

THE DEVELOPMENT OF PEOPLES: TWENTY YEARS LATER



A Pastoral Letter from Archbishop Samuel E. Carter, S.J.

Kingston, Jamaica

Pentecost, 1987

THIS YEAR marks the twentieth anniversary of the publication by Pope Paul VI of the encyclical *The Development of Peoples* (*Populorum Progressio*). This document remains important for our understanding of the social reality in Jamaica today because it addressed the problem of underdevelopment in the light of the scriptures, the Gospel of Jesus Christ and the teaching of the church and made explicit the commitment of the Church to the poor. This commitment was later re-affirmed by the Roman Catholic Bishops of the Caribbean in their 1977 pastoral letter, *Justice and Peace in a New Caribbean*, and more recently by the Justice and Peace Pontifical Commission in its 1987 document, *At the Service of the Human Community: An Ethical Approach to the International Debt Question*.

2. In the two decades since *The Development of Peoples*, there have been dramatic changes in our world. Yet, the reality of the majority of people, the poor, has become more difficult. If anything, the conditions of poverty which were the subject of *The Development of Peoples* — low wages, unemployment, inadequate housing, deteriorating health care and education — have grown more severe for most people. This is true not only in our own country, but throughout the Caribbean region, and indeed, throughout the whole world.

3. The development of people to their full potential and the building of a community that brings dignity to all are central to the Gospel of Jesus Christ and His Church. Rooted in the earliest revelation of God's saving action in history, in the Exodus of the Jews from slavery in Egypt and in what was spoken through the prophets, this message reached its fulfillment in Jesus, who was sent by the Father "to bring good news to the poor, to set the downtrodden free, to proclaim the Lord's year of favour" (Luke 4:18-19).

4. Today, the love of God incarnate calls us anew to fashion a society shaped and moulded by that love, a love that can only be realized when justice prevails. We are all called to build the Kingdom, a Kingdom of justice and peace in which there is

freedom from misery, the greater as-

urance of finding subsistence, health and fixed employment; an increased share of responsibility without oppression of any kind and in security from situations that do violence to their dignity . . . (*The Development of Peoples*, #6)

At stake are not only the lives and well-being of the poor but the very credibility of the Christian community, the Church.

THE CONDITIONS OF THE POOR

5. To build a kingdom of justice and peace, God's kingdom, we must become more aware of the conditions of the poor and understand to the best of our ability the causes that bring about these conditions.

6. In spite of remarkable efforts by both governments over the past twenty years, the majority of our people are poor. One estimate is that seven out of every ten Jamaicans have income levels that are below the poverty line. ¹This means, among other things, that most people are unable to afford a minimal balanced diet. Nutritional levels have worsened: the number of children under four years of age showing signs of undernutrition rose from 38 percent in 1978 to 41 percent in 1985. ²The number of children under five years of age admitted with malnutrition and malnutrition-gastroenteritis to the Bustamante Hospital for Children (as a percentage of total admissions) increased from 1.9 and 1.6 percent respectively in

1978 to 3.7 and 4.7 percent respectively in 1985. ³Also, the weekly cost of feeding a family of five increased from 91.9 percent of the minimum wage in 1979 to 247 percent in 1985. ⁴

7. Roughly one out of every four people belonging to our labour force is chronically unemployed. ⁵Many are turning to illegal activities such as thieving, drugs and prostitution to gain their livelihood. ⁶⁶



percent of women and 30 percent of men under 25 years of age are unemployed. ⁶ The situation is not improving: the level of unemployment rose from 23.6 percent in 1972 to 24.4 percent in 1986. ⁷Projections based on current trends in population growth, job creation and migration indicate that the number of unemployed will increase to 32 percent of the labour force by 1990 and to 36 percent of the labour force by

