

ABSTRACT

The Rejected Cornerstone: The Role of Machine Tool Shops in the Development of Jamaican Industry

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This study looks at the machine tool sector in Jamaica through case studies of two leading firms and local and international reports. Its purpose is to explore the contribution this sector can make to national development and the constraints it faces, and to use this analysis to make recommendations for government policy and the sector's own development initiatives.

It finds the sector to be a critical but grossly underutilized support for manufacturing and for other industrial enterprises such as the utilities and mining. It has the potential to save millions of dollars in foreign exchange through the contribution it can make to improvements in quality and productivity, and through its own manufacturing capabilities to industrial expansion.

Reviewing the global industrial context, the study argues Jamaican industry should adopt the new technology of flexible specialization, a flexible system of manufacturing that emphasizes niche markets, flexible machinery efficiently producing small batches, and waste reduction. It claims the organizational change accompanying flexible specialization, such as flatter managerial hierarchies, worker initiative, and continuous quality improvement, has its own validity, can precede incremental introduction of more costly technological change, and is already demonstrating a positive impact in some of Jamaica's most advanced companies.

In light of this analysis, the study finds two major flaws in Jamaica's National Industrial Policy: gross underestimation of the role of the machine tool sector and failure to understand that to reach international competitiveness profound changes in the organization of production are required. It also suggests the Policy overemphasizes the hierarchical Japanese model of inter-firm cooperation, which may be less adaptable to the Jamaican context than the networking model of Italian industrial districts.

Keywords: Mary Jennifer Hengel Jones; machine tool sector; manufacturing; flexible specialization; National Industrial Policy; organization of production.