

ABSTRACT

The Role of Governance in Managing Public Debt: A Case Study of Jamaica 1962-2010

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Jamaica has become one of the most heavily-indebted nations in the world. Successive administrations have argued that borrowing is necessary in order to finance development and growth, but Jamaica's growth rate has been anaemic for the last four decades. This dissertation, therefore, examined the causes of Jamaica's debt accumulation from 1962 to 2010, with a particular focus on the role of governance, patronage and corruption in the accumulation of exceptionally high levels of debt, and the associated social and economic consequences.

Barbados and Singapore are used as comparators, as all three islands gained independence from Britain in the 1960s. Until 1967, Jamaica's GDP *per capita* of US\$636 was actually higher than those of Barbados (US\$580) and Singapore (US\$626). Unlike the other two countries, however, Jamaica has not prospered. Barbados is now about three times richer per capita, and Singapore about ten times richer. Jamaica's development, by contrast, has been undermined by its problems with profligacy, political patronage, and corruption. These have largely driven the accumulation of debt, while simultaneously undermining development and growth.

Using a convergent Mixed Method Research design, this research found that a number of specific governance decisions, particularly with regard to unproductive investments in infrastructure projects and social programmes have contributed significantly to increasing Jamaica's public debt since independence.

This study identifies some specific mistakes and long-running patterns of failure that has resulted in the country's indebtedness, and makes a number of recommendations to correct this problem and put Jamaica back on the path to long-term growth, good governance and stability.

Keywords: Collette June-Ann Smith; Jamaica; governance; public debt; sustainable development.