

A NEW APPROACH: NATIONAL SECURITY POLICY FOR JAMAICA 2012

A VISION FOR NATIONAL SECURITY

The goal of the National Security Policy is to protect the people of Jamaica and ensure their peace, safety and freedom, so that together we can build a prosperous and progressive society, founded on justice, democracy, human rights and respect for human dignity.

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Executive Summary

Jamaica currently has one of the world's highest per capita levels of violent crime. This is the result of a combination of factors including imports of illegal firearms and ammunition, the supply and transshipment of illegal narcotics, financial frauds, including Ponzi schemes and the Lottery scam, and opportunities for corruption and extortion, all of which have encouraged the use of extreme violence by criminal gangs.

These problems have been compounded by the creation of garrison and squatter communities, the misappropriation of public funds, links between politics and organized crime, and the laundering of the proceeds of crime into construction and other legitimate businesses. Criminal gangs have created an environment of fear, which enables them to extort money, coerce and control communities, and intimidate people into silence.

These profoundly serious problems have deterred investment, destroyed capital formation and discouraged business development. The cost of crime and corruption to Jamaica includes lost life expectancy, injuries and health care, but also includes the higher cost of doing business in a low-trust society, losses to theft and extortion, business closures, capital flight, the emigration of skilled workers and the loss of foreign investment. Violence, crime and corruption have profoundly retarded Jamaica's development. The economy has stagnated for four decades, with low growth and declining productivity, while other countries have transformed their productivity, economic growth rates and development prospects. The economy is now, at best, one-third of the size it should have

been; it may have shriveled to just 10% of the size that it should have been.

The most important task facing Jamaica today is to root out crime and corruption, and thereby address the underlying cause of Jamaica's impoverishment and suffering. It is essential to seize the initiative, dismantle criminal organizations, disrupt their operations, sequester their assets, sever their political connections, and permanently degrade their ability to commit serious crimes.

The nation has many problems, and limited resources. It is therefore essential to prioritize those threats that are causing more harm, or are more likely to happen. The 2012 National Security Policy (NSP) is therefore based on a Probability-Impact Matrix, which uses estimates of probabilities and impacts as the basis for determining national security priorities.

The threats facing the nation are ranked into four Tiers:

- **Tier 1:** High-impact, high-probability threats; the clear and present dangers. These are the top priority.
- **Tier 2:** High-impact, low-probability threats. These require constant monitoring, building early warning systems and strengthening resilience.
- **Tier 3:** High-probability, low-impact threats. These typically require reforms such as improving governance and building stronger institutions.
- **Tier 4:** Low-probability, low impact threats. They require monitoring, in case there is a need to upgrade them.

Crime, corruption and violence, along with the various social problems that exacerbate them and are perpetuated by them, are the Tier 1 threats to Jamaica. They result in so many deaths and injuries that Jamaica now has one of the highest homicide rates in the world, and, largely as a result, has suffered from four decades of low growth. They are the foremost threats to the national security of Jamaica, to the integrity of the State, and to the lives of the people.

There is no point in merely trying to contain these problems, and limit the damage that they cause. That approach has been tried for many years, and has failed. The goal of the 2012 NSP is to transform Jamaica's prospects by decisively breaking the grip that crime and corruption have on this nation. This means

dismantling the gangs, arresting their leaders and the people who have facilitated their operations, seizing their assets and putting them out of business.

This will require five key reforms, all equally important.

The five key reforms:

- Remove the profit from crime
 - Reform the justice system
 - Police by consent
 - Dismantle gangs
 - Focus on at-risk individuals and communities
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Introduction

The concept of national security includes the measures taken by a State to ensure its survival and the safety and welfare of its people.

There are many potential challenges to the integrity of the State. These include the use of conventional or unconventional forces to destabilize a government, annex resources or impose regime or policy change. They also include a range of threats to economic, institutional and social structures, such as:

- trafficking in people, weapons and illegal narcotics;
- money laundering and tax evasion;
- the misappropriation of public funds;
- attempts to pervert the course of justice;
- the compromising of democracy and the political process by threats, violence and corruption;
- the penetration of government agencies by organized crime; and
- high levels of migration (especially of skilled people) in response to oppression or the lack of economic opportunity.

There are potential threats to cyber-security, including illegal access to confidential data, government or infrastructure control systems, fraud or any attempt to compromise or undermine public confidence in the currency and the banking system.

There are resource threats, such as the need to ensure adequate, affordable supplies of energy, food and water.

There are environmental threats, such as earthquakes, or hurricanes, droughts and floods, which might become more frequent in future as a result of climate change.

So national security includes all measures to deter, mitigate and protect against significant

external or internal threats. This requires the maintenance of standing armed forces to deter attack by conventional or unconventional forces, including terrorism and narco-terrorism, and to support the police and civil authorities in the event of civil unrest. It also requires the maintenance of police, intelligence and other security services to ensure the maintenance of law and order, to control and deter crime, corruption, violence and disorder, to maintain cyber-security, protect sensitive information and prevent fraud. Finally, it involves ensuring civil defence and emergency preparedness, protecting vital infrastructure, and building resilience in social and economic systems so that they can withstand shocks.

The main threats to Jamaica's peace and prosperity are **violence, crime and corruption**. The 2010 World Economic Forum (WEF) Competitiveness Index showed that Jamaica had slipped 17 places in three years and ranked 95 of the 132 nations surveyed, while on one measure - macroeconomic stability - Jamaica sank to 129. This decline accelerated during 2011-2012 as WEF rankings showed that Jamaica fell by another 12 places in a year, to 107 of the 146 nations surveyed. This is not because Jamaica is disintegrating, but because other countries are forging ahead while Jamaica's economic development is being retarded by crime and the fear of crime.

The cumulative cost, however, is far higher. Jamaica's development has been crippled by violence, crime and corruption and, largely as a result, the economy has stagnated for four decades, with low growth and declining productivity, while other countries have transformed their productivity, economic growth rates and development prospects. The cost of crime, therefore, includes the cumulative cost of decades of lost productivity growth. The economy is now, at best, one-third of the size it should have been;

It may have only realized one tenth of the size it could have been.

This still does not complete the reckoning. Crime and corruption have taken an even more terrible toll on Jamaica, measured in death, pain and suffering, and the fear, grief and misery of the people. In terms of the percentage of the population being murdered, Jamaica suffers the equivalent of a 9/11 terrorist attack every week.

Jamaica's national interests

The world is being rapidly reshaped by the accelerating pace of scientific and technological advances, demographic trends and the shift in the balance of world population to developing countries, the rise of Asia as the new centre of global manufacturing, surging demand for resources and equally rapid shifts in the pattern of environmental impacts, and fundamental changes in the nature of risk, political and economic influence, competition and conflict, and the geopolitical balance of power.

These changes represent important new opportunities but also existential challenges for Jamaica, which has to adjust to market liberalization, the phasing-out of preferential terms of trade and rapidly increasing competition from the emerging economies, while simultaneously contending with one of the world's highest rates of homicide and violent crime, trafficking in guns, ammunition and illegal narcotics, the rise in cyber-crime, the compromising of government programs by organized crime, increasing pressure on water, energy and other resources, environmental degradation and climate change.

Over the last year alone, events in the Middle East and the surge in the level of violence and

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political instability in Venezuela have threatened Jamaica's energy security, while the growth in the wealth, power and reach of the Mexican drug cartels now threatens the entire Caribbean.

Jamaica needs to have flexible but robust plans for dealing with the profound challenge of living in a world of rapidly evolving threats and shifting opportunities. In an age of uncertainty, it is vital to act quickly and effectively to deal with new and evolving threats to national security.

Jamaica's essential interests, however, remain constant. They are founded on our most deeply-held values; democracy, liberty and good governance, the rule of law, and respect for human rights and dignity.

The first duty of the Government is to protect the lives and safety of the citizens and residents of Jamaica, and ensure the stability and prosperity of the nation. This requires maintaining effective and accountable police and security forces, and an efficient and accessible judicial system. It also means taking all necessary steps to ensure supplies of energy, food and water, strengthening resilience against natural disasters, protecting the environment, maintaining

The National Security Policy for Jamaica 2012

efficient and productive systems of education and health-care, protecting important infrastructure (such as airports, ports, water supply, communications networks, roads and the power supply), protecting Jamaica's

sovereign territory (including terrestrial, marine and air-space), defending the nation against terrorism and trans-national crime, and rehabilitating and re-integrating deportees and former prisoners into society.

The goal of the 2012 NSP is to protect the people of Jamaica, so the top priority is to reduce the level of crime and violence, and the associated fear and insecurity. No more families should be torn apart by grief and pain when a family member is murdered, no more communities should be left scarred and divided by crime and violence, no more businesses should be forced to close by threats and extortion. Every citizen and visitor should be safe anywhere in this country.

Environmental Analysis

In order to determine the national security priorities it is necessary to identify the main threats to Jamaica.

A **horizon scan** was used to identify the major potential threats in Jamaica's internal and external environment. The topics reviewed in the **external** horizon scan included potential future threats such as terrorism and the Mexican drug cartels, the availability of energy and other vital commodities, climate change, hurricanes, earthquakes and other risks that could result in significant loss of life or civil unrest. Jamaica has little or no control over most of these external variables. The goal, therefore, is to identify ways to **reduce exposure** and **build resilience**.

The **internal** horizon scan included the high rate of homicide, the economic cost of crime to Jamaica, the compromising of the political system, the extent of corruption, and the implications for foreign and domestic investment, the growth in the number of gangs and the presence of criminal-dominated communities.

The goal of this analysis was to identify strategies that would help to degrade and dismantle criminal structures, erode their capabilities, remove their influence over politics and the allocation of public resources, and eliminate their ability to exact extortion.

Probability-Impact matrix

The various threats and risks identified in the horizon scans were weighted and ranked in a probability-impact assessment matrix, using the following parameters:

- The probability that an event will occur within a given time horizon.

- An estimate of the impact of each event in terms of fatalities, economic loss, and the risk of civil unrest.

Each category in the Probability-Impact Matrix corresponds to a Threat Tier, and each Tier can be assigned an appropriate response, as follows:

Probability-Impact Matrix Schematic

	High impact	Low impact
High probability	Tier 1 Top priority; active response	Tier 3 Medium priority, regular review
Low probability	Tier 2 Monitor carefully, build resilience	Tier 4 Low priority, occasional review

Tier 1 threats are **clear and present dangers**, and are therefore the top priority. **They require an active response.**

Tier 2 threats are major **potential** or **imminent** threats. It is important to note that some of these threats have the potential to cause catastrophic harm to Jamaica. Tier 2 threats require constant monitoring, to build early warning systems and strengthen resilience.

Tier 3 threats are persistent but relatively low-impact problems and are unlikely to pose an existential threat. Some of them have existed for decades. Here too,

however, it is important to note another caveat, which is that social systems can behave in a non-linear manner. As the Arab Spring uprisings clearly demonstrated in 2011, a people may be oppressed and fearful for many years, but a single incident can spur an uprising that overturns the established order. **Tier 3 threats require reforms** to resolve the problems, such as improving governance, eradicating corruption and building stronger institutions.

Tier 4 threats are potential risks that are currently seen as less probable, and also as having less potential to inflict harm. However, **Tier 4 threats require regular monitoring.**

Conclusion

The reason why crime, corruption and violence are the Tier 1 threats to Jamaica is as follows. First, they are already happening. Second, they result in so many deaths and injuries that Jamaica now has one of the highest homicide rates in the world, and, largely as a result, has also suffered from four decades of low growth. No other threat to Jamaica has a comparable social and economic impact. **Crime, corruption and violence are therefore the primary threats to the nation.**

Probability-Impact Matrix: threat assessment for Jamaica

	HIGH IMPACT	LOW IMPACT
HIGH PROBABILITY	Tier 1: Clear and present dangers <ul style="list-style-type: none"> • Transnational organized crime (including trafficking in narcotics, weapons, ammunition and people, money laundering and cybercrime - including Lottery scams, identity theft and fraud). • Gangs and domestic organized crime (including contract killing, intimidation and extortion, kidnapping, dealing in narcotics and illegal weapons and money laundering). • Facilitators (including lawyers, real estate brokers etc.) 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. • Serious delays and other failings in the judicial system that undermine public confidence in justice. • Corruption in the security forces, police, prison and judicial systems • Political tribalism, garrison communities, politically-encouraged squatter settlements. 	Tier 3: Persistent problems <ul style="list-style-type: none"> • Low growth, high rates of unemployment, poverty, increasing disparities of wealth, education and opportunity; resulting in a risk of social unrest • Possible loss of credibility with key international partners; resulting in a risk of reduced influence and support
LOW PROBABILITY	Tier 2: Major potential threats <ul style="list-style-type: none"> • Mexican drug cartels, <i>maras</i> and narco-terrorists who might extend their influence across the Caribbean • Terrorism (with particular regard to the tourism industry) • Energy and resource security, climate change, natural hazards, biodiversity loss 	Tier 4: Potential risks that require monitoring <ul style="list-style-type: none"> • Food security • Water security • Deportees

Tier 1 Threats: Clear and Present Danger

Tier 1 threats to Jamaica:

- Transnational organized crime (including trafficking in narcotics, weapons, ammunition, money and people, money laundering and cybercrime - including Lottery scams, identity theft and fraud).
- Gangs and domestic organized crime (including contract killing, intimidation and extortion, kidnapping, dealing in narcotics and illegal weapons and money laundering).
- Facilitators (including lawyers, real estate brokers etc.) who launder the proceeds of crime.
- A political system compromised by links to organized crime; corruption of Parliamentarians and public officials; public works contracts awarded to criminals.
- Serious delays and other failings in the judicial system that undermine public confidence in justice.
- Corruption in the security forces, police, prison and judicial systems.
- Political tribalism, garrison communities, and the politically-encouraged proliferation of squatter settlements.

Politics, crime and facilitators

The main causes of violence and homicide are criminal organizations and gangs, who are supported by corruption, fraud, extortion and money-laundering. Gangs fight, intimidate and kill to enforce their control over territory, the distribution of weapons, narcotics, and the proceeds of fraud, scams, extortion and other forms of crime. The shipment of narcotics (mainly into North America and Europe), the imports of weapons (predominantly from the USA, with smaller flows from Haiti and Central America) and frauds such as the Lottery scam generate large profits for criminals. Some of these funds are used to corrupt officials and compromise the political process, which in turn has resulted in some major criminals being given political protection.

Organized crime depends on **facilitators**; lawyers, accountants, bankers and real estate brokers who assist the criminals by laundering the proceeds of crime (which lawyers can conceal by claiming 'client confidentiality'), creating shell corporations, operating offshore bank accounts, establishing front businesses to conceal illegal activity, creating a facade of respectability for these businesses by serving as proxy directors, and investing criminal profits in legitimate enterprises, real estate and other assets and holdings. The wealth, power and influence of major criminals and their facilitators distorts the economy, makes it harder for legitimate businesses to survive, deters investment and causes a haemorrhage of skills and capital from Jamaica.

Squatter communities

The problems with gangs are greatly exacerbated by the existence of squatter communities, as some of them have become gang-dominated enclaves. This is a widespread problem, as some 20% of the population of Jamaica now lives in informal, unplanned settlements on urban and agricultural, commercial and residential sites. A 2008 Rapid Assessment of Squatting undertaken by the Squatter Management Unit of the Ministry of Water and Housing identified a total of 754 settlements^{i,ii}. Some settlements are very small (less than ten households), others are large (over 2,000 households). Some of these were self-built

housing on 'captured' land (land belonging to a private individual or the state), while some were the result of attempts by the local Member of Parliament to increase their majority by encouraging supporters to settle on public land.

