



## **Inaugural Address**

**by**

**The Most Hon. Andrew Holnness, MP**

**Prime Minister of Jamaica**

**23 October 2011**

Your Excellencies, the Governor General, the Most Honourable Sir Patrick Allen and Lady Allen, Leader of the Opposition the Most Honorable Portia Simpson Miller, the Most Honorable Edward Seaga and Mrs Seaga, the Most Honorable PJ Patterson, the Honorable Bruce Golding, my fellow Jamaicans, good afternoon.

It was with a deep sense of honour and humility that I took the oath of office moments ago, cognizant of the awesome responsibility that I have just assumed. I want to express appreciation to all those who have reposed confidence in me. I want to acknowledge my wife, my parents, my family, my colleagues, my constituency of West Central St. Andrew, the Ministry of Education, and the great number of Jamaicans who have supported me over the years, represented by that elderly lady who held on to my hands and said, "son I am praying for you". Rest assured, I am totally focused on the task of helping the Jamaican people realize their hopes and aspirations. I pledge to serve the people of Jamaica faithfully, with all of my energies, all of my heart, mind and soul.

This is the pattern of service that has been established by my predecessors and at this moment I pay tribute to them all and thank them on behalf of all Jamaicans for their unselfish service to our great nation.

In particular, I pay special tribute to the Hon Bruce Golding who through hard work, commitment and selflessness inspired his cabinet and parliamentary colleagues to higher levels of service.

## **POST-INDEPENDENCE REFLECTIONS**

I was born to working class parents in Spanish Town on the 22<sup>nd</sup> of July 1972: Ten years after Jamaica's Independence in 1962. Five months after Michael Manley won his first election, PJ Patterson was appointed Minister of Industry and Tourism and Bruce Golding entered parliament for the first time. Two years later in 1974, Edward Seaga would become Leader of the Opposition and Portia Simpson Miller entered the Kingston and St. Andrew Corporation as a Councilor.

While I was not around when Jamaica took its independence, from all accounts it was a period of great excitement, great hopes and great expectation. Oh to have experienced the birth of a nation—a clean slate, endless horizons, greatness within sight and within grasp. It must have been a glorious time, an optimistic time a positive time. It was a time of political honour and mutual respect, where I am told, JLP and PNP supporters were welcomed at each other's meetings and the only things thrown were words in good humour. The prospective spirit of the entrepreneurial sector was high. Statistics show that we had the fastest and highest levels of growth during that period.

However, as we moved to the 1970s impatience with inequality and unresolved social issues in the Jamaican society grew. Colonial institutions, three hundred years in the making, and the social structures, inequities and injustices they created, could not be reversed in one decade of Independence. Globally, Jamaica was very much intertwined in the growing struggle for human rights, civil rights, true freedom and respect for the Black Race, the oppressed and the poor

underclasses of the world. Our intellectuals like Garvey inspired other leaders to continue the struggle, and Marley provided the medium of music to carry the message of true freedom, “upliftment” and self-assertion worldwide. Another global struggle was in play at that time, the Cold War. Though of different origin, it was connected by the confluence of geopolitics and the desire for ideological hegemony by the superpowers of that time. Again, Jamaica would feature prominently and be caught up in this struggle.

With *So Much Trouble in the World* as Marley described it at that time, the decade of the 1970s must have been, and is generally agreed to be, the most turbulent and divisive time in Jamaica’s independent history. I was not a part of the ferment or foment of that era. As a student of politics and as a child exposed to politics, as I was, I understand and appreciate both sides of the debate and struggles of the time. As a result of the struggles of the 1970s it is clear that we have developed a more progressive social structure, we have secured more rights and respect for our people, we have become more assertive and expressive of who we are. Clearly this is positive for national pride, self-worth and esteem. All this is necessary in building a nation. However, we have also carried with us from the 1970s a polarized politics, a mean spirited politics, an uncooperative politics and a violent politics. The basis of the struggles of the 1970s was true freedom, however the politics then, created garrisons that have enslaved our own black people, created lines of demarcation dividing our people, created a free space in which crime can flourish and where the sovereignty and authority of the Jamaican State is challenged by gangs of criminals.

