

ABSTRACT

Legal Controls on Foreign Investment:  
The Case of the Bauxite-Alumina  
Industry in Post-Independence  
Jamaica

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The issue of foreign investment flowing between industrialized states and less-developed states has been controversial in international relations. A situation has emerged in which the industrialized and less-developed states are pitted against each other due to the efforts of both sides to protect their own interests. This controversy is reflected in the state of international law on foreign investment. The law is not fully developed in this area due to a rift existing between developed, mainly capital-exporting states and developing, mainly capital-importing states on the relevance of international law in the regulation of foreign investment activities.

This thesis seeks to analyze the reasons for this debate in international law and to examine the resulting effects of foreign investment activities on less-developed states. An interdisciplinary approach is taken

because it is felt that in order for the laws to be properly analyzed, the environment in which they exist and were created to support must be thoroughly understood.

The Jamaica bauxite-alumina industry is used as a case study. This industry provides an excellent example of the effects of foreign investment activities on a less-developed state. It also demonstrates the extent to which the uncertainty of international law on foreign investment has impacted upon national legislative efforts to regulate the industry by Jamaica's leaders.

A world-system method of analysis is adopted throughout the thesis. In keeping with this approach, the view is taken that the state of the laws on foreign investment is not surprising if an examination is made of the grand theme of the present world-system. That is the accumulation of capital to the core of the system and away from the periphery in an increasingly efficient and subtle manner over the years.

The researcher concludes that in order for the laws to adequately address the interests of all parties equitably, they must be further developed in a manner which could undermine the theme of capital accumulation. The improvement of the quality of life of the world's peoples and their natural environment must become the new

basis on which states in the world-system conduct their affairs in order for true development to occur.

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