All of these communities are illegal, some of them were built in areas that present a threat to the health and safety of the residents or their neighbours (such as unstable slopes, gully banks or watersheds), and some of them have become criminal strongholds. ***The problems with gangs in Jamaica will not be solved without finding a solution to the problem of illegal settlements.***

Homicides

Jamaica has one of the world's highest *per capita* levels of violent crime. The UN Office on Drugs and Crime's 2011 Global Study on homicide reported that Honduras has the highest homicide rate in the world, with 82.1 homicides per 100,000 people. El Salvador is second (66/100,000), Côte d'Ivoire third (56.9/100,000) and Jamaica fourth (52.1/100,000). Jamaica's rate peaked at 1,680 homicides (62/100,000) in 2009, when it was close to that of El Salvador, but it fell significantly after Christopher 'Dudus' Coke was extradited in June 2010 and the garrison community of Tivoli was normalized.

Homicide rates in context

Terrorism usually evokes a far stronger response than crime, but crime actually kills far more people than terrorism. In terms of the percentage of the population killed by gangs and organized crime, Jamaica suffers the equivalent of one 9/11 event each week.

Organized crime and gangs

There are different 'generations' of gangs in Jamaica. At one end of the scale, there are international criminal organizations, with a significant presence in more than one country, well-connected to other criminal networks overseas. At the other end of the scale, there are local gangs, predominantly young men who are fighting to defend 'their' territory. Their crimes are largely opportunistic and local, including extortion and protection rackets, as well as distributing weapons and narcotics. There are also gangs who are affiliated to one or other of the two main political parties, because they first became powerful by providing directed political violence in exchange for public works contracts. Some politicians would use public funds to secure their vote and reward their followers, but this created a role for the 'community leaders' who would control the constituency, enforce the will of the Member of Parliament, intimidate the opposition and

organize the distribution of funds. During the 1970s and early 1980s, this included the involvement of some politicians in weapons trafficking and distribution via the community leaders, in order to 'defend' the community against gangs affiliated to the other party¹. This era of state-sponsored criminality gave the community leaders their first major opportunity to gain power, and they were then able to expand their role in other areas of the economy. Some of these gangs became major players in the distribution of narcotics and firearms, came to dominate particular sectors, and to cover much wider geographical areas.

Corruption, fraud, extortion and money laundering

Organizational corruption includes, for example, a public official who indicates that an extra cash payment will ensure that service is actually delivered, or a penalty overlooked. Corruption of this kind in the police or prison service creates vulnerabilities that can be exploited by criminals. Judicial corruption is often a more subtle process. A lawyer who advises his client that he should obscure the source of his funds may be facilitating crime, but the payment to the lawyer will be concealed in the fee. Political corruption may take the form of close links between a politician and a contractor which result in the flow of favours in both directions. Judicial and political corruption can often cause more harm than organizational corruption, although the latter is both more obvious and more annoying to the public, because they are less visible, the sums involved are usually larger, and they undermine the basis for law and justice.

¹ The links between politics and crime in Jamaica have been extensively documented. See, for example, Payne (1988), Gray (2003), Sives (2003), Robotham (2003), Levy (2001), Munroe (2002), Figueroa and Sives (2003) and Harriott, (2004).

The direction of public works contracts into the hands of political affiliates has been particularly damaging, as this has often resulted in unnecessarily expensive or poor quality infrastructure. For example, a contract to build a road would 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. This is one of the main reasons why Jamaica has, simultaneously, one of the most dense road networks in the world, and one of the worst road networks in the world in terms of the percentage of road in good condition. The 1993 and 1994 World Development Reports on Infrastructure and Development show that Jamaica has a road density of 1,881km per million persons, the second highest road density network in the world; but that only 10% of the road network was in good condition, one of the lowest percentages in the world, which reflects chronic problems with bad construction and poor maintenance, in part due to the practice of preferentially assigning contracts to politically-favoured contractors.

Another key area of concern is the placing of government public works contracts, as a number of these have gone to organizations that are known to be fronts for organized crime. This means that the main source of income for some of Jamaica's most powerful and dangerous criminal organizations is probably tax dollars, rather than narco-trafficking or extortion.

In some cases, contracts for building houses, roads or other infrastructure have gone directly to major criminals. Some politicians owe their rise to wealth and power to their ability to direct public works contracts to people who will kick-back bribes, donate cash and help to intimidate rivals in order to ensure their re-election.

The taxpayer is being cheated twice; as corrupt politicians and criminals collude in the theft of public funds, and the infrastructure that results is often far more expensive as a result, and badly-built (or not built at all). In some of the worst cases, Ministers have colluded to the extent of overriding their own departmental rules, or assisted in the intimidation of their own civil servants, in order to ensure that the funds went to the criminal boss. Some politicians may be primarily concerned to get re-elected; others to get rich at the expense of the public, but others may be too scared to speak out against the criminality of their colleagues, because they fear for their lives and the lives of their families.

Another, less-direct route involves placing contractors under pressure to take on unnecessary labour. About 80% of all major construction projects in Jamaica come via the government, so all major contractors understand the need to maintain good relations with the party in power, and some are particularly close to the key decision-makers in one or both of the two main parties. If a contractor is awarded a large contract, he may then be expected to take on additional labour from other organizations that are affiliated to the party in power. This often takes the form of providing site 'security', construction materials and casual labour, all of which will come with an additional overhead. This means that the construction is significantly more expensive than it should have been; the difference is the cost of extortion, corruption and political favouritism.

So Jamaica has paid a quadruple price for this era, in terms of:

- The loss of legitimate businesses, which could not compete with those who were politically-favoured.
- Lost economic development, investment and prosperity.
- A legacy of poor-quality infrastructure.

- The growth of gangs that continue to dominate many areas.

The political parties in Jamaica no longer sanction violence, and the level of political violence has fallen markedly since the 1980s, but the gangs have remained and diversified into a broad spectrum of criminal activities, including fraud, extortion and trafficking weapons and narcotics.

Technological progress has been an increasingly significant factor, as this has created new opportunities for crime, such as identity theft, various forms of internet fraud and the Lottery scam; the latter has allowed criminals in Jamaica to defraud citizens of other countries, sometimes repeatedly. The Lottery scam is estimated to generate some US\$300 million per annum, which, if correct, means that fraud is now one of Jamaica's largest export industries².

The impact of crime on the economy

Violence and corruption in Jamaica have deterred inward investment, destroyed capital formation and discouraged business development; some urban areas have been reduced to derelict lots as businesses have been bankrupted by extortion. This reflects the impacts of both crime and the fear of crime. For example, the Transparency

² Jamaica's largest legitimate sources of foreign exchange (data from 2010 and 2011) are remittances (US\$1.8 billion), tourism (US\$880 million), and mining and quarrying (US\$135 million), indicating that fraud is now Jamaica's third largest source of foreign exchange. As the Lottery scam funds are usually imported via wire transfer, it is likely that the national income from remittances also includes a significant contribution from fraud, money-laundering and tax evasion.

International 2010 Corruption Perception Index gave Jamaica a score of 3.3, indicating a perception of pervasive corruption, but most Jamaicans report that the level of petty corruption has fallen. This suggests that the perceived level of corruption may be higher than it actually is, indicating the extent to which Jamaica has become a low-trust society. However, another reason for the high CPI score is the perception that the level of grand corruption remains high.

The direct cost of crime and corruption to Jamaica includes lost life expectancy as well as the cost of injuries and health care, but the total economic loss also includes the indirect cost of crime, which includes the higher cost of doing business in a low-trust society, losses due to theft and extortion, business closures, capital flight, the emigration of skilled workers and the loss of foreign investment.

There are a wide range of these indirect costs. When high rates of crime make property rights less secure, people tend to work less hard and invest less capital, while businesses may reduce the level of their operations. The logic is simple; there is a risk that the profits will simply be stolen, extorted or confiscated by others. Investors are also deterred by doubts about law and order, and the capacity of legal systems to effectively enforce justice, as this removes their protection and reduces their chances of redress. Finally, any social system that allows powerful members of society to extort from the poor will condemn that country to continuing poverty, failure and misery, because this prevents the poor from accumulating capital and improving their circumstances.

Calculating the cost of crime

An estimate of the cost of crime to Jamaica by Francis et al. (2003) included health costs, the value of lost production due to death and injury related to crime, and public and private expenditure on security. They

estimated that health costs were 0.4% of GDP, lost production was 0.2% of GDP, and expenditure on security was 3.1% of GDP, giving a total of 3.7% of GDP. The allowance for security included defence, justice, correctional services and the police. This is, of course, an over-estimate, as expenditure on security would not be zero even if Jamaica had a low crime rate. The justification for including all expenditure was, in part, that of all cases filed with the Resident Magistrate courts in 2001, just 10% were civil cases, while 90% were criminal cases, indicating that the greater part of government expenditure on the justice system and the police was required by crime³.

However, this estimate did not include non-monetary costs, such as the pain, trauma and suffering of victims and their families, and the long-term psychological effects of living in fear, or the long-term social damage caused by the cycle of violence, where children that have lost family members or otherwise profoundly traumatized by violence are more likely to be violent as adults, thereby perpetuating the problems down the generations. Also excluded were the various second-order and indirect impacts of crime on businesses, which include shorter working hours⁴ and consequently reduced worker productivity, undeclared losses to various forms of extortion, higher spending on security, increased risk and consequently reduced access to borrowing, more expensive insurance⁵ and more costly capital.

³ This was further supported by the UNDP report *The Social Costs of Crime in Jamaica and the Challenge of Good Governance* (2010), which noted that almost 10% of total recurrent public expenditure now had to be devoted to public order and safety.

⁴ Some businesses in high-crime areas have a shorter working day so that staff can leave during hours of daylight.

⁵ Some insurance companies are reluctant to insure businesses in high-crime areas, so these

Probably the most significant omission, however, at least in terms of economic cost, was the impact of violent crime on people's ability to save and willingness to invest, which translates directly into reduced rates of capital accumulation, which then depresses future growth rates. As the United Nations Office on Drugs and Crime and the Latin America and the Caribbean Region of the World Bank report 'Crime, Violence, and Development: Trends, Costs, and Policy Options in the Caribbean (2007) points out, this can result in a vicious circle, where regions affected by violence receive very little productive investment, which means that there are few legitimate employment opportunities, which in turn means that crime becomes the main source of opportunity, thereby increasing the level of crime, which further deters investment, and so on.

The UNODC/World Bank report also estimated the impact of crime on overall economic growth rates, using a cross-country analysis. They compared the economic growth rate for Costa Rica with that of Jamaica. Costa Rica was chosen because it is one of the least violent countries near the Caribbean region; it had a homicide rate of 8.1/100,000 during the period 1996-2000. During the same period, the homicide rate in Jamaica was 33.8/100,000. A regression analysis suggested that Jamaica's economic growth rate would increase by 5.4% per annum if the homicide rate could be brought down to that of Costa Rica. Unfortunately, Jamaica's homicide rate continued to rise, peaking at 63/100,000 in 2009.

Other estimates suggest that the cost of crime to Jamaica may be significantly higher. For example, Ward et al (2009) estimated that the direct medical cost of injuries due to

interpersonal violence accounted for nearly 12% of Jamaica's total health expenditure in 2006, while productivity losses due to interpersonal violence related injuries accounted for approximately 4% of Jamaica's GDP. If the latter is added to the estimate of security costs by Francis et al., then the combined total is 7.1% of Jamaica's GDP.

Jamaica's economy grew strongly for 23 years, throughout the 1950s and 1960s, including the decade after Independence. The growth rate averaged 4.8% per annum throughout the 1960s. In the early 1970s, however, the political use of violence precipitated a wave of skill and capital flight, and established the inter-penetration of politics and organized crime. The pattern of economic growth changed dramatically from consistent strong growth to repeated recessions and weak growth. Since 1972/3, the economy has grown at an average of just over 1%, one-fifth of the previous rate. As a result, Jamaica collapsed from being one of the strongest economies in the Caribbean to one of the weakest. This can be seen in the table below (based on data from Boyd, 2006).

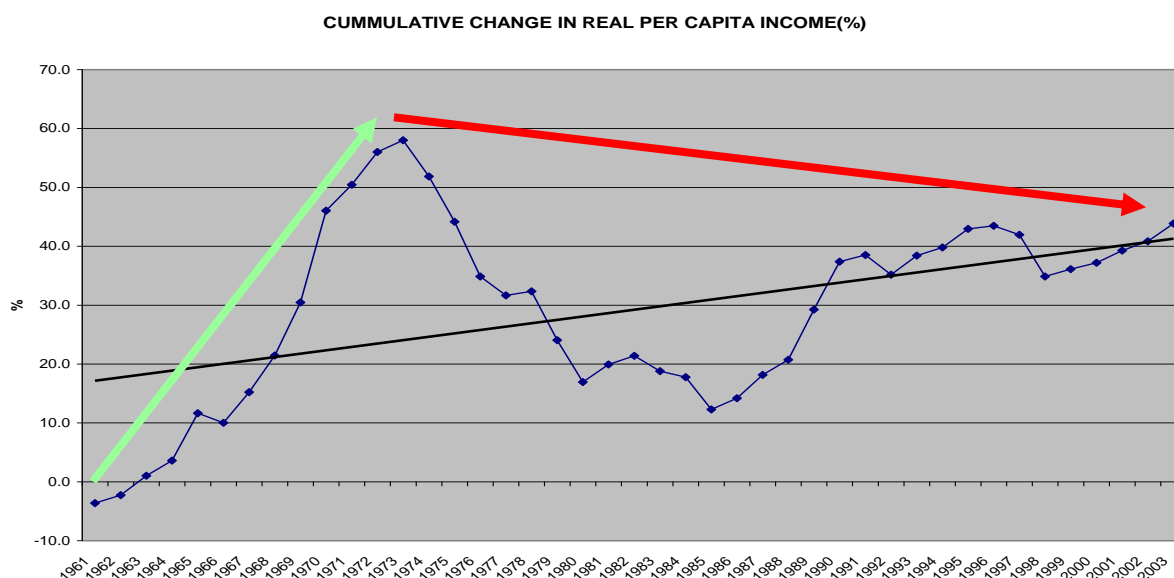
businesses are then left to bear the entire cost of any damage and losses.

Jamaica's comparative decline

Country rank 1974	GDP/capita 1974	Country rank 2003	GDP/capita 2003
1. Jamaica	100	1. Antigua and Barbuda	275
2. Trinidad & Tobago	80	2. Barbados	270
3. Antigua & Barbuda	71	3. Trinidad & Tobago	220
4. Barbados	68	4. St Kitts & Nevis	210
5. St Kitts & Nevis	50	5. St Lucia	123
6. Belize	49	6. Grenada	115
7. Guyana	45	7. Belize	106
8. St Lucia	44	8. Dominica	102
9. St Vincent & Grenadines	33	9. St Vincent & Grenadines	94
10. Dominica	32	10. Jamaica	89
11. Grenada	30	11. Guyana	28

The GDP per capita data is shown relative to income in Jamaica, which is set at 100, so that all other incomes are percentages of income in Jamaica in 1974. In 1974, for example, income in Antigua and Barbuda was 71% of income in Jamaica. By 2003, income in Antigua and Barbuda was 275% of income in Jamaica. Every other country in the region, apart from Guyana, became relatively prosperous compared to Jamaica. Jamaica and Guyana were the only two countries where per capita income actually declined, but Jamaica's case is exceptional, for two reasons. One is that it fell from being the regional leader to being one of the two weakest economies in the region. The other is that Jamaica was not gradually overtaken by the other countries; there was a remarkably sharp turning point in Jamaica's fortunes which clearly marked the beginning of the country's decline. The inflection point in Jamaica's development can be seen in the graph below (from Kn'le, 2005).