The struggles of the 1970s should have created a more equitable society. However, in those very struggles we lost the fundamental respect for law, order and public virtue, the basis on which more equitable societies are built. Without this healthy and universal respect for law, order and high public virtue, our institutions can be corrupted, and worse, corruption becomes acceptable. Where there is corruption there is inefficiency, there is injustice, inequity and inequality.

The struggles of the 1970s should have given more power and rights to the people, but power and rights cannot be divorced from responsibility. Rights alone do not define sovereignty.

Sovereignty requires responsibility. Responsibility embraces truth. Unfortunately a kind of social, economic and political irresponsibility has followed us throughout the decades. From men not taking responsibility for their children, to communities not taking responsibility for public spaces, to a lack of accountability in government.

The ferment of the 1970s aimed not only to give social and political voice to the poor but was also to have given economic empowerment to the poor. The inability of successive governments since the 1970s to have a sincere, genuine and respectful discussion with the poor about a practical approach to economic development has led to a delaying of the inevitable confrontation of our national debt. We cannot continue to borrow more than we produce in value. This is the surest way to continue poverty. The lack of fiscal discipline is the greatest injustice visited on the working class masses of Jamaica. Historically, what we have given in overspending through borrowing on one hand, we have taken away with high inflation, interest, and exchange rates, with the other. The poor who we claim to love so much have not been better off for this. The notion that fiscal discipline and a human development agenda are mutually exclusive is a false dichotomy rooted in the rhetoric of the past which must be left there.

I entered representational politics approximately 35 years after Independence. My outlook and perspectives were not shaped by events of the 1970s which have cast a long shadow over our politics.

Rather I have been influenced and motivated by the frustration of the mass of well thinking Jamaicans who have been turned off by the politics of our country and who continue to be disillusioned but are still looking for a reason to believe. Like many Jamaicans I was frustrated with the political process that emerged out of the 1970s. Some chose the path of pursuing change from without; I chose to pursue change from within.

This path has not been easy. It has required the ability to grapple with the issues and wrestle with the politics, as it is, without being compromised. Being in the system I have seen where genuine efforts have been made, under successive administrations, sometimes with the

support of civil society and sometimes totally led by civil society, to transform Jamaica. Understanding the complexities, I am now in a position to continue the management of the change that Jamaicans want to see. And I want to give credit to those who have worked from within and without for change. As a result, we have made progress in many areas of national life and we must continue with them.

We have come a far way with our electoral system; it is not perfect but it is much better than what we had 30 years ago. This is a great example of politicians and members of civil society working together to build national institutions. I am committed to continuing the progress in this area. Legislation regarding party registration and financing, campaign financing and other electoral reform matters will have the support of the Government in Parliament.

We are making progress in fighting corruption. There are several pieces of legislation designed to bring greater transparency and oversight to public administration, including the new Anti-Corruption Bill and Amendments to the Procurement Regulations which will have the support of the Government in Parliament.

We are making progress in modernizing the police force. Jamaica has benefited from the national security cooperation we have pursued with our bilateral partners. This cooperation must be continued and intensified. In parallel we are making progress in crime fighting. We cannot relax on crime at this point and we will bring to Parliament, very soon, Anti-gang Legislation to address the threat of organized crime.

We are making progress in transforming and modernizing our education system. All the gains we have made towards attaining universal literacy and numeracy must be consolidated and intensified. The new institutions we have built and the new programmes we have implemented must be given time to work. We will be taking to Parliament shortly Bills to enshrine the Jamaica Teaching Council into law and we are now working on laws for safety and security in schools, school improvement facilitation, and greater parental participation in education.

We have made some progress in the reform of the Justice System, both in terms of infrastructure and administration. We have passed the Charter of Fundamental Rights and Freedoms. The work we are doing must be continued and accelerated.

We have developed a framework to reform the public sector. This is designed to improve the efficacy and efficiency of government. The recommendations from the taskforce must be implemented with as much consensus as possible, but as quickly as possible.

