured.

USAID/J's success in assisting institutional development in the public sector has been more modest. The domestic financial difficulties of the

GOJ have been as constraining to development investments in the public sector as its foreign exchange difficulties have been to the private sector. As one example, a management and infrastructural improvement effort in primary health care has been stymied by budgetary shortages, almost to the point of deobligation. At best, this situation has enabled USAID/J to get a better feel for the GOJ's development priorities; at worst, it has created implementation difficulties in many projects to the point of raising the question of redesign. Consequently, planned outputs are not being achieved in many cases, and implementation projections are not being met as scheduled.

Despite these problems, there are notable examples of successful institutional development. Efforts to broaden the tax base, and rationalize the broad spectrum of revenue generation are proceeding smoothly, and the resulting revised revenue generation program should have a profound, positive effect on the economy. Another outstanding example is AGRO 21, the GOJ's chosen instrument for stimulating private sector investment and production in commercial agriculture. Investment and production increases generated by the AGRO 21 Secretariat are already significant. AGRO 21 also negotiated a joint U.S./Jamaican investment package which enabled the GOJ to divest to the private sector, in a mutually benefitting manner, a 30,000 acre cattle ranch. Credit and feasibility study funding provided by A.I.D. through the Agricultural Credit Bank and Jamaica National Investment Promotion, Ltd. adds another element to AGRO 21, as well as program resources for two organizations

receiving A.I.D. institutional development assistance. The USDA approved fumigation station for agricultural commodities will also play a strong role in the matrix of A.I.D. assisted agricultural initiatives aimed at increasing private sector production, with a special emphasis on export expansion.

Similarly, food marketing activities to improve the lot of Jamaica's many small farmers are beginning to pay dividends. Of particular note are associated PVO activities, which are sharing the burden of developing the private, farmer controlled, cooperative type organizations needed to take advantage of the improved marketing opportunities. Counterpart funds generated under the CBI cash transfer loan will provide the bulk of the financing for some of these PVOs.

Other ongoing institutional development successes include the National Family Planning Board, the Physical Planning and Fish Production Units of the Ministry of Agriculture, and the significant reorganization of the Energy Division of the Ministry of Mining and Energy-recommended by a project evaluation. Of even more importance, however, are three activities soon to begin: assistance to a post-secondary agricultural school to improve the quality and quantity of trained agriculturalists for both the public and private sectors; assistance to Human Employment And Resources Training (H.E.A.R.T.), the GOJ's instrument for providing basic skills training to its youth who have dropped out of the formal education system; and the creation of a private sector capacity to provide fund raising and technical assistance to indigenous PVOs. A final institutional development

activity, still in the conceptual stage, will provide an opportunity for increasing the number of professionally trained Jamaican administrators, managers, and skilled personnel, who are very much in short supply at present.

Initiatives in technology transfer have, in the main, been carried out through A.I.D. supported activities emphasizing institutional development. The approach to appropriate energy technology and energy conservation is a prime example, although one in which the technology transfer aspects are more clearly focussed. A.I.D. financed efforts in basic skills training, agricultural marketing and agro-industrial development are other examples. Smaller activities have included solar salt drying, biogas digestors, solar kilns for lumber drying, etc.

The development of a revised agricultural production strategy for hillside farmers is another more direct application of technology transfer to a Jamaican development constraint, as is the development of aquaculture expertise in the private sector. Other donors have provided assistance in agricultural research, e.g., the Inter-American Development Bank, but this area remains weak due to inadequate political support.

Assistance in the areas of housing/shelter and urban development provides another more direct linkage to technology transfer. The Kingston, St. Andrew Corporation's management audit, initiatives in squatter settlement upgrading, and sites and services work through Housing Investment

Guaranties, and a satellite city development program provide an opportunity for utilizing a variety of specialized technologies. They also provide an opportunity to use a variety of A.I.D. funding sources in a complementary fashion.