Jamaica's inflection point



The inflection point in 1972/3 marked the beginning of the country's decline. If 1972 is taken, therefore, as the baseline year, the accumulated cost of crime from 1972 to 2010 at 3.7% of GDP would be US\$8.7 billion, at 5.4% GDP it would be US\$12.7 billion, and at 7.1% of GDP it would be US\$16.7 billion. For comparison, Jamaica's public debt at December 2011 was US\$18.7 billion, so the accumulated losses due to crime (at 7.1% of GDP) would equal 89% of that debt.

However, this estimate may still be too conservative, because, as the UNODC/World Bank report points out, some of the factors involved are deeply interconnected. This means that the risks are compounded, which can result in a vicious spiral of escalating social and economic damage. For example, a rise in the level of violent crime might increase the cost of doing business (with losses to theft, looting, arson and extortion, the added cost of additional security and pressure to take on unnecessary 'workers'), deter investors, reduce the rate of reinvestment and new business formation, increase the rate of capital flight overseas and spur the emigration of skilled personnel, all of which would tend to increase the rate of business closures, as well as forcing some of the remaining businesses to relocate.

There is also likely to be a significant cost in terms of lost foreign direct investment, which will become increasingly likely to go to other jurisdictions as the conditions deteriorate. This would then result in rising unemployment and a reduced rate of economic growth, which would in turn result in increased poverty and rising public debt, which might force a reduction in the size and capacity of the police force, reduced levels of social expenditure and the withdrawal of government business incentive programs.

This combination might then lead to a further rise in the rate of violent crime, and all the other risks and uncertainties associated with

high levels of crime and violence, thus triggering another round of damaging consequences. High rates of crime and corruption can also result in the misappropriation of public funds and the channeling of public works contracts to organized crime, which can result in unnecessarily costly and poor-quality infrastructure, which can then undermine attempts to improve a country's fiscal management, and increase its indebtedness.

As this suggests, compounded risk factors that are also linked together in positive feedback loops often do the most damage, because the process becomes self-sustaining, and continues to drive a country in a particular direction.

This analysis is supported by the World Bank's 2011 World Development Reportⁱⁱⁱ, which reaches an even more profound conclusion; that violence is not just one cause of poverty among many other factors, it is the **primary cause**^{iv}. The 2011 World Development Report notes, for example, that until 1990, Burundi and Burkina Faso had similar rates of growth and levels of income. In 1993, however, Burundi suffered a civil war, while Burkina Faso continued to remain peaceful. As a result, Burkina Faso is now two-and-a-half times richer than Burundi.

The Report concluded that people in developing countries that are badly affected by violence are over twice as likely to be malnourished, three times as likely to miss primary school and almost twice as likely to die in infancy as people in other developing countries, and that the countries that are most affected by violence are also the most vulnerable to economic shocks, mainly because their institutions of government are greatly weakened. The Report also pointed out that gang-related violence now kills more

people than most wars⁶, so that countries with high rates of crime and violence are likely to suffer similar consequences of lost economic growth and perpetuated poverty.

So the estimates of the annual losses to crime still do not complete the reckoning of the cost of crime and violence to Jamaica, because it is also necessary to estimate the cumulative impact of lost growth. If the above analysis is correct, Jamaica's development has been crippled by its high rates of crime and corruption. This is supported by the fact that the economy has stagnated for four decades, with low growth and declining productivity, while other countries have transformed their productive potential, economic growth rates and development prospects. The full cost of crime, therefore, has to include the cumulative cost of four decades of lost productivity growth.

One way to estimate this loss is to compare Jamaica with Barbados, a smaller country with few natural resources. If Jamaica's rate of productivity growth had kept pace with that of Barbados, then Jamaica today would be almost three times more productive and wealthier than it is now, and the quality of life would have been correspondingly transformed.

Another way to estimate this loss is to project forward from the rate of growth before Jamaica's descent into violence, when Jamaica's economic growth rate collapsed from nearly 5% to just over 1%. If Jamaica had not lapsed into violence in the early 1970s, and the growth rate of the 1960s had continued, then today the economy would be almost ten times larger than it is now⁷.

⁶ In Guatemala, for example, more people are now murdered each year by gangs than were killed in Guatemala's civil war in the 1980s.

⁷ It is important to note with a counterfactual analysis of this kind that other factors might have intervened to prevent Jamaica from achieving this

So violence, crime and corruption have had a profound and terrible impact on Jamaica. The economy is now, at best, one-third of the size it should have been, and it may have shriveled to just 10% of the size that it should have been.

High levels of crime are both a symptom and a cause of Jamaica's failure to develop. They add a significant hidden cost to all business and government transactions, deter investment, encourage the migration of skill and capital, divert resources, foster an atmosphere of fear and tension and polarize society; the middle class retreat into secure enclaves while the poor must engage in an often desperate struggle to survive. Understandably, most surveys find, firstly, that crime and violence are the main deterrents to investment, and, secondly, that the majority of the population thinks that crime and violence are the most important problems facing Jamaica today.

With sufficient political will, however, it would be possible to restore Jamaica's peace and prosperity. It would not necessarily take long. In just six years (2002-2008), Colombia was able to reduce the number of kidnappings by 87%, the number of terrorist acts by 82%, and the number of homicides by 53%. This was the result of four policies:

- Changing the primary goal of national security from the defence of the state to the protection of all citizens.
- Deploying a 'clear, hold and build strategy' to reclaim the country from the narco-traffickers and extortionists.
- Isolating hard-core gang members, and giving the peripheral members a way out of the gangs.
- Reforming the legal system, so that the time needed for a criminal case

better future, but this comparison does provide some measure of what has been lost.

was reduced by 80%, and the conviction rate rose from 3% to 60%.

As a result, Colombia's economic growth rate rose from 1.9% to 7.9%, and unemployment fell by 29%.

Conclusion

The role of national security in enabling development

Crime in Jamaica reflects organized activities that undermine and exploit weak civil institutions in order to be able to manipulate and exploit vulnerable individuals and entire communities for personal and organized gain. This destroys the process of capital formation and business development; parts of downtown Kingston and Spanish Town have been reduced to a wasteland of derelict buildings as businesses have been bankrupted by extortion, the entrepreneurs have emigrated and their capital has been reallocated elsewhere, a combination that can sabotage all hopes of development.

A fight against crime is therefore a fight for development; measures to reduce the social and economic damage caused by pervasive crime have to be integral to the developmental activities of the state. Security should be seen as both a core developmental goal and an essential precondition for the delivery of other developmental goals. Government spending on national security is therefore a primary investment; peace and stability are the preconditions for investment, business development and economic growth. **Investment in national security is an investment in Jamaica's future development and prosperity.**

Jamaica's development has been profoundly damaged by violence, crime and corruption. There is no point in merely trying to contain these problems, and limit the damage that they cause. This approach has been tried for over forty years, and has failed. The goal now,

With similar resolve, Jamaica could solve its problems with crime, corruption and violence, and liberate itself from poverty and underdevelopment.

therefore, is to transform Jamaica's prospects by decisively breaking the grip that crime and corruption have on this nation. This means dismantling the gangs, arresting their leaders and the people who have facilitated their operations, seizing their assets and putting them out of business.

National development depends on a number of factors, but the most important factor is the quality of national institutions; countries with good institutions survive many kinds of crisis, whereas countries with bad institutions generally do badly regardless. This conclusion is supported by the World Bank's 2011 World Development Report, which found that the two most significant predictors of violence were unemployment (this is self-perpetuating, as violence is also the main deterrent to savings and investment) and the legitimacy of government; countries with good governance are much less likely to have high murder rates.

The key to solving the problems of crime and corruption, therefore, is to build strong, competent, politically-neutral, trusted institutions, which will strengthen the integrity and the moral authority of the state. This will require severing the remaining connections between politics and crime, taking strong measures to prevent corruption, reforming the judicial system, and restoring the people's faith in law and justice by demonstrating that no-one, no matter how wealthy and powerful, is above the law. The

The National Security Policy for Jamaica 2012

next section of this report outlines the measures designed to deliver these results.

There are five key recommendations, all equally important. The only way that Jamaica can escape from the trap of crime, corruption,

poverty and underdevelopment is to make progress on all five measures simultaneously.

The future of the nation depends on the outcome.

KEY RECOMMENDATIONS

There are five key recommendations; all equally important:

- I. Remove the profit from crime**
- II. Reform the justice system**
- III. Police by consent**
- IV. Adopt a coherent anti-gang strategy**
- V. Focus on at-risk individuals and communities**

I. REMOVE THE PROFIT FROM CRIME

It is a common misconception that the way to make progress against organized crime is to disrupt specific forms of criminal activity. For example, a great deal of time, effort and money has been expended on intercepting shipments of drugs or weapons, and many lives have been lost in the attempt. This approach has been pursued by a number of countries for decades, but organized crime continues to thrive, illegal narcotics and weapons are still being traded, and criminal activity is still inflicting serious social and economic harm.

One of the main reasons why this approach has never succeeded is that it does not allow for the flexibility and adaptability demonstrated by successful criminals, many of whom have been adept at identifying and moving into new areas of criminal activity. If one form of crime becomes more lucrative and less risky than another, the criminals will usually adapt and change their tactics accordingly. For example, as a result of the strong measures taken by the Government of Colombia, cocaine production in Colombia fell markedly. However, the total production of cocaine in the region did not decline, because production simply relocated from Colombia into Colombia into Bolivia and Peru^{vi}.

Criminal organizations and structures themselves evolve in response to pressure from law enforcement. For example, traffickers will switch their suppliers, use different shipping routes, develop new products and expand into new markets; partly in response to market prices, and partly in response to pressure from law enforcement agencies.

So fighting crime by trying to disrupt specific criminal activities will certainly affect the pattern of crime, but this often means displacing the main impact of crime from one sector or from one area to another, rather than reducing the overall level of criminal activity. This is why this approach is sometimes referred to as 'squeezing the balloon'; pressure applied in one location or on one form of activity will merely push the problems another area where there is less resistance^{vii}.

The business of crime

Criminals are not in the business of trafficking narcotics or weapons, or any other form of criminal activity; they are in the business of making money. Crime is motivated primarily by profit, so the only way

to permanently reduce the level of crime is to take the profit out of crime⁸. This is now being done very successfully in a number of other countries with the aggressive use of Proceeds of Crime legislation. This allows law enforcement agencies to seize the assets of organized crime, and of those people who facilitate and assist organized crime.

This means that the focus has to shift from street-level criminals to the bosses who enjoy and control the profits, and the people who handle the money, i.e. the **facilitators**. The latter group was identified in the new US Government's '*Strategy to Combat Transnational Organized Crime*' as being the key to dismantling and degrading criminal networks; it includes the politicians, lawyers, accountants, bankers, businessmen, real estate brokers and others who operate in both the licit and illicit worlds. As the US Government strategy points out, organized crime depends on these facilitators; they channel contracts to businesses that are fronts for organized crime, create chains of sub-contracts that conceal the true beneficiaries of e.g. public works projects, create shell corporations that conceal the real owners of particular assets, establish offshore corporations and bank accounts to move funds out of the jurisdictional reach of law enforcement, establish front businesses to conceal illegal activity, create a facade of respectability for these businesses by serving as proxy directors, launder money into real

estate and other assets and holdings, and allow or facilitate a range of other corrupt financial and business transactions. It is the facilitators that protect organized crime, and allow it to flourish. They are also among the primary beneficiaries of organized crime, as they take a significant percentage of the profits of extortion, narco-trafficking and murder, while continuing to pose as respectable citizens.

Targeting the bosses and their facilitators is therefore the most effective way to degrade criminal networks, seize their assets and undermine their power, which then allows these criminal networks to be permanently dismantled. The countries that have started to make aggressive use of Proceeds of Crime legislation are all now extracting large volumes of cash from criminals. For example:

- The London Metropolitan Police are now seizing US\$100,000 per day, on average, from organized crime and money-launderers. The UK as a whole recovered or deprived criminals of over £1 billion in assets and profits from crime in 2011.
- In 2011, the FBI brought in over US\$12 billion in seized assets and Court-ordered restitution payments, as well as securing 3,000 convictions.

At this stage, it is difficult to estimate the extent of the criminal assets that could be seized in Jamaica. However, if the extent of the problem in Jamaica is in proportion to that in the UK, USA and Italy, it would mean that a successful program of asset recovery could cripple organized crime while simultaneously helping to put the public accounts in order and paying down the national debt. The first priority, however, is to break the power of organized crime by sequestering criminal assets, as that will stem the haemorrhage of investment capital and skills from Jamaica.

⁸ Two of the most important factors in determining the level of crime are the **profit margin** and the **perceived risk of detection and punishment**. The rate of crime will tend to increase when criminal activity is lucrative and when the risk of detection and punishment is perceived to be low, so it is important to simultaneously **increase the risk of detection and punishment** (i.e. with more effective systems of policing and justice) and **remove the profits** of crime (by seizing the assets of criminals and their facilitators).

SPECIFIC RECOMMENDATIONS

The fight against the crime that has crippled Jamaica requires strong, decisive and brave leadership. It also depends on a 'whole-government' approach. National security is not the sole province of the portfolio Ministry; key Ministries and Government agencies, such as the Ministries of Finance and Justice, also have an essential role to play. It is important, therefore, to establish a permanent framework for inter-Ministerial cooperation on national security issues, under the auspices of the National Security Council, which is chaired by the Prime Minister. Other recommendations include:

- **Establish a task force.** The successful prosecution of fraud and money-laundering cases depends on the ability to manage and integrate complex legal, financial and personal data from diverse sources and jurisdictions, so the immediate priority is to establish a high-level task force that will integrate the necessary strands of information.
- **Strengthen technical capacity.** It is vital to strengthen the technical capacity and skills-base needed to detect and unravel complex fraud and money-laundering operations.
- **Upgrade the intelligence architecture.** The task force should not be disbanded after a few successes. It will take a long time to trace and seize the proceeds of organized crime, break the power of the major criminals, eliminate the influence of the key facilitators, destroy their reign of fear and eradicate the pervasive corruption that allowed criminality to flourish.
- **Establish a special Court.** The judicial system has become seriously dysfunctional, and extensive reforms are required. However, this is likely to be a lengthy process. In the interim, therefore, it may be necessary to establish a special court with the necessary technical support and expertise to hear the most serious cases of organized crime, fraud and money-laundering.
- **Denial of liberty.** Particular categories of criminals (homicide, violent crime and sex crimes) should not normally be granted bail, especially when there is a clear risk that witnesses will be intimidated or murdered, or evidence destroyed.
- **Denial of Assets.** There should be automatic denial of tainted assets during trial. Criminals must not be allowed to pay their legal fees with the proceeds of crime. They must demonstrate that funds used to pay for legal fees are obtained legitimately.
- **Asset Forfeiture.** There should be automatic asset forfeiture on being found guilty of crimes such as large-scale fraud, extortion, embezzlement and money-laundering, including not just the funds associated with the actual trial, but all personal assets that cannot be proven to be clean, plus an estimate of the lifetime personal profits derived from criminal activity, and confiscation of those estimated profits.

Financial investigation

- Increase the capacity of the Financial Investigations Division (FID) by granting it stronger investigative powers, and more aggressive use of asset recovery. This should be modeled on the cross-referencing initiative introduced in Italy in 2011 which allows tax officials to examine bank accounts to check declared income against bank deposits, as well as real estate, investments, car and yacht ownership.
- The FID should focus on profiling the most serious criminals instead of going after 'small dollar' cases.

