

**50 YEARS BACKWARD AND FORWARD?**

**ADDRESS BY:**

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**On the Occasion of the 25<sup>th</sup> Anniversary of the University of**

**Technology**

**Annual Lecture**

**at the**

**Jamaica Pegasus Hotel**

Today we are commemorating the 25<sup>th</sup> Anniversary of the Annual Lecture of the University of Technology. This presentation will honour that occasion by dealing with the pivotal issue in educational reform and development. This year Jamaica also commemorates its 50<sup>th</sup> Anniversary of Independence. Anniversaries are important milestones which should be marked: some for review of the past, others for a look into the future. This particular occasion should feature both a review of the past and expectations for the future.

Jamaicans greeted independence in 1962 with relief for more than one reason. The period marked the point of settlement of the seething political problem of whether the future of Jamaica rested in the West Indies Federation, or in seeking independence on its own.

The other area of relief was the end of a period through which the country had just passed with an unprecedented four national elections in four years, (1958, 1959, 1961, 1962), each of which aroused its own uneasiness and apprehension: periods of stress, strain and, eventually, electoral fatigue.

The post-Independence period of development must begin with reviewing the different creeds adopted and implemented by the mainstream political leadership even before Independence, commencing with general election to the Federal House of Representative in 1958. Each of the belief systems was expected to serve as an over-arching framework for development policies. The shifting focus from one

system to another occurring from decade to decade, was designed to lift development prospects with each shift to higher levels. But, beginning with the Federation, they did not.

The West Indies Federation was based on the expectation that the people of 10 English-speaking Caribbean territories could become one nation inspired by a cross-border brotherhood of similar ethnic and cultural profiles that would kindle a flame of solidarity and heighten prospects for the future of the region. It failed because reality checks later showed that there were underlying contradictory political and economic priorities which resulted in serious disagreements among the territories themselves at times on key issues. In addition, the largest country, Jamaica, was equal in population to the nine others from which it was widely separated in the Caribbean Sea. Hence, there was little possibility of meaningful collaboration in a process which often required consensus, resulting in halting steps being taken towards the ultimate objective of integration. As a consequence of the lack of effective integration, the definitive position taken in the Jamaican referendum on September 19, 1961, resulted in the withdrawal of the largest territory, Jamaica, and the collapse of the Federation, which was by then inevitable anyway. But the Federation did leave some valuable primary areas of integration: the University of the West Indies, the Caribbean Development Bank, the West Indies cricket team and a few other secondary regional agencies.

Any reality check in the early years would have realised that the grand federal design would have been politically unworkable because of the inevitable conflict of priorities among the member countries which, as all poor countries must do, put self-interest first. Recognising that these conflicts would have created insoluble problems, would have saved more than a wasted decade of dreams.

During the early years of the 1950s and 1960s, the dominant economic order was the attraction of foreign investment to establish manufacturing and industrial projects which could create jobs for the labour force. These investments were attracted by offers of generous tax and non-tax incentives to encourage job creation. But the reality check, several years later, showed that relatively few jobs were created by these capital intensive industries, built largely on import substitution notwithstanding the substantial amount of revenue which was foregone and foreign exchange expended to sustain their operations. The cost was greater than the return. For more than a decade, it was mostly a misdirected policy particularly because it dominated the political scene as the over-arching development strategy.

In the 1970s, a new ideological order was adopted. Shifting from economic to political and social priorities, socialism was introduced with its corner-stone policy of distribution of wealth by pulling down the rich to create an egalitarian society of race and wealth. It did not take long to learn from bitter experience,

that the poor cannot be elevated by pulling down the rich, but by pulling up the poor. Neither could those worthy social programmes of socialism, nor the over-riding economic policy of state ownership and control of the heights of the economy be implementable and sustainable because of limited available cash, among other reasons. Another decade was lost because the reality checks were ignored through the overpowering euphoria of the deceptive message that “socialism is love”. Again, this ideology proved that it was not the way forward. In fact, it virtually died along the way.

A dramatic about-turn in the 1980s raised the need for competitiveness to the level of a new economic order by minimizing the public sector as an agent of production and maximizing the private sector as the agent of growth. To some extent, this was achievable by divesting public assets. But to achieve competitiveness, macro-economic stability also had to be established. This stability, in the dictum of the IMF, had to be anchored by leveraging the exchange rate, adjusting it regularly to sustain competitiveness with other markets. The problem was, however, that each adjustment of the exchange rate created a new cycle of price increases which reduced competitiveness requiring further adjustment and eventually reducing growth. This created a vicious circle which forced me to intervene with a demand in 1986 that the IMF discontinue in Jamaica the application of this self-defeating policy. After a tense period, the IMF finally agreed in January 1987. The resulting dramatic economic upturn after 15 years of downturn significantly helped to transform

the struggling Jamaican economy to a restoration of a fiscal surplus and meaningful growth by 1987.