For the most part, USAID/J's involvement in technology transfer has been of the applied variety, and relatively small in its range of applicability. This matter, as well as a wide range of additional technology transfer issues, is discussed in detail in PART III.

PART III. Research Priorities, Participation in Research Networks, and the A.I.D. Program in Jamaica

Through the end of CY 1983, A.I.D.'s approach for addressing the broad subject of science and technology in the Jamaican country program has been, basically, to integrate an applied research component into projects having some other concern as the principal objective, and small pilot activities in the public and private sectors. Energy, agriculture, housing and urban development, population/family planning, and education were the public sector areas most involved--see PART II above. In the private sector, activities have included assistance to: a Jamaica Bauxite Institute project to develop a model plant for testing improved production techniques, a Scientific Research Council activity to discover ways of using Jamaican clays in the vitreous china industry, produce salt from solar evaporation of sea water; develop new processes for producing aluminium sulfate and calcium carbonate; develop a solar wood kiln for drying lumber; and experiment with a plastic anaerobic digestion chamber for biogas creation. This approach has seemed appropriate in the context of the GOJ's lack of resources for promotion of science and technology and USAID/J's perceived priority need to concentrate on the immediately productive sectors of Jamaica's economy.

The establishment of a new Ministry of Environment, Science and Technology (MEST) in January of 1984, however, requires an extensive reassessment of USAID/J policy concerning research. Initial policy drafts emanating from

the MEST indicate that GOJ policy is..."to promote scientific and technological research and development, foster innovation and invention, and utilize scientific knowledge as an effective instrument for the promotion of national progress."* The piece de resistance of this policy appears to be the establishment of a National Science and Technology Council (Council) having broad powers, "to coordinate and promote cooperation in the scientific research and development activities of government agencies and private enterprises... In order to discharge this mandate, the National Council would need a secretariat and would be empowered to establish such sub-committees or ad hoc Commissions as deemed necessary."** The document states that there are some 35 Government departments and statutory bodies engaged in technical sciences and research at this time. As an adjunct to the Council, therefore, a certain amount of reorganization and coordination is to occur among existing institutions. Chief among these will be the formation of a Jamaican Institute of Science and Technology (JIST). It will be composed of the Scientific Research Council, the Bureau of Standards, and the Jamaican Industrial Development Corporation; i.e., they will become the Research and Development Division, the Standards Division, and the Market Research Division of the JIST.

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* MEST Draft Policy Paper, Henry I. C. Lowe, January 11, 1983 [sic](1984)
** Ibid

The document cited above goes on in some detail about the goal and objectives of the GOJ's proposed "Science and Technology Policy for Jamaica," including specific references to participation in research networks. However, these details are not of primary concern to USAID/J at the moment; the priority is to determine if the formation of the MEST is an opportunity that A.I.D. should seize by providing institutional development assistance.

An informal request for A.I.D. assistance in helping to establish the MEST has been received. While interested in being of assistance, USAID/J would like to explore the situation further before investing any sizable amount of resources. To this end, further negotiations will be held with the GOJ and, if promising, a formal proposal will be prepared for consideration. USAID/J will, at this point, wish to consult with AID/W concerning the type of assistance which might be most appropriate. While it is too early to be precise about where this process may lead, the most likely possibility is that USAID/J will request a TDY to Jamaica of a high level team of experts skilled in the administration and substance of "national level" science and technology institutions.