Government contracts and licenses

- Establish higher levels of transparency and oversight of the award of public contracts. The 'fit and proper' criterion should be applied to bidders for all government contracts and licenses. Any person or organization known to be a front for organized crime or a significant beneficiary of organized crime should be barred from bidding. If a known criminal is a director or major shareholder of a company, that should be sufficient to bar that company from bidding. All government contracts should specify that if the contract is won by a person or organization that is subsequently established to be a front for organized crime, then the full cost of the contract has to be refunded by the contractor. All government

contracts should specify that if the contract is won on the basis of forged certification or certification obtained corruptly, then the full cost of the contract has to be refunded by the contractor.

- Amend the definition of Government Contract to include all major sub-contractors and other tributary contracts above a given threshold value. All contractors and major sub-contractors should be routinely required to disclose the principal and beneficial shareholders of their respective companies.
- Contracts for infrastructure projects should carry a fixed-term full recoverable cost liability, so that any road (for example) that crumbles within a given period has to be properly repaired at the contractor's expense.

Legislation

- Amend the Contractor General Act to give the Office of the Contractor General power to intervene and stop a contract award which in their view exhibits signs of serious irregularity, impropriety or corruption.
- Increase significantly the penalties for deliberately obstructing or misleading legitimate inquiries by the Office of the Contractor General, or for any clear and egregious failure to satisfy a lawful request of that Office of the Contractor General.

- Increase significantly the penalties for contravening the Public Sector Procurement Regulations.
- Merge the Corruption Prevention Commission, the Integrity Commission and the Office of the Contractor General into a single Anti-Corruption Agency. The recommended model is the institutional arrangements in Sierra Leone, which are particularly comprehensive. This proposal would supersede the Special Prosecutor Bill.
- Review the Proceeds of Crime Act (POCA) to ensure that the legislation can be extended to anyone who facilitates organized crime.
- Amend the Evidence Act to allow evidence by video. This is particularly relevant in Lottery scam cases, as many of the victims are elderly citizens of another country.
- Introduce Public Interest Immunity legislation, so that information from covert sources can be taken into consideration in Court without the need to disclose their identities.
- Amend the Real Estate Dealers and Developers Act to close the loopholes that allow illegal funds to be blended with legitimate investment; serious breaches should be made a first or second schedule offence, as appropriate, under the POCA. The Real Estate Board should also be given formal responsibilities under the POCA to monitor all transactions and report any suspicious activity.
- Introduce reporting requirements for non-financial institutions under the POCA. This includes professionals such as lawyers and accountants,

agencies like the Real Estate Board, and possibly large-scale car dealers and entertainment providers⁹. These can be given reporting requirements for threshold and suspicious transactions under POCA by Ministerial Order; legislation is not necessary.

- Introduce cash payment limits to prevent money laundering, tax evasion and extortion. The limit could be initially set at J\$100,000, so that any transaction above J\$100,000 must be by credit card, cheque, manager's cheque, inter-account transfer or any other method that leaves a record and an audit trail. Payments by the Government for goods and services should be by wire transfer from now on, phasing out the use of cheques, as this will help to reduce both cost and the risk of fraud and corruption.

Seized assets

- Part of the funds seized should be re-invested in the asset seizure program and the fight against organized crime. Part of the funds should also be returned to the community to fund developments that will benefit everyone (such as new schools, clinics, community centres, roads, water and drainage systems and street lighting). This is an essential part of the 'hearts and minds' strategy needed to win the support of the community, and turn them against the criminals.
- Some criminal assets can go to auction. In some cases, however,

⁹ These two business activities are commonly used for money-laundering in Jamaica.

powerful criminals will ensure that potential buyers are warned off. In such cases, it may be necessary for Government agencies to retain control of the assets, converting houses into schools, for example, and giving vehicles to the JCF to use on patrol. In Italy, cars seized from the

Mafia are often re-sprayed in police colours and then used to patrol Mafia-dominated areas, which helps to demoralize the criminals.

II. REFORM THE JUSTICE SYSTEM

“When the sentence for a crime is not quickly carried out, the hearts of the people are filled with schemes to do wrong.”
Ecclesiastes 8:11

The judicial system is currently the weakest link in the national system of law enforcement and criminal justice. In 2010 there was a backlog of some 460,000 court cases, of which about half had been in court for more than eight months. Cases, particularly those involving murder, rape, carnal abuse, and wounding with intent, take more than two years, on average, to be settled while the conviction rate for homicide is just 5%, which is little or no deterrent to murderers¹⁰. This combination means that justice is exceptionally slow; and frequently denied.

Justice delayed is justice denied

This legal principle, which was established in law in 1225 (by clause 40 of the Magna

¹⁰ Over the period 2004-2010, 61% of homicides were unsolved, while 39% were ‘cleared’, i.e. the murderer was identified. However, of the 39% that were cleared, 88% were cleared when the murderer was themselves killed, either in reprisal, or else in a fight with police officers, or else did get to court but was acquitted (approximately 1/3rd were killed; 2/3rds were acquitted). Just 12% of the 39% survived long enough to get to court, and were duly sentenced. This means that the conviction rate for murder is less than 5% per year. It also means that a murderer is about three times more likely to be killed than arrested; if they survive long enough to get to Court, they are about five times more likely to be acquitted than sentenced. This, in turn, means that increasing the severity of punishment (by, for example, reintroducing capital punishment) is unlikely to have any deterrent effect, as the criminals realize that any punishment is very unlikely to be applied.

Carta), is the basis for a right to a reasonably speedy and efficient trial.

The judicial system in Jamaica often fails in this regard as people have remained on remand in police cells, awaiting trial, for over two years. Other cases have been subject to delaying tactics, using procedural gambits, in order to defer the execution of sentence. In some instances, this has allowed time for evidence to be contaminated or destroyed, witnesses to be intimidated or killed, or for the case to lose political salience. The extent of the problem is daunting. There has been little or no improvement in the chronic backlog of cases in the Courts for over a decade. This has serious social implications, as it undermines the public’s confidence and trust in the legal system.

There are a number of reasons why the judicial system in Jamaica has become so dysfunctional:

- Court procedures, protocols and working practices which are slow, inefficient, and overdue for modernization.
- Poor management of court time, persistence in using paper-based records (which are relatively easily mislaid, stolen or destroyed), rather than electronic records, and poor management of the chain of evidence.
- Weak management and, in some cases, corruption, especially in the Court Registries and in the Court Bailiff system.

Restoring faith in justice

One of the most urgent tasks is to solve the problems in the judicial system. Public confidence in justice depends on a judicial

system that can deliver justice impartially, swiftly, effectively and economically. These goals are not just about efficient management, but rest on the deepest principles of the rule of law.

Specific Recommendations

Decisive action is required to resolve the current weaknesses in the judicial system in order to deal with the threat of organized crime and corruption. The following steps are recommended:

1. Modernize Court procedures, systems, protocols and working practices.
2. Extend court working hours from the current average of just five hours a day. Judges should no longer tolerate poor time-keeping by lawyers or witnesses¹¹.
3. Mandate the use of electronic records. This process should start in the Court Registries.
4. Train lawyers in the Office of the Director of Public Prosecutions, and police officers in the preparation of cases, especially with regard to POCA and anti-gang legislation.
5. Establish clear guidelines for granting adjournments. Only one adjournment should normally be permitted per case unless there are truly exceptional circumstances.
6. Abolish Preliminary Enquiries, especially in cases involving serious and/or organized crime.
7. Notice of Alibi should be given in advance (not necessarily the names of those giving the alibi).
8. Make aggressive use of Proceeds of Crime and Asset Forfeiture legislation, placing the onus on accused persons to prove that they came by their assets legally.
9. Train judges in the use of POCA and forfeiture orders.
10. Automatic asset forfeiture on being found guilty, including all personal assets that cannot be proven to be clean. Automatic denial of tainted assets during trial.
11. The Ministry of Justice should develop a series of detailed sentencing guidelines, with tariffs. Every effort must be made to raise the conviction rate which is now unacceptably low.
12. The burden on the Courts should be reduced, as far as possible, with the use of plea bargaining and alternative dispute resolution methods for minor crimes.
13. Strong anti-gang legislation to make gang membership or association a criminal offence.

¹¹ The principle of judicial independence is a vital safeguard against political interference; its purpose is to ensure that everyone receives a fair and unbiased trial. It does not mean that judges are exempted from reasonable expectations as to workload, performance, productivity and the length of the working day.

III. POLICE BY CONSENT

The goal of the JCF should be to become a fully modern police service, and one of the most respected, trusted institutions in Jamaica. This is an essential part of the national security strategy. Citizens must feel that they are able to trust and confide in the police before they will be willing to give evidence against dangerous criminals. In order to win the trust of the people, the JCF should focus on protecting the safety and security of the people.

The JCF is already committed to a series of reforms that have started to overcome the legacy of an adversarial relationship between the police and the general public. In time, it will be replaced by one of trust, confidence and mutual respect. This is not only a valid goal in its own right, it is also necessary in order to respond to the threats from organized crime, which will require a far higher level of cooperation and information-sharing between the citizens and the police.

As a general rule, the only way to win against a constantly-evolving threat is to be significantly smarter, more flexible, adaptive and resourceful than the enemy. It is very difficult for a traditional, hierarchical, bureaucratic organization with a slow decision-making process to win against a rapidly-moving foe. In a complex, fluid, asymmetric conflict, law enforcement has to think strategically, and take the offensive rather than let the criminals dictate the terms of the struggle. Police forces also have to adapt to be able to operate effectively in complex environments. This means adopting a flatter structure with a more devolved decision-making process, so that officers on the front line can make immediate tactical

decisions. This, in turn, can only work if every officer understands the goals, the priorities, the legal and moral context, and can make intelligent decisions accordingly.

The use of lethal force

Every police force in the world is authorized to use deadly force in certain circumstances, usually when it is the only way to save innocent lives. Society grants police officers the power, in such extreme circumstances, to act as judge, jury and executioner, because it is understood that police officers may have to make decisions in a fraction of a second, often in extremely stressful circumstances, when a delay could easily result in the death of the police officer, or of a hostage, or of an innocent bystander.

This extraordinary power is not given lightly, and every police officer has to be prepared to account fully for his actions whenever he uses force that results in death or injury. This is just as true when the person killed was a criminal, and had been trying to kill police officers, as when the person killed was an innocent bystander.

Every use of lethal force has to be investigated, explained and justified. This is to ensure that the power granted to police officers is not abused. For the police to retain the full confidence of the society they must be ready to account for their actions. It is also very important that any police officer who seriously abuses his power is removed from the police force, and made to face criminal charges.

SPECIFIC RECOMMENDATIONS

Reassuring the public

- There should be increased transparency with regard to failures of proper procedure, with independent investigation of every use of deadly force by the police.
- Ensure that any police officer who is found to have seriously abused his powers is removed from the police force and made to face criminal charges.
- Give JCF officers better training in non-lethal options to ensure that every officer understands how to respond appropriately to each threat increase.
- Train JCF officers to control volatile situations without recourse to violence and to shoot to stop, where possible, rather than shoot to kill.

Information management

- There should be a transition to **intelligent policing** – intelligence-led policing, better information management and access, and a **total policing** strategy that encourages the sharing of relevant information between different police divisions.
- This will require the further strengthening of performance tracking, with a national crime map updated continuously to allow the management of crime hotspots and civil unrest, modeled on the New York crime map information management system.
- The JCF should institutionalize the use of predictive analytics software such as CRUSH (Criminal Reduction Utilizing Statistical History), which looks for patterns in crime records, intelligence briefings, offender profiles and other data to identify where particular types of crimes are most likely to occur.
- The JCF should accelerate the full integration of JCF information management systems, phase out all paper-based recording, and mandate a transition to electronic records, with templates developed for PCs and hand-held devices (such as smart phones) to guide officers to input the data correctly. The first priority would be to introduce these systems for crime recording, crime scene management and management of the chain of evidence.
- Automatic number-plate recognition software should be installed as part of CCTV traffic management systems
- Take Integrated Ballistics Identification System (IBIS) records of all guns in Jamaica – all police, military and legally-owned guns should be ‘fingerprinted’, as should all criminal firearms when seized.
- Establish systems for the management of evidence, starting at the crime scene. Manage the entire chain of custody through a single database, with secure information management systems that allow controlled access for legitimate inputs and inquiries.
- This system for the management of the chain of evidence has to be integrated with the system for managing the documentation needed in Court. All paper records used in the judicial system should therefore be replaced with electronic records; this will prevent case files from being ‘lost’.

IV. ANTI- GANG STRATEGIES

No single strategy will solve Jamaica's complex problems with crime and violence. A number of coordinated, inter-locking strategies will be necessary, for the following reasons:

- Most of the crime and violence in Jamaica is the result of the activities of organized crime and gangs, but part of the violence reflects personal and community-based problems, rather than organized forms of criminality. Each of these requires a different approach.
- There is a cycle of violence that is passed down through generations. Children who are raised in poverty, misery and violence are far more likely to become violent in their turn. It is essential to break the cycle of repeated trauma and violence by protecting and counseling the children involved.

Organized crime and gangs

There are important differences in the structure and operations of the criminal enterprises at each end of the scale of criminality, from sophisticated international operators to local extortionists, and significantly different approaches are required:

1. Local street gangs can be addressed with a combination of **focused deterrence strategy, violence reduction initiatives** and **community-based policing**.
2. Major gangs that operate in more than one area or sector can be addressed with a

combination of **focused deterrence strategy** and **clear, hold and build tactics**.

These approaches draw on game theory, psychology and population-centric counter-insurgency tactics, and have been very effective elsewhere.

3. Sophisticated international criminal structures require **intelligence-led operations, financial profiling, strong proceeds of crime legislation** and **international cooperation between law enforcement agencies**.

There are about 250 criminal organizations operating in Jamaica. Both transnational organized criminal organizations (TNOCs) and gangs do a significant damage to Jamaica's economy and social fabric, but the pattern varies. TNOCs may be involved in international trafficking of weapons and narcotics, fraud, scams, tax evasion and money-laundering. Gangs are responsible for most of the public disorder and violence in Jamaica; they dominate a number of public areas and crowd out legitimate businesses through violence, threats and extortion. They take over services such as buses, taxis, bars and entertainment, driving out competition so that people are obliged to use their services.

There are connections, of course, between TNOCs and local gangs. Money may be channeled by the major criminals into local gangs in order to extend their influence and power, while the local gangs provide a source of recruits; the most intelligent and ruthless can aspire to rise up the hierarchy in future.

Transnational and organized crime

There have been some significant successes against gangs since the normalization of Tivoli Gardens in 2010, and against some elements of the TNOCs. However, there has been little progress to date with dismantling the networks of political affiliation, legal support and financial services that conceal some of the real beneficiaries and leadership of the TNOCs.

The problems with violent crime, corruption and the misappropriation of public funds in Jamaica will never be resolved, however, until the TNOCs and their support networks are largely dismantled. They are the instigators and beneficiaries of the corruption that has directed public funds into the hands of organized crime, and often resulted in unnecessarily expensive or poor quality infrastructure, the beneficiaries of the proceeds of extortion, narco-trafficking, frauds and other crimes, which have distorted the economy, fuelled inflation and undermined legitimate businesses, and the primary conduit for the firearms that gave Jamaica one of the highest homicide rates in the world.

It is particularly important to disrupt and prevent the imports of illegal firearms and ammunition, partly because they are responsible for about 80% of homicides in Jamaica, and partly because they allow the local gangs to create an environment of fear, which then enables them to extort money, coerce and control entire communities, and

intimidate people into remaining silent. It is important to intercept the shipments, but as noted earlier, it is even more important to dismantle the criminal networks that organize and manage the business, which will require seizing the assets of those involved in managing, organizing or in any way facilitating the trade.

