

PLEASE CHECK AGAINST DELIVERY

“Working for the People - Protecting the Gains”

Contribution to the Budget Debate

By The Most Hon. Portia Simpson Miller O.N, M.P

Leader of the Opposition

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O God, our help in ages past, our hope for years to come, be our guide while life shall last, and our eternal home.

Mr. Speaker:

I give thanks to the Almighty for the opportunity to contribute to another Budget Debate in this House.

I continue to serve in this Honourable House as a result of the support of the people of South West St Andrew who continue to inspire me every day. For them, my love is deep and my gratitude timeless.

I remain grateful to my family, including my husband Errald and my housekeeper Marva for their steadfast support at all times.

I thank my other personal staff at the Office of the Leader of Opposition and in the constituency.

Mr. Speaker, I want to use this opportunity to record my sincere appreciation to the staff at the Office of the Prime Minister, the Cabinet Office and throughout the public service, who gave service to our Administration with professionalism and utmost dedication.

My colleagues on this side, including those who served in the Cabinet and in other capacities in this Parliament represent some of the most dedicated servants of the people to be found anywhere.

I thank the officers, executive and members of our Party – the Peoples’ National Party – who never stop toiling in the vineyard of political representation and community service.

Mr. Speaker:

This Budget Debate takes place in the context of the recent general election which resulted in a change of Administration.

The 32/31 seat distribution in this House creates a new dynamic.

This reaffirms the strength of our democracy and that the people are our masters and we their servants.

There is an unwritten but clear message: The Members of this House must reach across the political divide and work in the best interest of all the Jamaican people.

I express profound appreciation to all Jamaicans who participated in the democratic process.

Naturally, Mr Speaker, I say special thanks to the more than 433,000 persons who voted for the People’s National Party.

The members on this side pledge to serve all the people of our constituencies and the entire nation with commitment and sincerity.

OUR MISSION

Mr. Speaker:

In this Debate I will speak on the work of my Administration to build a strong economic foundation for Jamaica.

That work was propelled by our commitment to the sustainable development of the Jamaican people.

I will share some thoughts on the possible threats which the current budget poses to the achievements and the sustainable development of Jamaica.

I will also offer some suggestions for securing the gains of the nation.

These suggestions include new approaches to some important issues of governance.

Mr. Speaker:

Our work on behalf of the people was driven by a clear vision.

We on this side have throughout the history of Jamaica, motivated the people to believe that their challenges can be surmounted. We have always inspired to know the people that their hope and dreams can be achieved.

However, this can only be accomplished through creative thinking, hard work, long term planning and consistent, disciplined action.

Our goal has never been to create an illusion of immediate personal or national fulfilment.

That is not possible.

We have never built up false hope.

We have build hope anchored in improving people's lives in sustainable ways that will serve them for a lifetime.

That is why, Mr. Speaker, we set out to achieve lasting progress for the people and sustainable development for Jamaica.

The foundations of that progress have been achieved and I encourage the Government to protect those gains.

The gains represent the sacrifices of the Jamaican people.

Our successes were achieved through partnership with the people.

So, Mr. Speaker, once again, I place on the record of this Parliament, our appreciation and thanks to the people of Jamaica for their sacrifice and support.

Special thanks to my Minister of Finance for his stewardship of the economy.

He did this with the full support his Cabinet colleagues.

Mr. Speaker:

Let me remind this House of the task on which my Administration embarked in 2012.

We set out to take on the stubborn challenges that had kept the Jamaican people on the fringes of progress and development for far too long.

In my presentation in the Budget Debate in May 2012, I told this House and the country that we could not borrow our way out of our economic problems. I said then, that:

“Under my leadership, despite the challenges, we will do everything in our power to reduce the debt and restore economic growth with job creation. It is in that context that some of the unavoidable hard decisions have to be taken”.

I also said at the time:

“It is Imperative as we go forward that every attempt to disguise the reality of our situation be rejected. The eventual penalties always exceed the cost of facing the truth the first time around.”

We know that broken promises damage relationships and reputation.

When I hear others talking about economic growth and job creation – I want it to be remembered, that is what we set out to achieve in 2012.

My Government resolved then not to hide from the stark realities.