the year 2000. ⁸

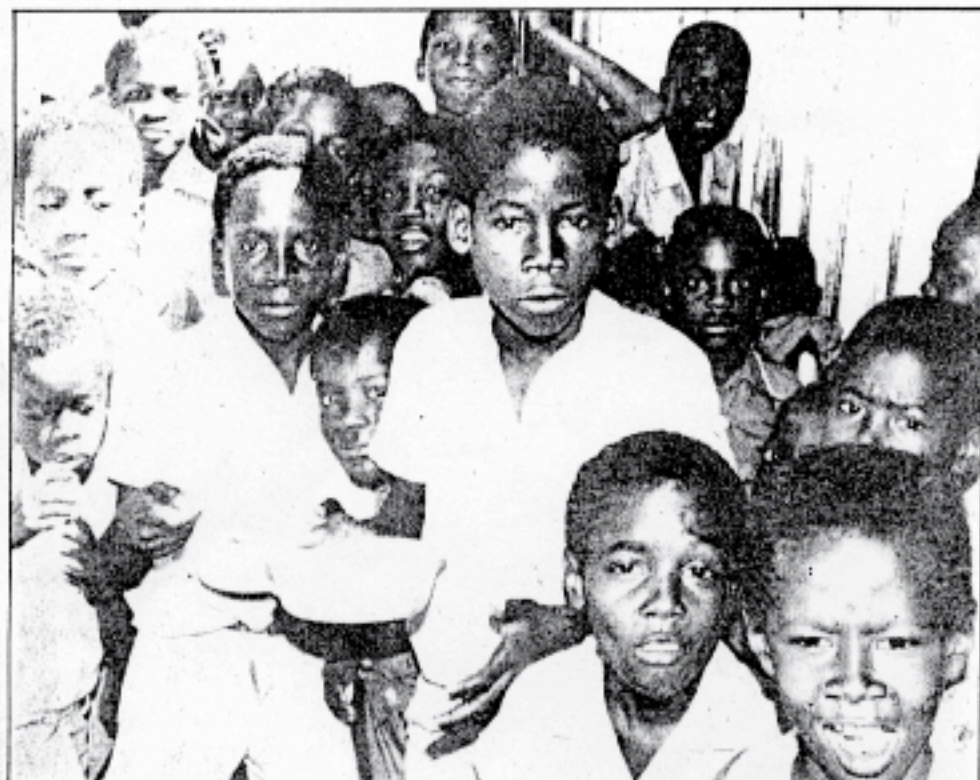
8. The quality of primary and secondary education has suffered because of cuts in public spending. Most schools are overcrowded, understaffed and poorly maintained. The pass rate for students who sat GCE 'O' level/CXC exams declined from 58 percent in 1976 to 34 percent in 1985. ⁹ Moreover, recent increases in university fees have made tertiary education less accessible to the poor. Government expenditure on education, in terms of the amount of goods and services that can be purchased for the budget allocated, has decreased by 40 percent between 1975/76 and 1985/86. ¹⁰

THE CAUSES OF POVERTY

9. Surely it is not God's will that so many should suffer so much. Jesus identified himself not only with the poor, but as one of the poor. "For I was hungry and you gave me to eat; thirsty and you gave me drink; . . . naked and you clothed me. . ." (Matthew 25:35-36). It is our responsibility as Christians not only to be concerned about the plight of the poor and to respond with Christian charity, but to understand the causes of this persistent and structural poverty and to change this situation. We must ask ourselves how this poverty came to be and why it continues.

10. The main causes of poverty in Jamaica and in much of the rest of the world are to be found in the way the world is organised, in the economic, social and political relations both within our society and within the global community. Among them are the unequal distribution of income, the conditions required for debt-servicing, the flight of local capital, the terms of international trade, and the transfer of resources through multinational banks and corporations.

Continued . . .



DISTRIBUTION OF WEALTH

11. Both within our nation and between our nation and the developed nations, the rich are becoming richer and the poor poorer. The words of *The Development of Peoples* describe a situation that continues:

While a small restricted group enjoys a refined civilization in certain regions, the remainder of the population, poor and scattered, is "deprived of nearly all possibility of personal initiative and of responsibility, and oftentimes even its living and working conditions are unworthy of the human person".

(*The Development of Peoples*, #9).

In 1983, the rich and developed countries of the first world had only 14 percent of the world's population, whereas the poor and developing countries had 78 percent. However, these rich and developed countries consumed four times the amount of resources consumed by the poor countries.¹¹

