

# **TOWARDS A PRIVATE SECTOR LED PLAN FOR ACHIEVING ECONOMIC GROWTH**

## **A BACKGROUND NOTE**

The recent elections have revealed, through the manifestos of the three main contending political parties, that there is one major area of consensus on national policy within the body politic; this is that economic growth must now be the country's first priority.

This is consistent with the PSOJ's position. But, while it is good to know that growth is a settled national objective, regarded by all as urgent, there is little corresponding clarity or consensus about how much is to be achieved. There are contending and often contradictory economic prescriptions advanced by various sectors.

### **• NEED FOR A UNIFIED PRIVATE SECTOR APPROACH**

We believe that there is a role, and even an obligation here for the private sector and the PSOJ. In order to do justice to this opportunity, there is need for a unified private sector approach not only towards broad economic issues, but in putting forward policy prescriptions and the prototype of a plan which can lead to economic take off, and which will have broad support.

It is fully accepted today that economic success requires public/private sector cooperation and that indeed the private sector is an essential partner of the state in a modern market economy. This principle of a cooperative relationship has achieved remarkable results not only in the economies of South East Asia but, more recently in the growth of Latin American economies such as Chile, Argentina and Mexico.

In any event, if the private sector is to be an effective engine of growth, then it ought to be pro-active in helping to lay down the tracks and in ensuring that the wheels of the locomotive are oiled; in other words, in helping to set the agenda for growth.

- **PREPARING A BLUEPRINT FOR GROWTH**

The PSOJ, as the umbrella organisation of the Jamaican private sector, is proposing an initiative which will pull together, with the blessing of government, a set of policy proposals on which both government and private sector can sign off. The objectives of these proposals would be consistent, in broad terms, with those of the Social Partnership and the Industrial Policy. These policies will seek to raise living standards and reduce poverty through the rapid expansion of economic activity.

The proposals will, in effect, form a blueprint for growth. They would, for example, include:

- A comprehensive examination of alternative fiscal, monetary and exchange rate policies;
- Analyses of, and projections for, key areas of the economy such as tourism, mining and manufacturing and agriculture;
- An examination of the financial sector in two specific areas:
  - a) an analysis of the current crisis and a coherent position with regard to the best way forward;
  - b) an analysis of the existing structure of the sector with recommendations, by consensus, of an appropriate structure for Jamaica at the present stage of our development and within the context of what the economy needs at this time.
- A look at the institutional capabilities required and an assessment of the immediate capacity for export-led growth within the various sub-sectors of the economy.

This is clearly a major initiative, for which we expect to draw on the expertise of a team of local economists as well as two or three well known international economists who have had experience of other countries that have shared Jamaica's experience and have been able to move to growth. We would also bring in government's own economic experts for consultation, as well as representatives of the PSOJ member organisations.

- **COMPLEMENTARY NOT COMPETITIVE TO GOVERNMENT**

The project should in no way be regarded as competitive with government, but as complementary to government's objectives. It will enhance the effectiveness of these objectives by ensuring that they reflect the widest consensus, both within the private sector and between private sector and government.

We believe that the advantages of this initiative would in fact be many both for the private sector and for the government. One of the problems that the government has had to deal with in policy implementation in the past has been a lack of private sector consensus, for example. For its part, the private sector will benefit from an approach which seeks workable compromises and a predictable path within which to plan for the future.

- **COOPERATION OF THE PRESS**

We will expect to receive support from the major print media (GLEANER and OBSERVER) in editorial endorsement and interpretation of the project, although publicity will be handled in such a manner as not to either pre-empt or jeopardise the sensitivity of the exercise.

- **FINANCING**

We expect to raise funds to finance this initiative from committed private sector companies as well as from multi-lateral and bi-lateral institutions and donor organisations which have already indicated interest in the concept of a private sector-led plan for economic growth.

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