These problems can only be solved in cooperation with the US, UK, Canadian, Caribbean and other key strategic allied law enforcement agencies. It is important to improve international cooperation and the flow of intelligence between law enforcement agencies in order to complete the financial profiles, trace assets, and track the shipments of weapons and narcotics. This will require protocols to allow the transfer of intelligence, including transcripts of telephone intercepts. This is the only way that it will be possible to unravel the international connections for the shipments of guns and narcotics, and dismantle the criminal organizations that operate these trades.

A number of criminal organizations have learned to operate very effectively as multinational businesses. Some of them cooperate in shipping and distributing narcotics and firearms. Others will generate cash through criminal activities in one country, and launder it in another. It is therefore essential that law enforcement agencies cooperate equally effectively across national borders.

Trace the money, seize the assets

With regard to TNOCs, the focus has to be on **tracing the money** and **seizing criminal assets**. It is a common misconception that the way to make progress is to intercept the drugs, or the weapons. TNOCs are not,

however, in the business of trafficking narcotics or weapons, they are in the business of making money. If one form of criminal activity becomes less profitable, or one trans-shipment route becomes too risky, they will

adapt and diversify. They are also relatively adept at laundering the proceeds of crime into a diverse array of legitimate businesses.

It is therefore essential to build up personal and financial profiles of the TNOs, of the leader, top lieutenants, and key facilitators - lawyers, bankers, real estate brokers, business managers and other legitimate service providers - who are involved in laundering the funds, serving as proxy directors, managing the legitimate businesses and providing a facade of respectability.

The key to taking down TNOs is to understand that they have to operate in a web of connections. They need sources of supply, access to markets and financial services for money-laundering. They need transport and communication links. Their leaders usually operate through lieutenants, so it may take time to trace the connections back to the boss. Eventually, however, with international and inter-agency cooperation, all these links and connections can be traced.

Many crimes can only be solved when the relevant information is pieced together. It is particularly important to develop a full financial profile of someone suspected of playing a major role in a TNO, as only then does the disparity between their declared income and real wealth become apparent. It is important to note that some of their assets may be in other countries, so international cooperation between law enforcement agencies is absolutely essential.

Particular sectors of the economy are more likely to be the focus of criminal activity.

Construction allows access to corruptly-awarded contracts, entertainment and casinos provide a ready way to launder cash, and shipping companies allow the transport of weapons and narcotics. With regard to the construction industry, it is important to have higher levels of transparency and oversight of the award of public contracts, to insist on positive vetting of contractors, to eliminate all bids from those with connections to organized crime, and to ensure that security at building sites is provided by legitimate firms.

With regard to entertainment and casinos, it is important to insist on positive vetting of all applicants for licenses, with automatic disbarment of those with connections to organized crime.

With regard to shipping, it is vital to note that illegal consignments will often be concealed inside legal freight, so measures are needed to eliminate corruption and prevent the intimidation of customs officials. There should be strong protocols and procedures for scanning and checking containers and other shipments.

With regard to local gangs, here too, the focus has to be on **seizing the assets**. There are young men in Jamaica, in their early twenties, who have never held a job, have no declared income, yet have accumulated assets over J\$1 billion in value, all of which are the proceeds of crime (typically the Lottery scam). With the effective use of POCA, these assets can be seized.

Non-organized crime

A significant part of the crime and violence in Jamaica reflects personal and community-based problems, rather than organized crime.

Organized crime has:

- objectives (*usually money and power*),
- a hierarchy of command,
- a few rules (*with penalties for disloyalty*) and
- some level of specialization, in that the members will typically have particular roles (*money-launderer, enforcer, look-out, driver and so on*).

The ability of the organization to function effectively can be significantly disrupted by arresting key individuals, which breaks links in the network, seizing assets, which reduces the organization's power, and reducing the influence and control that the senior members have over the more peripheral members, which undermines the organization's cohesion¹².

This does not apply to non-organized crime; as the people involved are not organized into groups, and do not have specialized functions. Non-organized crime is less systematic, more anarchic and random, and it therefore cannot be dismantled in the way that an organized criminal structure can.

The level of violence associated with non-organized crime can be higher than with organized crime, because the organized gangs

usually try to maintain a monopoly on the use of violence in their area, so the level of violence will typically be relatively low when one gang dominates an area¹³. No such limitation applies with non-organized crime. This is one of the main reasons why the level of violence often rises when a dominant organized crime gang starts to lose control, as the remaining members are now reduced to a disorganized state and may also be fighting for dominance.

Effective anti-gang strategy almost always involves a combination of approaches and tactics. Five of the most important are:

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- I. Focused enforcement.
 - II. Community-based policing.
 - III. Support for witnesses and victims.
 - IV. Clear, hold and build.
 - V. Prevent recruitment
-

¹² This typically involves giving the junior and peripheral members a way out of the gang, often in the form of a partial amnesty for surrender and assistance with a return to normal life, combined with a relentless campaign against the senior, hard-core members, aimed at denying them freedom of movement and communication, depriving them of their assets and making every part of their life as difficult as possible.

¹³ This does not mean that the level of violence will be low elsewhere, in areas that are not part of the gang's core territory. Violence tends to be highest at the public spaces that mark the boundaries between gang territories.

SPECIFIC ANTI-GANG STRATEGIES

I. Focused enforcement

One of the most powerful deterrents of crime is the probability of detection and punishment. If the probability of detection is low, or the punishment is mild, there is little effective deterrent.

To be effective, punishment must have three qualities – it must be **certain**, **swift** and **severe**. Many people assume that severity is the most important factor, but it is actually the first two factors that have the biggest influence on rates of crime. This is because the severity of the possible punishment has little or no deterrent effect if the criminals perceive that there is a very low probability of being detected and caught, as they don't think that the punishment will be applied. The effect of the severity of the possible punishment can also be weakened if there are lengthy delays in judicial processing, as repeated appeals may reduce the probability that the sentence will ever be carried out, and they also give time for the intimidation or killing of witnesses. So the goal of focused

enforcement is to increase the probability of both detection and punishment.

This typically requires that resources are focused on just one gang at a time, usually the most violent and dangerous, rather than spread them too thinly across all gangs. The goal is to significantly increase the **probability of detection** of crimes by that gang, which acts as a serious deterrent, as well as disrupting their operations, degrading their capabilities, reducing their assets, eroding their power and eventually resulting in the complete dismantling of that gang. The most effective way to disrupt a criminal structure is to build evidence against an entire gang, especially the leadership, then to arrest them all at the same time. This has a much greater impact than arresting low-ranking members, who can be easily replaced. It is also important to increase the **speed of punishment**. This requires reform and streamlining of police and judicial procedures.

II. Community-based policing

This is sometimes seen as '**soft**' policing, but is partly based on counter-insurgency tactics. This should be organized on a 'Same Cop, Same Neighbourhood' basis, with officers being assigned to particular neighbourhoods so that they become familiar with the local residents and issues, and can get involved in helping to solve problems and resolve conflicts.

The role of community-based policing is to complement focused enforcement strategies; it is not a substitute for focused enforcement strategies. The focused enforcement strategy will require tactical operations against the gangs, while the role of community-based policing is to eliminate their social support and influence.

ANTI-GANG STRATEGIES CONT'D

III. Support for victims and witnesses

In Jamaica, most victims and witnesses receive little support or even sympathetic treatment in court. Many of them are exposed to threats of retribution or further violence. This greatly undermines faith in law, order and justice. It is very important, therefore, that victims and

witnesses should be protected and supported. This means, for example, that victims and witnesses should be kept separate from the accused in court, and that the witness protection programme should be significantly strengthened.

IV. Clear, hold and build

Strong anti-gang measures are needed to normalize and integrate the worst-affected communities. In areas where gangs are deeply entrenched such as Tivoli Gardens prior to normalization, this will require a **Clear, Hold and Build** strategy. These are operations that can **clear** gangs out of entire communities; **hold** those areas by maintaining a strong, continuous police presence to provide lasting security, and then **build** a robust civil society by engaging

other government agencies and NGOs to provide education, training, economic opportunities, health care and prompt justice.

The goal of this **clear, hold, and build** strategy is to reassure the community, remove their fear of gangs, build sustained popular support, increase the flow of intelligence about gang operations, and ensure that gangs have no safe haven anywhere.

V. Prevent recruitment

There are effective tactics, developed in the cities of Boston and Glasgow, for interrupting the process of recruitment to local street gangs. These involve call-ins for the gang members and confrontations with victims, followed by the presentation of a clear choice – reform, and qualify for assistance and job-training, or remain in the gang; anyone that chooses to

remain an active gang member should then be subjected to every possible form of legal harassment by every arm of government (tax compliance, vehicle licensing, business permits and so on should all be made as difficult as possible for known gang members who refuse to give up their criminal connections.

V. FOCUS ON AT-RISK INDIVIDUALS AND COMMUNITIES

It is important to deal with both crime and the causes of crime. Taking the profit out of crime helps to demoralize the criminals; anti-corruption measures can be used to shut off the supply of public funds, the supply chain for weapons and ammunition can be broken by disrupting organized criminal structures, and strong anti-gang legislation and tactics can make the gangs far less powerful. However, it is equally essential to address the social problems, such as the cycle of violence and poverty, as otherwise the problems of crime and violence will reappear.

Breaking the cycle of violence

Some of the children that do not do well at school are from broken or dysfunctional families, and have limited social skills; others are seriously traumatized, having been abused, raped, beaten, or having seen family members murdered. Children that have lost one or both parents or a close relative to violence often show very aggressive, disturbed behaviour, which can result in their being punished or excluded at school, thereby damaging them further.

Most of these children have never had any support or counseling. Given that the severely disturbed children usually come from the most dangerous and dysfunctional homes, the most effective place to intervene is in the schools, but many of the teachers in the inner city schools have not been trained to recognize or deal with these problems. Every school should therefore have a program to deal with maladaptive behavior, trauma, post-traumatic stress, depression and other long-term consequences of the physical, sexual, emotional and psychological abuse of children.

Social interventions

There are a number of social intervention agencies and programmes, including the Social Development Commission, the Citizen Security and Justice Programme, the Jamaica Social Investment Fund, the Community Renewal Programme, the Safe Schools Programme, the Neighbourhood Watch Programme and so on, and related employment-creation programmes, such as the Jamaica Emergency Employment Programme and the former Jamaica Development Infrastructure Programme. Significant resources have been committed to these programmes, but none of them have brought about a sustained reduction in the level of crime and violence, reduction in the level of unemployment, or increase in economic growth. This is because these programmes have never been integrated into a coherent strategy, inter-Ministry and inter-agency coordination is usually poor, and there has been a lack of clarity as to the primary goal of social intervention.

Similarly, there have been various strategies to reduce crime, but most have not been sustained for long enough, resources have been insufficient, and, in some cases, there has been inappropriate political interference. There have been several attempts to apply a clear, hold and build policing strategy; the JCF and JDF can clear and hold, but the crucial third element does not usually follow. Eventually, the level of police and military commitment has to be drawn down, the gang may then return and the community will typically revert to its former behaviour.

It is critically important, therefore, that any future intervention by the JCF and JDF is properly supported by the other arms of government, and that the government remains engaged in that community until the

people again have confidence in the police, and faith in law and order and justice, so that they will then resist the return or re-formation of the gangs. It will need a long-term commitment to confidence and

peace-building measures to irreversibly change the anti-police culture and garrison mentality in some communities.

Recommendations

The first goal of all social intervention programmes should be a significant, sustained reduction in the level of crime and violence. All other social goals (such as increased investment, job-creation and long-term, skilled employment) depend on the primary goal of ensuring safety and security; they cannot be achieved without a marked reduction in crime, violence, corruption and extortion. All social intervention and employment-creation programmes should therefore be part of the anti-gang and community regeneration initiative.

This means that much stronger coordination and co-operation is needed among the social intervention agencies and programmes. These agencies have different parent Ministries, so cooperation will have to be mandated by the Prime Minister.

The second goal of all social intervention programmes should be a self-sustaining process of economic regeneration. It is very important that these communities do not become dependent on scarce public resources, so all social interventions should come with a long-term exit strategy. Once economic confidence has returned, money is being invested and viable businesses are being established, the public funding should start to taper off and be reallocated to the next community in need.

STRATEGY

The sequence of intervention

PHASE 1: CLEAR. After detailed preparation, intelligence-gathering and analysis of the local criminal structures, the JCF paramilitary units and JDF would go into a troubled area with overwhelming strength and dominate the streets. They would signal their intention to do so¹⁴; as the goal is to ensure that the gang members flee or are arrested, rather than to have a gun battle in the middle of a densely-populated urban area. Gang members who are arrested should be denied bail, so that they cannot return to the area to organize armed resistance¹⁵.

PHASE 2: HOLD. The JDF would withdraw, the JCF would remain in significant strength, but officers trained in community policing would replace the paramilitary units once the level of violence has subsided¹⁶. The locally-based community officers should then remain committed to the area for relatively extended periods, using the 'Same Cop, Same Neighbourhood' approach. This is to ensure that the officers become familiar with the local residents and issues, and can get involved in helping to solve problems and resolve conflicts. This will also help to ensure a good flow of intelligence from the community to local officers about any gang members that try to return or resume their former behaviour¹⁷.

PHASE 3: BUILD. The full spectrum of social intervention and employment creation programmes would then prioritize the same area. The Community Safety and Security Branch, the National Interschool Brigade, the Safe Schools Programme and Neighbourhood Watch Programme should all be engaged in the process of community reconstruction at this stage. In addition, the Social Development Commission would prioritize the area; the Ministry of Education would prioritize the schools in the vicinity for improvements, including assigning specially trained teachers and child counselors. The Ministry of Health would prioritize the health facilities for upgrading, with particular support for physical and mental health education, inoculation programmes for children and sexual health programmes for adults, the Ministry of Works would prioritize the roads in the area for repair, the utilities would ensure adequate (metered) supplies of water, electricity and so on¹⁸, the National Training Agency would prioritize the area for job-related training and the private sector would be offered tax relief if they set up business in these areas.

¹⁴ In Brazil, the police and army will typically give up to a week's advance notice of their intention to move into a crime-dominated favela.

¹⁵ This should be incorporated as a provision in the Anti-Gang legislation.

¹⁶ This will require that these officers are properly trained in community policing, with a particular emphasis on human rights.

¹⁷ There have been complaints in the past that operational policing – especially where paramilitary

units are involved – can undermine the work of the community police and the social intervention agencies. This is why the timing and sequencing of these phases is very important.

¹⁸ In areas that have been used to not paying for their water and electricity, it would be sensible to offer a transitional period of 1-3 years at a lower tariff before returning to a standard tariff.

It is important to ensure that public funds and training programmes can be accessed by reformed gang members who want a chance to lead normal lives, but are not captured by the gangs themselves; some of them are adept at masquerading as legitimate community groups. One possible option is to operate a weapons exchange programme, where weapons are surrendered in exchange for employment training and access to low-interest loans for business start-ups.

This strategy requires a 'tough love' approach, which involves offering attractive inducements for giving up a life of crime (including, for example, better schools, community centres and training aimed at making young people employable), coupled with harsh penalties for those who do not change. With regard to the penalties, a multi-agency approach is essential, so that gang members who do not agree to change their behaviour can be subject to intrusive inspections of all areas of their lives.

As far as possible, all the improvements in a troubled area should be financed with assets

seized from the criminals and gangs. The source of the funds should be publicized in order to emphasize to the community that their poverty and misery had been inflicted on them by the gangs, and that the wealth that had been stolen from the people was being returned.

It is important to depoliticize the conflict with the gangs, so that all the above initiatives are entirely apolitical, and focused solely on dismantling criminal structures and reducing the level of violence. The initiatives should all be designed primarily to give at-risk youth and the less committed gang members a way out. This will make it possible to identify and isolate the remaining hard core gang supporters, then to put them under pressure on multiple fronts simultaneously.