We entered into a real partnership to positively transform the economy, the society and most importantly, to transform the lives of our people.

We were bold. We were brave. We were honest and upfront with the people of this country.

We on this side were united in the view that the Jamaican people would have no real prospect of progress if we did not drastically reduce the debt.

For decades it had hung like a millstone around our necks.

- It was stifling growth;
- Restricting investments;
- Limiting job creation.

We did not take the populist way out.

We did not go the road of political expediency.

We took the tough decisions.

JAMAICA IN 2011

Mr. Speaker:

Because of populist politics and a refusal to face realities, in December 2011, Jamaica was in a bad place.

The then Administration had failed successive International Monetary Fund (IMF) tests and abandoned the IMF programme required to assist the nation and people to economic recovery.

There was uncertainty. Jamaica had lost the trust and respect of the global financial community.

There was very little investment to create jobs. There was no growth.

In fact, there were eleven consecutive quarters of no growth.

There was not even a glimmer of hope.

Our Administration, embarked on a truly transformational Economic Reform Programme.

Our aim was to build a sound economy and improve the lives of the Jamaican people.

We knew it was a long march to progress.

We were committed to giving the people of Jamaica, sustainable development, firmly rooted in real economic achievements – investments, growth, and wealth creation.

They deserved no less.

Mr. Speaker:

I remember how utterly discouraging, and at times embarrassing, our early efforts to engage international partners were.

Mr. Speaker, sadly, Jamaica was seen as a country whose leaders did not keep their word.

In order to overcome that trust deficit we engaged friends of Jamaica at every level.

When Mrs Christine Lagarde, the Managing Director of the IMF came to Jamaica in 2014 she said:

"I remember the 24th of December, 2012, the day before Christmas. We had been told about Jamaica.

We had been told how difficult the situation was and I was in close contact with (Finance) Minister (Dr Peter) Phillips. But little did I know that there would be international pressure coming from the Hill. I actually welcomed that day, 24th December, a group of Congress women and one man who came unannounced, sat in my office and said to me 'you have got to help Jamaica.'"

Mr. Speaker:

That is how we began to change the dynamics.

We structured a plan and got the support of a wide cross-section of the Jamaican and international communities for the best programme to reduce Jamaica's debt.

This allowed us to improve the business and investment climate, stimulate growth, boost production and productivity and ensure sustainable, long term growth and development.

That is why in the Throne Speech the Government can now say that they will continue the growth agenda.

BUILDING A STRONG FOUNDATION

Mr Speaker:

Anybody who has built a house, knows that the most difficult part is laying the foundation.

Our Government has done the heavy lifting.

We have built Jamaica's economic and social foundation. My Administration did it in the interest of the Jamaican people.

Their interest is far more important than the personal dreams and ambitions of any one of us in this House.

Locally and internationally, Jamaica's success was hailed as being transformative.

- Jamaica saw improvement in the doing business index;
- Jamaica was voted as the best country in the Caribbean to do business; and the best performing stock market in the world for 2015;
- Businesses - large and small, foreign and local - were investing and creating employment for thousands of Jamaicans.
- Consumer confidence was at an all time high.

Mr. Speaker:

For the first time in decades, Jamaica had a balanced budget and a healthy primary surplus.

The country had savings and had started to invest in social services to improve our people's lives in a sustainable way.

It is said that inflation is a tax on the poor and I agree.

The historic low levels of inflation really meant that all Jamaicans were finally getting the most sustainable tax break they had received in 50 years.

This explains the high levels of business and consumer confidence in the country.

That is how we achieved economic growth and job creation.

Mr. Speaker:

The Statistical Institute of Jamaica (STATIN) just last month reported that 31,400 jobs were created in Jamaica over the period January 2015 and January 2016.

We were getting investments and creating jobs.

We were correct in focusing on job creation rather than income redistribution.

It is better to teach a man, or a woman to fish than to give him or her a fish.

Sustainable development for life is better than short-term gratification.

We led the drive for growth, job creation and better pay for workers, through the promotion of major commercial and industrial projects in:

- Tourism
- Agriculture
- Mining
- Energy
- Logistics
- Construction; and
- Business Process Outsourcing.

Mr. Speaker:

How many of us in this House have noticed the transformation taking place as a result of the rapid growth of the Business Process outsourcing (BPO) Sector.