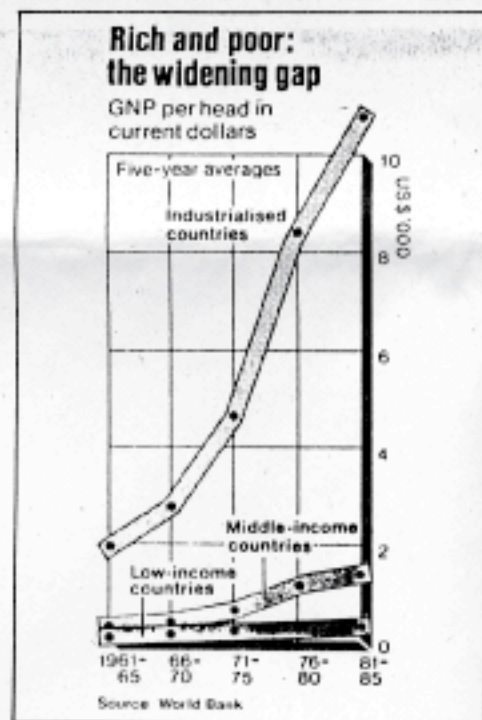
12. Within the poor countries themselves, the gap between rich and poor has also become more acute. In Jamaica, there is almost the same unequal distribution of income that there is globally. In fact, income distribution in Jamaica is one of the most unequal in the world. The richest 20 percent receive 61.5 cents out of every dollar of income, while the poorest 40 percent, with 8.2 cents out of every dollar of income, live in destitution.¹² Although a middle-income country by third world standards, 70 percent of all Jamaicans live below the poverty line. The top 30 percent of our people earns and controls 79 percent of the national income. Of that 30 percent, the top 10 percent earns and controls close to 50 percent of all income.¹³

Jesus identified himself not only with the poor, but as one of the poor.

FOREIGN DEBT

13. In most developing countries, especially those that are non-oil producing, there has been a sharp escalation of foreign debt. The accumulation of this debt has not been short-term as was originally expected, but has become a long-term burden on third

world countries. Much of the accumulated debt has been caused by factors outside of the control of the developing countries: high interest rates, higher costs for imports and lower prices paid for exports. Yet, the cost of servicing this debt, because of conditions imposed by international financial institutions and the International Monetary Fund (IMF), is now being borne in a disproportionate way by the poor. Cutbacks in public sector spending stipulated by the IMF have had a negative effect on the quality of social services. Adequate health care is less accessible to the poor, the quality of education has deteriorated for their children,



and unemployment has increased. Manufacturing and agricultural output has declined because of imposed reductions of import quotas and tariffs; for example, production in the local shoe industry has fallen by 75.5 percent since 1976.¹⁴ The removal of subsidies on some essential food items has meant higher food prices, making it difficult for the majority of our people — especially those who are on fixed incomes or who have not seen their wages rise with the cost of living — to feed their families. In short, it is the poor who have been forced to bear the main burden of debt-servicing.

I.M.F.

14. The harshness of the IMF conditions has been recognised by all, including those who have had to implement these austerity measures. Speaking to the IMF/World Bank

Joint Annual Meeting in Seoul, Korea, in October 1985, Prime Minister Seaga accurately described the dilemma facing indebted nations:

The prevailing wisdom of these institutions, particularly the IMF, emphasises adjustment programmes through tight demand management. The result is severe austerity which, in the final analysis, cuts services and reduces growth. This austere path carries social and political costs which are often counterproductive to the final objective of achieving adjustment without sacrificing stability . . . It is as if the prevailing wisdom dictates that since there is no path of painless change, it matters not how painful the process may be. But, it does matter . . . ! It matters to the human element which in the final analysis is, in fact, the target of the adjustment programme. We do not adjust economic systems; we adjust the lives of people who make these systems work. It is short sighted in the least to ignore the human element.¹⁵

FLIGHT OF CAPITAL

15. The problem of debt-servicing is compounded by the flight of domestic capital. In most of the countries in Latin America and the Caribbean, the economic difficulties of the past two decades and the political and military violence that has resulted have created an atmosphere of instability and fear for those who possess wealth. Under these circumstances, many of those who have accumulated wealth have put a significant amount of it outside their own country, in investments and savings deposits in North America and in Europe. Wealthy Jamaicans have been no exception to this trend. Hundreds of millions of dollars have been taken out of Jamaica either directly, by underpricing exports, or through payments abroad for real estate and other transactions in Jamaica. This transfer of capital, much of which was produced by the labour of the poor, has robbed Jamaica of a good deal of the capital it has needed for investment and therefore weakened the development of our country.