Over the longer term, the planning system must be strengthened in order to prevent the formation of any potentially defensible spaces or the construction of squatter or garrison communities, and to ensure that political factors are not taken into account when deciding on the allocation of houses or land.

Dealing with squatter communities

About 20% of the population of Jamaica lives in informal, unplanned settlements. Some of these were self-build housing on 'captured' land (belonging to a private individual or the State), while some were the result of attempts by Members of Parliament seeking to increase their majority by encouraging supporters to settle on public land. It will take a long time to undo this problem. People have

now built lives in these areas, and children have been born in these communities, and it is important not to penalize the innocent. Some of these settlements are unsafe, while others impede development, and must now be cleared, but this can be done over time. So a three-tier approach is required.

RECOMMENDED THREE-TIER APPROACH

- 1) If a settlement is unsafe (e.g. on an unstable slope or land prone to flooding), the occupants must be moved as soon as possible.
- 2) If a settlement is safe, but on land that is needed for legitimate purposes, the occupants must still be moved to other locations, but this can be done over a longer period of time (depending on when the land is needed).
- 3) If a settlement is in a safe location, in relatively good condition, and on land that is not needed for other purposes, it should be considered for upgrading and regularizing.

Tier 2 Threats: Major Potential Threats

Tier 2 threats to Jamaica:

A. Traditional threats

The Tier 2 **traditional security threats** to Jamaica are:

- The Mexican, Central or South American drug cartels and *maras* gangs, which could seek to extend their influence and diversify their operations across the Caribbean.
- Fundamentalist/jihadist terrorists might attack tourists from the USA and Europe in the Caribbean. The tourism industry would be a soft target, and offer the opportunity to simultaneously create mass casualties and cause extensive economic damage to countries seen as sympathetic to the USA.

B. Non-traditional threats

- Potential shortages of energy and other resources, natural hazards, climate change and environmental degradation.

Tier 2 threats are **high impact, low probability** events. These are **major potential threats**, in contrast to Tier 1 threats, which are a clear and present danger.

In general, the most effective response to a Tier 2 threat is to identify **cost-effective ways to improve early-warning systems, reduce exposure and strengthen resilience**, so that there is more advance

warning of an imminent attack or disaster, the impact is significantly less than it would have been otherwise, and core systems (such as government, national security, communications etc.) are sufficiently robust to be able to withstand the residual impact.

A. Traditional threats

Organized crime, terrorism and narco-terrorism

The traditional distinction between crime and terrorism is that organized crime is motivated by profit, power and prestige, while terrorism is motivated by a political or religious cause. However, some terrorist organizations have developed substantial criminal operations in order to finance their activities, while the tactics used by major narcotics cartels are increasingly similar to those of terrorist groups with notionally

political agendas. In Mexico, most of the Central American states and Jamaica, for example, there have been many instances of violence intended to intimidate people from cooperating with law enforcement, including the killing of witnesses, neighbours, friends, relatives and children, as well as members of the security services and the church, and the destruction of both private and public property. Gang members will boast of their

ruthlessness, and of their ability to perpetrate atrocities. The intention is to create terror, which will allow gang members to operate with impunity. They can then operate a range of criminal enterprises, including extortion, in communities too cowed to resist them.

Successful terrorist organizations and drug cartels have a number of other attributes in common. They tend to be resourceful, adaptable, learning organizations, constantly seeking new weapons, tactics and opportunities, and studying the strengths and weaknesses of their enemies.

The tactics needed to deal with both terrorist organizations and drug cartels also have

many attributes in common. The primary need is for reliable, accurate, timely intelligence, which allows the security forces to intercept and disrupt criminal and terrorist operations. It is very important to develop a deep knowledge of these organizations, tracking their activities, monitoring their communications, identifying the key members and tracing their contacts until the structure, capabilities and membership of the organization are known. It will then be possible to attack the organization at its vulnerable points, arresting key members, seizing assets, and degrading their structure and capabilities to the point where the organization is effectively dismantled.

The Mexican, Central and South American cartels and *maras*

The Mexican drug cartels are currently the dominant criminal networks in the Americas. They supplanted the Colombian cartels in the 1990s, and now control about 90% of all the illegal narcotics exported to the USA. They are full-spectrum criminal organizations, involved in drug and weapons trafficking, extortion, kidnapping, contract killing, human trafficking, money-laundering, corrupting public officials and theft, amongst other forms of crime. Estimates of their combined income from narcotics trafficking alone range from \$13.6 billion to \$49.4 billion annually. If these estimates are accurate, their annual income may be three or four times larger than Jamaica's GDP.

The Mexican and Central American cartels and *maras* have a combined strength of at least 250,000 – 500,000 'soldiers', and have presence throughout the Americas.

Over the last six years, the Mexican cartels have become exceptionally violent. Between 2006 and 2012 (to date), some 55,000 people have died in the current phase of Mexico's 'war on drugs', including many cartel

members, but also including some 1,500 police and army officers, over 1,000 children and many civilians. The cartels are engaged in an extremely complex and fluid war with the State and with each other. This has led to a dramatic escalation in the use of extreme violence by cartel members to retaliate against their rivals, intimidate the security forces and cow the population. Torture, dismembering, decapitation and dissolving in acid are now routine.

The cartels are currently expanding aggressively, acquiring production facilities and money-laundering opportunities in Central America, undermining and 'hollowing-out' government structures in order to be able to operate with impunity, taking over downstream distribution in the US and Canadian markets, and forming connections with other organized crime cartels in Italy, Spain, Albania, Serbia and Eastern Europe, the coastal states in West Africa, Japan and many other regions.

Threat to Jamaica

With regard to the potential threat to Jamaica, the critical issue is whether the Mexican cartels might seek to expand their interests across the Caribbean. Their sophistication, contacts, capabilities, wealth, numbers, and ready access to military-grade weapons and explosives would make them a formidable opponent.

The Caribbean nations offer an attractive combination of hotels, casinos and low-tax regimes, which can be used for money-laundering, and marinas and trans-shipment

operations, which can be used for the distribution of narcotics and weapons.

It is likely that the first signs of Mexican drug cartel interest in the Caribbean would be in the form of foreign investment in trans-shipment facilities, hotels and casinos, entertainment complexes, shipping and fisheries, which would allow them to establish a presence and acquire the strategic assets needed to support their core business activities. Without prior warning as to the true identity of the investors, these investments would be welcomed as a sign of confidence in the Jamaican economy.

RECOMMENDATIONS

It is important to track signs of possible cartel interest in the Caribbean. This will involve strengthening intelligence-sharing links with the relevant US agencies, including the FBI, DEA, ATF, and Southcom, and with security, police and intelligence agencies in Mexico, Colombia, Honduras, Guatemala, and El Salvador, as well as other Caribbean jurisdictions.

This will then allow for 'due diligence' background checks on investors, especially from Mexico and Central America, to see whether any of them have known connections to organized crime.

Terrorism

Terrorism is a form of political violence, typically utilized when one faction does not have the strength to overcome its enemy militarily. The goal is to force the other side to concede by inflicting more casualties and damage than they can bear. A related goal may be to weaken a nation's resolve by turning citizens against their government, usually with a combination of violence (to convince people that their government is failing to protect them) and propaganda (to encourage doubts about the government's stance).

The nature of terrorism has changed in some important respects over the last two decades.

- Systematic terrorism is becoming less common, but has been replaced by random terrorism. Systematic terrorism is usually aimed at territorial autonomy, often with an additional political ideology (such as a socialist or one-party state), although the killing of political opponents in order to repress dissent is also a form of systematic terrorism.

- By contrast, random terrorism (as practiced by al-Qaeda and al-Shabaab) is usually aimed at the destabilization or destruction of the existing political, religious or ideological order, and seeks maximum destruction in terms of killing and property damage.
- Media management has always been important to terrorist organizations, who must try to demoralize their numerically-superior opponents and convince them that they cannot win. However, organizations like al-Qaeda also want 'spectaculars', highly-visible mass killings, partly to achieve the desired impact against the West, but also partly to ensure the continuing flow of funds and recruits.
- Random terrorism may be specifically targeted at the innocent and vulnerable, for two reasons. The first is that killing the innocent graphically demonstrates the state's failure to protect its citizens. Second, it helps to create revulsion, fear and panic. The combination of anger, revulsion, fear and despair eventually obliges the State to concede some or all of the demands of the terrorists.
- In 1997 members of *al-Gama'a al-Islamiya* killed 58 tourists at Luxor. Egypt's tourism earnings fell that year by \$1.17 billion, about 25% of Egypt's revenue from the industry.
- In 2002, members of *Jemaah Islamiyah* bombed a nightclub in Bali, killing 201 tourists and a local. The event was planned to maximize civilian casualties¹⁹. The nightclub was known to cater largely to tourists, and was targeted as a result; members of *Jemaah Islamiyah* stated in court that their goal was to cripple the tourism industry. Bali's visitor arrivals fell that year by 22%; some 300,000 jobs were lost.

It is important to note that the intended targets in these examples were foreign nationals, not locals. A survey of the tourism industry in Jamaica carried out in 2011 found that senior operatives in the industry did not think that Jamaica was at serious risk of terrorism because "we're not quarrelling with anyone". If, however, the targets are US or European citizens, Jamaica might be chosen as the scene of the attack, rather than the primary target.

It is also important to note that Jamaica's tourism industry has already suffered as a result of terrorism. After the 9/11 event, global tourism volumes fell by 10%. Visitor arrivals to some countries fell by 30%, Caribbean arrivals fell by 15%, and Jamaica's

The implications for tourism

Tourists are usually both innocent and vulnerable. In some countries, they also represent mobility, secularity, affluence and consumption, which may be perceived as corrupt and immoral. The tourism industry is economically vital to a number of countries, but it is also a very soft target, so it offers the opportunity to cause mass casualties and inflict extensive economic damage to countries that may be seen as sympathetic to the West. As a result, tourists have been specifically targeted in a number of instances. For example:

¹⁹ A suicide bomber inside the nightclub detonated a small bomb in his backpack. Many of the patrons, some injured, fled into the street. Twenty seconds later, a very powerful bomb hidden inside a van parked in the street was detonated by a second suicide bomber. This ensured maximum carnage, as the patrons were then exposed to the blast.

arrivals fell by 20%. The industry in Jamaica had to offer significant discounts to try to increase room occupancy.

After a major incident, tourism volumes are typically depressed for one to three years, while the countries affected may also have to invest in additional security, spend heavily on advertising and offer steep discounts in order to rebuild their customer base.

Jamaica's tourism industry now attracts over 3 million arrivals. The industry generates some 13% of Jamaica's GDP; and 30-40% of all employment in the country is directly or indirectly related to tourism. Any terrorist incident that damages confidence in Jamaica's tourism industry would therefore have immediate and widespread consequences to the nation; even if Jamaica was merely the scene of the attack.

Recommendations

Two key Steps

1. Training and technology

It is important to encourage private sector operators to strengthen their security and prepare for possible attacks. This will involve ensuring that staff members are properly trained to evacuate ships or hotels in an orderly and safe manner, while cruise ship captains are trained in evasive manoeuvres.

2. Advance intelligence

The first line of defence against terrorism is better intelligence as to the nature and

intentions of potentially hostile organizations. Jamaica does not have a global network of intelligence sources, but has several allies – in particular the USA and UK – that do. The key task here is to ensure that allied intelligence services relay any information about a possible threat to Jamaica in a timely manner, which in turn means ensuring that the JCF and JDF have the technical capacity to maintain the high level of security needed to protect this information while taking necessary action.

B. Non-Traditional threats

Energy, resources, climate change, natural hazards and biodiversity loss

Energy

Humanity depends on reliable, stable, affordable supplies of large quantities of energy, most of which is currently derived from hydrocarbons. There are a number of pressing energy-related challenges, including sharply rising demand for oil and gas in countries such as China and India, high price volatility, resource nationalism, increasing competition (and potential conflict) for resources, concerns about supply constraints

and the possible approach of peak oil, and profound concerns about the carbon loading of the atmosphere and climate change.

Between 1999 and July 2008, the price of oil rose 15-fold, from less than \$10/barrel to over \$147/barrel. Then the price collapsed; oil lost nearly 80% of its value. It was trading at less than \$34/barrel in December 2008. Such dramatic shifts are highly destabilizing;

high prices increase costs and slow growth in importing nations, while low prices reduce investment in both oil and new energy technologies.

Jamaica currently depends on imported oil for about 93% of its total energy demand, and so is highly exposed to price volatility. This greatly increases the difficulty of managing Jamaica's economy, as the price of the primary energy source can vary so much.

World energy demand will continue to increase, partly because the world's population is still growing, and partly because about one-third of the current population still do not have adequate energy supplies. Energy

demand is projected to increase by over 50% by 2030, with about 75% of that increased demand coming from China, India and the other new industrial powers. The projected growth in demand will eventually deplete the world's remaining hydrocarbon reserves. Historically, it is true that new oil has been discovered fast enough to keep abreast of demand, but this may not be true indefinitely. This is probably not an imminent crisis, as the development of unconventional sources (such as shale gas) will postpone depletion, but it is important to take steps to mitigate the risk that energy sources might become increasingly scarce and expensive, as that would cripple the Jamaican economy.

Resources

There are similar issues with non-energy resources. World commodity prices approximately halved over the last century, even though the world's population increased four-fold and global GDP increased over 40-fold²⁰. This was because technological advances and the development of new sources increased supply more rapidly than the increase in demand.

However, this trend reversed in 2000. Global commodity prices have risen sharply over the last decade, erasing all the gains made over the previous century. This does not appear to be a short-term fluctuation; but rather to reflect underlying changes in world markets. One factor is that the world's population is still increasing. Another factor is the development of a new generation of industrial nations, with resource-intensive industries, rapidly increasing affluence and rising consumer expectations. At current rates of growth, about half of the world's population will be middle-class by 2050, with

energy and resource-intensive lifestyles. Most of them will live in China and India. This group will be the main global drivers of demand for energy, food, water, infrastructure and other goods and services. They will also be the world's main emitters of carbon and other forms of pollution.

So there will continue to be surging demand for commodities. However, arable land, water, hydrocarbons and various metals and minerals are finite and becoming increasingly scarce. This means that commodity prices will tend to increase over time. There is also a rising risk of conflict. There are currently about 25 wars in the world that originated in struggles to control resources; there may be many more such conflicts in future. So there is a risk that some resources will become increasingly scarce and expensive. This too could have a crippling effect on Jamaica's economy.

²⁰ GWP was \$1.1 trillion in 1900, \$41 trillion in 2000, and \$70.1 trillion in 2011 (in 1990 dollars)

The implications for Jamaica

Jamaica, as a small, open economy, dependent on imports of energy and other commodities, is very exposed to these trends. Although the rest of the world has become increasingly energy-efficient over the last three decades, Jamaica has actually become less energy-efficient. Jamaica's energy intensity index (EII) has increased over the last two decades, as Jamaica's energy consumption has consistently grown faster than the economy. As a result, Jamaica now requires 21,152 BTU to produce US\$1 of domestic output, compared to a global average of 4,600 BTU.

These low levels of energy productivity in Jamaica impose multiple costs:

- They contribute to climate change, which may cause significant damage to Jamaica in the future.
- The country's energy imports are the main cause of Jamaica's balance of payments deficit.
- High energy costs reduce the ability of Jamaican firms to compete on international markets.

There have been many initiatives in the past to develop better energy policies in Jamaica, including the promotion of diversification, the development of renewable energy sources and increased energy efficiency, but these have failed to deliver any substantial improvements. There are a number of factors that have impeded progress, including problems with governance and policy conflicts, misguided technology choices, market failures, and unhelpful institutional structures. Specific problems include an inefficient public electricity system, with old generating plant; inefficient use of energy in manufacturing and other productive sectors; inefficient energy use in the public sector, including the extensive use of pumps (rather than gravity feed) to deliver the nation's water supply; low public awareness of the importance of energy conservation; and inadequate policy support for energy conservation and efficiency.