By the 1990s, a new generation of Caribbean leaders had emerged who had no experience with the Federal failure. They sought regionalism by reversing the process, rightfully so, creating a community of nations, CARICOM, rather than a single nation with a single flag. They assembled the components from the bottom-up. But when the structure reached the level for specific programmes to be introduced to deepen integration, cracks began to open wide. It became apparent that, CARICOM, as an integrated organization, would fail to produce coherent integrated policies, especially a single market and economy. The Caribbean Single Market and Economy (CSME), the CARICOM standard bearer, had no agreed single currency nor could it support one although this was essential to lubricate regional transactions. It was evident that the differing productivity levels of different countries would increase exports in a few states while showing decrease in most others. A reality check, in this case, because the data was readily available, would have foretold that the CSME would be a grand design of conflicting performance in which Jamaica, disappointingly, would become the supermarket, not the factory. More than another decade was wasted.

To this sequence of failed strategies over the decades, was added the most calamitous event which beset the Jamaican economy in post-Independence: the financial meltdown of the 1990's. The new government of the period allowed the IMF to guide it through the wilderness of the capitalist market economy. It was prompted to abandon the auction system which had maintained a pegged exchange rate of J\$5.50 to US\$1.00 in the last half of the previous decade, restoring economic growth. It also was induced to suspend exchange control regulations thereby enabling free movement of foreign exchange in and out of the country at a critical period when the Bank of Jamaica had little foreign exchange to meet the outflow demands. This allowed the rate of exchange to move perilously. Within 17 months, the exchange rate tumbled by two-thirds of its value: from J\$1:00= US\$ .18 cents to US\$ .07 cents. Panic set in. Predictably, the outflows were greater than the inflows; the expected inflows of foreign exchange never really materialised and the Bank of Jamaica had no international reserves to compensate for the negative position. This precipitated a deteriorating economic spiral which ended in a cataclysm.

With the door now open for capital flight, the exchange rate soared through the roof, interest rates and inflation zoomed through the window and economic growth plunged through the floor. Eventually, 40 of 44 financial institutions collapsed resulting in an economic meltdown. The cost to government was \$144 billion to enable compensation to failed institutions to protect depositors and savers. This was 45% of the GDP, ranking Jamaica third on the list of

countries experiencing economic cataclysms. Only Indonesia (50%) and Argentina (55%) were more severe.

The decade of the 1990s and the first decade of the new century were lost, as was the decade of the 1970s, because of reckless and inappropriate policies, or misdirected leadership.

Economic growth stagnated, the budget was once again experiencing fiscal deficits with average inflation and debt intractably cemented at hostile inoperable levels. Ironically, in a climate of no growth or little growth, unemployment decreased. So did the Poverty Index, because, in part, frantic relatives abroad transferred financial remittances and barrels of “goodies” to help families to weather hardships. Government also introduced effective poverty reduction measures. Whatever the reason for this mixture of good and ill fortune, the meltdown conditions calcified into economic stagnation indicating that this was not a way forward.

I have outlined this journey of fortune, and mostly misfortune, to enable a deeper understanding as to why we failed to progress. I contested the presumption of benefits in the case of each of the strategies used, exposing the fallacies on which these schemes were founded, knowing that, in all but one model, the 1980’s, the economy would lose ground. Their shoes did not fit our feet.

**The single message which dominated this period was that visions for future development must be subjected to thorough cost-benefit analysis lest they become nightmares. This has seen the affliction of the first 50 years of leadership which believed it was pursuing glorious visions but woke up to nightmares.**

Within this framework of different orders and belief systems, the 1970s was the most dynamic period in that it provoked a furore with attacks on the foundations of the establishment. In retaliation, the attackers attracted an onslaught of responses invoked by vested interests, creating much confrontation and conflict. But most of all, the decade raised the consciousness of political thought forcing everyone to appreciate the interplay of politics with the rest of the society and to decide whether they would stand and fight, or flee in fright, or indeed, embrace the new order.