16. Jamaica, like many other developing countries, earns its foreign exchange primarily from tourism as well as the export of agricultural products and mineral resources. The sale of these products must earn enough income to purchase those things from abroad that are not produced locally, for example, oil, manufactured goods, food and

textiles. The past twenty years have seen a sharp decline in the prices of our exports compared with the prices of our imported goods. This shift in prices has benefited our trading partners and has contributed to the growing inequality in the distribution of income worldwide. At the same time, an increasing percentage of scarce foreign exchange has been used for the purchase of luxury consumer items, while the amounts spent on raw materials and capital goods have decreased, leaving the productive sector with fewer resources.¹⁶

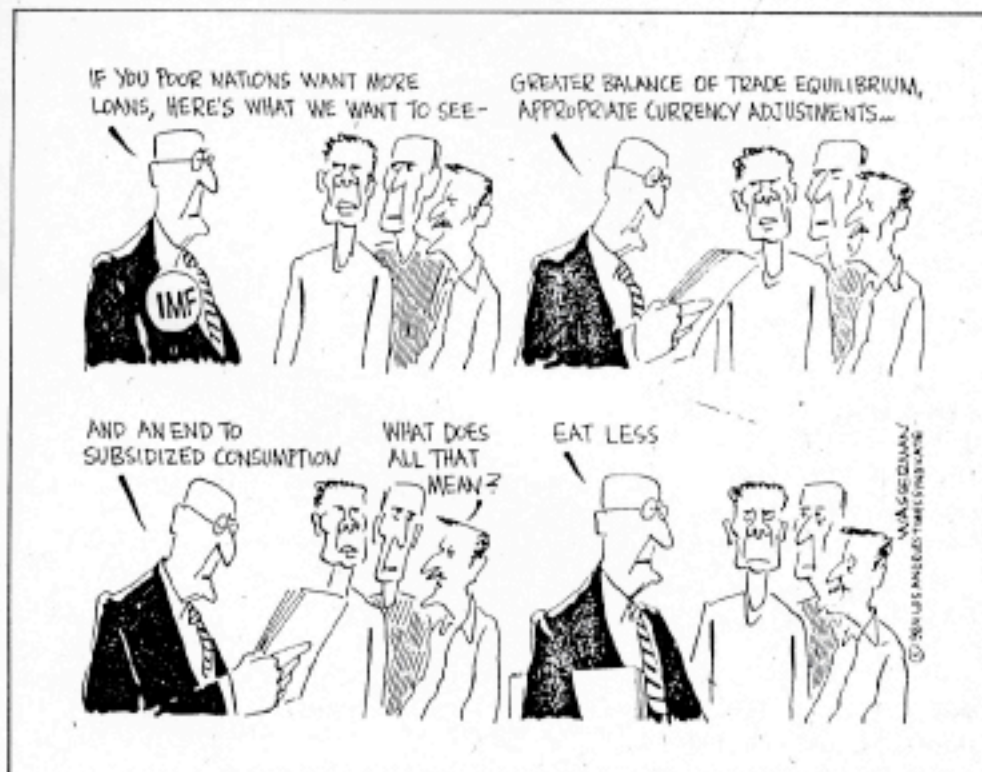
THE MULTINATIONALS

17. The growth of multinational corporations over the past twenty years has been phenomenal. These companies have operations around the globe, but their ownership and accumulation of profit is centered largely in the developed countries. Their vast size ensures their control of capital, markets and technology. Although the bauxite industry is now in decline in Jamaica, this was not always the case. In the years 1957-1970, Jamaica was the largest producer of bauxite in the world. During this period, the supply of inexpensive bauxite fed the rapid growth of multinational companies abroad. In recent years, however, a number of companies have found cheaper sources of bauxite, thus making Jamaica marginal to their global operations.

In short, it is the poor who have been forced to bear the main burden of debt-servicing

FREE ZONES & 807 SECTORS

18. The most recent development in foreign investment in Jamaica has been in the Free Zone and 807 sectors. Several thousand jobs have been created. These employment opportunities are welcome and needed. Nevertheless, the fact that these facilities are subsidized by the public sector, have tax-free status, and import almost all of their input, with only low wage labour being supplied by Jamaica, severely limits their potential contribution to the overall economy. The low wages paid to the workers deny them a decent standard of living and in effect subsidize North American consumers, who are able to purchase products inexpensively.





has encouraged a significant flow of much needed foreign aid in this difficult adjustment period. We must build on these accomplishments.