Let's just take one of them – Sutherland Global, a company that I encouraged to invest in Jamaica.

I have seen streams of young people, from various communities walking proudly into Sutherland Global in New Kingston, on the UWI Campus and in Mandeville.

Mr. Speaker:

Let us take for example what is happening in Mandeville.

It is projected that in a short time the BPO sector there will be employing up to 2,300 persons.

Their fortnightly payroll will be \$120 million.

This means an average of \$26,000 per week per person.

Mr. Speaker, these workers will utilise taxi services.

They will purchase at restaurants and other businesses. That means more business for the farmers.

This will also mean greater demand for more and better quality housing.

Many other BPO companies are also changing the lives of our young people at the Barnett Tech Park and Free Zone in Montego Bay.

We left plans in place for new BPO businesses in Montego Bay, Portmore and Kingston.

This is what growth is all about. Everyone benefits.

Mr. Speaker, It is said that the road to development begins with the development of roads.

In 2007, I broke ground for the construction of the North-South Highway – the single largest investment in Jamaica.

This was part of the growth agenda.

So when the Finance Minister tweeted congratulations to the current Transport Minister, that message was sent to the wrong person.

This new corridor is critical for future developments in housing and hotel construction along the North Coast.

It is vital for the efficient movement of goods, people and to encourage further investment.

Last year Cabinet gave approval for the design and construction of the Southern Coastal Highway starting with the Harbour View to Morant Bay leg.

The second phase should cover Morant Bay to Port Antonio. This was part of a larger vision we had to connect the entire island. Prime Minister, the people of St Thomas are waiting to hear from you and an assurance that their highway will not be abandoned.

Such an action would retard economic development for them.

ENERGY

Another aspect of our development and job creation agenda was the development of the energy sector.

The work of the Electricity Sector Enterprise Team was commendable.

Mr. Speaker:

Recently the Prime Minister, while attending the Caribbean-US Energy Summit in Washington, endorsed our plan for Jamaica to become the hub for the supply of LNG in the Caribbean.

When I attended that Summit last year, some said I should have saved the country the expense of going and use Skype instead.

I am happy that this year the Prime Minister went in person and did not join via Skype.

He spoke of the tremendous benefit of being there in person.

Mr. Speaker:

For many years we tried to purchase LNG from many sources without success.

On my invitation, President Obama came to Jamaica in April of last year.

We used that opportunity to negotiate a historic agreement which allows Jamaica to become the only non-NAFTA (North American Free Trade Agreement) country accessing the US LNG market.

That is one of the initiatives we pursued to create growth and sustainable development.

Mr. Speaker:

I stand before this Parliament and the nation today to remind you that my Administration was bold enough to take on the difficult challenges that successive governments have shied away from for decades.

We are proud of those accomplishments.

We are proud of the Jamaican people who courageously, and with dedication to nation, stood with us on this journey.

I cannot thank the Jamaican people enough for their sacrifice and support during the period of necessary reforms of our economy.

I thank:

- the workers,
- consumers,
- business owners large and small,
- farmers,
- taxi operators,
- public sector workers,
- members of civil society
- and others who were our valuable partners.

Mr. Speaker, let us not squander the sacrifices of the people.

Let us resolve to stick to the programme and do the necessary work to help our people fulfil their aspirations.

Land, Housing and the Ownership Society

Mr. Speaker:

For development to be sustainable there must be inclusive growth.

All of our people must benefit.

Central to our economic and social philosophy is the building of affordable housing and safe, vibrant communities.

Through the National Housing Trust (NHT) and other agencies, we provided of housing opportunities for thousands of our people.

In fact, over the last four years, the NHT spent more than \$80 billion to provide housing solutions and mortgages.

In 2015, the Trust began a programme to develop 9,000 housing solutions over a 27 month period.

Most of those will come on stream this year.

We did not just build houses, but we broadened ownership through the land titling programme.

Last year alone over 8,000 titles were distributed.

I am proud of our achievements in this area.

Mr. Speaker, you cannot imagine my joy when I saw an 80-year-old woman coming with her walking stick to collect her title.

We changed her life and that of her children and grandchildren who will now be able to use that title to create wealth for themselves.