We have made progress generally in the economy. The Jamaica Debt Exchange shows how much we can accomplish if we are willing to cooperate and make sacrifices. Today we have the benefit of a stable dollar, the lowest levels of interest rates in decades, and low inflation. We have divested loss making entities that have been a burden on the National Budget and we have started work on reforming the tax system. Agriculture and tourism have shown growth despite the global environment. And we are now seeing signs of a resurgence of the productive sectors generally.

Additionally, we have developed a mechanism to facilitate sectoral discourse on national issues, through the Partnership for Transformation. Progress has been made in this area. No national debate of issues is truly complete without the input of the Opposition. I extend my hand to the Opposition to join us at the table once more. I believe that in areas where we have no disagreement we should be prepared to join hands for the national good. In areas of difference or disagreement there is no harm in continued dialogue for the national good.

### **Taking Charge**

As we stand on the eve of the next 50 years of our independence and we commit to building on the achievements of the last 50 years, we must also commit to correct the errors of the past that follow us, and develop the courage and energy to chart new pathways to success. Today I take responsibility for the direction of this country. Today my generation must take responsibility for charting new pathways to fulfilling our destiny. Today, let us start a new ethos of responsibility in all Jamaicans for Jamaica.

## **Social responsibility**

Let us start with fathers taking responsibility for their children, and parents deciding only to have children they can afford to maintain and educate. Let us be responsible for the education of our children, there is no reason why in modern Jamaica a child should leave school illiterate; each parent and teacher must work together to take responsibility for the literacy of our children. Let us take responsibility for how we dispose of our waste and the impact it is having on our natural and built environment. We must take pride in where we live and take responsibility for public space though we may not own it individually. Music is a powerful tool in influencing the youth; our artistes must take responsibility for their lyrics lest we lead our youth astray. One of the most difficult questions I was faced with as Minister of Education and Leader of Government Business is *“how can I ask teachers and students to maintain a certain decorum in school when our Parliamentarians do not maintain that decorum in Parliament?”* Parliamentarians must lead in this national call for responsibility; it is our moral duty. The pathway to responsibility is not one that can be legislated or enforced. It is about a conscious decision to act rightly. That is the essence of public virtue. The ancients saw politics as the highest calling of man. It is what men do in the interest of the public good without thought for their personal benefit or threat of sanction; it is what we do because it is right, not because it is expedient. In this regard our leaders must lead.

## **NEW POLITICS**

### *Remove Garrisons*

Jamaica is yearning for a new politics to emerge. How can we be fully free when some of us are not even free to express our conscience? How can we be fully free when some of us are not even free to make our own choices on a ballot? How can we be fully free when some of us are not free to walk around the block for fear of “crossing the line”? Zones of political exclusion are incompatible with freedom and aspects of our politics are an affront to liberty. It is time to end garrison politics.

This will not happen overnight, and it should not happen by force. There must be consensus on the way in which this is done. Both political parties have it within them to mutually agree to end the social construct of the garrison. Outside of a national consensus the parliament can pass and enforce specific laws to ensure and protect the free movement and campaign of political representatives in opposing garrison communities. The parliament can also provide sanctions for breaches of the Political Code of Conduct, to which both Parties have already signed. It is important that people living in these areas get to see other political representatives without the objection of enforcers. Let us start the process by getting the leaders to walk together in these areas of exclusion. I am willing to walk with the Leader of the Opposition in Tower Hill, and I may just turn up in Whitfield Town. I will be writing to the Leader of the Opposition to invite her to discuss this important measure of coordinating access to closed communities for representatives of differing political persuasions. Hopefully this small step will lead to other steps that will eventually remove garrisons from our political landscape.

It is not only that the rest of Jamaica is locked out of these communities; I am concerned that the residents of these closed communities are locked off from the rest of Jamaica. They don't necessarily get the same level of service from the state as other citizens and many persons in need in these communities are left to survive by their own devices. Neither do they necessarily share the national outlook on important issues such as crime. We must seek to integrate all our citizens into the Jamaican society; they must share a common vision. We must guarantee them equal treatment and respect from the state and they too will be emboldened to support our national stance against crime, corruption, and injustice. Criminals must never be seen by the community as protectors. Once there is this integrated and shared national vision, garrisons will no longer be havens for criminals.