Restoring economic health was the challenge of the 1980s. The afflictions were many; the misdirection of the 1960s, the legacy of the 1970s, the worst recession of 50 years and the worst hurricane ever, ravaged the country in the 1980's, and challenged the task of rebuilding an economy which would be renewed, revitalized, reformed and recovered. The result was a fragile turnaround to a positive direction in the decade, notwithstanding the slippage of continued social decay.

By the last half of the 1980's, the economy was right-sized; free of the mantra that all foreign investment was good and should be incentivized, free of the IMF dogma that rejected a pegged exchange rate, free of the rigidities of liberalisation that the public sector cannot intervene, even where critical, to own and to operate. These freedoms enable the creation of a labour-intensive macro-economic model of a mixed economy which energized the people-based sectors to create jobs, growth and reduced inflation. This was the way forward restoring growth and creating 100,000 new jobs in the last three years of the 1980's, building from the bottom up, not the top down.

I can see clearly the reasons for a no-growth, low-growth, stagnant economy. The economic gains were never given a chance to be consolidated and accumulated. They were wiped away, sometimes for ideological reasons, or by the intense desire of some to deny paternity for progress by others, in order to claim innovation for self. This was the political culture. Twice in the post-independence period the economy reached robust levels (in the late 1960s and 1980s) and twice it was ambushed by reckless and inappropriate policies and alien ideologies. Most damaging of all was the failure to maintain the policy of a pegged exchange rate of the late 1980s adopted from all the more successful economies of the region, preferring to follow the few who were riding the slippery slope of an erratic exchange rate. This helped to create a prolonged, stagnant, failed economy unknown anywhere else among the

English-speaking countries of the region and, virtually, the rest of the world. This created a sublime period of excessive politics.

I quote from my autobiography:

“There is too much politics in politics. If there was less politics, then politics would do what politics should do, develop the country.”

There are many lessons to learn about surviving snares and pitfalls by devising our own strategies that work rather than accepting, willingly or unwillingly, the imported strategies or belief systems which others think will work. The same brain-washed mentality that proclaimed everything from the Great House to be good and better is the same one which dictates that imported ideologies, imported regionalism, imported economic strategies and imported globalization are all “good and better”. They are, but only in part. We must determine what is good and reject what is not, or we will become modern day slaves to new masters in a new form of colonial bondage and true independence will be a fiction.

Meanwhile, regional and global schemes that would fail any cost/benefit test on the protection of Jamaica’s interests, were gullibly swallowed and forcefully promoted. Even if the body is now independent, the mind, it seems, is not. Every misconceived change is a start-over in which the loser is

the Jamaican state which must make bigger sacrifices to try to catch-up. Hence it has not returned to the days of greater glory.

**Jamaica's misfortune is that policy makers have no agreed set of policies or agreed principles on which to devise sustainable strategies which can pass the baton successfully from one runner to the next with smooth continuity. Hence, the end result of the relay is a non-productive path of batons that are fumbled and dropped and runners who take two steps forward and two steps backward.**

**Time now to stop following and fumbling. Time to lead the way!**

The gap in the inter-digitated structure of the two Jamaicas, is closing on all fronts, but too slowly. In systems of governance, populism continues to show strength, because the economy continues to show weakness. System and order are creeping into haphazard management, but indiscipline is broader and deeper. Corruption continues to spread from strength to strength in financial schemes and other operational modes. Virtually every man, it seems, has his price, because it is virtually everyman for himself in a society of too much greed. The frills of the society indicate progress, but the fundamentals do not. "Politics" reigns supreme with self-interest at the core. Youth are polarizing: entrenching the worst and intensifying the best. Women are Jamaica's stars.

Their future is Jamaica's future. How things have changed, but not always for the better!

Leadership in independence must begin with understanding ourselves and the virulent sources of instability which can lie in wait. In the 1970s, racism was introduced as a driving force for seismic change by equating wealth and race so that those who were receptive to the urgings to blame the wealth of others for their poverty, would blame race too. The powerful underlying force of racial discrimination was not based on entirely false assumptions. The truth is deeply rooted in the centuries of slavery in which layers of inhumanity overlaid each other. Marcus Garvey had uncovered the false wrappings and laid bare the intolerances that kept different racial groups apart, frustrating the social strivings for betterment. The intolerance of injustice was at fault, but so too were threats and demands for radical social and political action on all fronts. *Festina lente* (make haste slowly) is the surest way to success.

The problem is in the means to the end. The solution is not in pulling down, but pulling up. Pulling apart the layers of racialism is not a matter of peeling, and unwrapping layer by layer. The layers are inter-digitated with anti-social rejections. Separating the layers is a complex and delicate process. Inevitably this would uncover the social embitterment of disrespect that aggravates the complex problems of the social order. Pulling up avoids this disintegration.