They are now proud owners of a part of the rock we call Jamaica.

The Gains in Education

Mr. Speaker:

There is wide public acknowledgement that 2012 to 2016 was a time of vital advances in education.

The Economic Commission for Latin America and the Caribbean reported that Jamaica was among the countries investing the greatest share of their national budgets in education.

That is how we were able to achieve 100 per cent literacy at the grade four level and an overall 80 per cent at the primary level.

Our investment in hundreds of new classrooms at the Early Childhood, Primary and Secondary levels was designed to produce educated, skilled, responsible, peaceful and socially aware citizens.

- We doubled the number of trained teachers in the early childhood sector; and transformed more than 300 basic schools into infant departments.
- We provided 300,000 children with breakfast and lunch.
- We took 50 schools off the shift system, and
- replaced pit latrines with flush toilets in 300 schools.

The gains in education must be preserved as a key component of our path to the sustainable development of our people.

THE 2016/2017 BUDGET

Mr. Speaker:

In this budget, many of the programmes are familiar.

We left them there and with adequate funding.

However, important aspects of the proposed budget are a deviation from what we left, and we are concerned.

Jamaica is now at a delicate stage of recovery and the budget being presented threatens to derail that recovery.

Estimates of Expenditure

Mr. Speaker:

This Administration is already proving itself to be a Government of announcements which bear no relationship to formal policy and budgetary provisions to support those policies.

How else can one explain the several announcements and clarifications made by the Minister of Education since taking office.

The Auxiliary Fee confusion has cast a shadow over the future of our education system.

The Minister announced an end to “Auxiliary fees” while there are inadequate allocations to schools to fill the gap the removal will create.

This is what happens when you develop policies on the fly and without consultation.

Then there were the announcements of:

- two additional years of high school education
- improved school feeding programme and
- a new Early Childhood Stimulation Programme

Without identifiable funding in the budget.

The reality for the country is that an underfunded education system will set back the tremendous gains of the past four years.

It is time for Jamaica to again have a national consultation on education and arrive at a consensus for the preservation of its gains and the correction of its problems.

It is time to end the confusion in Education. We need to forge a Partnership for Education in the real sense.

National Security

Mr. Speaker:

The Government is proposing to spend some \$500 million dollars less on the police in a vital area such as “stores and armoury”. This is a bad idea.

Why would you systematically reduce the budgetary provision to the security forces for essential items such as bullet proof vests and weapons at a time when the murder situation is a cause of great concern.

This does not give confidence to citizens and it certainly does not give confidence to business operators and potential investors that they will be protected.

I want to remind the Government that the successful pursuit of growth will be affected greatly by crime.

Jamaica has a crime problem that is not necessarily the result inadequate policing or lack of funding of the security forces.

There is a deep-seated problem of how we relate to each other as human beings.

A culture of peaceful dispute resolution must be promoted in families, at the workplace, on the playfield and elsewhere in communities.

In the current situation we could be tempted as others have done in the past and use crime as a political football.

However, the people expect better from us and they deserve a different, higher level approach.

New Taxes

Mr. Speaker:

On Tuesday, our Finance Spokesperson dealt extensively with our critique of the \$13.8 Billion tax package, which was so deceptively imposed by the Government.

They said there would have been no new taxes to fund their promised income tax relief.

Now, every Jamaican man, woman and child is paying for that promise.

We had warned that the promise to abolish income tax for every Jamaican who earns 1.5 million dollars or less was not feasible.

We said there was no funding in place to make this possible without new taxes.

What concerns me most is the impact this will have, particularly on the most vulnerable.

I speak of:

- That unemployed single mother with her children to support;
- The NIS Pensioner taking home \$5,600 per fortnight;
- Household helpers
- The elderly, and
- Persons with disability.

These are the hundreds of thousands of Jamaicans who will not benefit from the announced income tax relief.

Mr. Speaker:

I would like to know what the Prime Minister is going to do for those people.

He promised, among other things, to raise the minimum wage to \$8,600. That is in their Manifesto.

What is he going to do about them? They too need a break.

Mr. Speaker:

What is worse is that no one will get the up to \$18,000 - not this year; not next year, not until 2018; yet everyone will have to pay the new taxes **starting last week.**

What motivated this?