INCOME REDISTRIBUTION

21. The inequality of global income distribution must be reduced. Rich nations must respond generously with aid and the transfer of capital and technology. The guiding principle in these matters must be the full human development of all peoples, especially the poor, and not only the maximizing of profit. We must hear again the words of *The Development of Peoples*, quoting St. Ambrose:

If someone who has the riches of this world sees his brother in need and closes his heart to him, how does the love of God abide in him? . . . You are not making a gift of your possessions to the poor person. You are handing over to him what is his. For what has been given in common for the use of all, you have arrogated to yourself. The world is given to all, not only to the rich. (*The Development of Peoples*, #23)

22. Any call on the rich nations to share their wealth would lack credibility if it ignored the very wide gap between rich and poor within our own country. That 10 percent of the people in Jamaica receive almost 50 percent of the income, while 70 percent live below the poverty line, makes manifest the grave inequality and injustice in our land. Does the parable of Dives and Lazarus not apply to us? (Luke 16:19-31). Do the words of Jesus, "For I was hungry and you gave me food; I was thirsty and you gave me drink; . . . naked and you clothed me . . ." (Matthew 25:35-36), not apply in Jamaica today?

23. To narrow the gap between rich and poor, there must be a more equitable distribution of wealth. For this to take place, the limits of the right to private property, so clearly stated in *The Development of Peoples*, must be recognized:

. . . private property does not constitute for anyone an absolute and unconditioned right. No one is justified in keeping for his exclusive use that which he does not need, when others lack necessities. (*The Development of Peoples*, #23)

Government should find encouragement from all of us for whatever measures it takes to redistribute the wealth of our nation.

THE DEBT - WHOSE BURDEN

24. The burden of the external debt must not fall disproportionately on the shoulders of the poor. Without ignoring the validity of our contractual obligations, no reading of Scripture would oblige hungry people to starve themselves or their children simply to honour contractual obligations to repay rich people and institutions. The primary obligation for the repayment and servicing of our present debt lies with those who have more than what they need, not with the poor. It is this fundamental principle which should influence negotiations between poor countries and international financial institutions in the choice of policies adopted for economic adjustment. Where debt-servicing is denying the poor their livelihood, as is the case in Jamaica today, a moratorium on debt service payments, or limiting them to levels that do not jeopardise the poor, would be morally responsible. Poor countries should not be made to impose conditions that shift the burden of the debt to the poor, either by decreasing government expenditure on health, education and welfare, creating redundancies, or deregulating food prices. Steps should be taken to strengthen the efforts of debtor countries and formulate solutions that are responsible to the poor.

UNDERMINING GROWTH

25. Economic growth cannot take place without the investment of capital. When capital is taken out of the country, as has been the case in Jamaica over the past twenty years, the potential for growth is undermined. *The Development of Peoples* recognised the seriousness of this problem and addressed it bluntly:

It is unacceptable that citizens with abundant incomes from the resources and activity of their country should transfer a considerable part of their income

No one is justified in keeping for his exclusive use that which he does not need, when others lack necessities.

abroad, purely for their own advantage, without care for the manifest wrong that they inflict on their country by doing this. (*Development of Peoples*, #24).

Those who possess capital must recognize that it must be used for the common good and they have no right to transfer abroad, for private gain, capital that is needed for the development of the country.

"FREE" TRADE

26. The benefits of foreign aid are illusory if they are nullified by inequitable trade relations between nations. Although these unequal relations operate under the myth of "free" trade and a market that decides fairly, the fact is that the market is controlled by and operates in the interests of the rich. In 1967, *The Development of Peoples* concluded that

the rule of free trade, taken by itself, is no longer able to govern international relations . . . Prices which are "freely"

set in the market can produce unfair results . . . An economy of exchange can no longer be based solely on the law of free competition, a law which, in its turn, too often creates an economic dictatorship. Freedom of trade is fair only if it is subject to the demands of social justice. (*The Development of Peoples*, #58, 59)

And again *The Development of Peoples* said that

in order that international trade be human and moral, social justice must restore to the participants a certain equality of opportunity. This equality is a long-term objective, but to reach it, we must begin now to create true equality in discussions and negotiations. Here again, international agreements on a wide-scale would be helpful: they would establish general norms for regulating certain prices, for guaranteeing certain types of production, for supporting certain new industries. Who is there who does not see that such a common effort aimed at increased justice in business relations

WHY DO YOU ENCOURAGE US DEVELOPING COUNTRIES TO EXPORT FOOD WHILE WE, THE POOR, STARVE?



