

NIA

National Integrity Action

KIWANIS CLUB OF NORTH ST. ANDREW

APRIL 16, 2015

**GUEST PRESENTATION BY PROFESSOR TREVOR MUNROE, EXECUTIVE DIRECTOR,
NATIONAL INTEGRITY ACTION; HONOURARY VISITING PROFESSOR, SIR ARTHUR LEWIS
INSTITUTE (SALISES), UWI MONA**

Allow me first of all to thank you for your kind invitation. When Justice Ian Forte called me I had no hesitation in accepting. All we had to do was settle the date; this we did and I am glad to be with you this evening. One reason is the admiration that I have always felt for our service clubs in general and for the Kiwanians in particular. Not least of all because so much of NIA's work and my own career coincide with two of the permanent objects of Kiwanis International – one, to develop by precept and example a more intelligent, aggressive citizenship and second, related to that to work together to create and maintain “sound public opinion” in the interest of advancing justice, patriotism and good will. Your club, just celebrating its 41st anniversary has developed an outstanding record in fulfilling these objectives and in service to the community, in so many fields _of health and of education, in helping children and the elderly. Allow me to congratulate you and also to say that this performance was hardly a surprise when I looked at the quality of leadership that you have had over the years, with many of whom, your past presidents in particular, I have known and worked with over the years, like Ian Forte, Las Lewis, Doug Folkes, Leon Anderson and Leighton McKnight to name but a few. Again warm congratulations and may other Kiwanians and indeed Jamaicans of good will emulate your example.

This evening I want to share with you some thoughts on **combatting corruption and building Jamaica's prosperity**. My thoughts on this were occasioned by remarks made by President Obama just one week ago at the town hall meeting held on the University of the West Indies, Mona Campus. Obama produced what he described as “the recipe, the formula for a 21st century economy” and amongst the elements of this formula were two: address “**the rule of law and eliminate corruption**”. I could not agree with him more and I am sure all of you in this room and beyond could relate to these ingredients of the recipe for building a prosperous economy. And we are not alone. Just five months before Obama spoke, in December 2014 a poll by one of our most respected Jamaican pollsters, Don Anderson found that our Jamaican people believed that the main reason for continuing hardship was not, as you might expect, the mismanagement of government, present or past government nor even the IMF. More Jamaicans felt the main reason, more than any other factor responsible for continuing hardship being experienced by so many Jamaicans is **corruption**. Well, that's the view of the man in the street, and that's our view as well_ as portrayed in NIA billboards across Jamaica: **less corruption = more investment = more jobs**. That is our way of putting it. Internationally, the global community agrees with the man in the street, with Obama, and with NIA. This is reflected in the Global Competitiveness Report 2014/2015 published by the World Economic Forum which identifies **corruption** as one of the top three of sixteen “most problematic factors for doing business in Jamaica”.

But what of our authorities? What is their assessment? This is clearly set out in an important document which has attracted too little attention from our media and from our citizens. It is entitled: **The National Security Policy for Jamaica: Towards a Secure and Prosperous Nation**; it may be accessed on the website of the Cabinet Secretary in the Office of the Prime

Minister. It was laid in Parliament a little less than one year before Obama gave his formula – April 29, 2014, Ministry Paper no. 63. This document sets out clearly the extent to which crime and corruption have held back our people and our country and the degree to which combatting this scourge is a critical avenue to growing the economy.

In the first place Jamaica's National Security Policy identifies as a "high probability, high impact tier one clear and present danger" the following: **"facilitators who launder the proceeds of crime...a political system compromised by links to organized crime...corruption of elected and public officials, public works contracts awarded to criminals"**. This is not only my assessment nor yours, this is the position of Jamaica's governing authorities! What else does this Ministry Paper say? "The economy is now at best one third of the size it should have been; it may be only one tenth of the size it could have been". Arising from this the document states "the most important task facing Jamaica today is to root out crime and corruption and thereby address the underlying cause of Jamaica's social and economic problems".