The process of pulling up to earn more is best driven by systems to learn more. All societies thrive on educational training to create a productive labour force from which some technology and some entrepreneurship can emerge to promote growth. A society with a failed education system cannot generate products of merit with a claim to economic value, social respect and national pride. There is no educated country that is poor; no poor country that is educated. This is the key!

In a dysfunctional education system in which some 70 percent of graduates are ill-equipped for any career, frustration and anger are the outcomes if an oppressive social system cannot be pulled down and an uplifting education system cannot be pulled up. If the economy is shackled by limited opportunities for producing legitimate wealth and the disrespected masses have ladders that are too short to scale the walls of deprivation, the inevitable recourse then is the illegal routes of illegitimate pursuits: crime and drugs. Check the corners in inner city communities and the shop steps in rural areas and the “wutless boys” and “careless gals” will be found.

Sloganeering education is not the solution. It is merely the expression of a device to talk-the-talk with no intent to walk -the -walk. Educational reforms must begin where education begins: “reading, writing and arithmetic.”

Young children entering infant and primary schools must progress at the same rate if they are to learn together. Today, while more refined statistical results are being awaited, the crude data is not far from the truth: only one-third of little children entering primary schools can handle primary education; two-thirds cannot. It is no use creating measures that can, at best, improve this situation in bits and pieces, leaving the majority of those who are blighted to carry water in baskets. They must all proceed together at the same pace with a single collective solution so that all the eyes of little children who must see, will see; ears that must hear, will hear; and minds which must understand, will understand. No teacher can be asked to succeed if two-thirds of the little minds in the classroom are blank slates. It is sinful!

Instead of a training process which leaves two untrained children for every trained child, stop the process and bring all students to the same level of literacy and numeracy by the end of Grade 2, until the early childhood system, eventually, can lift at least 90% of all entrants to primary schools to a level at which all can cope. I am told that this would cost \$7billion Jamaican dollars to be successful. Have we thought of what it is costing to fail?

I would have preferred to see the educational system restructured to give every child the opportunity for a successful start than to have had more than

\$8 billion spent on Cricket World Cup, or unnecessarily renovating the Palisadoes Road!

Any country without electricity is doomed because virtually all useful devices work with electrical power; any country without full literacy and numeracy is doomed because virtually everyone works with knowledge. We are intolerant of electrical blackouts, but we are tolerant when minds are shut down in the mental blackouts of illiteracy!

Time to throw away the sloganeering of what is being done for the next generation. The next generation is here and it is waiting. In fact, it has been waiting too long to give every child an equal chance.

After 15 years of strident campaigning, I feel like a voice in the wilderness in calling for the problem of early childhood education to be solved at the bottom so that all those who move up the ladder can move with greater strength at the same time, one and all, to the top.

Far more disillusioned young people are being produced annually by a malfunctioning education system than the limited means of economic betterment can absorb. While most fit into some manpower needs uncomfortably, one way or the other, a good many are misfits ready for solutions that are the easy, corrupt way out.

The last 50 years have demonstrated the ability of Jamaica to establish itself as a world brand in music, athletics and tourism, but it would be an exaggeration of the forward movement to claim that this has been satisfactory. A comparison with Singapore, Malta, Mozambique and South Korea who were in the same economic category of small island states as Jamaica 50 years ago, are indicative that whereas this group has moved towards first world status and, indeed, has attained this status in the case of South Korea and Singapore, Jamaica has shown little progress because of frequent backward steps which have erased forward movement.

This cannot be the pattern for the next 50 years. The potential of the country in education and agriculture and the prospects of meaningful economic recovery must be established if Jamaica is to climb the ladder of success. Ordinary Jamaicans have tapped the mother lode of our rich creative resources and athletic talent, moulding them into global star performers. So too has tourism. These have been our sources of real pride. But they are not enough. We have fallen short in the last half century and must resolve to make up ground in the next 50 years now that we know the reasons why we failed.

All Jamaica must find a new liberating energy, as indeed the ordinary people have within some areas with great success. Let us remember the words of Marcus Garvey as we challenge ourselves for the next half of this century:

*“Remember that you are men, that God created you Lords of this creation. Lift up yourselves, take yourselves out of the mire and hitch your hopes to the stars; yes, rise as high as the very stars themselves. (And) let not any man destroy your ambition because man is but your companion... he is not your sovereign master.”*