### *Broader Participation*

There are other casualties to the politics of exclusion. Independent minded persons who form an increasingly large percentage of our population exclude themselves from a process they

consider tribal and un-thoughtful as a result some of our best talent avoid public service out of fear of being tainted by association.

We must change that. It will not happen overnight but we must commit ourselves to the emergence of a new political culture that will endear our best talent. A culture:

- Built on the supremacy of ideas and the public space for these to contend;
- Built on a relentless focus on policies and less on personalities.
- Built on action and less on talk and rhetoric
- Built on the principle of inclusivity and broad participation. The broader the participation, the better the quality of governance, the deeper the participation the better the efficacy of government.

Today, I make an appeal to all well thinking Jamaicans both here and in our beloved Diaspora who would want to see this new culture emerge to join the process. If talented people make themselves available I will make space for you in this government. Jamaica needs her talented sons and daughters in the service of the public good now more than ever. Your contribution does not have to be in the political domain; civil society, service clubs, chambers of commerce, school boards, citizens associations, community watch groups, community development councils, charities, sports clubs, youth and church groups are all important to building a strong fabric of participatory governance.

### *Transcend Pettiness*

For too long we have been distracted from the seriousness of our problems by petty politics. On both sides the civility of our politics must improve. We must all pledge to elevate our political discourse. Our leaders must transcend petty, mean spirited, tear down politics.

The time has come:

- To erase lines of demarcation that created garrisons
- To open the doors that excluded
- To transcend the pettiness that has distracted us

## **ECONOMY**

### *Poverty*

Our potential for prosperity has not yet been realized. This is the objective reality. While countries in the Caribbean, Latin America, North America, Europe and Asia have seen their economic indicators improve substantially, Jamaica has underperformed. And those who feel the burden of economic underperformance the most are the poor. Poverty has three main dimensions:

1. The first is knowledge; the poor in any society usually have limited access to education. The first step in fighting poverty is giving access to education. There is no educated country that is poor. The government will continue to expand access to education at the early childhood level and at the secondary level. In the last 4 years we have moved from 72% to 82% of students of secondary age enrolling in high school up to grade 11. A target of this administration is to achieve universal secondary education early in the next decade. This means that every child in Jamaica must complete at least 5 years of secondary education and have certification to show. If we accomplish this we would have eliminated one of the main factors that keep poverty in our society. As a personal testimony, I did not come from a privileged background but my parents invested heavily in my education. Education is the greatest investment in breaking intergenerational poverty. I am where I am today because of education. I encourage all Jamaicans, especially the poor, to make the sacrifice and invest in the education of your children.
2. The second dimension of poverty is access to state services and amenities. People are poor either because they are denied access or because they cannot afford access to services, like health care, and proper shelter. Our government has made a commitment to free access to health care; there are many persons who previously would have opted to remain untreated who are now being cared for in our health service. As a result their quality of life has improved. We have increased benefits and expanded our social safety net for the poor. I have heard the praises for the PATH programme but I have heard the

complaints as well. I believe it is now time to review the PATH programme to make sure that eligible and needy persons are not excluded.

3. The third dimension of poverty is income and employment. While the absolute poor are usually unemployed, we must acknowledge that the working poor is also a major concern in Jamaica. The poor need meaningful employment. At this time I want to take the Jamaican people into my confidence. I am going to tell you the truth about our economy and I am going to leave it to your good judgment to decide. This is a good time to talk about the national debt.

### *National Debt*

Over the last 40 years we have lived on borrowed money. Over our independent history no one has ever forced us to borrow. We are a sovereign nation and we have chosen to borrow.

For many years we have kept on our budget certain state enterprises, which, while providing jobs, lost money continuously. These losses have been funded with debt. Over many years we, as a country, have borrowed for all kinds of projects but not all of the borrowings have been used for the designated purpose. The proceeds of some of our borrowing have leaked due to corruption, poor management, bureaucracy and some have been wasted on ill-conceived ideas. The logic of borrowing should be that the funds are used in a manner that will generate more revenue in the future from which the debt can be repaid. However, we now borrow in order to repay previous borrowings. We are caught in a vicious cycle of borrowing to the point where, for more than a decade, the size of our debt has been larger than the value of what we produce each year.