Climate change: sea-level rise and hurricanes

The Intergovernmental Panel on Climate Change (IPCC) has estimated that the average surface temperature has now risen by almost 0.8°C, and that a rise of 2°C is now likely, due to time lag in absorption of carbon dioxide (CO₂) into the atmosphere. The IPCC also estimates that sea-levels could rise 18-59 cm by 2100 as a result of thermal expansion of seawater. This estimate did not include water from melting Greenland and Antarctic ice sheets; this contribution could cause sea levels to rise by 0.8 to 2 metres by 2100.

As the oceans gradually warm as a result of climate change, hurricanes may get stronger. Emanuel (1987) suggests that wind speeds increase by about 5% for every 1°C rise in tropical ocean temperatures.

These threats are perhaps not yet sufficiently apparent, because Jamaica is still building housing, hotels, roads and other infrastructure in areas that may become vulnerable, thus increasing the eventual cost should these areas be lost to the sea.

The challenge for Jamaica

It is important to ascertain which areas of human settlement and sections of essential industrial and transport infrastructure are located in areas likely to become increasingly vulnerable to sea level rise, increased incidence of severe weather, flooding and storm surge in future, and to ensure that these vital assets are either protected or relocated in order to reduce the risk of future disaster. This will involve measures to enforce set-backs, to zone new developments out of such areas, and to amend building codes to ensure that any permanent new construction can withstand even hurricane conditions and flooding. It is also important to ensure that reefs, sea-grass and mangroves are protected, as these can all help to protect vulnerable coastline from storm surge.

So Jamaica has to address two deeply connected challenges; energy security and climate change. This combination represents a profound economic, social, environmental

and governance challenge; there are few areas that have the same potential to impact the viability of entire nations. Yet this situation also represents a remarkable opportunity. Human development and progress has largely depended, to date, on the consumption of natural resources. Today, technological progress is opening up a new array of options and possible avenues of development. The current dilemmas with energy and the environment offer an opportunity to find a new basis for energy security and thereby create the conditions for long-term, sustained economic growth and social progress. This requires, however, a long-term commitment to increase energy efficiency and build new energy infrastructure, based primarily on renewable and low-carbon energy sources. Any progress in this regard is likely to generate multiple benefits.

RECOMMENDATIONS

It is important to improve the efficiency with which energy and resources are used in Jamaica, and to develop new energy supplies.

- The first priority is to promote greater energy efficiency, especially in buildings and the transport sector.
- The second priority is to promote the development, dissemination and uptake of renewable and low-carbon energy technologies, especially those that would also reduce Jamaica's dependence on imports.

Earthquakes

The islands of the Caribbean sit on top of a very complex set of geological faults. The

Caribbean plate sits at the junction of four larger plates (the North American, South

American, Nazca and Cocos). In addition, the area between the Caribbean and North American plates is broken up into a patchwork of small platelets, such as the Gonave platelet. The fault lines between all these plates and platelets are seismically active, resulting in earthquakes, tsunamis and volcanic eruptions.

Jamaica and Haiti sit on top of the Enriquillo - Plantain Garden fault (EPGF), which is the boundary between the Caribbean plate to the south and the Gonave platelet to the north. The Caribbean plate is sliding east, while the Gonave platelet is sliding west, so the EPGF is a lateral (or 'strike-slip') fault. It accumulates a lot of strain, which is periodically released when sections of rock rupture.

The 7.0 magnitude earthquake that killed some 46-92,000 people in Haiti on the 12th January 2010 happened because the underlying section of the EPGF had been locked since the last major slip in 1770, so it had built up about two lateral metres of unrelieved pressure. However, the section of the EPGF that ruptured was only 50km long, which is just 10% of the length of the EPGF, so it is likely that the sections of the fault line to the east and to the west are now carrying even more load. The British Geological Survey issued a preliminary assessment on the 13th January that the main pressure on the fault line had probably now shifted to the west, and predicted another earthquake or series of earthquakes moving westward towards Jamaica and the Cayman Islands, probably over the next 20 to 40 years.

RECOMMENDATIONS

- Ensure that Jamaica is prepared for a major earthquake and/or tsunami. This will involve reviewing national planning guidelines and building codes, identifying the most vulnerable areas, and upgrading emergency planning and disaster management.
- Protect the core functions of government by ensuring that key Government offices, army barracks, police headquarters, hospitals, supplies of emergency stores, communications links and so on are in secure buildings.
- Ensure that all vital records are regularly backed up to hardened sites.
- Ensure that all government departments are aware of the need for disaster preparedness and emergency management.
- All new buildings should be built to the requisite standards, especially public buildings (such as schools), and those who can afford it should also strengthen their own homes.
- Establish basic earthquake education.
- All parishes should prepare, train, and stockpile essential supplies (shovels, tents, plastic sheeting and shelter material, mosquito nets, kitchen sets, portable toilets, hygiene and sanitation equipment, stores of food and water, and medical supplies for dealing with crush and other trauma injuries, respiratory disease, obstetrics, and vaccinations against infectious disease).
- Make an inventory of essential equipment and locations in advance. For example, there should be a list of firms with earth-moving equipment, so that these can be requisitioned after the earthquake to clear roads, another list of companies that own buses, which might be needed to evacuate devastated areas, and so on. Similarly, it is important to identify large areas of clear ground, such as sports fields, as these may be needed for emergency evacuation centres, temporary hospitals and heliports.

Biodiversity, environmental planning and management

Biodiversity loss disrupts ecosystem functions, making ecosystems more vulnerable to shocks and disturbances, less resilient, and less able to supply humans with necessary services. The damage to coastal communities from floods and storms, for example, can increase dramatically where protective wetland habitats have been lost or degraded.

Jamaica, like many other developing countries, needs to encourage enterprise and stimulate economic development and growth in order to raise the average standard of living, but must now find ways to do so that also protect and maintain its biodiversity.

RECOMMENDATIONS

It is important to **reform and improve Jamaica's planning and regulatory systems** if the nation is to reduce the risks of environmental damage and biodiversity loss and achieve sustainable development; defined here as a combination of economic development and growth, rising incomes, high environmental standards, strong protection for important ecosystems, good management of natural resources and an improved quality of life.

This can be translated into specific policy goals, such as energy and resource-efficient buildings, cities, industries and transport systems, good water and resource management, waste minimization and recovery, a reducing rate of environmental damage, with environmental remediation and enhancement where appropriate, greater resilience and reduced vulnerability to storm surge, flood, earthquake and other disasters, and urban systems that contribute to physical and social well-being and thereby help to reduce conflict and crime.

These goals can be written into Jamaica's systems of planning and regulation, which will then deliver much better results for the nation.

Tier 3 Threats: Persistent Problems

The Tier 3 threats to Jamaica are:

- Public debt.
- The possible loss of credibility with key international partners.
- Poverty and unemployment.

Tier 3 Threats

Tier 3 threats are **high probability, low impact events**. These are persistent problems that Jamaica has had for many years, so they are not always perceived as high risk. Note, however, that these threats can impose a high **hidden cost**. For example, Jamaica might fail to implement agreements with international development partners or strategic allies. This would gradually erode Jamaica's credibility. However, the cost of this lost credibility might not become visible unless there was a crisis that obliged Jamaica to appeal for assistance. At that stage, it might then become apparent that the support for Jamaica had been weakened, and that less favourable terms would be offered or more stringent conditions imposed as a result.

Poverty is another example of a problem that can have high hidden costs. Jamaica has had a relatively high level of poverty for a long time, so it might not appear that poverty itself presents a direct threat to society. However, poverty overlaps with clusters of negative social and economic factors which can then interlock and become mutually-reinforcing.

For example, many of the inhabitants in poor areas can be trapped in unemployment or

Public debt

marginal, low-waged jobs by a lack of marketable qualifications and skills. Bad housing, limited access to amenities, poor performing schools and low levels of educational achievement can leave entire communities marginalized, vulnerable to extortion and dependent on political patronage, which fosters a sense of fatalism and low self-esteem. This can then result in a high level of aggression and both physical and sexual abuse. Disintegrating family structures mean that many children do not receive an adequate education, and are not socialized into patterns of work. Borrowed capital is expensive, and many residents do not have collateral, small local businesses have little turnover and are sometimes weakened by extortion, internal levels of economic activity remain low and little wealth is created.

It may not appear, therefore, that poverty itself is a major risk, but entrenched poverty makes it much easier for gangs to recruit, dominate areas, intimidate communities and extort vulnerable people.

The National Security Policy for Jamaica 2012

Jamaica is one of the most indebted countries in the world, and government expenditure commitments regularly exceed annual revenues. Jamaica's public debt at December 2011 was US\$18.7 billion, while GDP was US\$14.7 billion, so Jamaica's debt was 127%

of GDP. This high level of indebtedness also presents a significant threat to national security. The quotes below illustrate this point^{viiiixx}.

"The most significant threat to our national security is our debt."

US Joint Chiefs of Staff Chairman Admiral Michael Mullen, 27th August 2010

"The single biggest strategic risk facing the UK today is economic rather than military. The country's main effort must be the economy. No country can defend itself if bankrupt"

General Sir David Richard, Chief of the Defence Staff, 14th December 2011

"Without strong economies and stable public finances it is impossible to build and sustain, in the long-term, the military capability required to project power and maintain defence. That is why today the debt crisis should be considered the greatest strategic threat to the future security of our nations."

UK Defence Secretary Philip Hammond, 5th January 2012

SPECIFIC RECOMMENDATION

The Government of Jamaica is already committed to getting the public accounts in order. However, the timetable for doing so should now be shortened in order to reduce the risk that any decline in support from traditional allies will compromise Jamaica's ability to maintain national security. This means that the **Government should accelerate the transition to e-government** in order to reduce the cost of government services, the size of the public payroll, and the delays imposed on individuals and businesses. These measures will also help to make Jamaica more competitive.

Jamaica's credibility

Jamaica has a degree of political and cultural influence that exceeds its actual reach and economic size. Jamaica's influence on world affairs is relatively modest, but the country plays a significant role in some international organizations, notably the UN. These are important assets. However, there are several problems with regard to Jamaica's credibility with key international partners.

- Jamaica has, on a number of occasions, failed to demonstrate

goodwill or to implement agreements. Recent examples include the protracted renegotiation of the sugar protocol for many years after the EU had indicated its wish to phase out commodity support, the failure to implement the reduction in tariff barriers required by the European Partnership Agreement, the reluctance to undertake the reduction of the public sector payroll required

to meet IMF targets and the protracted delay with regard to the extradition request for Christopher Coke. These matters have affected Jamaica's relationship with several important allies.

- Jamaica's foreign policy has often suffered from internal inconsistencies, which has resulted in incompatible negotiating positions. At times, Jamaica's representatives have emphasized the country's democratic stability, fiscal responsibility and

readiness to welcome inward investment. At other times, Jamaica's representatives have emphasized the nation's problems with persistent poverty and violent crime, and the country's need for increased or extended aid programmes. These approaches are, of course, designed for different audiences, but they cannot be compartmentalized so neatly; the information (and the perception of inconsistency) tends to cross organizational boundaries.

SPECIFIC RECOMMENDATIONS

There are a number of areas where the support of international partners is likely to be increasingly important in future, including government borrowing, trade facilitation and cooperation on policing and intelligence. In order to ensure this support, it is important that Jamaica builds a reputation as a trusted, reliable partner. This does not mean pretending that Jamaica does not have problems; it means discussing these problems with honesty and clarity, accepting responsibility where appropriate, and then addressing these problems in a resolute manner.

Poverty and unemployment

There are many untrained, uneducated and unqualified people in the country. About half of the total population aged 15-29 is not in the workforce. Many of these people have no qualifications or formal skills, and are therefore effectively unemployable in the formal economy. Of those aged 15-29 who are employed, many are in jobs that are unskilled or semi-skilled, pay low wages, often require working irregular hours, with no career structure, no job security, and no housing, medical, pension or other benefits. This means that there is a large reserve of disaffected, poorly-educated, unskilled and unqualified youth in Jamaica. They are the main recruits for gangs, and account for much of the anti-social behaviour, including violent

crime. In the event of a prolonged recession, this group is also likely to be the main participants in civil unrest. This is, therefore, a serious issue that has to be addressed in order to strengthen national security.

However, a more positive way to see this is that the size of the workforce in Jamaica could be expanded by almost one-third if the unemployed could be brought in to the productive workforce. This would have a dramatic impact in terms of increasing productivity and strengthening the economy, as well as reducing recruitment into gangs. ***So many of the actions that are needed to reduce the risks to Jamaica's national security are the same actions needed to***

address Jamaica's social and economic problems.

SPECIFIC RECOMMENDATIONS

The long-term solution is to provide the kind of training opportunities that will lead to genuine economic development and growth. Every training programme should have a clear strategic focus. There is little point, for example, in training people to work in dying industries. So the focus has to be on increasing the supply of trained, skilled labour in the 'sunrise' business areas that could transform Jamaica's productivity and prospects. It is therefore necessary to develop a clear strategic vision of where the growth opportunities will be in future. This is challenging, because the world labour market is undergoing several simultaneous structural shifts:

- The process of continuous innovation and modernization is replacing manual labour with automated processes. In the UK, for example, the automobile manufacturing sector now produces a greater volume of cars with about one-fifth of the workforce that was required 30 years ago. This means that many semi-skilled jobs have been automated out of existence.
- Innovative ideas and technologies create new opportunities, demands and markets, but simultaneously render old technologies obsolete and the associated skills redundant. So the *status quo* is constantly disrupted by innovations that restructure the competitive environment. The accelerating pace of innovation is forcing a similar acceleration in the rate of change in the market for employment and skills.
- From the mid-1980s onwards, predominantly low-skilled jobs were transferred to Asia, but now countries like China, India, Brazil, Malaysia and Taiwan are highly competitive in services and high-skill manufacturing sectors. This is now putting the last-generation manufacturing economies under pressure to reduce costs and to move into higher-value, higher-skilled operations.

This means that it will be difficult to find employment opportunities for the unskilled and semi-skilled workforce in Jamaica, and even more so for those that are not even in the workforce, unless there is a significant change in Jamaica's systems of education and training (see below).

The role of education and training

These profound transformations in the nature of work and employment make it important to reconsider the role of educational and training institutions in national development; traditional 'supply-push' models of the role of educational systems in developing countries have largely ignored both this larger economic context and the need to foster innovative capacity.

Educational and training systems have a crucially important role to play in **supporting** and **enabling** a transition to a skills-based economy. They cannot, however, **drive** this process. The distinction becomes clear when considering the failure of traditional strategies for education and training, which have tended to focus on increasing the supply

of skilled and educated people into the workforce. There is little evidence, however, that the process of economic development can be directly supply-pushed by education and training. For example, an oversupply of over-qualified graduates in an economic recession can lead, instead, to a situation where many university graduates are unemployed or underemployed, and consequently disaffected, or emigrate in search of better opportunities overseas.

The evidence suggests, rather, that education is demand-pulled by economic development. As economies strengthen and diversify, they assume the inverted pyramid shape of a mature economy (in which tertiary service sectors increasingly dominate secondary processing and manufacturing sectors, which in turn increasingly dominate primary mining

and agricultural sectors). As this happens, the demand for a widening range of increasingly diverse, specialist and sophisticated skills expands, which thus expands the range of opportunities and demands for educational courses.

The development of India's ICT industry, for example, was made possible by the availability of a large number of underemployed mathematics graduates, but these graduates would probably have remained underemployed had it not been for the Indian Diaspora in California, who provided the link to markets, ideas and business opportunities that demand-pulled subsequent developments, as well as the investment capital and technology-transfer that triggered and accelerated the rapid growth of the last 25 years.