Is it trickery? Is it incompetence?

This is not Prosperity.

As the people are saying – this is Tax-perity!

Mr. Speaker:

We believe in easing the tax burden on the Jamaican people. We believe that the PAYE earner deserves a break.

The difference between the Members on this side and the Government is that we do not believe in giving with one hand and taking back with both.

We believe in granting sustainable income tax relief to more persons over time.

We also believe that tax policies should be fair and equitable.

We raised the tax threshold as the economy improved.

We raised it three times during the four years of our Administration and we had committed to raising it again.

We will continue to remind the people that the Government's word cannot be trusted.

As we are now aware, the Government's revenue projections may not be realised.

This would mean more taxes this financial year.

Furthermore, next year, when the Government faces the full annual cost of the PAYE measure, we expect there will be an even bigger tax package.

This cannot be prosperity.

GOVERNANCE

Partnership for Jamaica

Mr. Speaker:

The actions of the Government raise important issues concerning governance.

One of the important lessons I have learnt in my political life is that, as we say in Jamaica, **“One hand can’t clap”**.

Rooted in that experience is my commitment to the Partnership for Jamaica.

We left a fully functioning and involved Partnership as an important mechanism of good governance.

I chaired the Partnership Council which included Ministers of Government, representatives of the Opposition, the business community, trade unions and civil society.

The National Partnership for Jamaica is about much more than economic growth.

It was forged to monitor, make assessments and report on the economy, labour issues, social policies and civil society concerns such as the environment.

This was done so that no aspect of development, is achieved at the expense of others.

This assisted in stabilizing the society as we worked to transform Jamaica's economy.

That was partnership in the real sense. It was Jamaica's first social contract.

Prime Minister, since you assumed office, I have not heard a mention of the Partnership for Jamaica.

Not in the Government's most important Policy statement – the Throne Speech, nor in the formulation of the Economic Growth Council.

While I congratulate those appointed to serve, the Government must clearly articulate if the other social partners will have a seat at the table.

Why have they been excluded?

New Structure of Government

Mr. Speaker:

The treatment of the Partnership for Jamaica raises some crucial questions for governance in the new construct of this Government.

- What is to be the relationship, between the Economic Growth Council and the Economic Programme Oversight Committee – the body that monitors the agreement with the IMF and the economic programme of the government?
- How will any perception of a conflict of interest between private businesses and the national interest be managed?
- What will be the relationship between the Growth Council, Investment Ambassadors and line Ministries and Agencies which have

substantive responsibility for investment promotion, foreign trade and bilateral negotiations?

- Does the over-concentration of major economic portfolios, departments and agencies in the Ministry of Economic Growth and Job Creation pose any risk to good governance?
- Are critical resources being diverted from other Ministries into this new Ministry?

The Public Sector

Mr. Speaker:

Jamaica prides itself in the development of a professional public service over the years.

Successive administrations have done a lot to improve that professionalism and preserve the neutrality of the Civil Service.

Jamaica has some of the most competent and professional public servants.

My Administration was careful to respect public servants and preserve their jobs so that they could contribute to nation- building and take care of their families.

It should be of no concern to the political directorate how any public servant votes.

That is their constitutional right.

Mr. Speaker,

I am therefore saddened to have learned that members of staff in at least one Ministry, were being asked by a political functionary, where they lived and who they had voted for in the recent election.

If this is true, it is wrong. It is shameful and it must not happen.

We cannot run a proper public sector in this manner.

We cannot run any civilized country this manner.

Integrity and Anti-Corruption

Mr. Speaker:

Integrity in public life is a vital pillar for good governance.

A lot of work has been done to create the environment for greater transparency in the public life of our nation.

Members of both sides of this House have worked on draft legislation to end corruption and improve transparency.

One such piece of legislation – the Integrity Commission Act is ready for re-tableting.

Mr. Speaker,

My Administration did much work in this area.

We strengthened anti-corruption bodies and reformed integrity legislation.

That is why Jamaica's standing on the Corruption Perception Index was significantly improved under my leadership.

Notably, Jamaica was also named, for the first time, in the top ten for press freedom by the group **Reporters Without Borders** for two consecutive years.

An Active Parliament

Mr. Speaker:

An active parliament is important to good governance in our democracy.