PART IV. The Treatment of Women and Other Vulnerable Groups by A.I.D.'s Country Program in Jamaica

A. The Treatment of Women:

To the casual observer, Jamaica appears to offer women almost limitless opportunities to control their own economic and social destinies. There are no legal impediments limiting the legitimate aspirations of Jamaican women. A wide variety of career opportunities are open to women. Women are doctors, lawyers, engineers, agricultural extension agents, etc.; the Minister of Education is a woman; there are many women in Parliament and in senior positions within the political parties; there are women in high level government jobs, e.g., Parliamentary Secretaries, heads of agencies, and major government departments; a recent President of the Private Sector Organization of Jamaica was a woman; and the private sector has women in many executive level positions. Domestic agricultural produce retailing is practically a woman's fiefdom. "There is little doubt that Jamaican women do not suffer from the cultural constraints on employment encountered in many other developing countries."*

Further, "Jamaica does not partake of one inequity common to most developing nations, that is, either de facto or de jure sexual discrimination in the educational system."** Approximately half of Jamaica's children who begin primary education are female, and educational records

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* Harrison, Analytical Description of the Disadvantaged Population in Jamaica, 1978

** Ibid.

indicate that a majority of high school and college graduates are women, despite a perception among women that education is not directly related to employment for women. In fact, the percentage of female illiterates is less than that of males.* "Generally speaking, Jamaican women cannot be categorically viewed as a population disadvantaged by the educational system per se; any inhibitions to equity seem to originate in upper- and middle-class traditionalist perspectives on female roles,"** and on socio-cultural traditions that result in large numbers of unmarried mothers among the lowest income strata. The career opportunities are there, but many women are not taking them.

Employment data show that a little over 40 percent of the Jamaican labor force (those willing to accept a position whether actively seeking work or not) is composed of women, and this includes about 80 percent of all women between the ages of 20 and 54. The comparable rates for men are about 60 percent and 90 percent. Of the women workers, 30 percent are heads of households, "...a figure likely to be an underestimate of the extent to which women are solely responsible for their families' well being due to a cultural bias towards designating males as heads of households, regardless of economic contribution. In one-third of households women in non-legal, often unstable unions, provide the major part of household income."*** In addition, ..."almost 75 percent of the classifiable female labor force work in the service, commerce, public administration, and agricultural sectors,

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* GOJ Statistical Yearbook, 1978
** Harrison, op.cit.,1978
*** Lycette and Ford, ICRW, Women in the Jamaican Economy, June 1982

where the unemployment rates for women are 38.1,75.5, 26.8, and 10.6 percent respectively."* Another 8 percent work in manufacturing, where women face an unemployment rate of 36.8 percent. The overall unemployment rate for Jamaica is about 28 percent. The overall unemployment rate for women is about 38 percent, about three times that for men. Over 21 percent of women heads of household are unemployed, versus 6.1 percent of male heads. Finally, women account for 75 percent of the force of service workers and 64 percent of clerical workers, the lowest paying jobs available in any sector.

These data show the importance of women to the support of families. Given the perception that their saving and consumption patterns reflect greater parsimony than those of men, "improving the employment situation for women cannot be considered an issue of social advocacy; rather, it must be recognized as a critical issue of economic development."**

The basic problem that seems to distinguish between the opportunities available to Jamaican women and their fulfillment is cultural, and the biggest cultural problem appears to be the early age at which many Jamaican women begin to bear children. Motherhood is viewed as having prestige; a high value is placed on demonstrated fertility as a passport to independence

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* Ibid.
** Ibid.

for teenage girls (it is seen as necessary to hold a man), and it is seen as a road to the achievement of a central female role. Teenage pregnancy is a serious problem, and 70 percent of all births in Jamaica occur outside married unions.* Accordingly, this situation translates into severe limitations on the ability of females to complete their education, obtain marketable employment skills, and attain desirable jobs. This conflict between investment for the future through education and the possibility of a better job, and immediate consumption of the perceived social status of motherhood generated by demonstrated fertility is difficult to resolve. "It would seem that there will be a ceiling on how much women will be prepared to abandon or reduce the mother role until educational and employment options come to be perceived as more rewarding."**

USAID/J recognizes that it has a responsibility to give special attention to the needs of women. Given the situation described above, primary attention has been given to population and family planning activities, which have included elements under the direction of the Ministry of Health and the National Family Planning Board, as well as initiatives in the private sector, e.g., the unions, private firms, etc.