EFFICIENCY!! JUST THINK OF THE WORLD AS A GIANT GLOBAL SUPER MARKET! THE FOREIGN...



MULTINATIONALS ARE PRODUCERS OF THE GOODS, THE FOREIGN COUNTRIES ITS CONSUMERS!!



BUT WHAT ABOUT WE THE POOR HERE, WHAT ARE WE IN THE GLOBAL SUPER MARKET?



YOU KNOW THE PEOPLE WHO CARRY GROCERIES FROM THE STORE TO THE PEOPLES CARS?..





workers to live above the poverty line, which is not now the case for the majority of Free Zone workers. To ensure fair representation of the interests of the workers, they should be allowed to exercise their God-given rights to freedom of speech and association and their democratic rights to be members of a trade union if they so desire. Without the guarantee of such fundamental rights, we risk allowing in our midst the creation of a new form of slavery.

TRANSFORMING SOCIETY

29. The transformation of society to meet the basic needs of the poor must involve everyone and most importantly the poor themselves. It is the task of the Church, government, the private sector and labour, development agencies and all those with access to wealth and power to put at the disposal of the poor all of the resources — human, organizational, technical and material — necessary to stimulate this process of changing society to meet the needs of all. The private sector should encourage the participation of all of its workers in decision-making. Cooperatives and community organizations that allow the equal participation of all must be encouraged. The plight of the poor and the building of a just society are the responsibility of all: every Church congregation, every business enterprise, every union, every professional and community organization should ask, "What are we doing for the poor?" "Are there ways that we might more generously respond?"

between peoples would bestow on developing nations positive assistance, the effects of which would not only be immediate but lasting; *The Development of Peoples*, #61)

To put these principles into action, Jamaica, in conjunction with Caribbean and other third world countries, should take leadership in renewed efforts to negotiate fair prices for export commodities. Care should be taken to ensure that the myth of "free" trade does not in fact destroy local manufacturing and agriculture, to the benefit of foreign interests. Similarly, the pricing of services, principally tourism, must be pro-

All persons have a right to an income which is sufficient to provide for their own basic needs and those of their family.

The plight of the poor and the building of a just society are the responsibility of all.

tected. Negotiations with other Caribbean nations should ensure that the potential benefits that might result from tourism are not reduced by cut-throat competition which deprives countries of the region of a fair return for their services.

ACCOUNTABILITY

27. Although the investment contribution of multinational corporations is welcome and needed, these companies must be made accountable for their actions. Third world governments must establish and enforce laws that the losses from foreign investment do not substantially outweigh the benefits. Renewed efforts should be made under the auspices of the United Nations to negotiate a code of corporate conduct that protects the interests of third world countries.

28. Concerning the Free Zone and 807 sectors of the economy in particular, companies should not be allowed to employ our people at wage levels that keep them in poverty. All persons have the right to income which is sufficient to provide for their own basic needs and those of their families. Wages should be sufficient to allow



CONCLUSION

30. The twentieth anniversary of the publication of *The Development of Peoples*, coinciding as it does with the twenty-fifth anniversary of our nationhood, provides an opportunity for us to reflect on the development of our country. The resurrection of Jesus allows us to look with hope upon the cross being borne today by Jesus in the poor. Our hope is that the conditions of the poor and the cause of poverty will be eliminated if we allow His love to become incarnate in our lives and in our world. We are called, each one of us, to be transformed and made new in His love. Jesus came to take away the sins of the world so that all peoples of all nations, but especially the poor, might experience the healing, redemptive and developmental power of His love. All Christians and persons of good will are called to participate in building the Kingdom of God, a Kingdom which sees to our... complete

development and the development of all mankind. The words of *The Development of Peoples* apply no less today than in 1967:

All of you who have heard the appeal of suffering peoples, all of you who are working to answer their cries, you are apostles of a development which is good and genuine, which is not wealth that is self-centered and sought for its own sake, but rather an economy which is put at the service of man, the bread which is daily distributed to all, as a source of brotherhood and a sign of Providence. (*The Development of Peoples*, #86)

The appeal of those who suffer, an appeal that Jesus made his own, invites each one of us to intensify our efforts to bring about the development of our country and our world, so that the way we share God's creation will make manifest among us the Spirit of the Living God.