SPECIFIC RECOMMENDATIONS

- The resources for education (above primary level) including adult education and training in Jamaica should be focused on areas where there is potential demand-pull, i.e. areas where there are more likely to be growth opportunities in future.
- Over the longer term, it is difficult to predict the exact **jobs** that will be most in demand, but it is possible to identify the kind of **skills** that are likely to be required (Clayton, Wehrmeyer and Bruce, 2011^{xi}). These include social networking skills (team-builders, managers and leaders), creative skills (designers, visionaries and conceptualizers), technical skills (scientists, engineers and technicians), logistical skills (organizers, project aggregators and coordinators, open-source project managers, logistics and supply-chain strategists and managers), thinking skills (critical thinkers, problem-solvers, policy analysts and business strategists), entrepreneurial skills (people who can network between different networks, e.g. scientists, financiers, and the businesses that control the manufacturing, supply and distribution networks) and generic skills (e.g. people who are ICT-fluent, can multi-task, network, and have high emotional intelligence).
- Educational and training programs should incorporate and emphasize the importance of these skills. This will allow the educational and training systems in Jamaica to make a stronger contribution to national development.

Tier 4 Threats: (Possible risks that require monitoring)

Tier 4 Threats to Jamaica are:

Tier 4 threats are low probability, low impact threats. They are still potential threats, but they are less likely to have a serious impact within the immediate future, and these impacts can probably be contained. It is important to note, however, that **Tier 4 threats require monitoring**, in case circumstances change, and there is a need to upgrade them.

The Tier 4 threats to Jamaica are:

- Food security
- Water security
- Deportees

Food security

World food prices rose rapidly from 2005 to 2008. The price of wheat and corn more than doubled while the price of rice nearly tripled. The Economist Food Price Index (EFPI) reached its highest point since it began in 1845. After July 2008 food prices started to fall again as a result of the global recession. The number of malnourished people continued to rise, however, as average incomes fell faster than food prices, making food less affordable even as it became cheaper. The poor spend a higher proportion of their disposable income on food, which means that a 30% rise in food prices causes living standards to fall by just 3% in rich

countries, but by about 20% in poor countries. In recessions, the poorest people reduce their food intake. As a result, the number of malnourished people in the world, which had held steady at about 850 million for some two decades, rose to more than 1 billion in 2009; the highest total ever. The high food prices caused demonstrations and riots in 34 countries in 2007-8.

Jamaica is a net importer of food. There is an important question, therefore, as to the extent to which high food prices or high volatility might impact Jamaica in future.

Analysis

The main reason why food prices rose so rapidly from 2005 to 2008 is that a number of significant factors coincided. Some of the important structural factors were as follows:

- Changing dietary preferences and consumption patterns. In 1985 the average Chinese consumer ate 20kg of meat/year; today the average Chinese

consumer eats 50kg. It takes about 3kg of grain to produce 1kg of pork, and 8kg of grain to produce 1kg of beef, so the increase in the consumption of meat has driven an increase of some 200m-250m tons in the demand for animal feed over the last 20 years.

- An increase in total consumption, driven by increasing wealth. By 2020 over 50% of world population will be middle class (it is now 30%), and most of them will live in Asia. By 2025, there will be over 600 million affluent consumers in China alone. China and India, with 40 per cent of the world's population, much of it still poor, already consume over half of the global supply of coal, iron ore, steel and other commodities. So the development of these countries has profound, long-term implications for all commodity prices, including food.
- The projected increase in global population; by 2050 there will be over 2 billion more consumers of food, energy and other resources.
- The development of first-generation biofuels. About 15m tons of US corn was used for ethanol in 2000; in 2007 85 million tons (about 1/3rd of the harvest) was used for ethanol, which means that the US was then converting more corn into ethanol

than it was exporting. This increased the cost of animal feed.

Another important factor that will change the future of food production is climate change, which may increase output in some regions (mainly countries in the northern hemisphere), and reduce it in others (mainly in tropical and sub-tropical regions). One projection from the International Food Policy Research Institute (IFPRI) suggests that total world agricultural production could decrease by 16% by 2020 as a result of global warming. Increases in output are expected to lag increases in demand, so the IFPRI projections suggest that cereal prices will rise by between 10% and 20% by 2015. This will have the most severe effects in poor, food-importing countries; food-exporting countries will benefit significantly from higher prices, while countries where the poor subsist largely on local crops will be relatively unaffected.

Many of these factors are long-term, or likely to recur, so there is a high probability that periods of high food prices will be more frequent in future. The projected increase in human population to over 9 billion by 2050, coupled with changes in dietary preferences, means that it will be necessary to approximately double agricultural production^{xii}; and the move to replace fossil hydrocarbons with bio-fuels will create more pressure on available land. This is likely to result in rapid losses among the remaining biodiversity unless agricultural production is made more efficient and intensive.

Conclusion

Agricultural production is strongly affected by many factors, including changing demand, technological innovation and modernization, and policies on trade, whether liberal or restrictive. The 2008 food crisis was not caused by a shortage of food; it was a crisis of access and affordability. The solution,

therefore, does not lie in a retreat behind protectionist barriers, but in technological progress, trade liberalization to reduce the barriers to trade, transport and commerce in order to allow markets to operate efficiently and match food demand with supply, phasing out of subsidies and other trade-distorting

measures, and major reforms of agricultural, trade and land-use policies to allow farmers to respond to market demand. This is the best

way to ensure that there is an adequate supply of affordable staples available at all times in all local markets.

RECOMMENDATIONS

Develop technology

It is important to accelerate the development and adoption of particular technologies so that greater volumes of output of food, fibre and fuel can be generated in smaller areas. This includes:

- Genetically modified plants and animals. Current research, for example, includes taking the gene that gives legumes the ability to fix atmospheric nitrogen and transplanting it to other crops. That will greatly reduce the need for fertilizer. It will also reduce water pollution from fertilizer run-off.
- Production in environments where evaporation and pests can be more easily controlled (such as polytunnels and hydroponics).
- Aquaculture; using fish modified to thrive in intensive conditions.

Develop new market opportunities

Micro-nutrients

The global trends reviewed earlier will also create new market opportunities, which are also likely to shape the pattern of agriculture and land-use in Jamaica in future. For example, demographic changes will affect the market for agriculture and food products. The non-communicable diseases (NCDs), such as cardio-vascular disease and cancer, are already the primary causes of premature death, and the incidence will rise in future as the population of many countries will be increasingly elderly in future. By 2050, over one-third of the population of Europe will be aged 60 or over; there will be two pensioners for every child. China's demographic transition will be even more abrupt. The proportion of elderly dependents in China will be 40% by 2040. If China does not regain replacement fertility rate before then, the elderly dependent ratio will rise to 60% by 2060^{xiii}. These demographic trends have already created a new market for actives and micro-nutrients, mostly plant extracts, which are used to reduce the impact of age-related degenerative disease. There are a number of actives and micro-nutrients that could be grown, processed and supplied from Jamaica, indicating a possible new high-value export market.

Biological feedstock

There is also a growing market for biological feedstock, which is now being used to manufacture chemicals, plastics and fuels, displacing petrochemicals. Current research programmes include replacing petrochemical-based polyester, epoxy and vinyl ester resins and composites with resins and composites manufactured from soya or corn oil; these give equivalent strength for about 25% the weight. It may even be possible to manufacture structural engineering components from eco-composites; carbon or natural fibres in a matrix derived from plant starches or resins. These eco-composites offer new prospects for agriculture, especially in tropical regions, as fibers, oils and resins become next-generation industrial crops. Global biotechnology industry revenues are projected to grow from \$170bn in 2008 to \$660bn by 2020.

RECOMMENDATIONS CONT'D

Biofuels

With regard to biofuels, this is still an emerging industry, but there are already four distinct generations of biofuel technology:

- **First generation:** This includes cane or corn-derived ethanol. The energy balance ratio (EBR) for corn is about 1.3/1, the EBR for sugar cane is about 8/1²¹.
- **Second generation:** This includes cellulosic ethanol, which allows more of the plant to be converted. The EBR for a cellulosic process is from 12/1 to 16/1.
- **Third generation:** It is projected that an efficient algae-based process could eventually produce 10-20,000 gallons of fuel per acre per year. This means that the USA could meet its transport needs from about 15,000 square miles (4.5 million acres), about the size of the State of Maryland. There are some 938 million acres of farmland in the USA; so fuel production would take just 0.47%, eliminating the conflict with food production. An algal-based process would use non-arable land, non-potable water, and deliver 10-100 times more energy per acre than cropland biofuels.
- **Fourth generation:** This involves synthetic genomics; where organisms are engineered to serve as bioreactors, and make fuel. Preliminary trials suggest that it might be feasible to genetically-modify algae to produce long-chain hydrocarbons, which can then be refined into synthetic high-octane gasoline. This would be compatible with refineries, filling stations and cars, would not have contaminants such as sulphur, nitrogen and benzene, and would have a higher energy density than gasoline and diesel.

First and second-generation biofuels have limited potential in Jamaica; if Jamaica's entire annual biomass harvest were converted into fuel using a cellulosic process, it would only displace at most one-third of its oil imports. Jamaica should therefore focus on third and fourth-generation biofuels, as these have the potential to give the country the basis for energy independence.

Improve food security

Agriculture in Jamaica is not currently focused on ensuring food security. Until relatively recently, sugar cane accounted for about 30% of all agricultural land in Jamaica, and about 40% of all permanent crop land. Forestry Department estimates also suggest that there are 90,000 hectares of idle private lands and over 200,000 hectares of land not currently intensively utilized for agriculture. This gives a total of 359,244 hectares of land that could be better utilized, for forestry, fuel-wood, biomass or other energy crop, or for some other higher-value form of production.

A study in 2009^{xiv} proposed a managed, partial diversification of the cane lands into a combination of more intensive, higher-value uses in order to improve both food and economic security. This included food (such as yam, potatoes, cassava, dasheen, breadfruit and other complex carbohydrates), and high-value plant extracts (such as oleoresins and flavonoids) for export. Measures like these would help to improve Jamaica's food security, reduce imports and increase exports, retain more capital in Jamaica and thereby strengthen the economy.

²¹ The energy balance ratio is the amount of energy produced compared to the amount of energy it takes to grow the crop and process the fuel.

Water security

Jamaica is currently using some 35% of its available water supply. About 62% of the water supplied by the National Water Commission is ground water. The main problems are contamination and inefficient usage:

- The most common problems with ground water are excess nitrate, sodium and chloride. With surface water there are high levels of coliform, from faecal pollution, and organic pollution from agro-processing and sewage. These contaminants also impact Jamaica's coral reefs, which play an important role in protecting the beaches. The beaches are, in turn, essential to Jamaica's tourist industry.

- Agriculture accounts for some 80% of water use in Jamaica, but less than 5% of its GDP. When there is water shortage, it is usually the domestic consumer that is temporarily disconnected. It would be more rational and efficient to encourage better water management practices in agriculture.

There is little prospect of Jamaica experiencing serious water shortages, but there are issues with water pollution, especially surface water. Poor agricultural practices and inadequate control of water pollution have negative implications for public health, the environment and the economy.

Water Security Recommendations

The main problem with regard to Jamaica's water security is not insufficient supply, but contamination of existing resources. The most important steps to improve Jamaica's water security are as follows:

- Improving sewage disposal systems, so that surface and ground water are not contaminated.
- Agricultural extension programs to encourage the safe use and disposal of agrochemicals. Burial (preferably in designated sites) is usually a much better option than surface disposal.
- An agricultural extension program to encourage more efficient irrigation.

Deportees

There have been several high profile deportations to Jamaica. Among them was the leader of the One Order gang who was deported in 2002. This created a public perception that many of Jamaica's problems with crime and violence could be attributed to deportees.

Some of the people deported to Jamaica are indeed extremely dangerous criminals, and the JCF are usually given prior notification of their arrival.

Statistical analysis by Headley (2006)^{xv} found, however, that the largest single group of deportees consisted of people returned to Jamaica for infractions of the U.S. Illegal Immigration Reform and Immigrant Responsibility Act of 1996. This included those who had overstayed their visa limit, non-reporting green card holders and out-of-status students. Most of these people had not been involved in any criminal activity. It also included those convicted of minor crimes,

most commonly possession of marijuana or cocaine, but also including shoplifting, petty theft, drunk driving, obstruction of justice, and unpaid traffic fines. More than half of them were deported after their first offence.

This indicates that the majority of deportees are not serious criminals. However, many of them have difficulty in finding employment in Jamaica after it becomes known that they are deportees, which means that some of them subsequently get involved in criminal activity.

SPECIFIC RECOMMENDATIONS

It is important to distinguish between serious criminals and persons deported for visa violations or petty crimes. With regard to serious criminals, it is critical to maintain and improve communications between law enforcement agencies in the deporting countries and the authorities in Jamaica, so that serious criminals can be put under surveillance, if necessary, in case they try to re-establish their criminal connections or regain control over their former community in Jamaica. It may be necessary to require them to report on a daily basis to a designated police station. Electronic tagging should also be considered in such cases.

With regard to those deported for visa violations or petty crimes, it is important to encourage their assimilation back into society, as that will reduce the risk that they will get involved in criminal activity in Jamaica. This should include establishing a short-stay hostel for those who arrive without friends or financial resources, and giving them access to HEART/NTA training courses.

ⁱ Ministry of Land and Environment, National Squatter Survey Final Report, August 2004

ⁱⁱ Ministry of Water and Housing (2008), A Rapid Assessment Report on squatting in Jamaica

ⁱⁱⁱ The World Development Report 2011: Conflict, Security, and Development. World Bank.

^{iv} The Economist April 14th 2011. The economics of violence

^v The Economist Aug 6th 2004. Squeezing the balloon, not popping it

^{vi} The Economist Mar 6th 2003. The balloon goes up

^{vii} Mora, Frank O. Victims of the Balloon Effect: Drug Trafficking and the U.S. Policy in Brazil and the Southern Cone of Latin America. The Journal of Social, Political, and Economic Studies 21.2 (1996): 115-22. York University Libraries.

^{viii} CNN 27th August 2010 'Mullen: Debt is top national security threat'

http://articles.cnn.com/2010-08-27/us/debt.security.mullen_1_pentagon-budget-national-debt-michael-mullen?s=PM:US

^{ix} The Telegraph 14th December 2011 'Eurozone crisis poses military risk, warns defence chief General Sir David Richards'

<http://www.telegraph.co.uk/news/uknews/defence/8957513/Eurozone-crisis-poses-military-risk-warns-defence-chief-General-Sir-David-Richards.html>

^x The Telegraph 5th January 2012 'Debt crisis is biggest threat to security of West, says Philip Hammond'
<http://www.telegraph.co.uk/news/uknews/defence/8993452/Debt-crisis-is-biggest-threat-to-security-of-West-says-Philip-Hammond.html>

^{xi} A Clayton, W Wehrmeyer and C A Bruce, 2011. Challenges, Opportunities, Threats and Skills: the Transition to 2030. Report on the future of work. HEART-NTA, Jamaica, March 2011

^{xii} FAO (2008) Joint FAO/IFAD/WFP Statement to the Financing for Development Conference 28 November - 2 December 2008, Doha, Qatar

^{xiii} Source: UN World Population Prospects

^{xiv} A Clayton, K'nfe and Spencer, 2009. 'The Sugar Industry in Jamaica' United Nations Environment Programme, Division of Technology, Industry, and Economics, Economics and Trade Branch, Geneva, 2009.

^{xv} B Headley, 2006. Giving critical context to the deportee phenomenon, CBS Interactive Business Network Resource Library, Spring 2006.

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