In addition several projects have been undertaken which have focussed directly on these concerns, e.g., the centrally funded Agro-Craft Industries project. However, the results were not judged to be satisfactory; these projects did not make much of an impression on the real

* Harrison, op.cit., 1978
** Ibid

issues. Out of this experience, USAID/J has discarded the concept of "women's programming" and reemphasized the approach that a concern for issues relating to women must be a part of all regular programs. This decision was influenced by the type of reasoning expressed by Lycette and Ford concerning a skills training activity .

> "...we would like to note the dangers inherent in setting up women-only skills training programs in an attempt to prevent male/female competition in the courses; first, women will have to face such competition in the job market - protecting them from such pressure during the training period will not be beneficial for them in the long run; second, such training courses may end up being understaffed, underequipped and badly managed - a fate which often befalls women-only programs because they are considered marginal in the larger system. We would recommend that every effort be made to run integrated training programs."*

While adhering to the guidance suggested above, certain elements of the A.I.D. country program provide more opportunity to emphasize the concerns of women than others. The broad program of skills training for young people who have dropped out of the formal educational system without any employable skills is one such activitiy. Others are concerned with improving the institutional capacity of indigeneous private voluntary organizations, agricultural cooperatives, and self-help groups (e.g., day care centers). Another activity is worthy of special mention because

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* Lycette and Ford, op.cit., 1982

women are taking advantage of it. The National Development Foundation, business extension program providing supervised credit to micro entrepreneurs, has nearly 60 percent of its participation subscribed by firms owned outright or in partnership with women.

B. The Treatment of Other Vulnerable Groups:

The primary beneficiaries of A.I.D. activities in Jamaica in this category are children. Two traditional activities have been concerned with children: P.L. 480, in terms of school feeding and mother/child nutrition; and the Special Development Activities self-help projects. In addition, a project is in operation through a PVO to provide special rehabilitative services to handicapped children. Finally, it likely that a program to improve the institutional capabilities of local PVOs will result in the provision of improved social services to many of Jamaica's vulnerable groups, including children.

PART V. The Basic Human Needs Strategy of the A.I.D. Country Program in Jamaica

The vast majority of Jamaicans do not experience the deprivation of basic human needs experienced in many other developing countries. Life expectancy at birth is 71 years, the crude death rate (6.9 per thousand) and the infant mortality rate (16 per thousand) are relatively good for an A.I.D. client country, physicians and hospital beds are available in surprising numbers, average caloric intake as a percentage of requirements is 119 percent, primary schooling opportunities are available to all, the literacy rate (45 to 86 percent, depending on the source) is relatively high, and safe water and electricity are readily available. Although there are clusters of poverty, and the distribution of wealth is skewed, Jamaica reflects the infrastructural base of a developing middle income country. At present, Jamaica is attempting to regain the level of development and growth it experienced during the latter half of the 1960s.

In this milieu, USAID/J's Basic Human Needs (BHN) strategy is to address the key institutional constraints which impinge upon the effective delivery of the physical and social benefits cited above, and to address the adequate provision of those benefits which are still not available to many individuals. Most of the latter relate to the lack of equitable opportunities to permit Jamaicans to achieve their economic aspirations through employment. Employment may not be a BHN concern in the strictest sense, but opportunities for BHN achievement are severely diminished it its

absence. Similarly, rationalization of the tax system will restore equity to the incidence of taxation and remove an incentive barrier to increased personal investment.