The truth is that we cannot continue to borrow indefinitely as a palliative for short term gratification of social needs. It has fallen to my generation to confront this problem. What will we do? The government has developed a practical plan to gradually reduce the debt while maintaining its support for the most vulnerable in the society. The first strategy in borrowing less is getting more revenue and the first strategy in getting more revenue is increasing the efficiency and simplicity of our tax administration and waiver systems. We have to build a

fairer, broader and less burdensome tax system that spreads the tax burden equitably and promotes compliance. In May of this year our government tabled a green paper on tax reform which is being discussed by stakeholders. I am confident that we can reach agreement on a reformed tax system.

Another strategy in borrowing less is managing our expenditure. A large and growing part of public expenditure is our wage bill. Public sector wages has always been a vexed issue, and not just here in Jamaica. We watch closely the happenings in other more advanced economies and we can all be proud as Jamaicans that while our unions have been tough negotiators, for the most part they have acted responsibly. The Government is now in dialogue with the unions and other stakeholders to come up with a consensus position on managing the wage expectations. I know the unions understand the situation the country faces and I am hopeful for a positive outcome.

While we ask public sector workers and their unions to moderate wages, the Government must reduce wastage, inefficient bureaucracy, corruption and profligacy in its own house as part of expenditure management. In the same way that I know households are now cutting and economizing to maintain their standard of living so it is that Government must become more efficient in delivering public service. As we have done in the Ministry of Education where we have identified areas of wastage and through the use of technology and the implementation of more efficient business processes, we were able to turn wastage into savings which were used elsewhere in the system to provide additional service. In spite of budget compression in that Ministry we were still able to provide even greater service delivery. This Government will take a microscope to public expenditure. We cannot afford wastage and corruption. Ultimately, this ends up being a burden on the poor.

Important to all of this must be a disciplined approach to the management of our fiscal accounts. When we hear fiscal discipline we are conditioned to think austerity. If we have fiscal discipline as a feature of our economic management then there is no need for austerity measures. We have already started to develop the basis for fiscal discipline with the passing of legislation to create a Fiscal Responsibility Framework. We are already in a programme with a

plan that is designed to restructure, rationalize and bring greater equity and efficiency to our economy and public sector.

We are very close to once and for all breaking this vicious debt cycle. If we complete the programme and stick to our plan, we would be able to moderate our expenditure, increase our revenue, and as a result reduce our debt. Once we reduce our debt then we will have more money to spend on sustainable programmes to eliminate poverty from our society.

Fiscal discipline means that government is going to stick to the plans it has laid and agreed with our domestic and international stakeholders. Oftentimes, these plans require our stakeholders to make sacrifices for future gain. How this plays out politically does not always empower governments to maintain discipline. The electorate sometimes are left out of the discussion or misled by rhetoric in our intensely competitive political climate. This can lead to demands and expectations that lead us back to debt as the solution. In a democracy governments cannot ignore the views of the people. Our politicians must therefore be brave enough to tell the electorate the truth and be prepared to engage them in robust discussion about the path on which we have embarked. We must say unequivocally, there is a limit to borrowing and more debt is not the solution to poverty. If we were to veer from this path, or depart from fiscal discipline, or hesitate to complete the journey, all the sacrifices we have already made, in JDX and Public Sector Divestment and all the reforms and negotiations would be for naught. We have come too far to turn back now. Let us decide here and now to once and for all get a handle on our debt problem. There is no other way.

### *Investment, Jobs, Growth*

So how do we create jobs? We are well on our way to sustainable and meaningful job creation. We have set the necessary macro pre-conditions for investment and growth with stable exchange rates, stable interest rate, and stable inflation. Our next task is to resolve the micro economic environment for business. Even while we do this however, we are already seeing modest signs of growth. There are some key elements of the microeconomic agenda that I would like to highlight:

