

# JAMAICA

UNITARY COUNTRY

## LATIN AMERICA

### BASIC SOCIO-ECONOMIC INDICATORS

Income group - **UPPER MIDDLE INCOME** Local currency - **Jamaica dollar (JMD)**

#### POPULATION AND GEOGRAPHY

AREA: **10 830** km<sup>2</sup>

POPULATION: **2.7** million inhabitants (2014),  
an increase of 0.3% per year (2010-14)

DENSITY: **251** inhabitants/km<sup>2</sup>

URBAN POPULATION: **54.8%** of national population

CAPITAL CITY: **Kingston** (21.6% of national population)

Sources: World Bank World Development Indicators, UN World Urbanisation Prospects, Eurostat, ILO

#### ECONOMIC DATA

GDP: **24.2** billion (current PPP international dollars)  
i.e. 8 878 dollars per inhabitant (2014)

REAL GDP GROWTH: **0.7%** (2014 vs 2013)

UNEMPLOYMENT RATE: **13.7%** (2014)

FOREIGN DIRECT INVESTMENT, NET INFLOWS (FDI): **595** (BoP, current USD millions, 2014)

GROSS FIXED CAPITAL FORMATION (GFCF): **22%** of GDP (2014)

HUMAN DEVELOPMENT INDEX: **0.719** (high), **rank 99**

### TERRITORIAL ORGANISATION AND SUBNATIONAL GOVERNMENT RESPONSIBILITIES

MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGs
<b>14</b>	-	-	<b>14</b>
12 PARISHES AND 2 MUNICIPALITIES  AVERAGE MUNICIPAL SIZE: <b>194 357 INHABITANTS</b>			

**MAIN FEATURES OF TERRITORIAL ORGANISATION.** Jamaica is a unitary country with a single level of sub-national government (12 parishes and 2 municipalities, Kingston and St Andrew and Portmore). Each parish has a capital town (typically the center of commerce), and two of these capitals (Montego Bay and Kingston) have city status. The country is further divided into three historic counties, with no administrative relevance. Parishes are both political and administrative; their political arm is composed by councillors led by a mayor, while their administrative arm headed by a manager advising and implementing the policies of the council. A major reform of sub-national governments is under way in Jamaica. This reforms aims at enshrining local governments in the Constitution, and create three strategic laws increasing local autonomy, modifying accounting and financial management practices at the local level, and regulate the local work-force.

**MAIN SUBNATIONAL GOVERNMENTS RESPONSIBILITIES.** Local authorities' responsibilities include basic services that meet directly the needs of the citizens, which include mainly: water supply, parks, cemeteries, markets, abattoirs, parking, parochial roads, local planning, street lighting, drains, infirmaries, poor relief, etc.

### SUBNATIONAL GOVERNMENT FINANCE

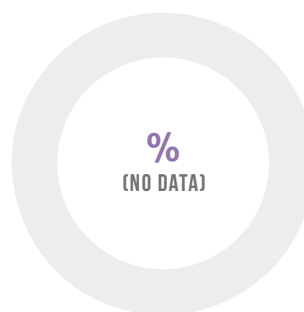
EXPENDITURE	% GDP	% GENERAL GOVERNMENT (same expenditure category)	% SUBNATIONAL GOVERNMENT
TOTAL EXPENDITURE (2012)	<b>0.8%</b>	<b>1.9%</b>	<b>100%</b>
CURRENT EXPENDITURE	-	-	-
STAFF EXPENDITURE	-	-	-
INVESTMENT	-	-	-

A large part of the local revenues is spent on administrative support to local authorities functioning and operating costs, given the low amount of local expenditures, that reaches 0,78% of GDP and represents 1,91% of total public expenditures.

## EXPENDITURE BY FUNCTION

## % SUBNATIONAL GOVERNMENT EXPENDITURE

- GENERAL PUBLIC SERVICES
- DEFENCE
- SECURITY AND PUBLIC ORDER
- ECONOMIC AFFAIRS
- ENVIRONMENTAL PROTECTION
- HOUSING AND COMMUNITY AMENITIES
- HEALTH
- RECREATION, CULTURE AND RELIGION
- EDUCATION
- SOCIAL PROTECTION



The most popular and recognisable sectors on which the local revenues are spent are property related services, including street lighting, solid waste management and disposal, and rehabilitation of parochial roads, assisting community development projects.

REVENUE BY TYPE	% GDP	% GENERAL GOVERNMENT (same revenue category)	% SUBNATIONAL GOVERNMENT
TOTAL REVENUE (2012)	0.8%	3.3%	100%
TAX REVENUE	0%	0%	0%
GRANTS AND SUBSIDIES	0.5%	-	58.7%
OTHER REVENUES	0.3%	-	41.3%

Jamaican parish councils in general are lacking revenues necessary to be able to provide the necessary services to the citizens, despite increasing improvement of tax collection. The main source of funding are transfers and tax-sharing perceived through central collection of the property tax. To compensate for the lack of other tax revenues, local governments are empowered to tap into other sources of funding to generate their own revenues, such as licenses and fees.

**TAX REVENUE.** Property taxes are collected in every parish by the Tax Administration on behalf on parish councils, and is here included as grant and subsidy. These funds are credited the next day to the parish. Yet the administration faces challenges to collect the tax due to the low level of compliance of the citizens.

**GRANTS AND SUBSIDIES.** Transfers to local authorities come from the Parochial Revenue Fund and the General Assistance and Specific Grant. All transfers are formula-based and non conditional. The Parochial Revenue Fund (PRF) is a major source of transfers to local governments in Jamaica. The Parochial fund is based on receipts from a property tax, and 2/3 of receipts from the tax on motor vehicles. 10% of the receipts from the property tax are used as an equalisation fund. General assistance grants aim at funding local retiring benefits, executive direction, administration, roads and technical services, etc. Specific grants cover exactly the amount of service costs; they include for instance transfers for poor relief and minor water supplies.

**OTHER REVENUES.** Other revenues from local governments include a wide variety of fees whose importance vary according to the various Parish Councils, the most important ones being the motor vehicle licensing fee and building and subdivision fee. Other types of revenues include: licenses for hairdressers, , trade, market and cemetery fees, charges from transportation centers, parking fees, place of amusement, inspection fees, litter fines, numbering fees, encroachment, income from investment, metro/animal pound, shop fees and licences, etc.

OUTSTANDING DEBT	% GDP	% GENERAL GOVERNMENT
OUTSTANDING DEBT (2012)	-	-

Local authorities are able to borrow, but they rarely use their borrowing power.

A joint- study of:



Sources: Statistical Institute of Jamaica • Commonwealth Local Government Forum (2013), Country Profile: The local government system in Jamaica • ADE (2013), Repeat PEFA Assessment – Jamaica, Final Report • UN Habitat (2012), Jamaica National Urban Profile • <http://www.ksac.gov.jm/property-tax/background>