REFERENCES

(i) Carl Stone, *Democracy and Clientelism in Jamaica* (New Brunswick, New Jersey: Transaction Books, 1980), pp. 55-52, 54. Stone sets the poverty line for urban dwellers at \$50 a week and for rural dwellers at \$30 a week (1977). Incomes below these levels represent a purchasing power insufficient to sustain a reasonable standard of balanced nutrition, adequate clothing, satisfactory housing, and child care and discretionary income for minimal leisure. In 1985, the average weekly earnings for male workers were \$86.90 (the equivalent of \$14.00 in 1975) and for female workers \$68.30 (the equivalent of \$11.00 in 1975); cf. Planning Institute of Jamaica, *Economic and Social Survey - Jamaica 1985* (Kingston: Planning Institute of Jamaica, 1986), p. 16.2, Table 16.1.

(ii) Derick Boyd, "Stabilization Policies and Income Distribution in Jamaica, 1972-1985" (Kingston unpublished manuscript, 1986), p. 32.

(iii) Deanna Ashley and Kristen Fox, "Report of Health Status Survey, 1985" (Kingston: mimeographed document of the Ministry of Health, 1985); cf. Deanna Ashley and Kristen Fox, "A Discussion Paper on the Effect of Food Availability, Consumption and Economic Factors in Nutrition and Health Status on the Jamaica Population" (Kingston: unpublished manuscript, 1986), p. 6.

(iv) K.L. Roache, *Food System/Food Security/Food Policy*, report prepared for Economic Commission for Latin America and the Caribbean (ECLA) and the Food and Agricultural Organization of the United Nations. Roache derives his statistics from unpublished Ministry of Health data; cf. Omar Davies and Michael Witter, "Food Security in Jamaica in the 1980s and Beyond" (Kingston: unpublished manuscript prepared for the Caribbean Food and Nutrition Institute, 1986), p. 24, Table 9.

(v) Planning Institute of Jamaica, *Economic and Social Survey - Jamaica 1985*, p. 16.7, Table 16.8 states that the rate of unemployment in October 1985 was 25.6 percent.

(vi) *Ibid.*

(vii) National Planning Agency, *Economic and Social Survey - Jamaica 1962* states that the

rate of unemployment in April 1972 was 23.6 percent. The 1986 statistic is from Noel Cowell, "Free Trade Zones: The Garment Sector and their Impact on Women in Jamaica" (Kingston unpublished manuscript JTURDC, 1986), p. 17.

(viii) Patricia Anderson, "The Demographic Basis of Social Instability in the Caribbean of the Eighties" (Kingston: unpublished manuscript prepared for workshop on Peace, Development and Security in the Caribbean Basin: Perspective to the Year 2000, March 22-25, 1987), p. 19.

(ix) Derick Boyd, "The Impact of Adjustment Policies on Vulnerable Groups: The Case of Jamaica, 1973-85" (Kingston: unpublished manuscript, 1986), p. 33.

(x) Planning Institute of Jamaica, *Economic and Social Survey - Jamaica 1984, 1983, 1982, 1981, 1980*; Ministry of Finance and Planning, *Financial Statements and Revenue Estimates for 1985-86*; cf. *Ibid.*, p. 30.

(xi) The World Bank, *World Development Report 1985* (New York: Oxford University Press, 1986), pp. 149, 151, 174. There are no statistics in this report on the level of consumption of East European second world countries.

(xii) H. Nissen, "Income Distribution and the Third World" *Economics*, vol. 29 (1984), 42-69; cf. Omar Davies and Michael Witter, "Food Requirement in Jamaica: An Analysis and Some Policy Issues" (Kingston: unpublished manuscript, 1986), p. 12. Nissen's work ranks Jamaica fourteenth from the top (most unequal) in a set of countries worldwide.

(xiii) Carol Stone, *Democracy and Clientelism in Jamaica*, p. 54; also Carl Stone, "Attacking the IMF", *The Daily Gleaner*, February 11, 1987.

(xiv) Quoted from Paul Thomas, President, Jamaica Manufacturers Association, *The Daily Gleaner*, December 18, 1986, p. 3.

(xv) The Rt. Hon. Edward Seaga, *Adjustment at a More Human Pace*, Address to the IMF/World Bank Joint Annual Meeting, Seoul, Republic of Korea, October 9, 1985, pp. 1-2.

(xvi) Bank of Jamaica *Economic Bulletin*, vol. 1, no. 4, (September 1986), 12.