- Increasing the productivity of our labour force. Economic growth is closely correlated to increases in labour productivity, and productivity is a function of training. Close to 70% of our employed labour force is untrained. We must correct this. Already we have started to create workforce colleges under HEART and we have implemented the Career Advancement Programme to ensure that large number of persons in the labour force and those entering the labour force are trained.
- Removing inefficient bureaucracy. Almost all the business people I meet complain about the convoluted and frustrating bureaucracy they encounter in doing business in Jamaica. Where there is inefficient bureaucracy that increases the cost of doing business, corruption and cronyism will exist. We must stamp out inefficient bureaucracy. This is a key goal of this administration and this is where there exists great potential for the infusion of technology and business process engineering to make government more efficient.
- The high cost of energy is a universal cry across all divides in Jamaica. This government has developed an energy policy however we must act swiftly in implementation. I believe it is also universally agreed that Jamaica must diversify its energy sources and create competitive markets for the provision of electricity. This government is committed to the transformation of the energy sector.
- Investment Promotion. Our government must become more aggressive, more prospecting and more proactive seeking investments. Creating the macro and micro environment for investment is not enough. Sometimes itâ€™s the handshake that seals the deal. It is a wide world out there and Jamaica is a small country, 1 per cent of the gross international foreign direct investment globally could significantly help in solving Jamaica's problems. Let's start prospecting for opportunities.
- Greater utilization of public private partnerships. With our current fiscal constraints, there are certain viable investment projects for which the government cannot be financially involved in upfront capital expenditure. This creates an opportunity for the private sector to partner with the government in creative ways, utilizing assets such as lands, rights, or taking advantage of already programmed streams of recurrent

government expenditure on a public service. This provides an avenue for the government to maintain fiscal discipline, while pursuing critical infrastructure projects that do not put the government into more debt, and at the same time creating meaningful mass employment that the country needs.

- With all this I am optimistic that we will see increased and sustained investments in Jamaica. I am certain that we are doing the right things to support the economy to create jobs. Jamaica is poised for take off in growth and development. The people are central to all our development activities and the poor and vulnerable are the focus of our social support.

## **Conclusion**

Jamaica must take its place in the world and compete for capital, investment, technology and markets alongside the other nations of the world and on the same terms.

- We must apply imagination and not limit ourselves.
- We must think big and act smart
- We must be pragmatic, prospective and pursue opportunities.
- We are a people of great destiny and we have much to be proud of.
- Let us make a decisive break from those elements of our past that have held us back and lets us commit to building on the success of our forefathers.
- Let us end poverty in our society.
- Let us create wealth.
- Let us build a society where if you play by the rules you will succeed.
- Let us create a society that if you are good at what you do, no matter where you start in life you will achieve.
- Let us achieve universal literacy, and universal secondary education.
- Let us diversify our energy infrastructure and source.
- Let us ensure that those who commit crimes are assured of punishment thereby reducing the incidence of crime.

- Let us create a simple, efficient, broader and less burdensome tax system.
- Let us build a society where our youth can be optimistic about their future.
- Let us make Jamaica the place of choice to live, work, raise families and do business.

I want you to understand that the sum total of our potential exceeds our problems; that our collective capabilities are greater than our challenges but it is only through participation that these capabilities and this potential can be seized, harnessed and realized for the good of Jamaica. I know we can do it. I know we can practice a better politics. I know that a better politics which allows broad participation and honest conversation with the electorate will lead to better more sustainable policies to manage our economy and create jobs and opportunities. This is how we create a better Jamaican. Better politics, better policies, better people.

I know the days ahead will not all be easy. I have found comfort in some words accredited to Mother Teresa. It reflects how I have always lived my life, sums up how I intend to conduct myself in this office.

#### Paradoxical Commandments

People are sometimes unreasonable, irrational, and self-centered. Forgive them anyway. If you are kind, people may accuse you of selfish, ulterior motives. Be kind anyway. If you are successful, no doubt you will win some unfaithful friends and some genuine enemies. Succeed anyway. If you are honest and sincere people may deceive you. Be honest and sincere anyway. What you spend years creating, others could destroy overnight. Create anyway. If you find serenity and happiness, some may be jealous. Be happy anyway. The good you do today, will often be forgotten. Do good anyway. Give the best you have, and it will never be enough. Give your best anyway.

I pledge to give my best, and with faithful prayers and hard work we will succeed. May God bless you and may God bless Jamaica.