On perhaps a personal note the road, on which I now live, Dillsbury Avenue, is not really a road it is a series of potholes with some discernable asphalt in between. Many Jamaicans, perhaps some of you have the same experience. No link to corruption you say? Well let us return to our National Security Policy Ministry Paper and see if there is a possible connection: "the direction of public works contracts into the hands of political affiliates has also been particularly damaging, as this has often resulted in unnecessarily expensive or poor quality infrastructure. For example a contract to build a road might provide an opportunity to reward political affiliates and shoddy construction would ensure that the road surface would crumble, which would then

allow the issuing of another contract to resurface the road”. The National Security Policy continues and please take note “this is one of the reasons why Jamaica has, simultaneously, one of the most dense road networks in the world, and one of the worst road networks in terms of the percentage of roads in good condition” (pg. 20).

So I suggest we hardly need further analysis, further declarations of the priority need to combat corruption ; indeed successive Prime Ministers in their inaugural presentations declare the elimination of corruption, the strengthening of accountability and transparency as a priority. This is good. What would be better is to match these words with deeds.

And so we have to ask what has been done? Let us be clear the evidence suggests that there has been some achievement.

- Bribery victimization, that is, the incidence of Jamaicans paying and receiving small bribes for some service appears to have significantly declined over the last eight or nine years.
- Citizen awareness of the negatives of corruption and willingness to get involved to deal with it has apparently increased and in some respects is well above the global average.
- Senior public servants are now being brought before the courts to answer corruption related charges with greater frequency
- Political parties which for seventy years operated as private clubs though exercising state power now have to be registered and brought within statutory regulation

- As we speak after six years of stop-go there is now a Bill before a Joint Select Committee of Parliament providing for, among other things, Special Prosecution for Corruption Offences.

So steps have been and are being taken but I'm sure you would agree that to end forty years of less than 1% per annum per capita GDP growth, declining productivity and increasing poverty and inequality, more urgent and decisive action is needed if we accept Obama's recipe, the judgement of our people regarding the cause of hardship and the assessment of the National Security Policy regarding the number one priority in building a prosperous economy.

The **agenda for action** is fairly clear.

Action item number one: *plug continued gaping legislative loopholes facilitating corruption.*

In this regard the first priority, raised and debated in the Parliament, in one form or another for over ten years, is Campaign Finance Reform. Let us be clear: every democracy, including our own, has to face a particular danger, the danger that it is not the electorate, but a wealthy minority who pays the piper and often call the tune. Hence, the vast majority of democracies, so far except Jamaica and the rest of the CARICOM, find it necessary to regulate political party funding and election campaign financing as one way to insulate the authority of the majority's vote from the power of the minority's money. By various means. By limited public funding. By disclosure of who is paying the piper for example. So in relation to the US, I know and you can simply by going on to the US Federal Election commission website, who was Obama's biggest campaign contributor (and Romney as well). Similarly, I know and you can who are currently the biggest contributors to the parties contesting the May 10, 2015 General Elections in Britain. Yet in Jamaica who gives big money and therefore likely to have big influence on

government and get big favors in return is a big secret, not required by law to be disclosed and so it has been for 70 years. Such secrecy, wherever it exists, facilitates back door favors for the minority at the expense of the majority. No wonder Jamaica ranks number 94 of 144 countries in the world when it comes to favoritism in the award of government contracts. The campaign finance reform proposals passed by the Jamaican Parliament are far from perfect but, after 15 years of talking, they are an important first step in regulating the role of money in politics. **Hence the public interest demands that the Bill regulating campaign finance be laid in Parliament and passed into law as a matter of the utmost urgency. Further excuses and delay would be an indictment on Jamaica, and most of all on the Government, for paying little more than lip service to the combat of corruption**