As a point of departure for studying USAID/J's BHN strategy, it was proposed that a Social and Institutional Profile (SIP) of Jamaica* be undertaken to provide an updated analysis of vulnerable groups who might benefit from BHN program initiatives. However, Harrison's 1978 Analytical Description of the Disadvantaged Population in Jamaica appears to be still current; it fully meets existing requirements for a poverty profile. Consequently, the SIP was focussed on examining how effective Jamaican service delivery institutions are constituted to enable them to carry out their perceived functions successfully, and how less successful BHN delivery institutions might benefit from this knowledge. Since the types of desired beneficiaries needing to be reached was known, the SIP was designed to provide valuable information on how to reach them through investigation of more effective Jamaican delivery institutions. The resulting document, still in draft, provides a wide range of insights into the sociological and psychological makeup of Jamaican institutions, as well as a range of appropriate techniques for use in project design. USAID/J will be able to use these techniques to enhance the probability of A.I.D. projects achieving success in institutional development. In addition, the SIP will be a very useful instrument for analyzing Jamaica's existing insti-

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* Miranda Associates, Inc., Jamaica: Social and Institutional Profile, 1984

tutions, including public and private BHN institutions, in order to determine how they might be modified to increase their efficiency and effectiveness.

Historically, Jamaica has had a tradition of providing an extensive system, both public and private, of subsidized social services to it people. While these services have been provided for a long time and the delivery institutions are well established, at least legislatively, budgetary stringencies in recent years have sapped the vitality of many of the implementing institutions. These institutions have not only suffered a deterioriation of their capital assets, but, much more significantly, serious losses have occurred in terms of experienced technical and managerial personnel.

The purpose of USAID/J's interventions will be to make the existing system of social and economic service delivery institutions function effectively, with new institutions being created only when absolutely necessary. The SIP provides many insights into how to overcome..."unyielding constraints on A.I.D.'s ability to assist in institution-building,"* and will be a principal tool in designing, and redesigning, A.I.D. activities to improve existing institutions concerned with BHN issues.

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* USAID/J, FY 1985 CDSS, January, 1983

The objectives sought by USAID/J's interventions are, among others: increased employment opportunity, to be generated by improving and expanding the availability of skill training; the provision of better communities in which to live and work, through squatter settlement upgrading, new housing projects, and the infrastructural improvement of an industrial/urban center to provide an alternative to Kingston; a reordering of the agricultural sector to create increased income for farm families (particularly those on small farms), through better commodity marketing, the formation of cooperatives, the elimination of monopsonistic export marketing boards, land tenure reforms, and improved agricultural extension; improved medical care, resulting from better delivery of primary health care services in adequate facilities; support for a nationwide campaign to encourage families to have only two children, through effective family planning and mother/child health programs; and a private sector capability to operate an effective social service system for the unfortunate. These initiatives have been selected from among an almost infinite variety of possibilities on the basis of: the willingness and ability of institutions to absorb resources; the severity of the problem to be overcome and its importance to Jamaica's overall development; and the composition of the beneficiary groups to be assisted.

PART VI. The P.L. 480 Title I Program Strategy of the A.I.D. Country Program in Jamaica

A. Background:

The foundations of the current USAID/J P.L. 480 Title I Program strategy were laid during the course of negotiating the FY 1982 Agreement. At that time, USAID/J was in the process of revamping its entire approach to the provision of economic assistance to Jamaica. The key word was "conditionality." In conjunction with the IMF and the IBRD, A.I.D. wished to influence the institution of basic policy changes by the GOJ, and, along with ESF Cash Transfer Loans, P.L. 480 Title I was seen as an instrument to do so.

The initial planning strategy for the FY 1982 P.L. 480 Title I Agreement assumed several things: (1) that the GOJ would recognize the direct linkages between P.L. 480 and its own domestic agricultural production programs; (2) that the GOJ would be prepared to make long term policy and procedural modifications (improvements) in its agricultural sector in response to the continued provision of P.L. 480 Title I (at slightly higher levels than in the past); (3) that it would be feasible to tie the majority of such changes into the previously negotiated agricultural sector conditions of the IBRD's Structural Adjustment Loan; and (4) that self-help requirements such as those negotiated in the FY 1982 Agreement, so

dramatically different and substantively significant in constrast to past requirements, would justify AID/W agreement to a multiyear program commitment based on performance. This strategy, systematically developed along a pattern of problem study, solution selection, and implementation, however, was never effectively instituted. The reasons for the nonenactment and limited effectiveness of this strategy were two: Washington's unwillingness to commit to a multiyear P.L. 480 Title I Program; and bureaucratic friction within the GOJ; i.e., the Prime Minister, who is also the Minister of Finance, signed the Agreement with its heavy load of conditions, but the Ministry of Agriculture, which has to bear the brunt of the effort to meet these conditions, was not only uncommitted, but openly hostile to them.