The seat distribution in this House, could present the temptation to avoid regular sittings. That temptation should be resisted.

There are important Bills at various stages of the legislative process which require urgent action.

These include:

- The Road Traffic Act
- The Building Act
- The Integrity Commission Act
- The Sexual Harassment Act;
- The Child Care and Protection (Amendment) Act;
- The Occupational Safety and Health Act.

The passage of these pieces of legislation is important for advancing a better quality of life for our people and to bring greater order and discipline in our society.

Role as a Responsible Opposition

Mr. Speaker:

The Opposition will continue to work on behalf of the people in this Parliament whether we are on this side or that side.

We will champion the cause of the people at all times and will be holding the Government accountable.

We will lead the dialogue on issues critical to sustainable growth and development.

The Opposition stands ready to cooperate in the interest of Jamaica and the Jamaican people.

We are committed to helping to move Jamaica forward.

RESTORING FAMILIES & PROTECTING CHILDREN

Mr. Speaker:

In moving Jamaica forward, there is a special role for the family.

The issue of the family has been brought into focus by recent news of disturbing acts involving our children.

The children of Jamaica are very dear to my heart. We must do everything we can to protect them.

They are God's gift to us, precious gems and the future leaders of our nation.

I once again call on all Jamaicans to stand united, vigilant and resolute against the abuse of our children.

Those who hurt children must feel the full force of the law.

This gives greater urgency to the quick passage of the draft Child Care and Protection (Amendment) Act.

That piece of legislation is intended to impose harsher penalties for abuse against children.

On this issue, both sides of this House should work together.

CLOSING

Mr. Speaker:

I have shared with this House and the nation today, the development vision that guided our work when we formed the Government.

Although the country has not reached its destination, today I outlined some of the many programmes we pursued in getting there. Those initiatives were designed to spur growth, ensure social inclusion and positively transform Jamaica and the lives of our people.

I have identified some of the remaining challenges, and the Government is being encouraged to accelerate the pace of progress to overcome them.

My Government did the heavy lifting and laid a firm foundation. That foundation is an economic transformation that is among the greatest legacies we have created for the people of Jamaica.

Mr. Speaker:

Our focus was on sustainable progress for the Jamaican nation and people that is lasting and permanent. Not on short-lived gain today that can disappear tomorrow.

Mr. Speaker:

Achieving that sustainable progress for all, demanded, and still requires, real work, not smooth talking.

It calls for continued major investment in education and training.

It demands private and public investments in infrastructure development to create good paying jobs and to expand economic activity.

In order to create that successful Jamaica we all want to live in, we must encourage a culture of social and economic ownership: One where the people have a vested stake in production, in land and housing, in governance and in the education and protection of our children.

Most of all, Mr. Speaker, completing the mission demands trust, integrity in leadership at all levels. It requires the forging of true partnerships in which the people can have faith.

I believe that in creating economic stability, we delivered on our mission.

By successfully creating the climate for investments and business expansions, we delivered on our mission.

With more than 20,000 new jobs each year; and 31,000 last year alone, we delivered on our mission.

Through reducing inflation, the greatest tax on the poor of this nation, we delivered on our mission.

By investing more in Education, Health Care and the PATH programme, we delivered on our mission.

Helping to sustain vulnerable families and protecting our children, we delivered on our mission.

Through greater investments in the security of communities, we delivered on our mission; and

In creating and embracing the Partnership for Jamaica we advanced our national goals.

Mr. Speaker:

We hold our heads high. We can be satisfied, and the Jamaican people can be assured, that we have made Jamaica a better place.

Now, as the Parliamentary Opposition, we will be partners, monitors and guardians of that success.

To the people we say: We will never cease empowering you to achieve your personal and collective aspirations. From this side of the Parliamentary aisle, and in our Constituencies across Jamaica, we will work even harder to move our country forward.

We do not believe in division, we are for community and connection. As we have done over the past four years, we on this side will continue to advance real partnerships at every level, and build new bridges of hope for all our people.

Fired by hope, and lifted by the resilience of the determined Jamaican spirit, our people can surmount the hurt of the current setbacks and build on the strong foundations of our hard-won gains.

Mr. Speaker:

I thank you.