

Jamaica

Economics

General Political Environment:

Democratic institutions are well-established, and a two-party political system has been the norm since Jamaica achieved its independence in 1962. Both the ruling *People's National Party* (PNP) and the opposition *Jamaica Labour Party* (JLP) espouse centrist ideologies and are generally supportive of business and foreign investment. The PNP has held power for all but nine years since 1972 and has won four consecutive elections since 1989.

Both parties completed a transition period in 2006 when Portia Simpson-Miller replaced Percival Patterson as leader of the PNP and Prime Minister while Senator Bruce Golding succeeded Edward Seaga at the helm of the JLP. Simpson-Miller has not radically altered government policies since her appointment as PM. After years of dissension within the JLP, Golding was able to unite the party and now poses a serious challenge to the PNP ahead of this year's election. The parties are in a virtual tie in most opinion polls.

Rising crime and homicide rates in Jamaica are a major cause of concern. The lack of security affects not only Jamaican nationals, but crime rates also have the ability to seriously damage the country's important tourism industry. In coordination with the opposition, the PNP implemented an anti-crime plan and requested assistance from other countries such as the US and the United Kingdom to improve its security measures. Results have been largely positive: the murder rate dropped sharply in 2006, and some successful operations were mounted to limit shipments of drugs and arms.

Another important development is the single domestic space issue. The 9 organizing countries of the Cricket World Cup (March 2007) were treated as a single domestic space in order to facilitate movement between the sites during the event and there are calls to maintain this agreement. If successful, this policy may be a major step deepening integration of the CARICOM.

Investment Environment:

Jamaica welcomes foreign investment and the platforms of both political parties emphasize the need to attract more inward foreign investment to help boost the country's economy. The government has established the Jamaica Promotions Corporation to facilitate investments, and the Corporation is regarded as proactive in its efforts. In March 2004, Parliament approved a new Company Act which serves to bring the Jamaican legal environment up to par with its fellow CARICOM members. This step set the stage in part for the creation of the Caribbean Single Market and Economy (CSME).

The high cost of borrowing has led local businesses to claim that foreign investors have an increasingly unfair advantage in bidding for privatized state assets. However, this sentiment is unlikely to translate into discrimination against foreign interests as the government fully realizes that foreign partners are critical, especially for infrastructure and tourism-related developments.

The 2007 Cricket World Cup (CWC) was a powerful example of this as it fostered major investment by government and the private sector. Infrastructure, which is generally good in populated areas (airports, road networks and power generation), security and tourism have been the three main beneficiaries of these investments. Additionally the CWC should help consolidate the tourism industry's strong showing of 2006.

Political Violence:

Political violence is common at the grass-roots level during election campaigns and resulted in some 60 deaths in the run-up to the country's last general elections. Some corrupt politicians have bribed gang members to "deliver" bloc votes from depressed areas in their constituencies. Rival gangs often support other candidates, which translates into election-based violence.

Jamaica remains an important transshipment point for trafficking in narcotics and arms. Crimerelated violence stems primarily from gang battles over territory, especially in inner-city Kingston and Montego Bay.

Political

Political Structure Constitutional Monarchy/ Parliamentary Democracy

Prime Minister Portia Simpson Miller

Legislative Bodies

- Bicameral Parliament:
- House of Representatives -60 members directly elected;
- Senate 21 members (13 appointed by PM and 8 appointed by the opposition leader).

Major Parties (and number of seats)

- People's National Party (center-right) – 34 seats
- Jamaica Labour Party (center-left) – 26 seats

Last Elections October 2002

Next Legislative Elections August 2007

Press Freedom Survey: • 2006 Score: 17 - Free (0: Free; 100: Not Free) freedomhouse.org

Control of Corruption Index: • 2005 Score: -0.50 (-2.5: Worst; +2.5: Best) worldbank.org

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Political Outlook

Elections set for 27 August will be the political highpoint in Jamaica for 2007. Prime minister Simpson-Miller was contemplating calling an early election until a campaign finance scandal thwarted her plans. The PNP and JLP are running neck and neck in the polls, which prevents any clear forecast of the winner of next month's election. High crime and violence levels will remain a hot electoral topic. Should political violence erupt it could derail the PNP's campaign and favor the JLP.