Throughout the last eight months of CY 1982, USAID/J attempted to help the GOJ focus on its commitments under the self-help provisions. Little was accomplished, however, other than the preparation of a scope of work for the major A.I.D. initiative, the development of a Five Year Plan for the Ministry of Agriculture. When the time came for the negotiation of the FY 1983 P.L. 480 Title I Agreement, it was decided that the GOJ should be given an extra year to meet the self-help conditions of the FY 1982 Agreement. Thus, they were rolled over. This decision was justified, in part, because the 1982 Agreement had been signed so late in the year (May 1982) that the GOJ had not had adequate time to meet the self-help conditions.

During FY 1983, increasing pressure was exerted upon the GOJ to satisify its now long outstanding commitments under P.L. 480. Ultimately, assistance was sought from the Prime Minister in order to secure required self-help reports. The Prime Minister's intervention, as well as his assignment of responsibility for coordinating P. L. 480 issue resolution to the National Planning Agency, provided temporary resolution of what was becoming a major impasse. Subsequently, however, the GOJ's attention to this problem again lapsed.

B. Current Strategy:

USAID/J has two major implementation objectives for the FY 1984 Program. These are: (1) to reduce the number of self-help conditions to those which appear to be most realizable, given the attitude of the Ministry of Agriculture, and to fine tune the focus of these conditions; and (2) to use the Prime Minister's directive that a systematic monitoring capability be developed for addressing P.L. 480 self-help issues to forge an effective dialogue on compliance.

The specific content of the FY 1984 P.L. 480 Title I self-help conditions is in the process of being developed in consultation with Washington at the present time. Without going into detail, it can be said that the conditions under discussion relate to important issues in the agricultural sector. These are considered to be within the existing capacity of the GOJ to achieve during the next year.

With respect to the creation of an effective bilateral monitoring system to focus attention on the resolution of self-help conditions, the initial step has been taken. Negotiations with the Minister of Agriculture have been completed, and his personal assurance has been given that his staff will give all necessary attention to the issues involved, as well as resources required for their resolution. Beyond this, USAID/J will require the National Planning Agency to prepare action plans for all the FY 1984 self-help conditions. These plans will identify GOJ agency and officer responsibilities for each condition, any intermediate outputs, and final outputs, with measurable standards for acertaining compliance. In addition, interim benchmarks will be set for each self-help measure. Finally, quarterly review sessions will be mandated, involving USAID/J, the National Planning Agency, the Ministry of Agriculture, the Ministry of Finance, and any other GOJ agencies having implementation responsibilities, for the purpose of keeping lines of communication clear and assuring that appropriate actions are being taken to assure timely compliance.

C. Future Strategy:

The FY 1984 P.L. 480 Program negotiation will represent a significant midcourse redirection of the strategy first initiated in FY 1982. In FY 1985 and future years, USAID/J hopes to use the P.L. 480 Program to encourage more sharpened policy and implementation changes in the GOJ's

approach to its Agricultural Sector. This, of course, will be dependent upon the success achieved in implementing the 1984 strategy. It also bears emphasizing that those responsible for authorizing P.L. 480 Programs must be prepared to be patient and willing to sustain delays in completing negotiations in order to assure that the GOJ is totally prepared, in all its participating agencies, to carry out the full obligations to which it becomes committed under P.L. 480 Title I Programs. A desire to be too forthcoming in the provision of food aid can provide a serious deterrent to the negotiation process.