Action item Number two: *enforce existing anti-corruption law more effectively.* Local government and General Elections are due in Jamaica within the next eighteen months. The law, for example, against vote buying and vote selling, which has become wide-spread, if we are to believe anecdotes; that law must be enforced and penalties applied. Similarly, the law against ‘illicit enrichment’, the offense where a public servant, politician or otherwise has assets beyond their known, reasonable, lawful sources of income. This law too must be enforced and appropriate sentences handed down by the courts. It is not only the man who steals 3 pods of ackee from the Governor General’s property or 18 oranges from somebody’s yard who must go to prison but big people, however prominent, who enrich themselves illicitly at the public expense. In the short time of the Obama administration, 5 members of Congress, 3 Republicans and 2 Democrats have been convicted and sentenced for corruption related crimes; in England, 5 Members of Parliament have gone to prison in the last few years for criminal abuse of parliamentary allowances. The principals of brand name banks like Barclays,

JP Morgan, Deutsche Bank have had to pay hefty fines for breaking the law. Impunity is being challenged in democracies we admire; let the rule of law be enforced here as well, without fear or favor, with malice to none.

I mention only these **two urgent agenda action items**, there are others. But even for these action items to be tackled and for there to be an impact on levels of corruption I suggest three things are urgent pre-conditions.

Number one: a more aware citizenry and informed public opinion. Take one example between April 2014 and February 2015, the Jamaican's Government's Budgeted Expenditure for Capital Programs, that is infrastructure of one type or another, has had to be cut by over 9 billion dollars or almost 29% of budget. Why? Because tax revenue has fallen short in the same period by over 12 billion dollars and within that twelve billion dollars the single most egregious short fall is corporate income tax, falling short by 7.5 billion dollars or 32% less than budgeted. Greater awareness by the public and by the media that this revenue shortfall is contributing to cut backs affecting us all, to shortages of essential medicine and equipment in clinics and hospitals to inadequate resources for road repairs and water supplies would allow for more sustained public demand for explanations. Explanations, not least of all, as to why according to the Minister of Finance, at the end of 2013/2014, one in four or five of companies generating revenues of 1 billion dollars and above are neither filing nor paying corporate income tax. Understanding how revenue shortfalls are leading to expenditure cuts, are leading to discontent with everyday circumstances would allow us to insist on discerning and the reasons for non-compliance, to demand to know to what extent illegal tax evasion is involved and to criminalize that offence. How come in the UK the top 32 tax criminals in 2012 were serving a total of one hundred and

fifty years in prison yet no one goes to prison in Jamaica for that offense? A more informed public opinion would insist on the authorities providing answers to such questions

Number two condition for more action: the professionals in our criminal justice system- our tax administrators, investigators, prosecutors, judges – must be given even more encouragement to develop both their capacity and their will to deal with corruption related offences, whoever is involved. The importance of this is one critical reason why NIA for example spends so much of its limited resources on partnering with justice sector bodies in weekend sensitization and training seminars to enhance the will and the capacity to go after the corrupt.

Number three and perhaps most important, Jamaica needs a social movement for integrity. The ingredients are there. 77% of our people say they are willing to join an anti-corruption organization; the global average is 53%. Thousands of Jamaicans, as Justices of the Peace, as members of church organizations, student and youth associations, service clubs, like your own, and many supporters of political parties at all levels would like to see less corruption and would be willing, given the opportunity, to take a more active stand against the corrupt. The need is now to blend these ingredients together, to develop a network and active relationships amongst Jamaicans, who stand for integrity. We in NIA, in recognizing this need, are now welcoming membership from Jamaicans in all walks of life, from whoever wishes to contribute to a Jamaica of greater integrity, transparency and accountability. And since no one body can meet this need, we are anxious to help forge partnerships with organizations and individuals who want to build what our country's development now urgently requires – a social movement for integrity. We are very confident that in advancing that patriotic cause, many in the ranks of the Kiwanis movement shall be play an indispensable role.